Session Five
Competing in a global world: a series of presentations by AMAPWG member delegates

New Zealand and Australia Avocado Grower’s Conference’05
20-22 September 2005
Tauranga, New Zealand
Presentation to the Avocado Conference September 2005
Volume growth in past 10 years associated with new plantings.

Australia has provided the backbone to export marketing.

Market development includes:
- North America
- Weak NZ dollar
- Improved shipping
- Timing before Chilean fruit

2000 NZ dollar

Chilean volumes

Exports by Market:
- Australia
- USA
- Japan
- Other

NZD/USD Exchange Rate:

99/00 00/01 01/02 02/03 03/04 04/05

96/97 97/98 98/99 99/00 00/01 01/02 02/03 03/04 04/05 05/06

Export Allocations:
- USA: 48%
- Australia: 50%
- Other: 2%
- Japan: 54%
- Other: 1%

Export Trays:
- 500,000
- 1,000,000
- 1,500,000
- 2,000,000
- 2,500,000
MARKET DEVELOPMENT

BY TONY SINKOVICH // MARKETING MANAGER // GLOBAL FRESH NEW ZEALAND

- UK & Europe
  - Longer voyage time
The Market

- Consumption more than doubled to 400gm
- 5 million consumers to be introduced over next 5 years
- Hass perceived as having better flavour
- France consumption 1kg per person
Market Requirements

- Green hard fruit
- No chilling injury
- Sound internal condition
- Little external defects
Why New Zealand Fruit

- Product sampling favourable
- Colour, texture & flavour selling points
- Opportunity to attract a premium
Preparation

- Mid Sept harvest for Oct/Nov arrivals
- 26% dry matter to eliminate chilling injury
- Harvest as close as possible to shipping
- 30 day transit time
- Weather
- Container loading within 24 hours
Arrival into the Market

- Outturn inspection
- Strong sales and distribution network important
- Optimum selling period 1 week after arrival
UK Market - Customer Analysis

- Sainsbury: 27.0%
- Tesco: 25.9%
- Asda: 9.1%
- M'sons & S'way: 10.9%
- Somerfield: 1.9%
- Co-op: 1.5%
- M & S: 3.0%
- Other: 12.3%
- Waitrose: 8.4%
- Other: 12.3%

Positive reaction to NZ fruit
Selling Points
Customer selection important
MARKET DEVELOPMENT

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UK Market Analysis

South Africa
Spain
Kenya
Mexico
Israel
Peru
Chile
UK Market - By Volume

Market Introduction Timing

JAN
FEB
MAR
APR
MAY
JUN
JUL
AUG
SEP
OCT
NOV
DEC

UK Market Analysis

0
500,000
1,000,000
1,500,000
2,000,000
2,500,000
3,000,000
3,500,000
4,000,000
4,500,000
5,000,000

South Africa
Spain
France
Mexico
Israel
Rest of World
U.S.
Kenya
Netherlands
UK
The Future

- Global marketing strategy
- Size / market profile to achieve best grower returns
- NZ brand
- Selling points
Presentation to the Avocado Conference September 2005
Japan

NZ’s biggest export market for horticultural produce…. 

Export Markets by Value

<table>
<thead>
<tr>
<th>Country</th>
<th>Value (FOB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>$416</td>
</tr>
<tr>
<td>European Union</td>
<td>$328</td>
</tr>
<tr>
<td>Australia</td>
<td>$299</td>
</tr>
<tr>
<td>UK</td>
<td>$273</td>
</tr>
<tr>
<td>USA</td>
<td>$243</td>
</tr>
</tbody>
</table>

*FOB* (Free On Board)
Avocados are a high value item

FOB returns/kg from Japan in 2004…

Kiwifruit $3.85/kg FOB

Avocado $1.5/kg FOB

Squash $0.51/kg FOB
Export forecast by market:

2004-2005 Season:
- Australia: 5%
- USA: 5%
- Japan: 3%
- Total: 87%
- 1.1 million trays

2005-2006 Season:
- Australia: 11%
- USA: 5%
- Japan: 1%
- Total: 87%
- 2.3 million trays
The Japanese Market

Avocado Consumption increasing over the past 6 years
What is the opportunity?

- Mexican Hass dominates the Japanese market.
- NZ has an opportunity from Sept-March.
- Japan is a quick transit market (12 x days).
- Brand NZ has appeal.
- NZ can deliver on taste and quality.
- NZ exporters working collaboratively.
Avocados and the Japanese Consumer

Key Selling Features:
1. Health / Nutrition /Versatility
2. Food Safety /Traceability
3. Maturity & Grade stds.
4. Ripe- Ready to Eat

Key Benefits:
1. Consumer Health
2. Consumer Assurance
3. Consistent Taste & quality
4. Versatile & Convenient

Delivers:
An Attractive Sales Proposition
For Consumers = repeat purchase
For Customers = more sales & category growth
Key Challenges....

Demand Highest Quality

Size specific market (24/30 count)

Food Safety & Traceability

Price conscious (¥99 price point)

Ripening and retail display

Driving continued consumption growth

The weak Japanese ¥en
DEVELOPING THE JAPANESE MARKET

WADE GILLOOLY // PRODUCT MANAGER // FRESHCO

Japan Superstoreの お中元

2005 Summer Gift

AVANZA

ハスアボカド 熟度ガイド

明るい緑色

熟していない。そのまま冷蔵庫に格納し、室内で6か月保存してください。

オリーブグリーン

常温で7日保冷庫で保冷してください。

茶褐色

ボウルの底が硬いです。一晩冷蔵庫に保存し、角を当ててお子様が取りにくいようにしてください。

紫がかかった茶色

柔らかく食べられます。フルーティな味が楽しめます。冷蔵庫で保存してください。

黒色

とても美味しいネ買い物にすぐに美味しい

すぐに食べられる

ニュージーランド産アボカド
Focus Group Findings
WADE GILLOOLY // PRODUCT MANAGER // FRESHCO

Do you like the taste of Avocados?

- VERY MUCH: 29%
- MAYBE YES: 35%
- MAYBE NOT: 32%
- NOT AT ALL: 4%

How do you eat Avocados?

- IN SALAD: 56%
- SOY SAUCE WITH WASABI: 53%
- SUSHI ROLL: 21%
- WITHOUT NO ADDITIVES: 18%
- IN YOGURT OR WITH LEMONS: 15%
- OTHER: 11%
- MIXED INTO JUICE: 4%
- IN SANDWICHES: 3%
Focus Group Findings

WADE GILLOOLY // PRODUCT MANAGER // FRESHCO

How often do you buy Avocados?

What is your image of Avocados?

- HIGH NUTRITION: 37%
- HIGH OIL: 34%
- DELICIOUS: 34%
- DON'T KNOW HOW TO EAT: 32%
- UNFAMILIAR: 31%
- GOOD WITH MANY RECIPES: 27%
- NOT DELICIOUS: 15%
- FAMILIAR: 11%
- OTHER: 5%
Focus Group Findings
WADE GILLOOLY // PRODUCT MANAGER // FRESHCO

Why do you buy Avocados?

- Good for your health: 69%
- Tasty: 48%
- Reasonable price: 26%
- Easy to cook: 22%
- Other: 14%
- Good value: 7%
- Tradition: 5%

Why don’t you buy Avocados?

- Don’t know how to eat: 39%
- Expensive: 30%
- Don’t like taste: 25%
- High calories: 18%
- Not familiar: 18%
- Not easy to prepare: 17%
- Other: 14%
- Not in neighbor stores: 7%
- Doubt in food safety: 7%
Focus Group Findings

WADE GILLOOLY // PRODUCT MANAGER // FRESHCO

What are important points when you buy Avocados?

What will attract you when you buy Avocados?
Focus Group Findings

WADE GILLOOLY // PRODUCT MANAGER // FRESHCO

What kind of information do you want?

How do you want to get information?
Focus Group Findings

Can you tell the maturity of Avocados?

- NEVER TRIED: 7%
- NOT AT ALL: 33%
- ALMOST NOT: 23%
- SOMEHOW: 27%
- YES: 10%