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Developments in the South African Avocado Industry

Introduction

The South African avocado industry continues to grow and the outlook for the future is positive. Demand for avocados has grown both in Europe (South Africa's major export market) and domestically, despite the economic downturn since 2008. Although the South African industry remains export focused, the domestic market plays an important role and local demand is growing. The South African Avocado Growers' Association (SAAGA) is involved in activities ranging from technical research to generic market development with the aim of increasing production, assuring fruit quality and increasing demand for avocados. This article provides information on South African avocado production and developments in the industry.

Production

Over the past 10 years the South African avocado industry has grown and changed according to market opportunities. Current plantings stand at around 14,000 ha (34,580 acres) and an additional 300 – 350 ha is being planted annually. New plantings include replacement

of old orchards to improve productivity. This may also involve change of cultivars from green skinned cultivars to 'Hass' or a Hass-type cultivar. Over the past 5 years, 64% of nursery trees sold in South Africa have been 'Hass' or Hass-type cultivars, which is in line with demand in the European market moving strongly in favour of 'Hass'. In 2011 and 2012, 60% of exports were 'Hass' or Hass-type cultivars (dark skinned), whereas 10 years ago, only 44% of exports were 'Hass' and Hass-type cultivars (Fig. 1). It is expected that in the next few years, that dark skinned fruit will become more dominant.

Green skinned cultivars, however, remain an important part of the South African industry. The South African consumer still prefers greenskins, with 'Fuerte' being the most sought after. Thirty six percent of nursery tree sales over the last five years have been greenskins, with the most popular being 'Pinkerton' - a cultivar preferred by many growers due to high yields, compact tree size and precocity which make it a profitable option.

Nursery tree sales indicate that production in South Africa is growing, but determination of total volumes produced involves some estimation as a proportion of the crop is sold into the domestic "informal sector". There is no official information on volumes sold into the informal sector. Nonetheless, data on other market channels are available and total annual production is estimated to range from 95,000 to 120,000 metric tonnes (209 to 264 million pounds) per annum (Fig. 1).

Exports have shown a slight upward trend over the past 10 years, but growth in the domestic market has been more pronounced (Fig. 2). Growth in sales of ripened avocados through the major domestic retail chains has been strong, and these retailers require year-round supply. Local production is supplemented by imports from November to February, but there have been significant plantings in late bearing areas (cooler, higher altitude) in order to supply the domestic market during this period.

Hail storms in late 2010 caused severe losses in production in 2011 in many production regions resulting in the lowest export volumes over the past 10 years (Figs 1&2).

Between 10 and 12% of total production is delivered to processing plants for production of avocado purée and avocado oil (Fig. 1). Oil and purée production has not grown in the last 10 years, but processing

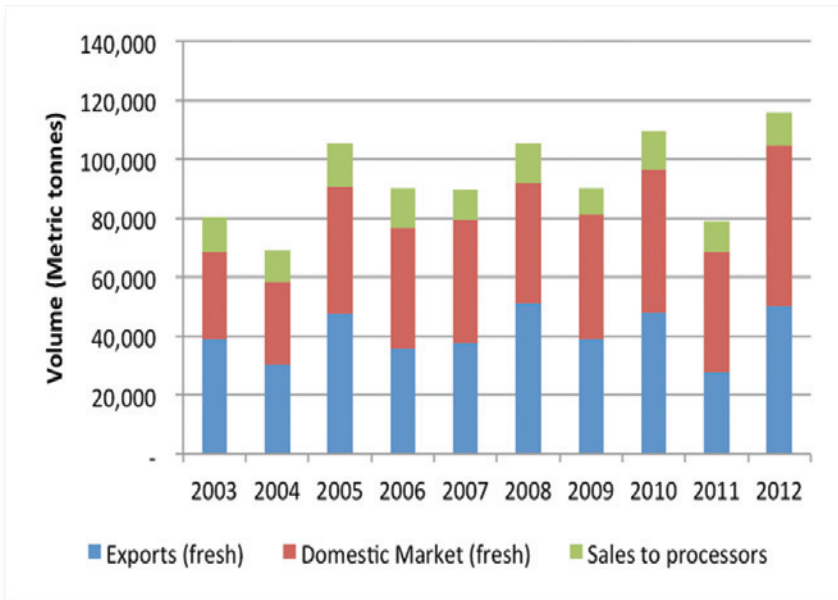


Figure 1. South African avocado production 2003 - 2012

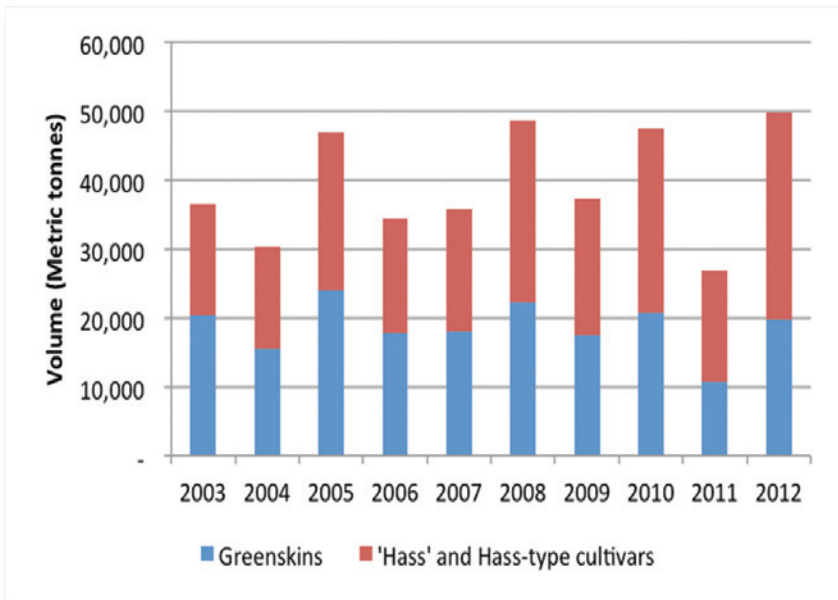


Figure 2. South African avocado exports 2003 - 2012

remains a valuable part of the industry, as it significantly reduces the quantity of low grade avocados entering the consumer market.

Cultivars

As mentioned earlier, there is a shift to planting ‘Hass’ and Hass-type cultivars where the export market is targeted. Hass-type cultivars currently being planted include ‘Gem’, ‘Carmen-Hass’, ‘Harvest’, ‘Lamb-Hass’ and ‘Maluma-Hass’. For the period 2008 to 2012, 45% of nursery tree sales were ‘Hass’ and 19% were Hass-type cultivars. In the same period, 36% of sales were green skinned cultivars with Pinkerton, Fuerte and Ryan being the most popular.

Rootstocks

Clonal rootstocks are the norm in the South African industry. In new tree production, the most popular is ‘Dusa’, followed by ‘Duke 7’ and ‘Bounty’. Selection and testing of new rootstocks is underway with Phytophthora tolerance, precocity, and yield and fruit quality of scion cultivars being the main factors under consideration. There are a number of private initiatives in this regard, and SAAGA is also currently a partner in a rootstock programme with a private company.

Clonal rootstocks make up 84% of nursery tree sales, the remainder are on seedling rootstocks such as ‘Velvick’, ‘Zutano’, ‘Edranol’ and ‘Duke 7’. Some nurseries are also testing a variety of seedling rootstocks used elsewhere in the world to determine their viability in South Africa.

The Subtropical Growers’ Association

In October 2006, a process was finalised under which, the SA Avocado, Litchi, Macadamia and Mango Growers’ associations were brought under the management of an umbrella association called the Subtropical Growers’ Association (Subtrop). The individual associations no longer each have their own staff and offices; all staff members are now employed by Subtrop and services are provided to the member associations. The member associations retain their autonomy, still have their own boards and determine how their funds (mainly raised from grower levies) are utilized. Membership of the associations remains voluntary. The advantages of this arrangement include reduction of overhead costs, a larger, more experienced pool of staff, and a stronger voice in terms of communication with government and other bodies. In addition, many growers are members of more than one of the associations and exporters, researchers and other service providers also operate in more than one of the industries. Management of four different associa-

tions from a single office is more complex, but where Growers' Associations lack critical mass, the overall benefits are evident.

Generic Market Development and access to new markets

Since 1997, SAAGA focused strongly on growing demand in the UK through consumer activity educating people on the health benefits and culinary versatility of avocados. This was done mainly through consumer PR techniques and in-store activity. There was good growth in the UK form more than a decade, then growth started to level off. Consequently, SAAGA has shifted its market development focus to the European Continent and the South African market. In 2013, SAAGA will spend 45% of its market development budget on the domestic market and 55% in various export markets namely, The United Kingdom, Germany, Sweden and Malaysia. The campaign in Germany will be run an agency that also manages campaigns for the Chilean and Peruvian industries and a component of the programme will be to create a strong generic message for 'Hass' from South Africa, Peru and Chile. Other components of the programme will be more focused on South African avocados and South African Greenskins. This is hopefully a step towards better collaboration between supplier countries to grow the European market.

SAAGA is continuing with its efforts to access new markets such as the USA, Japan, and China. This involves research to address phytosanitary issues and government-to-government processes which are usually slow. There is also some market growth for South African avocados in other African countries, mainly through the supply chains of South African retailers operating in those countries.

**The author has served as the CEO of the South African Subtropical Growers' Association (Subtrop) since 2006. Prior to that he was the general manager of the South African Avocado Growers' Association (SAAGA).*

Acknowledgements

Data on nursery tree sales was provided courtesy of the South African Avocado Nurserymen's association and was compiled my colleague, Wouter Retief.