



2017

## Country Profile: New Zealand

Producer country profile produced by *CIRAD, The Centre De Cooperation International En Recherche Agronomique Pour Le Développement*.

## Producer country file

# The avocado in New Zealand

*by Eric Imbert — Our sincere thanks to NZ Avocado*

New Zealand, the only significant Hass exporter country in the Asia-Pacific zone, has become within the space of a few years one of the top ten players on the world avocado market, on the strength of the development of the Australian market. Production, which was around 40 000 t in 2016-17, is based on a cultivation area of approximately 3 750 hectares, concentrated for climatic reasons in the northernmost part of the country. The industry, comprising a wide production base, very much structured around the “Avocado New Zealand” organisation, has implemented an ambitious plan to become a central player on the strongly developing Asian markets, taking advantage of its logistical & phytosanitary assets and a qualitative excellence plan.



© NZ Avocado - Matahui

## Avocado – New Zealand

### Location

Only the northernmost zones in this country situated below a latitude of 30 degrees south, with low winter temperatures and frequent frosts in spring, are suitable for this crop of tropical origin. Hence the 3 750 ha avocado cultivation area is concentrated in the northern half of the Northern Island. Bay of Plenty alone accounts for 60 % of surface areas, mainly in its west zone (particularly near Tauranga). The bulk of the remaining crops is situated in the Northland region (approximately 20 % of total surface areas in the Mid North in the district of Whangarei, and 14 % in the Far North district near Kaitiaki). The southern and northern parts of the production zone have very distinct characteristics, in terms of both production facility and soil type. In the south (Bay of Plenty), the orchards are rather small in size (2.2 ha on average), often owned by non-specialist producers, sometimes with a view to diversification from the zone's chief crop, the kiwi. The size of the orchards increases further to the north (4.1 ha in the Mid North and 8.4 ha in the Far North, where companies farming solely the avocado can be found). Similarly, the soils differ. They are volcanic and well-drained in the Bay of Plenty, more clayey and heavier in the Mid North, and sandy in the Far North. The rainfall is around 1 200 to 1 600 mm in the production zone, with irrigation recommended especially in the Far North.



**Avocado – New Zealand**  
Planted areas in 2015-16 (in hectares)

|                      |              |
|----------------------|--------------|
| <b>Far North</b>     | <b>523</b>   |
| <b>Mid North</b>     | <b>817</b>   |
| <b>Bay of Plenty</b> | <b>2 249</b> |
| <b>Others</b>        | <b>159</b>   |
| <b>Total</b>         | <b>3 748</b> |

Source: NZ Avocado



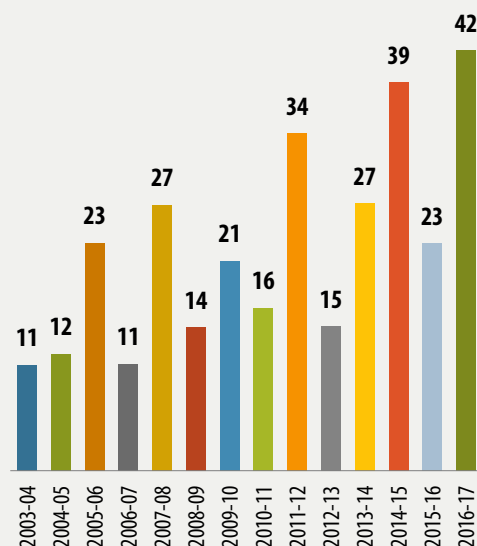
## Avocado – New Zealand

### Production

The crop goes back a relatively long time (first plants introduced in 1919), but it only really took off in the mid-1990s with the development of exports to Australia. Production, still less than 10 000 t in the late 1990s, exceeded 40 000 t in 2016-17. This dynamic should continue, the stated objective being to triple the industry's turnover and quadruple productivity and exports between 2014 and 2023. On the one hand, the profession has undertaken major organisational efforts, bringing together under the entity "NZ Avocado" the NZ Avocado Growers' Association and the Avocado Industry Council (body officially recognised by the authorities for overseeing exports). This more solid structure now encompasses a very high proportion of the country's broad production base (more than 1 300 producers). On the other hand, a deliberate development approach has been implemented with the "Avocado Go Global" plan, funded in equal parts by professionals and the government. This programme is based on five pillars, the two main ones being development of sales on the local and diversification Asian markets, and increasing yields and yield regularity (less than 8 t/ha on average for the past four years, with a very wide range of between 6 and 11 t/ha). Avocado New Zealand provides its members with technical support (research and development, promotion of local sales), and has developed close international collaboration with equivalent institutions, especially in Australia.

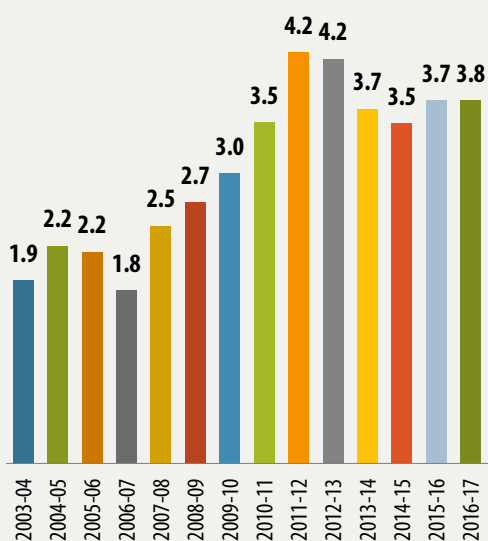
#### Avocado - New Zealand - Production

(in 000 tonnes / source: NZ Avocado)



#### Avocado - New Zealand - Planted area

(in 000 hectares / source: NZ Avocado)



## Avocado – New Zealand



Avocado – New Zealand – Harvest calendar for a high potential season

| Variety | J | A | S | O | N | D | J | F | M |
|---------|---|---|---|---|---|---|---|---|---|
| Hass    |   |   |   |   |   |   |   |   |   |

Source: NZ Avocado

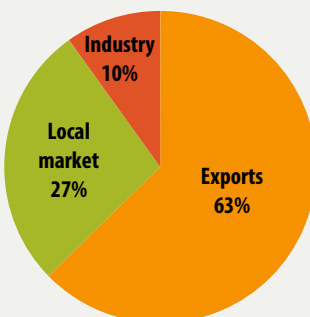
### Production calendar and varieties

Production is based practically exclusively on Hass (95 % of volumes), the only variety approved for export. The most common green varieties are Fuerte and Reed (some plantations set up for the local market). "Hass like" varieties are under development (Carmen, Maluma and Gem). The Far North is the earliest zone.

### Outlets

While exports are by far the leading outlet for New Zealand's production, absorbing two-thirds of production, the NZ market is nonetheless significant. Local sales are under constant development, especially thanks to the promotions conducted by New Zealand Avocado. These actions are funded by a parafiscal tax of 3 % on the price at the shipment stage, levied on all fruits sold in the country. Consumption per capita has gone from 250 g in the early 1990s to approximately 1.5 to 2.3 kg per year, depending on the (high) alternate bearing phenomena. Working on the development of this outlet is a strategic avenue given the expected growth of production (targeting a near doubling of the turnover made locally between 2016 and 2023), though still bearing in mind that the country's population is just 4.5 million. The share of production reserved for processing is significant, in order to use the significant sorting waste caused by the severe qualitative selection policy for the export sector. This industry is also positioned in a top-end segment, producing high-quality edible oil by cold-pressing (modified olive presses) using healthy raw material. It is backed up by an active research sector.

Avocado - New Zealand  
Outlets (source: NZ Avocado)



# Avocado – New Zealand

## Exports

The country's export industry was built around the Australian market in the early 1980s. NZ professionals were able to draw on their phytosanitary assets (absence of Sunblotch virus and Mediterranean fruit fly) to break through onto this big market (approximately 24 million inhabitants today) which is close at hand (less than one week by sea). Exports, which neared the 30 000-t mark in 2016-17, are still 80 % aimed at this destination. However, diversification of the outlets has become a strategic avenue to cope with the expected production boom (objective of quadrupling exports by 2023) and with increasing competition in Australia (expected local production boom in Western Australia, which has a similar harvest calendar, and probable forthcoming market entry of South American suppliers, including Mexico). The emphasis is placed on the Asian markets, nearby and enjoying a high growth potential, and which absorbed approximately 15 % of volumes in 2016-17. Japan, an open market since 2001-02, remains the number one outlet in the Asian zone (5 to 7 % of the total volumes for recent years). Nonetheless, shipments to South Korea, Singapore and Thailand are seeing steep growth. Negotiations aimed at opening up the Chinese market could conclude shortly. The majority of fruits aimed at this geographic zone are sold under the AVANZA brand, jointly operated by the three leaders until 2015-16 (the smallest leaving the system in 2016-17).

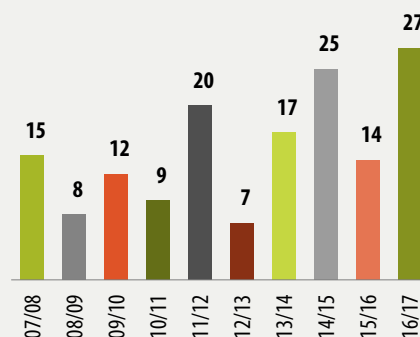


**New Zealand Avocado**

NZ Avocado Growers' Assn Inc.  
Avocado Industry Council Ltd

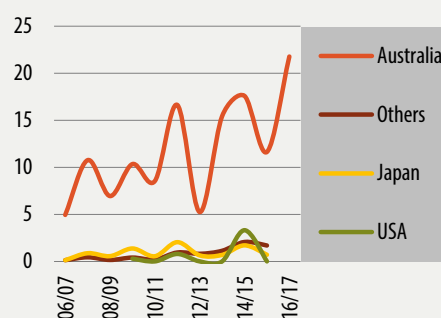
### Avocado - New Zealand - Exports

(in 000 tonnes / source: NZ Avocado, AICL)



### Avocado - New Zealand - Exports by destination

(in 000 tonnes / sources: NZ Avocado, AICL)



The emphasis is placed on qualitative differentiation, especially via guaranteed compliance with rational production methods (AvoGreen specifications), and a minimum dry matter content of 24 % for all fruits intended for export. Fourteen packing stations with different profiles (from the large unit handling both the kiwi and avocado to small specialised units) were export-approved in 2016-17. Ten exporters were listed in this same season. On their own, the two main ones, Southern Produce and Primor Produce, which since 2013 have marketed their products jointly under the Avoco banner, control approximately 60 % of volumes. They are followed in the ranking by Just Avocados and Seeka.

### Avocado – New Zealand

#### Main exporters in 2016-17

|              | Exported volumes<br>(in thousand 5.5-kg boxes) | Market share |
|--------------|--|--------------|
| Avoco        | 2 900  | 59 %         |
| Just Avocado | 671  | 14 %         |
| Seeka        | 487  | 10 %         |
| Others       | 877  | 18 %         |

Professional sources

## Logistics

The fruits are almost exclusively exported by sea-freight in containers.

### Avocado – New Zealand – Sea freight

| Markets   | Main lines        |  | Transit time |
|-----------|-------------------|--|--------------|
|           | Port of departure | Port of arrival                          |              |
| Australia | Tauranga          | East Coast: Sidney, Brisbane, Melbourne  | 2-3 days     |
|           |                   | West Coast: Perth                        | 6 days       |
| Asia      |                   | Bangkok, Hong Kong, Ho Chi Min, Shanghai | 10-12 days   |
| USA       |                   | West Coast                               | 11-12 days   |
|           |                   | East Coast                               | 16-17 days   |

Source: NZ Avocado