

Avocado Industry Wholesale and Retail: Update



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Wholesalers said....

- Inferior quality
- Large volumes of small fruit
- Consolidation of product is required
- Focus on Hass and Shepard
- More information from the production / packing sectors is required
- Need for recognition of service
- Support for independent retailers
- Increased promotion



Retailers said.....

- Inferior quality
- Focus on Hass
- More information from the production sector is desirable
- Need for training staff at store level
- Volume offering (1st grade bulk pack)
- Increased promotion



Joanna Embry



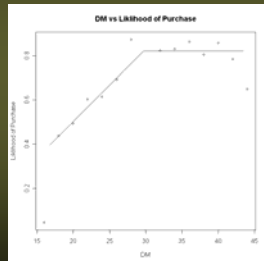
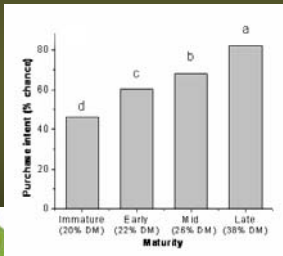
Quality

- Maturity
- Ripeness
- Internal flesh quality



Maturity

Purchase intent for different DM%



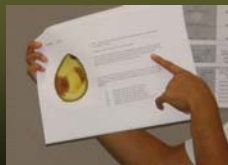
Ripeness (firmness)

- Preference to purchase avocados that are ready to eat/use immediately (85% of consumers) or ready to eat/use in 3 to 4 days time (57%)



Internal Quality (bruising)

- Price, Incidence and level of defect
- All three significantly impact on consumers future purchase decisions (price less important)
- At all prices an incidence of more than 10% internal damage (bruising) significantly impacts on probability of repurchase



Antony Allen

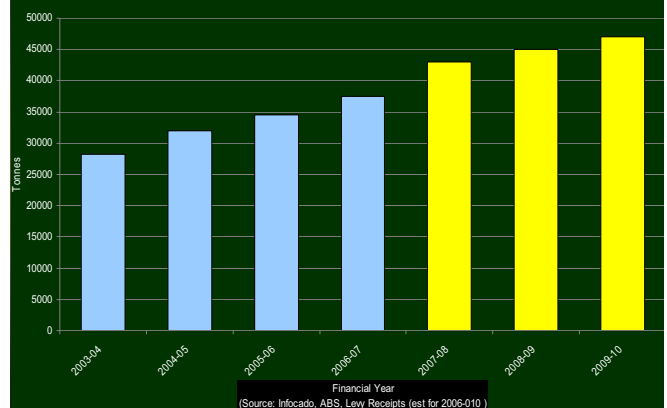


Australian Industry

- 1200 growers
- 2007 Levy, Infocado and ABS data
 - Production 41,000 t
 - GVP \$95 million
 - Trees - 1,500,000 approx
 - 39% of trees under 6 years old
- 2008 estimate 44,000 t



Growth in Australian Avocado Production 2003 to 2007 and Estimate to 2010



Through who to the consumer?

- Supermarket: 52% (of retail 65%)
- Independents: 29% (of retail 35%)
- Food Service: 15%
- Export: 4%

Consumption patterns

- USA: 1.4 kg/person/year
- Australia: 2.4 kg/person/year
- Chile: 3.5 kg/person/year
- Mexico: 7.4 kg/person/year



Data source: BIS Shrapnel, Project Pulse, Infocado, Customs, Avocados Australia, USDA and ABS

Supply Side – Infocado What is Infocado?

- Online data collection system
- Forms to collect individual business data
 - forecast of expected dispatches for the next 15 months (by month)
 - forecast of expected dispatches over the next four weeks (by week)
 - dispatches from the previous week

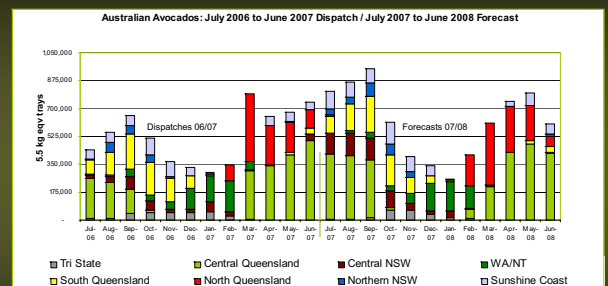


What are the benefits?

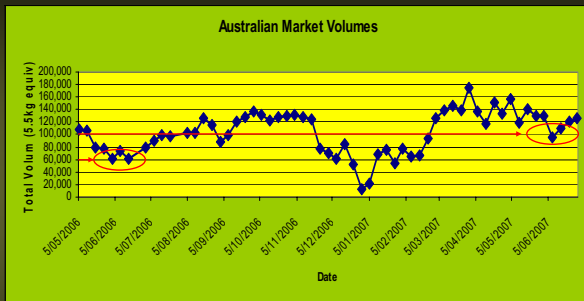
- Can assist with marketing and management decisions
- Find out what fruit is expected on the market (variety, pack type, units)
- See what fruit has been sent to the market (variety, pack type, units, destination and market)
- Determine the impact of an event on industry's production level
- Historical searches on dispatches
- Assist with industry promotion activities



12 Month forecast



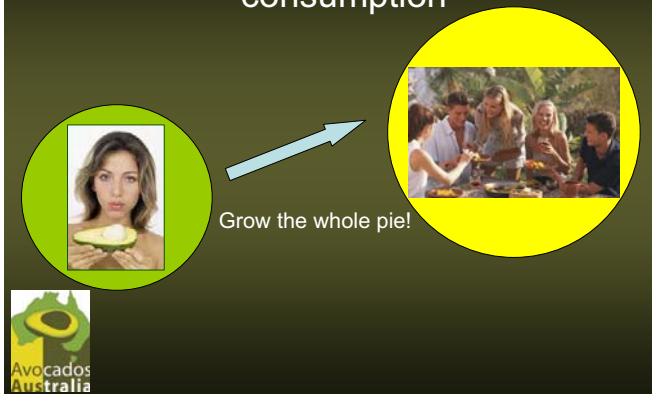
Australian Market Volumes



Australian Avocados



The overall aim is to grow consumption



How is the promotion plan developed?

- The plan is a **five** year plan
- Financial year components
- Developed in Feb/March each year
- Adjusted during the year
- Using crop estimate to implement strategy
- Use marketing professionals
 - Creative agency
 - Media buying
 - Independent marketing advisers

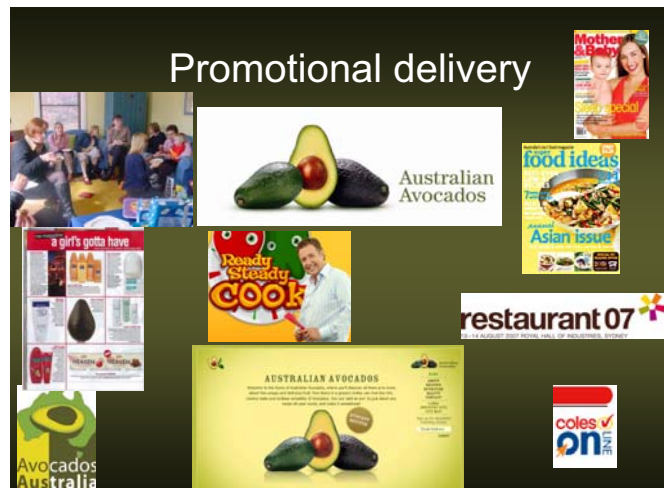


The promotion program mix

- Creative Imagery
- Consumer Advertising
 - Magazine
 - TV
 - On-line
- Website (including consumer newsletter)
- Niche Market Advertising
- Word of Mouth plus Sampling
 - Health Environment
 - Word of Mouth
- Public Relations (Consumer Communications)
- Nutritionist Spokesperson
- Co-operative Promotions
- Export Development



Promotional delivery



magazine ads



Website for Consumers



Other areas of work

- Continuing consumer research
- Accreditation systems
- Communications
- Improvement in Infocado



Thank You

