



NEWSLETTER 001.

August 2013



IT'S A PRIVILEGE

to be writing up my contribution for the first AVOCO newsletter. The combined efforts of the Primor and Southern Produce teams have seen quite a remarkable occurrence take

place, possibly unprecedented, where two fierce rivals saw the sense in joining forces and moved beyond a simple supplier grouping to a "real deal" single mission marketing organisation.

The outcome is The New Zealand Avocado Company Ltd, known as AVOCO, it's arrived and I'm proud to be part of it.

I would at this stage like to acknowledge the efforts of Hugh Moore and the Team Avocado Trustees for their ongoing unpaid efforts and leadership guidance on where we are taking their organisation, John's Primor grower group also, thanks for sharing our vision.

The Markets

AVOCO has already formulated our first market plan and spoken to our key customers. It can be stated without any exaggeration; we are sold out for the 2013 season, lock, stock and barrel.

This sales position gives us a solid and secure commencement of activities and the forecast for the season is exciting.

In Australia we have a retail direct program of a magnitude that breaks all previous records and without the combined supply of Primor and Team growers, it would have been impossible to put the offer together. AVOCO has a strong backing from our premium wholesalers and the combination of market opportunities is eye wateringly exciting for an Avocado marketer, and I speak for the whole AVOCO export crew when I make that claim.

In the other markets AVOCO is the largest supplier to AVANZA with some 75% of the supply, and we are passionate about



AVANZA's "developing market role" in what we do. There are some big improvements in the AVANZA marketing program this season and we will fill you in on these in more detail at the up and coming roadshows in September.

In closing, I applaud the Primor crew, Primor growers, and John Carroll in particular for being in-tune with this opportunity and for being so passionate about making AVOCO work.

All AVOCO growers will see great benefit from this joining of forces.

See you all in September.

Alistair Young,
Team Avocado/Southern Produce Ltd

GROUNDBREAKING & EXCITING...

John Carroll



From Primor and my own perspective, the development of AVOCO is exciting. Looking back nine months to a point when this had not been a consideration, it is truly amazing what has happened. Without breaking down all the detail, an immense amount of work and discussion has taken place to allow AVOCO to evolve and solidify. The numbers of people, be they Growers, Staff of the two companies, - Southern Produce and Primor - or business partners who have provided energy and support to allow the idea to become a commercial reality are large, and to all of you I just say a wholehearted “thanks”.

This new development is built on respect and marries up two successful businesses and their people to make an even stronger one. This is not a “nice to have” or an experiment, it is real and robust. The time it has taken to knit together the detail is testament to the care and thinking required to build something of such magnitude. When we considered eighteen months back as an Industry how we could make ourselves stronger and be able to compete with the World while providing our Growers better surety of profitability and sustainability, little did we know AVOCO could happen and provide the answer. It is heartening to see the new Grower support connecting with our project and make no mistake, this is groundbreaking.

In recent weeks we have seen the creation of the AVOCO Board of Directors, made up of two marketers, Alistair and I, alongside two elected Grower representatives, Hugh Moore and John Schnackenberg. Beyond that, we have had the inaugural meeting of the AVOCO Grower Committee, an elected group of ten Growers spread through the growing regions, as well as the first AVOCO Packer meeting. The calibre of people involved is great, noting there are several ex Industry Chairmans in the number.

As with Alistair, on a personal level I find this all somewhat humbling and something rightly to be proud of. We face a very promising first year with the supply and market dynamic ahead as Alistair has commented on, and I am sure AVOCO will impress Growers with its performance this coming season. Yet we have not set AVOCO up just for nice scenarios like this year; the grunt and relevance of AVOCO is about bigger and better NZ crops in future years, and that is what Growers need to understand and feel passionate about. AVOCO will of course remain the backbone of our AVANZA efforts beyond Australia. In my view, now we have combined the Team and Primor business and supply, no other Exporter option will come close to our vision, our balanced decision making and our results. This is a bright light for our whole Industry.

Personally, I am in Europe for most of August, and back at the beginning of September for the start of export. Then there will be Grower roadshows, there is the Australian-New Zealand Conference in Tauranga from September 9-12, for which AVOCO is the chief sponsor, and plenty more. We can't wait to begin the harvest and marketing programme.

**John Carroll,
Primor Produce Ltd**



TEAM TRUST

Hugh Moore



Well we are there! Two major export groups and their Exporters and Packers working together in a common goal.

A lot is happening amongst the ranks of staff, putting the finishing touches to this combined operation. No doubt there will be some complexities that will need fine tuning once we start making sure the Grower monies flow equally to the Grower entities.

As a Director it is pleasing to see such commitment from the Southern Produce and Primor staff to achieve our goals. This involves melding together of different skill sets together with a sharing of responsibilities.

The Grower Relationship Committee has had its first meeting with representatives from Primor and Team Growers, including myself. John Schnackenberg and I will be working together as Directors with this important Committee to get the pool policies in place that drive the common AVOCO Pool responsibilities.

It is a very exciting time to be a part of a collaborative marketing organisation that will become a model for other industries. I cannot wait to see the rewards for Growers as we move forwards.

Hugh Moore





OUT IN THE PADDOCKS

Colin Partridge & Jerome Hardy

Avocados have an interesting sex life; while flowering takes place over an extended period, each flower opens twice on consecutive days, first as functionally female and then male on the next. Researchers have told us that successful fruitset is then dependent on good pollen transfer (primarily by bees) and minimal environmental stresses such as low temperatures or water shortages during flowering.

Bees: To optimize your chances of set, you should make plans to introduce 4 – 6 hives per hectare into your orchard for the duration of the flowering period.

You then have to hang on to those fruitlets. A pretty succinct summary of ways to do this is given in the book 'The Avocado. Botany, Production and Uses':

- Minimising stress
- Use of potent pollenizers
- Use of Growth retardants

Stress: A very short reminder that if you have not treated your trees against rootrot this year, it is better to do so late than never.

Heavy flowering increases the tree's surface area for water loss considerably. This is likely to occur especially in the Whangarei area this year and if you have irrigation, please check soon that it is working and ideally have a means of scheduling your irrigation cycles installed and/or serviced. (eg tensiometers). Note: if you have 'Irrrometer' tensiometers, they have to be vacuum pumped regularly to work well. It doesn't matter whether you have two or five hundred tensiometers, you still need one pump.

It is not easy to warm orchards artificially, but short grass or bare earth is known to hold more heat than a long, dense grass cover. Also take a look at air movement and if possible, make it easier for cold air to drain from your orchard, by 'limbing'

some shelter trees on the downwind side for example. Some growers may even consider buying wind fans.

Pollenizers: Thankfully many growers have begun to heed the message that pollenizers do often pay their way under NZ conditions. If you have trees to be thinned or have identified some that can be converted to pollenizers, staghorn these trees in September or October so that some of the regrowth suckers can be topworked next January/February.

Look after your leaves: The leaves directly behind the flower panicles are the ones that initially support the developing fruitlets and also donate some of their mobile boron to the flowers. Mites are a big enemy of leaf health. Pest-monitor regularly and address low levels of mites with 0.5% oil and Avid/Verdex. When mite and mite egg populations start increasing (ie growing percentage in the 5-10 and 10+ categories) then apply a Paramite. Many orchards have had to apply a Paramite earlier than normal this year after a mild winter. If using Paramite please remember 3 important considerations:

- Paramite should be applied early in the population growth phase and as soon as rapid growth is observed. Do not wait until the problem is critical as Paramite only sterilizes the mites and kills eggs and so the population will take up to a month to decline.
- The with-holding period of 63 days for our key market Japan, and
- Remember to only apply one Paramite a year to avoid resistance.

If you have a nutrition program recommended, try and stick to it as timing of inputs is relatively important.

If you had low leaf boron results in your April/May analyses (less than 25ppm), you should consider a foliar spray of

Solubor at 80g per 100 litres water at the open cauliflower stage. Alternately, sampling some flower panicle clusters (request only a boron analysis) at the tight cauliflower stage gives even more insight – if boron levels are less than 60ppm, definitely foliar spray at least one Solubor.

Growth retardants: Sunny and Payback are registered for use on avocados but both are only suitable to healthy blocks. For more information contact your consultant/advisor.

Avocados are also pretty unique in that young fruitlets have stomata, which means like leaves they can lose moisture, plus cell division in the fruit pulp never stops while the fruit is on the tree. They are also extravagantly nutritious and the oil they contain requires a lot of energy to produce. This all means that it is not only the fruitset stage that is important, but addressing the issues listed above throughout the growing season will help to develop well sized fruit and help set trees up for a repeat crop the next year.

Finally, regarding technical aspects of the AVOCO business:

Fruit Age and Quality in Japan: In order to keep fruit age at a minimum, and fruit quality at a maximum, AVANZA will be striving for a shortened pick to ship timeline for Japan fruit. With vessel loading cut-offs on Tuesday 5pm for Northland fruit sent to Auckland (Metroport) and Wednesday 5pm for BOP fruit, there is now heightened emphasis on the Fri-Sat-Sun-Mon period to pick and pack fruit for Japan. Add to this the Japanese requirement for 30 count fruit and it looks like the Grower's and Packer's weekend will cease to exist. Seriously though, while shipping schedules remain as they are, we have no option. Our Japan program is short (all but finished by December) and this is a demanding market that offers no runner-up prizes.

Food Safety, with-holding periods and residue-testing:

As we write this newsletter the negative publicity around Fonterra products is unfolding to the dismay of all primary producers in New Zealand. However, there is the hope that it will ultimately turn into a positive message for the New Zealand origin; that we are prepared to put transparency and consumer safety ahead of our own discomfort. For us as Growers, Packers and Exporters it is a painful reminder that we have to be meticulous with all aspects of food safety and that the cost of an incident would be heavy. A conscientious effort is required throughout the supply-

chain to protect our brand and this is important for all markets, though the Japanese are especially sensitive.

So, some important reminders:

- Please ensure your orchard food safety program is brought up to date. Your Packer internal Auditor will be making contact with you to arrange an audit prior to harvest.
- All AIC and AVANZA withholding periods must be followed.
- For chemicals which present a higher risk of residue, the AIC withholding periods are superseded by longer AVANZA withholding periods. The high risk chemicals are Attack, Diazinon, Lorsban, and Mavrik. Please contact your Packer representative if you need more information.
- There is no tolerance for any residue from Attack and/or Mavrik on fruit being packed for Coles and a minimum WHP of 120 days must apply for both chemicals. Also any fruit sprayed with Attack or Mavrik must be residue-tested before being packed for Coles.
- Fruit sprayed with Orthene must not be packed for any AVANZA markets.
- For the first four vessels, ALL growers destined for Japan must be residue-tested prior to picking irrespective of withholding periods and chemicals applied. Packer representatives will coordinate the residue-testing.
- Please note pre-harvest residue testing is particularly important for crops where high-risk chemicals have been applied at high (3x) concentration OR twice or more in close succession (ie back-to-back sprays).
- If all goes well for those first four vessels, Packers revert to residue-testing high-risk fruit only, provided the fruit meets the withholding period requirement. This applies to all AVOCO markets.

Please do not hesitate to contact us should you wish to discuss any of the above. We wish you the very best for the 2013/14 season.

Colin Partridge (027) 270 7219

Jerome Hardy (027) 233 4380

APATA / PRIMOR GROWER COMMITTEE

John Schnackenberg



It's a pleasure to represent Apata and Primor Growers on the AVOCO Grower Committee and as a director on the AVOCO board. While I continue to enjoy the opportunity to work with the Team 'players' at the industry political level, to now be working together in the commercial arena representing such a large slice of New Zealand production is definitely taking it to a new level.

I am certainly very excited about the new opportunities that such collaboration and consolidation will bring to us Growers. This in all AVOCO markets and with all the brands including AVANZA that will be utilised. This is year one, there is much to bed down and learn but I am certain that consistently well managed, it is this commercial model that will have a major part to play in delivering long term sustainable returns to growers. I look forward to being part of this success story working for Growers.

John Schnackenberg



FAR NORTH PACKERS

Tom Clark

Hi all,

The coming together of the two top exporters is a momentous event in NZ Avocado history. Far North Packers are delighted to be part of it and proud of our status as an exclusive AVOCO Packer. The initial AVOCO supplier meetings have been enjoyable and it is good to see Team and Primor Growers getting on well.

In the Far North we have had a slower start than usual due to lagging dry matter maturity levels, but packing is progressing and the early local market season prices have been robust up until last week.

So far the fruit quality over the grading table has been very good and I expect this will carry on through export. A reminder to all Growers that a pre-harvest quarantine spray will help to minimise DAFF (Department of Agriculture, Forest and Fisheries) pest intercepts for fruit going to Australia. FNP will have at least two DAFF inspections a week once export kicks off and any intercept will require fumigation of the entire inspection lot, which can span containers and quickly become very costly to the pool.

While clean and pest free fruit is the goal, please watch out for the withholding periods/maximum residue limits for all export and local market harvesting. Most Growers picking for AVANZA will require pre-harvest residue testing and chances are that your fruit is more likely to be tested during the season than not. Please contact us if you would like more information on this.

We are now counting down to export. Not long to go now.

Best Regards,

Tom Clark

GOLDEN MILE

Brett Jeeves

Hi folks,

Well, a big applause must go out to Alistair Young and John Carroll for having the foresight to create the concept that has led to the development of AVOCO. I believe this is the best thing the New Zealand Avocado industry has seen in all the years I have been involved, and the much more stable environment this will produce will be great for us all well into the future. We now have two of the best marketing organisations in the country working together and pooling resources and the strength of this is already showing benefits.

On a different note, us here in the Mid-North are facing what can only be described as a dismal season, but I must say that the Growers I have talked to recently are all showing a brave face and are as prepared as possible for the tough times ahead. We definitely have our fingers crossed that this coming spring shows some reasonable temperatures, one thing is for certain, the trees are bursting with stored energy and ready to go.

This lack of crop also poses some problems as it's way harder to organise flow for a minimal crop than it is for a reasonable crop, so those of you who are exporting, we ask that you bear with us as Louise and Graeme are currently working through ways to manage the picking to provide some efficiencies for us all.

Finally, I'd also like to thank everyone else that has been involved in the creation of AVOCO as I know it's been a huge job putting it all together.

Good luck to everyone for the season ahead, and for those of you that can make the Industry conference, it sounds like the AVOCO stand is going to be the place to hang out... great coffee apparently.

Cheers

Brett Jeeves

AEROCOOL

Peter Sneddon

Another export harvest season is fast approaching, for which Aerocool plans to start packing on the 7th September. The Aerocool laboratory is currently monitoring fruit dry matter development and we already have a number of orchards meeting the 24% fruit dry matter harvest standard, while the majority of orchards monitored to date are getting close. As Fonterra have just shown us - quality assurance and food safety are critical to our export customers, and as part of this we have already started the residue testing programme and follow up of orchard spray diaries. So please maintain an up-to-date spray diary on the AIC website (www.nzavocado.co.nz). Spray residues and withholding periods are a real issue, particularly in the front end of the season. So please be careful with any spray choices, and pay close attention to the withholding periods by market for the various sprays, so that your intended harvest date is not disrupted by spray withholding periods.

We would like to congratulate both Alistair Young and John Carroll on the formation of AVOCO. Bringing the two biggest exporters into Australia together as one joint venture has been a mighty effort and we look forward to seeing the benefits of reduced in-market competition between NZ Exporters and improved Grower returns.

From the management and staff at Aerocool we wish you happy picking, great packouts, and even greater payouts.

Peter Sneddon



KAURIPAK

Linda Flegg

It's business as usual here, with preparation for the coming season on track. We are excited to be a part of the Avoco team, and endeavour to assist in all ways possible to ensure that the logistical operation runs like a well-oiled machine.

It's pleasing to see our export estimate rising with the influx of growers joining the Trust which proves that the

wider grower group acknowledges the strengths that Avoco will bring to our industry.

Good luck to everyone involved for the coming season and be confident that the Avoco ship has fantastic captains!!

Linda Flegg

TREVELYAN'S PACK AND COOL

Daniel Birnie

Trevelyan's Pack and Cool is welcoming the consolidation that is occurring in the Avocado Industry. The formation of AVOCO should ensure a long term sustainable future for avocado growers, with higher returns and new market development.

With a sizeable crop to pick and pack this year, it is encouraging to hear that the export markets are looking

favourable. Here at Trevelyan's we will be working closely with our growers to manage the flow of fruit, to aid AVOCO to extract the best value possible.

We wish AVOCO and all Avocado growers well for the coming season.

Daniel Birnie

APATA KATIKATI

Jim Tarawa

The team at Apata are busy preparing for the start of our export harvest in five to six weeks time and the anticipation is also building amongst our first growers in the pick schedule. Crops are looking very clean and to date most growers are pleased with the quality of fruit on the trees. We have had the odd report back of pest levels on the increase which we will watch carefully and hopefully our spring equinox doesn't dish up too many windy days.

We are particularly impressed with the AVOCO marketing and Flowplan that has been presented to us by Primor & Southern Produce. The opportunity for our growers to be part of this integrated supply chain which includes the majority of the key offshore customers that partners a New Zealand grower base from all the regions is quite an achievement and I would hope is a very compelling reason for those currently outside our collective camps to come on board!

Jim Tarawa





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