

Final Report

Avocado Export Readiness and Market Access

Project leader:

John Tyas

Delivery partner:

Avocados Australia

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Avocado Export Readiness and Market Access AV17000

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Level 7

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Telephone: (02) 8295 2300

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Summary

The rapid rate of increase in avocado production has created an imperative for the industry to access and develop new markets.

Avocado Australia (AAL) has successfully delivered the Avocado Export Readiness and Market Access Project (AV17000) to ensure the avocado industry is prepared to export, maintains a robust industry capacity to pursue new and improved market access, and provide necessary support to the government in their market access negotiations. The project has continued pursuit of the industry market access and market maintenance goals in line with the Avocado Export Strategy.

Over the life of the project, the project team has delivered the following key achievements:

- A well-informed avocado industry and increased awareness of export opportunities and requirements as a result of the targeted education and communication provided through this project
- A workable market access protocol negotiated for a new market, Japan. The market improvement protocol has been under negotiation for Thailand
- Utilization of the new market access protocol to Japan by growers and exporters in Western Australia.
- Australian avocado exports have increased on average 32 per cent per year over 5 years to a record level of 4,272 tonnes in 2019. It increased 71 per cent from the previous year and was valued at AU\$24.55 million in 2019
- An engaged core group of key export stakeholders in the Avocado Export Project Reference Group (PRG) and Avocado Australia's export project team have ensured the continuity of export knowledge within the industry.

The export project has been focused on the four key areas identified in the Export Strategy: market access and maintenance, export trade development, branding and positioning and building industry capacity. The project has also supported many export industry development activities that need to be undertaken and resourced in order for the industry to reach its export potential.

Following are the key milestones and outputs from the project:

- Reviewed the Avocado Industry Export Development Plan 2014-2019 and developed the Avocado Export Strategy 2019-2021 which lays the foundations for export market development and market access.
 - The first protocol market access obtained for export of Hass avocados to Japan under conditional non-host of Mediterranean Fruit Fly (Medfly) in 2018
 - Managed the annual Japan export registration process for the industry. Over 30 growers with more than 170 avocado blocks and 5 packhouses in Western Australia were accredited for export to Japan in 2019
 - Facilitated a Japan export registration training workshop in June 2020 to help growers and packhouses to implement the Japan protocol
 - Reviewed, updated and developed compelling business cases to progress market access negotiations for China, India, Thailand, New Zealand and Japan, the priority markets identified by the industry. These have all been approved by Hort Innovation's Trade Assessment Panel
 - Assisted the Department of Agriculture, Water and Energy (DAWE) to establish the Avocado Market Access Advisory Group to support the development of robust, workable avocado market access protocols for both new market access and market improvement
 - Participated and represented the Australia avocado industry in major trade shows and trade missions to promote Australian avocados and understand overseas markets, i.e.

Asia Fruit Logistica (AFL), Japan Foodex, China Fruit & Vegetable Fair (FVF) and Indian market insight mission

- Supported and invested in grower/packhouses' participation in AFL and Japan Foodex to understand market requirements
- Provided avocado industry input to the Taste Australia program and Export Retail Training program operated by Hort Innovation
- Captured, analyzed and reported data annually on Maximum Residue Limits (MRL) of prioritized avocado importing countries.
- Reviewed the requirements of trade intelligence reports in consultation with the PRG and commissioned the reporting via project AV16006 (delivered by Avocados Australia). Provided the reports to the avocado industry through export communications.
 - Undertook an export stakeholder survey in 2019. Developed and implemented immediate and long-term action plans in response to the survey
 - Developed the Global portal on Avocados Australia's website and the Export Module in Best Practice Resources with regular updates on a wide range of export related information and resources
 - Improved communication on export related information via various channels, in particular the industry newsletter *Guacamole*, *Talking Avocado* magazine, direct emails to export news subscribers and regional forums across Australia.

Keywords

Australian avocados export; market access; trade; growers; packhouses; export; report.

Introduction

Australian avocado production has increased significantly from 46,446 tonnes in 2008/09 to 85,546 tonnes in 2018/19 in response to domestic demand. Based on production forecasts developed by Avocados Australia, Australian avocado production is likely to exceed 115,000 tonnes by 2025. This rate of growth is well above previous consumption growth and the expectation is that significantly more fruit will be marketed to offshore markets as domestic market saturation increases. This may also be impacted by imports from other countries, such as Chile (granted access in April 2019), Mexico and Peru if/when market access to Australia is granted. It is imperative for the industry to access and develop new markets to ensure the long-term sustainability of the industry.

The Avocado Strategic Investment Plan 2017-2021 has identified export development as a key priority. Outcome 3 in this plan states that 'By 2021, over 10 per cent of production will be exported to markets where customers have a willingness and capacity to pay a premium for Australian avocados.

There are many export industry development activities that need to be undertaken and resourced for the industry to reach its export potential. Many of these have been supported through this project.

The export project has been focused on the four key areas identified in the Export Strategy: market access and maintenance, export trade development, branding and positioning and building industry capacity.

Methodology

1. Project management and planning

Avocado Australia employed a part time Export Program Coordinator (EPC) to manage the day to day activities within the project. A project reference group (PRG) was established involving key avocado exporters with an interest in the long-term development of avocado exports, an AAL Board director not involved in exports and a representative from Hort Innovation. The PRG met face to face in 2018 and 2019 and via teleconference throughout the years on an as-needs basis to plan and review project activities.

Over the life of the project, the project team reviewed and updated the Avocado Industry Export Development Plan 2014-19 and produced the Avocado Export Strategy 2018-2021 to align with the term and priorities of the Avocado Strategic Investment Plan 2017-2021 and to set out priority strategies in relation to market access, market improvement and market development. The PRG provided input to the development and maintenance of this strategy.

An annual workplan and progress reports were developed and endorsed by the PRG each year and submitted to Hort Innovation in milestone reports. The work plans aligned with the priorities in the Avocado Export Strategy 2018-2021 and Hort Innovation's market development programs.

2. Export communication and engagement

Communication and Stakeholder Engagement Plan

An export Communication and Stakeholder Engagement Plan was developed by the project team and approved by Hort Innovation. The project utilized multiple channels of communication directly with all growers, members and avocado industry stakeholders. An export section was set up in the industry newsletter *Guacamole* to provide a focal point for news and information specifically relevant to export stakeholders. Project updates and important communications were distributed fortnightly through articles in *Guacamole* and direct emails to export news subscribers. Up to three articles for each edition of *Talking Avocados* (the printed quarterly industry magazine) were published with the latest outcomes and reporting from the project.

Avocados Australia maintained associate membership of the Australian Horticulture Exporters and Importers Association (AHEIA) to facilitate dissemination of relevant information from the export community and to provide information about the avocado export activities to the broader horticulture export community via *Guacamole* and direct emails to export news subscribers.

Data analysis and reporting

Project AV16006 (delivered by Avocados Australia) included a component of data analysis to support export development. The following trade reports were produced under a Global Avocado Trade Data and Analysis Framework in Project AV16006:

- Australian avocado exports and imports – twice per year – August, February
- Global market report – avocado producers and market suppliers - October, annually
- Global market report - avocado import markets – October, annually
- Australian avocado export and imports - monthly (from June 2020).

The reports were uploaded to the online Best Practice Resource (BPR) Export Module on Avocado Australia's website and communicated to the avocado industry stakeholders via *Guacamole* and direct emails to export news subscribers.

Online Best Practice Resource Export Module

The avocado industry website - www.avocado.org.au - and Best Practice Resource(BPR) played a key role in the communication of relevant information for export stakeholders. An Export Module was added to the BPR and a Global section was developed on the industry website. Both were reviewed and updated as new information became available. The updates are detailed in the Output section of this report.

Meetings with key stakeholders

The project leader and a representative of the PRG met with representatives from the Department of

Agriculture, Water and the Environment (DAWE) in Canberra regularly to discuss market access issues.

The project team members had meetings with commercial stakeholders such as growers and packhouses at regional forums in Tamborine / Northern Rivers (TNR), North Queensland (NQ), South Queensland (SQ), Central Queensland (CQ) in 2019 and Sunshine Coast (SC) and Western Australia (WA) in 2020. There have been meetings between the project team members, key exporters and representatives of Hort Innovation as required throughout the project.

The Export Program Coordinator represented the avocado industry on the Industry Trade Advisory Panel (ITAP) and Horticulture Export Industry Consultative Committee (HEICC). Through ITAP, the avocado industry had input to ‘across horticulture’, commercially relevant issues and recommendations to Hort Innovation regarding suitable trade-related research and development investments.

HEICC is a forum for the Department of Agriculture, Water and the Environment (DAWE) to consult with the industries involved in the export of horticulture products. Within the framework of government policies and legislation delivered by the department that relate to the export inspection and certification, the committee is the primary consultation body to:

- discuss export inspection and certification issues affecting industry and propose solutions to address these issues
- discuss relevant market access issues
- discuss the performance of the department’s programs
- communicate outcomes of the committee’s work to relevant export industries; and
- explore, identify and promote opportunities to improve the efficient and effective administration, provision and consumption of the department cost recoverable regulatory activities and services.

The participation in HEICC has allowed the avocado industry to raise issues affecting avocado exports to DAWE and communicate the key messages arising from discussions with the department to industry stakeholders.

The project team members have participated in teleconferences and Zoom meetings organized by DAWE, Austrade and state governments on the International Freight Assistance Mechanism (IFAM) program and international market updates during the COVID-19 period. This enabled the project team to provide the most updated information to industry stakeholders and back to DAWE during the pandemic.

Stakeholder survey

As part of the communication and stakeholder engagement strategy, Avocado Australia undertook the Stakeholder Survey in August 2019. The survey provided useful insights and feedback on the export program which were considered in the development of the subsequent annual work plan. Changes that could be accommodated with the existing project resources were included in the annual work plan and implemented accordingly. Broader issues considered to be beyond the scope of the current project have been discussed with Hort Innovation for consideration in a subsequent export development project. The summary of the survey has been provided in Appendix A.

The following activities have been completed in response to the stakeholder survey:

- An export section has been set up in *Guacamole* since the 29/11/2019 edition
- *Talking Avocados* has included more regular updates of market access and market development programs since the 2020 Summer edition
- An export section was included to highlight market access status in regional workshops in Tamborine/ Northern Rivers (TNR), North Queensland (NQ), South Queensland (SQ), Central Queensland (CQ) in 2019 and Sunshine Coast (SC) and Western Australia (WA) in 2020
- A special registration training workshop for the 2020/21 export season to Japan was held on 24 June 2020, in a combined online and in-person event. Details of the workshop are provided in the Grower and Packhouse Protocol Training section below
- The Express of Interest (EOI) process for Japan Foodex 2020 started earlier than the previous year (in January 2020) and three industry representatives were selected in time for the trade show in March. Unfortunately, the trade show was cancelled due to COVID-19

- A successful grant application for Development of Online Export Registration was submitted under the Packing Assisting Small Exporters (PASE) grant program and was the project commenced in August 2020.
- A special report on import prices of supplying countries in key export markets in 2019 was completed and published in *Talking Avocados* Autumn 2020 edition
- Information on packhouses accredited to export to Japan has been updated in the Japanese section of the Global portal on Avocados Australia's website for those packhouses that requested to be listed.

Information sharing with other industries

The communication and stakeholder engagement strategy has included liaison with service providers of other similar projects in other industries such as Table Grape (TG17000) and Summerfruit (SF17002) to share experiences and learn from each other. The interactions between related projects have been through various formal and informal network such as ITAP, HEICC, trade shows and phone hook-ups as needed.

A project to develop an MRL app with Australian Table Grape Association (ATGA) has been approved by Package Assisting Small Exporters (PASE) government grant. Avocado Australia has also contracted ATGA to develop the Online Export Registration platform under a PASE grant.

MRL information updates

Avocado Australia commissioned a review and updated report of Maximum Residue Limits (MRLs) for key export markets in July each year within the project. The MRL report compares the MRLs for products registered on label or permit with those in the key exporting countries. The information has been communicated to the industry through *Guacamole* and uploaded in the export section in BPR on Avocados Australia's website. The MRL report can be found at <https://avocado.org.au/best-practice-resource/export/maximum-residue-limits/>.

3. Protocol development

The project team has provided technical information to DAWE via teleconferences and face to face meetings to support the development of robust, workable market access protocols for new market access and market improvement. Where required, Avocados Australia consulted PRG members to obtain expert opinion regarding pest issues and supply chain management practices.

The Avocado industry successfully obtained market access for Hass avocados to Japan with a protocol based on conditional non-host of Mediterranean fruit fly (Medfly) in May 2018.

To advise and support DAWE to advance technical market access, an Avocado Market Access Advisory Group (AMAAG) was established with the members of the PRG and the representatives from DAWE in July 2020. The responsibilities of the AMAAG included but not limited to:

- Contribution to technical market access submissions
- Input to related materials to support market access negotiations
- Coordination of relevant activities of parties including international engagements
- Communication of developments relevant to market interests of respective parties.

Since its formation, AMAAG has provided feedback and support via teleconferences regarding the Thailand protocol negotiation.

4. Business case development

Fruit fly is currently the main pest of concern for avocado market access. Over the past five years, Avocados Australia has explored various quarantine protocol options including chemicals, irradiation, cold disinfestation and systems approaches. For Hass, the preferred protocol is conditional non-host of fruit fly. If current research under MT14052 is successful, it is hoped that this protocol can be extended to all Australian production regions. In line with priorities identified in the new Avocado Export Strategy and the annual work plans, business cases for new market access to India and China and market improvement for New Zealand, Thailand and Japan were developed and submitted to the Hort Innovation Trade

Assessment Panel (TAP). The business cases have been approved by TAP and submitted to DAWE for further development.

Avocados Australia has been supporting DAWE to progress market access negotiations with India, which commenced in 2020. In July 2019, the project leader visited India as part of a fruit market study facilitated by Hort Innovation. The report of the market visit can be found at Appendix B.

To assist the development of market access to India, Avocados Australia submitted a funding proposal for a program of technical knowledge exchange between India and Australia to the Agricultural Trade and Market Access Cooperation (ATMAC) 2020 Grant. Unfortunately, the application was not successful.

China remains a high priority for Australian avocado market access and Avocados Australia continues to demonstrate its commitment to this market access request. Project team members represented the industry in Beijing in November 2018 and September 2019, at the China Fruit & Vegetable Fair. The Export Project Coordinator profiled the Australian avocado industry as part of the China-Australia Fresh Produce Forum, as part of the Hort Innovation Taste Australia activities in September 2019.

5. Registration and auditing

In line with expectations communicated to Avocados Australia from DAWE, the project team has managed the process of annual export registration to Japan for the avocado industry from 2018. This involved establishing communication channels with prospective export businesses; providing information about the registration process; reviewing the registration applications and providing feedback to applicants and once acceptable, submitting the registration application to DAWE. The project team arranged the logistics for the inspector from Japan Ministry of Agriculture, Forestry and Fisheries (MAFF) and paid the associated costs (with reimbursement from Hort Innovation) in 2018 and 2019. The inspection of Japan MAFF in 2020 was cancelled due to COVID-19.

Review of resource requirements for registration and auditing

The resource requirements for registration and audit have been reviewed every year from 2018. In response to the feedback on registration and auditing from stakeholder surveys and Avocados Australia's planning, the review identified the need to invest in an online registration portal for future use. In addition to the direct benefit for the participants in the registration process, such a system demonstrates industry capability to comply with the market access requirements of priority markets.

In March 2020, Avocados Australia submitted a successful funding proposal through the Packing Assisting Small Exporters (PASE) grant program to develop an online export growers/packhouses registration system (building on the Australian Table Grape Association system). The project commenced in August 2020 and it is expected that the on-line system will be available in time for the 2021-2022 export season.

6. Grower and packhouse protocol training

In the first two seasons of exports to Japan under the new protocol, it was assumed that limited support would be required for growers and packers, due to the simplicity of the protocol and the fact that it is closely aligned to the interstate certification assurance arrangement (ICA-30) which has been used by Western Australian growers and packers for many years. However, feedback from industry highlighted the need for specific training which was addressed in 2020.

Avocados Australia organized a special registration training workshop for the 2020/21 export season to Japan on 24 June 2020, in a combined online and in-person event. Avocados Australia and the Western Australian Department of Primary Industries and Regional Development (DPIRD) hosted the event, from Manjimup in Western Australia with presentations also from DAWE. Twenty-two stakeholders attended the event and a recording of the presentations have been uploaded to Best Practice Resource (BPR) on Avocados Australia's website www.avocado.org.au/bpr-articles/export-japan/.

7. Hort Innovation Support

Trade shows

The project team provided input to Hort Innovation to assist with planning trade show displays and providing supporting materials such as brochures, images, sampling and display products for Asia Fruit Logistic (AFL), Hong Kong and China Fruit and Vegetable Fair (FVF), Beijing in 2018 and 2019 and Foodex, Japan in 2019.

Avocados Australia supported two industry representatives through an Expression of Interest process to attend AFL on behalf of the avocado industry in 2019. Two industry representatives were also selected to attend Foodex Japan 2020 which was cancelled due to COVID-19. The industry representatives' reports of the trade show which were communicated to the industry via *Talking Avocados* and *Guacamole* provided the industry with valuable market intelligence and insight.

Market Development Package

The project team provided input to the market development programs operated by Hort Innovation, such as the export retail training program and Taste Australia promotions in Malaysia and Japan. This included liaising with the PRG and other relevant stakeholders in the avocado industry to ensure appropriate input and to garner broad industry support from the avocado sector.

Outputs

1. A program logic and monitoring and evaluation plan with linkage to Hort Innovation and industry/fund objectives, a project risk register and management plan, a stakeholder engagement and communication plan were developed and are provided in Appendix C and D.
2. Updated Best Practice Resource (BPR) Export Module (<https://avocado.org.au/best-practice-resource/export/>)

The Export Module was regularly reviewed and updated when new export information became available. The updates included:

- Australian avocado exports and imports - twice yearly
- Global market report - avocado producers and market suppliers - October, annually
- Global market report - avocado import markets – October, annually
- Australian avocado export and imports - monthly from June 2020
- Maximum Residue Limits (MRLs) information updates – July, annually
- The export section in BPR – every six months

3. A clear and broadly supported work plan document and annual workplans

The annual work plans were developed and endorsed by the PRG and included in the milestone reports to Hort Innovation as scheduled in the research agreement.

4. Support for training of participating orchards and packhouses on export protocols ahead of each season

The market access to Japan was obtained in 2018. In the first two years of export to Japan, the project team supported DAWE by communication and dissemination of information to interested orchards and packhouses on the export protocols in Western Australia. On 24 June 2020, Avocados Australia organized a special registration training workshop for the 2020/21 export season to Japan in conjunction with DAWE staff. Twenty-two stakeholders attended the event. A Japan Export Accreditation Guideline was developed and uploaded to Best Practice Resource (BPR) on Avocados Australia's website, together with the recording of the presentations in the training workshop. The details can be found at www.avocado.org.au/bpr-articles/export-japan/.

5. Implement a packhouse (and if required, grower) export registration and audit process

The project team successfully implemented the packhouse export registration and audit process as required by DAWE. Two packhouses and ten growers in 2018/2019 and five packhouses and 27 growers with 178 blocks in 2019/2020 in Western Australia were accredited to export to Japan. The number of accreditation applications in 2020/21 was significantly reduced to two packhouses and seven growers in 2020/2021 due to the impact of COVID-19 and light production in Western Australia.

6. Avocado industry input into a comprehensive market development package operated by Hort Innovation

The project team provided input to the market development programs operated by Hort Innovation, in particular the Taste Australia Retail Campaign in Malaysia in July 2019 and Taste Australia trade seminar in Japan in December 2019. This included liaising with the PRG and other relevant stakeholders in the avocado industry to ensure appropriate input and to garner broad industry support from the avocado sector.

7. Avocado industry input into a multi-industry Export Quality Standards project (to be procured separately by Hort Innovation)

There was no multi-industry Export Quality Standards project during the life of this project.

8. Avocado industry input into development of training materials for a broad multi-industry export training program aligned to the Export Strategy.

In May 2020, the project team provided input to the Taste Australia Retail Training Program managed by Hort Innovation. The input included access to existing material available on the Avocados Australia website (Global portal) and the review of the contents of the draft avocado module developed by Hort Innovation and providing feedback and images to enhance the contents.

9. Stakeholder survey as agreed with Hort Innovation

The stakeholder survey was completed and reported in milestone report MS105 in September 2019. The summary of the survey is provided in Appendix A.

10. Status report on the avocado export program including any issues that may need to be incorporated into the next year's work plan

The status reports on the export performance of the industry were completed in September 2018 and October 2019 and included in the milestone report MS103 and MS105 respectively. The 2019 stakeholder survey identified the issues that needed to be incorporated in the annual work plan. Changes that could be accommodated within the existing project resources were included in the annual work plan for year 3 and implemented accordingly. Broader issues that were beyond the scope of the current project were recommended to be considered in the development of a subsequent export development project.

11. Business cases developed for Hort Innovation to support new avocado market access

In line with priorities identified in the new Avocado Export Strategy and the annual work plans, business cases for new market access to India and China and market improvement for New Zealand, Thailand and Japan were developed and submitted to the Hort Innovation Trade Assessment Panel (TAP). The business cases have been approved by TAP and submitted to DAWE for consideration.

12. Industry input into market access protocol development

The project team has provided technical information to DAWE via teleconferences and face to face meetings to support the development of robust, workable market access protocols for the new market access and market improvement.

To advise and support DAWE to advance technical market access, an Avocado Market Access Advisory Group (AMAAG) was established with the members of the PRG and the representatives from DAWE in July 2020. Since its formation, AMAAG has provided feedback and support via teleconferences regarding the Thailand protocol negotiation.

13. 6 monthly milestone status reports and a final report

All milestones have been completed in accordance with the project contract.

Outcomes

Below is an assessment of the outcomes achieved against the original intended outcomes.

1. An informed industry aware of export opportunities and requirements through targeted training programs and associated activities

A large proportion of the industry are more informed and aware of export opportunities and requirements as a result of the targeted education and communication provided through this project – on average 1599 industry members received *Guacamole* each fortnight which included dedicated export news and information; 952 industry members received 11 editions of *Talking Avocado* over the life of the project which included 41 dedicated export articles.

Twenty-two stakeholders from Western Australia attended the Japan export registration training workshop in 2020. The recording of the presentations from the workshop on Avocados Australia's website provided broader industry members' access.

1423 stakeholders attended Avocado Australia's Regional Forums from May 2018 to July 2020 where export opportunities and requirements were presented by the project leader.

From September 2018 to September 2020, there were 7396 page views on the Global portal and the BPR export section on the Avocado Australia website.

2. Workable market access protocols negotiated for new markets
The Avocado industry successfully obtained market access to Japan for conditional non-host of Medfly for Hass in May 2018.

3. Utilization of new market access protocols by growers and exporters
New market access to Japan involved 40 tonnes from Western Australia in 2019, the second year of trade. It lifted ten-fold from three tonnes in 2018. The export season to Japan 2020 has just started at the time of this report.

Two packhouses and ten growers in 2018/2019 and five packhouses and 27 growers with 178 blocks in 2019/2020 in Western Australia were accredited to export to Japan. The number of accreditation applications in 2020/21 was significantly reduced to two packhouses and seven growers in 2020/2021 due to the impact of COVID-19 and light production in Western Australia.

4. Increasing exports of avocado each season equating to 10 per cent of national production by 2021
There are many export industry development activities that need to be undertaken and resourced in order for industry to reach its export potential. The export volume also depends to some extent on the strength of the Australian domestic market. The strong domestic market during the life of the project provided a challenging environment to achieve industry commitment to export market development. Nevertheless, Australian avocado exports have increased 27 per cent per year over five years to record 4,052 tonnes in 2019/20, which is double the export proportion of national production from 2.3 per cent in 2017/18 to 4.63 per cent. The export volume in 2019/2020 increased by 2.26 times from 2017/18, the year before the project started and was valued at \$24.97 million.

5. Continuity of export knowledge within the industry
Avocados Australia will have an ongoing role in supporting the development of avocado exports well beyond the life of this project. The information, resources, knowledge and skills that have been further developed through this project will be beneficial to the industry on an ongoing basis and will continue to be built on over time. Extensive resources to support export development are now readily available to the industry. The key stakeholders who were engaged in this project have a long-term commitment to avocado export development and have a solid foundation to build upon.

Monitoring and evaluation

A copy of the Monitoring and Evaluation (M&E) Plan can be referred to in Appendix C. Whilst much of the M&E elements have been covered in detail in other parts of this report, the key evaluation questions are listed and responded to below.

Effectiveness

To what extent has the project achieved its expected outcomes? To what extent has the project increased the adoption of the industry Best Practice Guidelines? To what extent has the project improved knowledge and awareness of exports? To what extent has the project built the export capacity?

The project has successfully achieved most of its expected outcomes as explained above in the outcomes section.

Over half of the responses in the 2019 Stakeholder Survey rated the Best Practice Resource as most useful. It suggests that the adoption of the industry Best Practice Guidelines has been high.

It is believed that the project has significantly improved knowledge and awareness of exports given the extensive communication and engagement as outlined in the outcomes section above.

The project has developed the export capacity of the industry as evidenced by the overall increase of export volumes and value. The utilization of the new market access protocol to Japan also provides evidence of increased capacity.

Relevance

How relevant was the project to the needs of intended beneficiaries? To what extent has the project met the needs of avocado growers, packers, wholesalers and marketers?

The feedback from the 2019 stakeholder survey demonstrated that the project was very relevant and met the needs of industry. The project focused on market access and maintenance, trade development, branding and positioning and building industry capacity. It supported many export industry development activities that need to be undertaken and resourced.

Process appropriateness

How well have intended beneficiaries been engaged in the project? To what extent were the target engagement levels achieved? Have regular project updates been provided through linkage with the industry communication project?

The intended beneficiaries have been very engaged in the project at various levels. The avocado growers, packhouses, exporters, Hort Innovation, federal and state government stakeholders have been actively engaged in the activities as set out in the Methodology section. Regular project updates have been provided through linkage with the industry communication project, particularly through the *Talking Avocados*, *Guacamole* e-newsletter, *BPR* and *Avocados Australia's* website.

To what extent were engagement processes appropriate to the target audience/s of the project? Did the project engage with exporters through their preferred learning style? How accessible were extension events to exporters and stakeholders?

The project engaged with exporters through a range of different mechanisms to meet the needs of a range of learning styles. The 2019 Stakeholder Survey identified areas where additional communication and engagement was needed and these were promptly addressed. The Japan registration training workshop was delivered both online and offline which was very easy to access for exporters and stakeholders.

Efficiency

What efforts did the project make to improve efficiency?

Opportunities to improve project efficiency were considered throughout all aspects of the project. In

particular, the successful applications to PASE for the Online Export Registration platform and the Online Export Protocol Module aim to improve the efficiency of exports to protocol markets. The Japan training workshop delivered both online and offline during COVID-19 with presenters across Queensland, ACT and Western Australia was another example of improving efficiency. Co-dependencies between core projects managed by Avocados Australia provided good opportunities to optimize efficiencies. Related projects included industry communications, industry and market data, and industry forums.

Recommendations

The export project has made significant achievements in export and market access development. Based on the feedback from the PRG members, the export stakeholder survey and our experience through the project, we make the following recommendations.

New export project and strategy

It is recommended to establish a new export project to continue building a robust industry capacity to pursue new and improved market access and market maintenance goals. The new project should review and update the Avocado Export Strategy 2019-21, taking account of Action Plan 2020-2022 for the Market Access and Maintenance and Trade Development strategies. We recommend a new Avocado Export Strategy be developed from 2021 to align with the term and priorities of the new Avocado Strategic Investment Plan, once developed.

The new project should be resourced by a full time Export Marketing Manager to develop and drive the implementation of a new Avocado Export Strategy.

The project is recommended to focus on the following areas:

Market access and Maintenance

Open new markets and maintain/improve access among existing key markets, that have premium value segments that will bring substantial increase in trade for the Australian avocado industry

- Review, update and develop compelling business cases to progress market access negotiations for priority markets which include Thailand, Japan, India, New Zealand, China, South Korea and Vietnam
- Provide technical support and industry input via the Avocado Market Access Advisory Group to DAWE to develop robust, workable market access protocols for both new market access and market improvement
- Regularly engage with DAWE to review the progress of market access negotiations and to ensure additional R&D packages supporting non-host status and sunblotch viroid meet negotiation requirements
- Work closely with DAWE to facilitate the registration and auditing of growers and packhouses for protocol markets
- Provide input to the development of the Export Online Registration platform to be developed under a PASE project and provide the on-going support to manage the platform for export accreditation for the protocol markets
- Facilitate information and training session for growers and exporters interested in exporting to protocol markets, to be delivered in conjunction with DAWE staff before the start of each season. Additional support from relevant state departments should also be sought to assist with the training
- Develop a special Industry Notice during the accreditation period for protocol markets to disseminate the information from DAWE for export registration
- Develop, update and review the guidelines for the export registration process for protocol markets to assist growers and exporters in registration
- Ensure industry has up-to-date information on MRL requirements for the export markets by providing input to the MRL project by Hort Innovation and MRL app development under the PASE project managed by ATGA
- Ensure the implementation of market specific strategies for market access outlined in the Avocados Australia Market Access and Trade Development Action Plan 2020-2022.

Trade Development

Defend and grow existing selected key markets by effective education, marketing and promotion focusing on key export markets.

- Facilitate an export marketing working group to provide avocado industry input and support for trade development initiatives to the Hort Innovation Marketing team and the Marketing Strategic Investment Advisory Panel (SIAP)
- Develop market research plans to facilitate research on major retailers and consumer segments within established and new markets to find “niche” areas
- Provide industry input to market development initiatives operated by Hort Innovation such as Taste Australia and Export Retail Training programs
- Maintain and update guidelines and best practice resources for exporters, importers and others in the supply chain
- Participate in major trade exhibitions and trade missions into existing and new priority markets and facilitate exporters’ participation. Existing priority trade shows are Asia fruit Logistica, FoodEx Japan and China FVF
- Support market studies and trade missions to new markets such as India to build relationships to support market access and subsequent trade development.

Branding and Positioning

Build the image of Australia as an excellent source of high quality, nutritious and versatile avocados.

- Provide input to the development of the Australian avocado Unique Selling Proposition (UPS) in international markets. Utilize the UPS to develop and update export materials to support marketing and promotion
- Work with Hort Innovation to develop consistent branding and messaging for industry export under the Taste Australia banner.

Build Industry Export Capability

Develop the Australian avocado industry to take a leadership role in exports and cultivate a more export-oriented culture among its members.

- Data analysis and reporting

Review the requirements of trade intelligence reports in consultation with the export PRG and commission the reporting via project AV20000. Provide the reports to the avocado industry through export communications.

- Export educational resources
 - a. Maintain and develop support resources for those interested in participating in exports, including the Export Module and Protocol Market Module (new via PASE funding) in the BPR and the Global portal on the industry website.
 - b. Provide on-going support and encourage and promote the usage by growers and exporters of the module through export communication
 - a. Encourage and support growers/exporters to attend trade missions/trade shows (e.g. Asia Fruit Logistica and Japan Foodex) to develop an understanding of export requirements
 - b. Educate industry and build the case for the export imperative by packaging compelling forecast information and scenarios.

- Regional export workshops

Host a series of export education workshops for growers and exporters to increase the awareness of the importance of exports, improve confidence and understanding of export requirements.

- Communication to stakeholders
 - a. Integrate with Avocados Australia’s existing communication program but address the specific needs

for the export sector and develop tailored export information targeted to this sector of industry.

- b. Generate communication material to provide economic case-studies of export success from avocados but also other industries to demonstrate what is possible and to encourage greater commitment to export from the grower community.
- c. Maintain associate membership of the Australian Horticultural Exporters' and Importers' Association (AHEIA) to facilitate dissemination of relevant information from the export community and to provide information about the avocado export activities to the broader horticulture export community.
- d. Participate in multi industry export forums on behalf of the avocado sector (e.g iTAP, HEICC and Hort Innovation export forums).

Refereed scientific publications

None to report

References

None to report

Intellectual property, commercialisation and confidentiality

IP and confidentiality arrangements remain as per the executed research agreement; there are no issues or developments to report.

Appendix A – 2019 Export Stakeholder Survey

In consideration of the different perspectives of different groups of stakeholders, the survey was undertaken in two parts. Part A included growers, packers, exporters and other commercial stakeholders. Part B included DAWE and Hort Innovation.

Summary of Part A: 2019 Stakeholder Survey - commercial stakeholders

The survey received 53 responses. 62 per cent of the respondents were growers, 21 per cent were grower packers and 9 per cent were exporters. 17 per cent of the respondents were researchers, service providers, suppliers and wholesalers.

The majority of respondents were from QLD (47 per cent), WA (30 per cent) and NSW (17 per cent). There were no results from ACT, TAS and NT.

The majority of respondents (77 per cent) were not involved in exporting avocados or were export registered. Among them, 67 per cent planned to export in the future.

87 per cent of the respondents regarded the export of avocado for the industry as very important.

The current export related information and reports provided by Avocado Australia have been well received by the respondents. “News of market access” (70 per cent responses) was the information of most interest. The Australian Avocado Import and Export Report (six monthly) was the most useful report selected (66 per cent responses).

The majority of respondents (79 per cent) used Guacamole newsletter to find out about avocado export news and information. 58 per cent of the respondents used the export section in the BPR.

Extra comments, information and programs of interest to the respondents in the survey can be summarised as below:

- market access to China and India
- export prices and costings
- market trend
- progress in market development
- information on competing countries (price, season, volume, export destination)
- marketing programs
- market access plans and updates
- Non-Hass varieties in export countries
- importing country's product requirements
- accreditation process and dissemination of information to growers
- regular updates on Australian avocado export and demands in overseas markets
- sharing export experiences (case study)
- export oriented workshops (including costs, price and accreditation)
- get growers on board (help growers to understand and commit to export)
- employing overseas technical offices
- increased and clearer communication

Summary of part B: 2019 Stakeholder Survey result - Government and Hort Innovation

Some comments of the survey were related to the accreditation process for export to Japan. The process was new to the packhouses, growers and Avocados Australia. Avocados Australia had also noticed that many growers do not respond to emails or newsletters which are the main sources used to distribute information. The instructions from the department were sometimes confusing. As only WA has the access to Japan currently, industry needs to justify

the investment in specific accreditation related workshops and online systems.

Responses to surveys

In response to the surveys, the following activities were planned to be included in the work plan 2019- 2020:

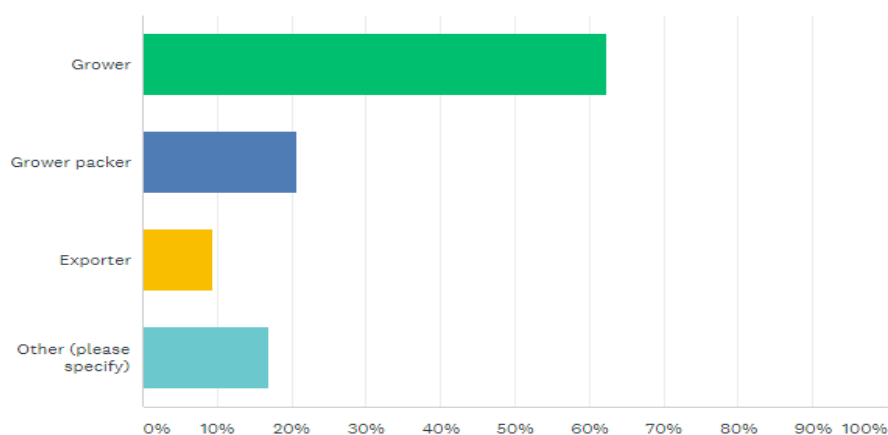
- Set up export section in **Guacamole**
- Include regular updates of market access and marketing programs in Talking Avocados
- Include export section in Regional Workshops to highlight market access status
- Include more information on competing countries in the current reports
- Improve communication to promote exports
- Develop special industry notice during the accreditation period
- Develop simple guidelines for accreditation of export to Japan before the export season starts
- Invite the auditor/the Department to present in the next regional meeting in WA
- Start EOI process for Japan Foodex and Asia Fruit Logistica two months in advance of the events

The following activities can be considered for future project investments:

- Develop export newsletter
- Develop and update regularly targeted summary information on major export destinations (such as prices and competitors)
- Conduct regular market research on export price, trends and demands in overseas markets
- Organise export workshops for interested growers
- Conduct market research on non-hass varieties in export markets
- Consider managing the accreditation process online in the long term

2019 Stakeholder survey full result - commercial stakeholders

Q1: How are you involved with Avocados Australia? (Please tick one or more.)



ANSWER CHOICES

RESPONSES

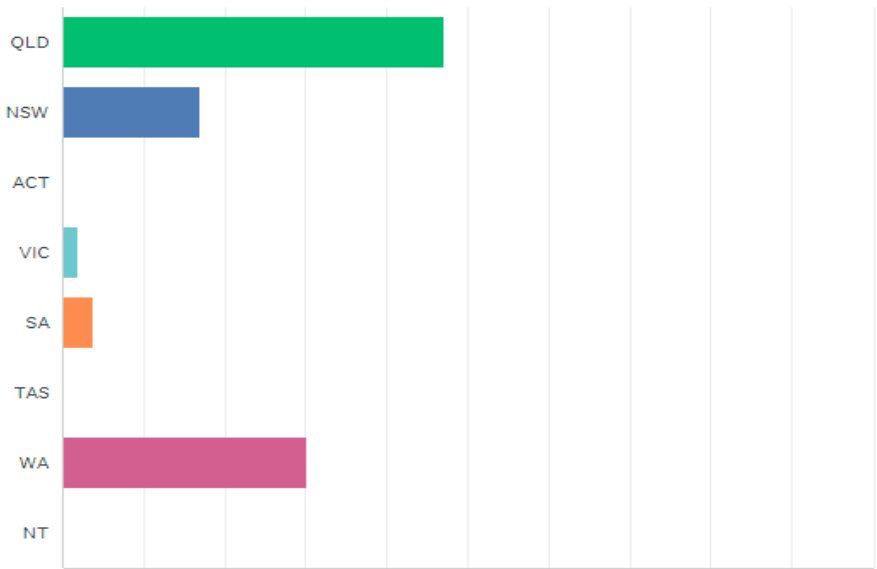
Grower	62.26%
Grower packer	20.75%
Exporter	9.43%
Other (please specify)	16.98%

- researcher

- RD&E Provider
- 3PL service provider
- Supplier
- Researcher
- nursery
- research and extension
- Service provider, marketing, quality analysis, price reporting, destructive sampling, advising retailers on best potential outcomes for the category
- Wholesaler of Avocados (grower of citrus)

Total Respondents: 53

Q2: What state or territory do you live in?

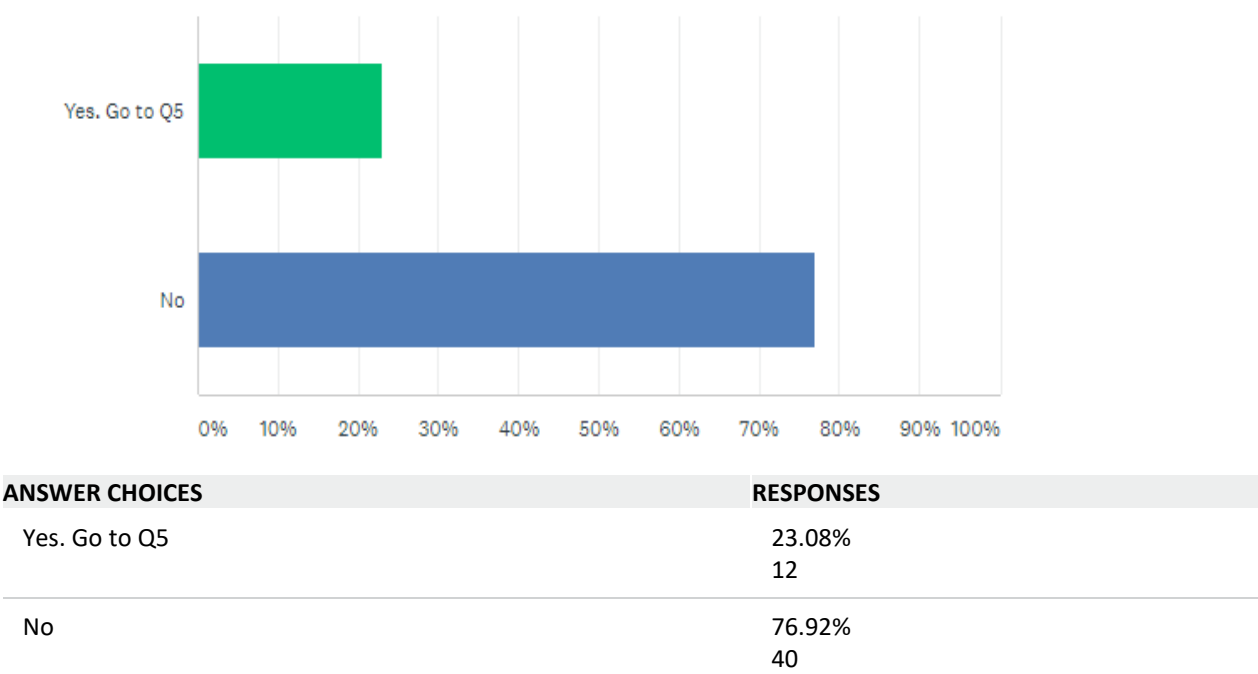


ANSWER CHOICES	RESPONSES
QLD	47.17% 25
NSW	16.98% 9
ACT	0.00% 0
VIC	1.89% 1
SA	3.77% 2
TAS	0.00% 0
WA	30.19% 16
NT	0.00% 0

Total Respondents: 53

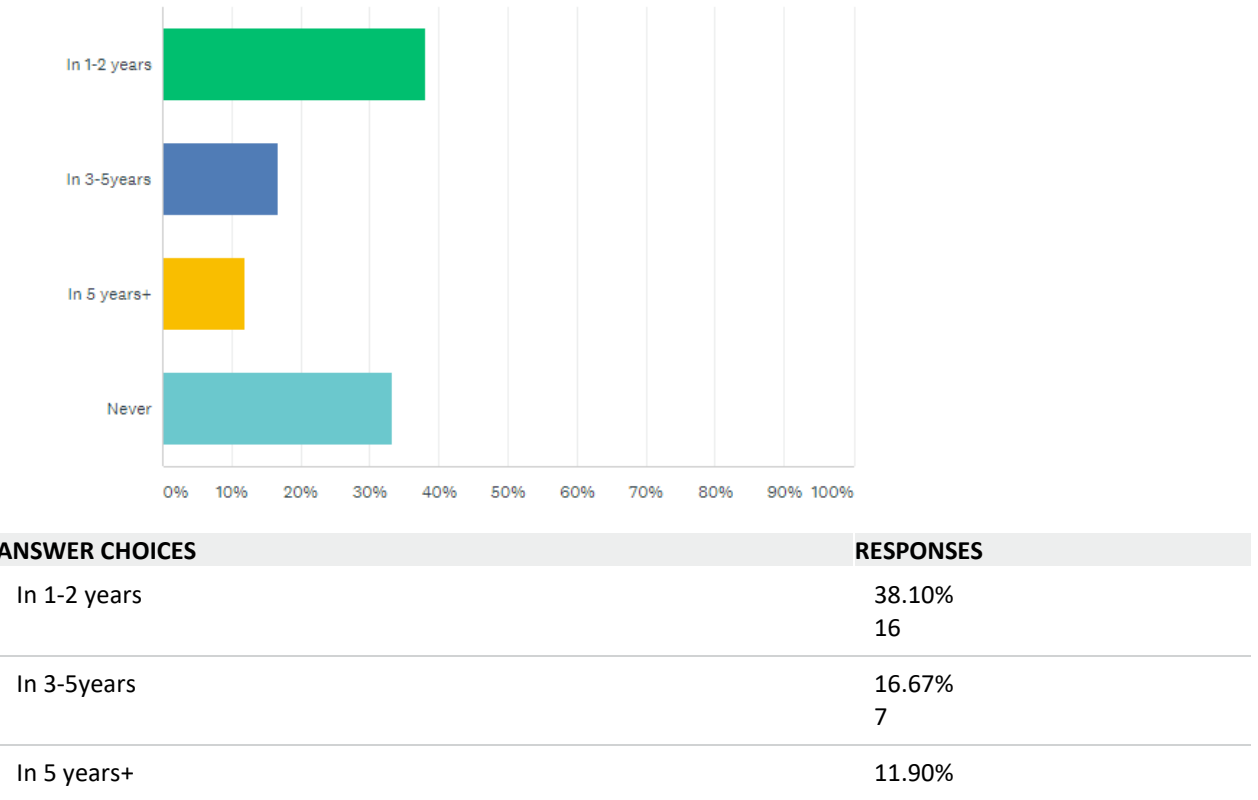
Q3: Are you currently involved in exporting avocados (or export registered)

Answered: 52 Skipped: 1



Q4: When do you plan to become involved in exporting avocados?

Answered: 42 Skipped: 11

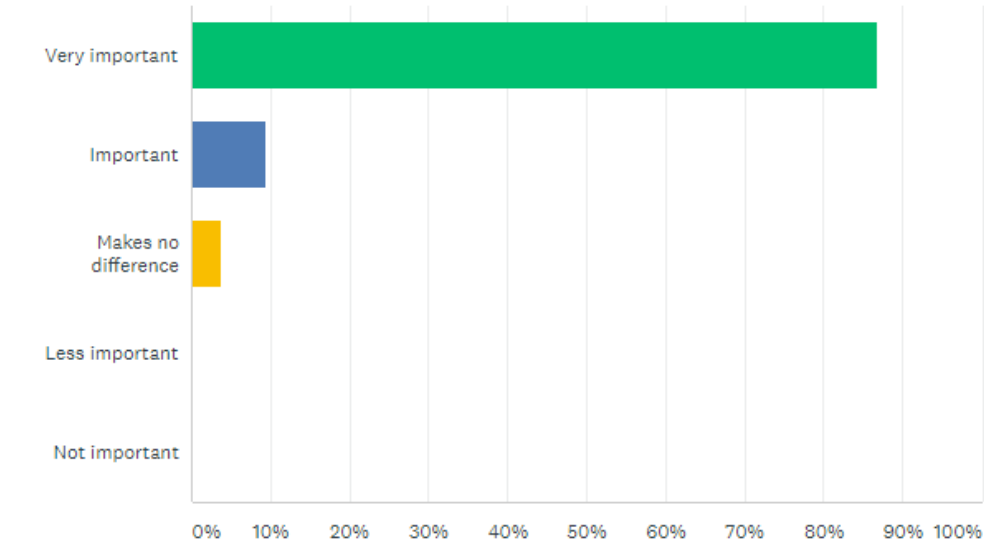


	5
Never	33.33% 14

Total Respondents: 42

Q5: How important is the export of avocado for the industry?

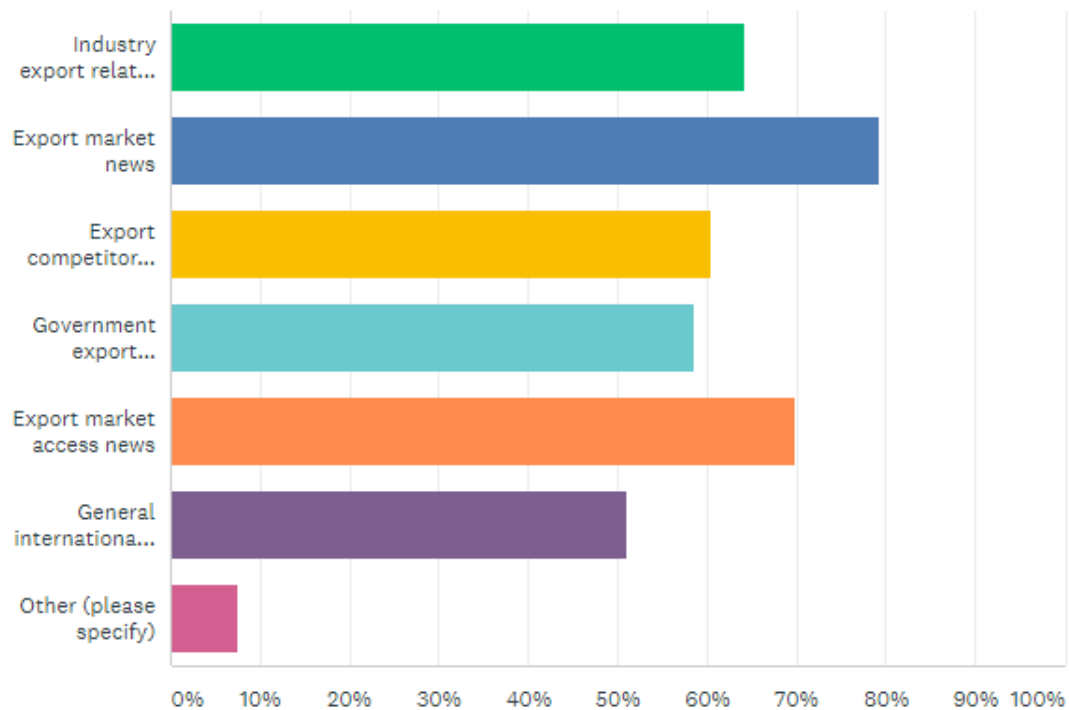
Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES
Very important	86.79% 46
Important	9.43% 5
Makes no difference	3.77% 2
Less important	0.00% 0
Not important	0.00% 0
TOTAL	53

Q6: What would you like Avocados Australia to keep you informed about regarding export (Please tick one or more)

Answered: 53 Skipped: 0



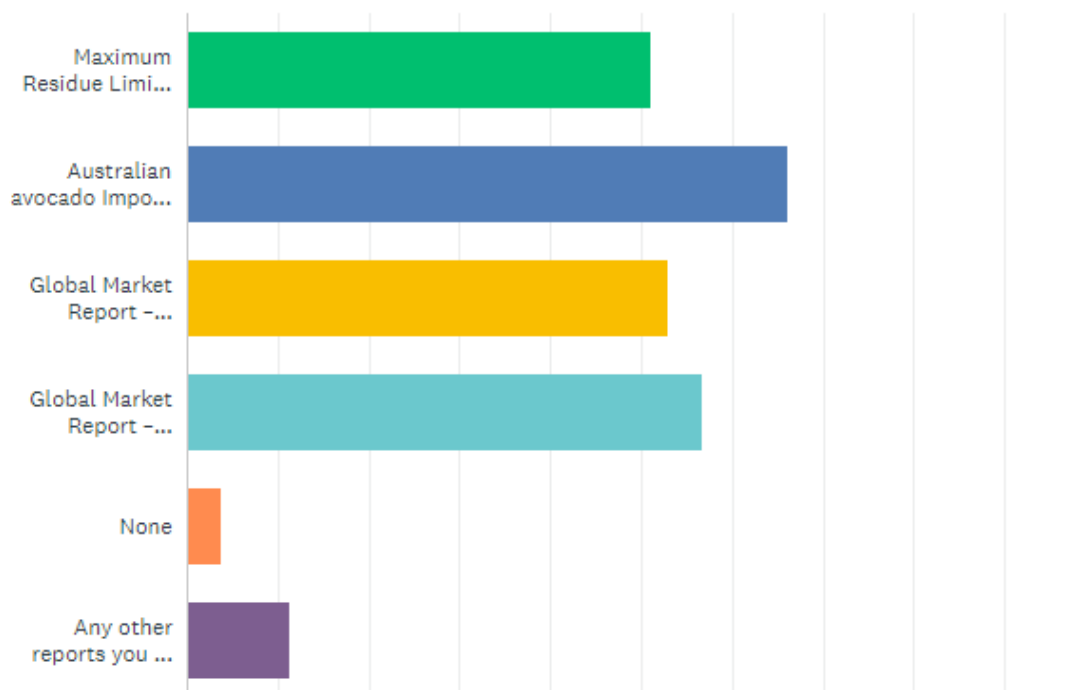
ANSWER CHOICES	RESPONSES
Industry export related events	64.15% 34
Export market news	79.25% 42
Export competitor countries' information	60.38% 32
Government export regulations	58.49% 31
Export market access news	69.81% 37
General international industry news	50.94% 27
Other (please specify)	7.55% 4

- What is AAL doing to get market access to new markets such as China, India?
- Export Price - at what approximate farmgate price can we become competitive in the international market?
- Target Market Pricing and Competitor Pricing by time of year. Costs associated with exporting -transport, govt tariffs, mktg, intermediaries, by target country
- all of the above

Total Respondents: 53

Q7: Which export reports produced by Avocados Australia do you find useful?

Answered: 53 Skipped: 0

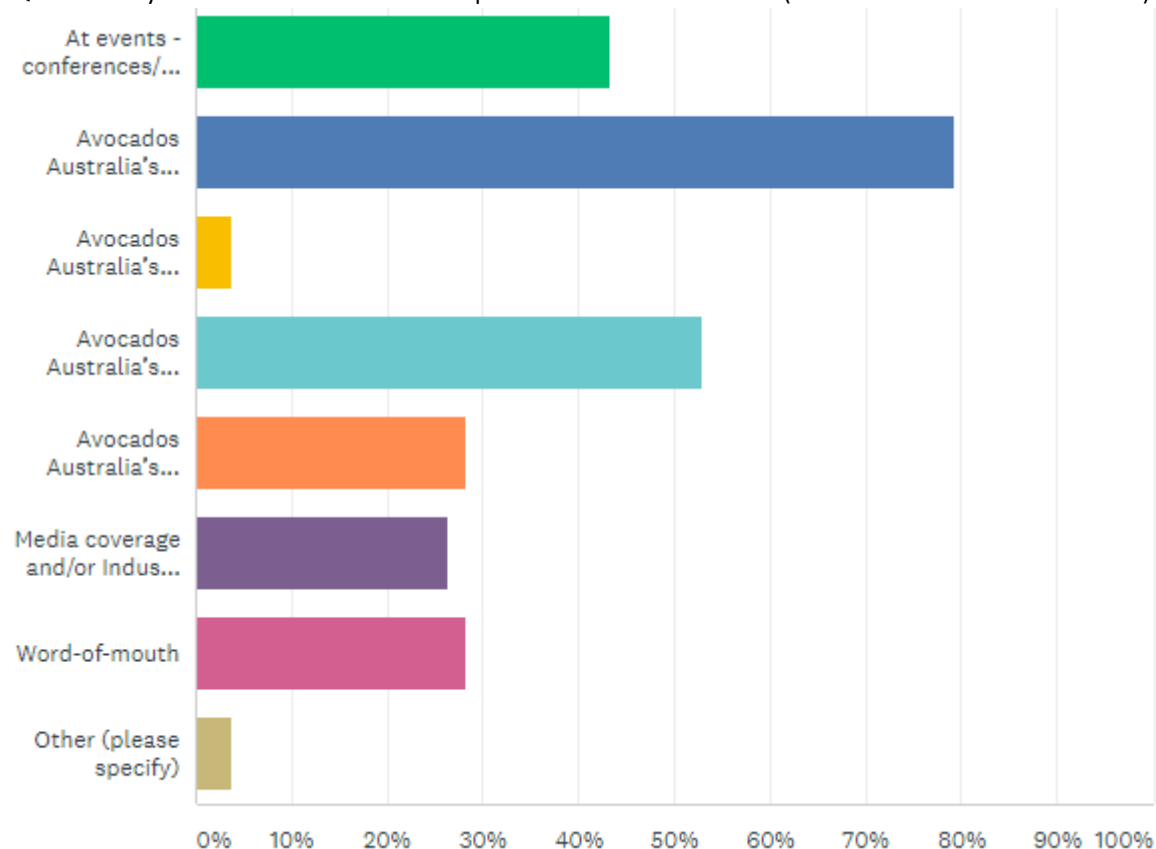


ANSWER CHOICES	RESPONSES
Maximum Residue Limits (MRL) of prioritized avocado importing countries	50.94% 27
Australian avocado Import and Export Report (six monthly)	66.04% 35
Global Market Report – Avocado Import Markets (annually)	52.83% 28
Global Market Report – Avocado Producers and Market Suppliers (annually)	56.60% 30
None	3.77% 2
Any other reports you are interested in, please specify:	11.32% 6

- Weekly export market price and other relevant information on an ongoing basis
- We don't currently receive any reports
- in market price reporting - China, Japan, Hong Kong, Malaysia, UAE
- progress with export market development ie QFF biosecurity protocols for export destinations, requirements for grower registrations to participate in export.
- Ongoing monitoring of competing countries export programs, where the volumes of their avocados are going, what pricing they are achieving for their avocados, how long in their season do they have left, what are their potential reserves etc.

Total Respondents: 53

Q8: How do you find out about avocado Export news and information? (Please tick all relevant channels.)



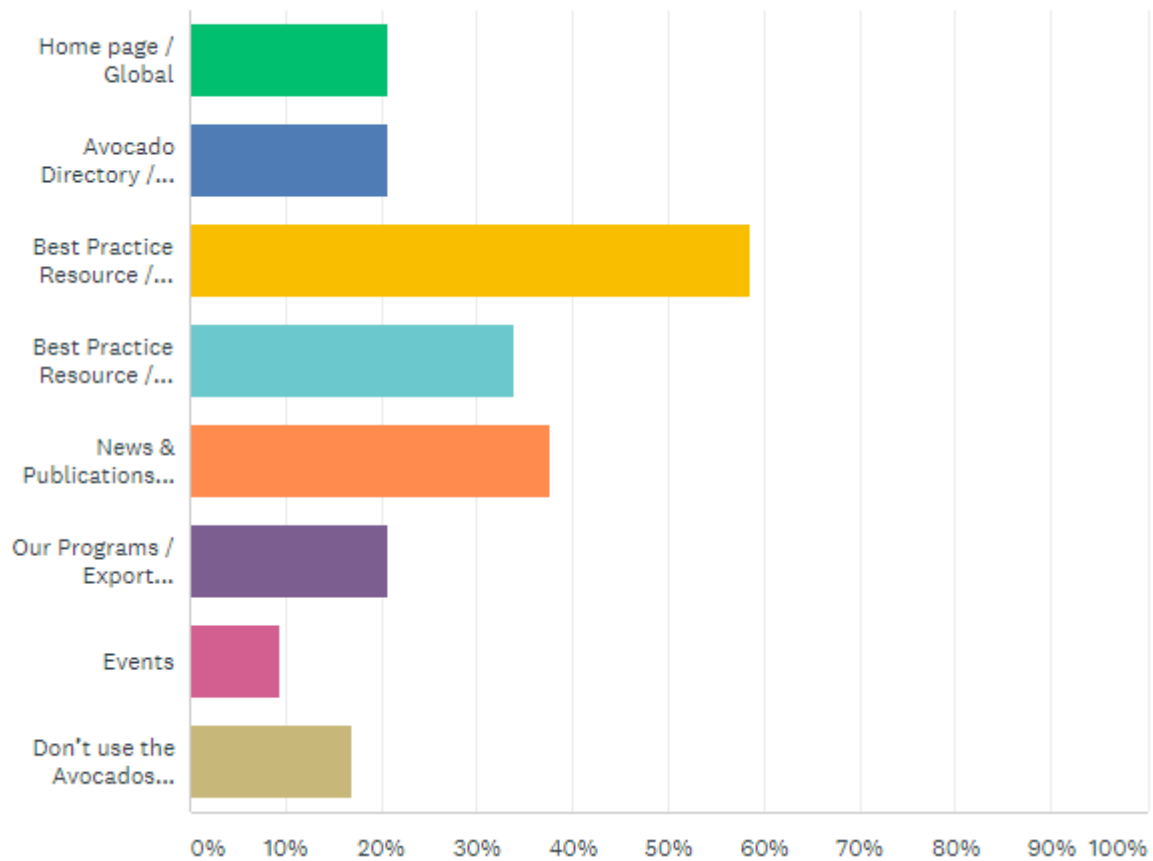
ANSWER CHOICES	RESPONSES
At events - conferences/field days/workshops	43.40% 23
Avocados Australia's Guacamole newsletter	79.25% 42
Avocados Australia's social media (Facebook & Twitter)	3.77% 2
Avocados Australia's Talking Avocados magazine	52.83% 28
Avocados Australia's website	28.30% 15
Media coverage and/or Industry publications (eg Fresh Plaza)	26.42% 14
Word-of-mouth	28.30% 15
Other (please specify)	3.77% 2

- Agent advisor
- Talking with avocado category managers, exporters and importers

Total Respondents: 53

Q9: Which sections of the Avocados Australia website related to export do you find most useful? (Please tick all the ones that you find useful.)

Answered: 53 Skipped: 0



ANSWER CHOICES	RESPONSES
Home page / Global	20.75% 11
Avocado Directory / Exporters	20.75% 11
Best Practice Resource / Export	58.49% 31
Best Practice Resource / Library / Export	33.96% 18
News & Publications /International News	37.74% 20
Our Programs / Export development	20.75% 11
Events	9.43% 5
Don't use the Avocados Australia website	16.98% 9

Total Respondents: 53

Q10: What additional export information or support would you like Avocados Australia to provide?

- Answered: 25
- Skipped: 28
- what is the appetite in export countries for non-Hass varieties? Increased awareness of minimum quality requirements to satisfy the different export markets, eg. size of fruit, DM and customer preference, is "clean green" important, MRLs
- Market trends in the Asia Pacific region
- More information about market price points. Is there a price point in which the export market will be able to take up any over-supply that Australia may have in the future?
- Auditing processes
- Prices per tray
- The export and packing protocols/requirements as growers/packers in QLD that we could expect.
- Accessibility/marketing to potential new markets.
- Review of the times/seasons each year when the Australian price makes export competitive each year
- Greater detail around what countries are being targeted by Avocados Australia for export protocol. More industry coordination around the export of Australian Avocados to global markets.
- Expected costs to the grower, such as certification for access etc.
- n/a
- any action that promotes cohesion in our overseas markets
- Marketing programs
- Access to export from SA from areas outside river land.
- none
- where we are regarding export, on regular updates. Growers need to know what is happening now, where and how they participate so they can understand how they may prepare their own business for the future.
- unsure
- What is being done to progress different export markets
- Currently we have to go and search. As a grower, I would like more delivery of export info to me (email). And information at a level I can use to see if it is becoming attractive for me. At the moment it is high level and generic and focused on the really big guys. You need to make it relevant to smaller farms to understand how they can consider it
- predicted market accessibility timelines
- n/a
- n
- None that I know of.
- AAL should be more proactive in getting growers accredited for export, rather than just sending out an email, they should have field days where they assist growers in the process
- Where and when are the opportunities for export and what can be done locally to address barriers to additional export markets.

Q11: What suggestions you can make to improve Avocados Australia's stakeholder engagement on export?

- Answered: 24
- Skipped: 29
- Everyone involved in industry is a stakeholder. Would be good for those currently exporting to provide feedback, share their knowledge/experiences, on what the rest of industry (particularly growers), need to do to be successful exporters. This could be done via half hour time slots in the field days, as well as regular Guac or TA articles.
- As exports increase, consider employing an overseas technical officer to provide feedback on fruit quality and other market expectations or issues, so that immediate solutions can be worked on.
- Give non exporting growers an understanding of the importance of export and why their fruit needs to be export ready in order to fill gaps if the need arises.
- See 10
- Not sure
- Nil.

- Case studies showcasing success and change
- More export orientated workshops helping to provided coordination of all stakeholders.
- I think it may be a bit early to comment as I have no experience in the area to date
- n/a
- the more intel that is available the better our planning for a stronger export option
- Help growers gain access
- none
- I am happy with the status quo.
- regular updates on how and where exports of Aust avos are happening so as to give incentive and confidence to growers who may wish to prepare their own business to join the export programs currently operating and those planned for the future.
- nil
- Regular updates if any country can be exported to and any general export updates via text messages
- Need to break the information down to make it relevant to smaller farms. Give us data to see how it compares to pricing in our market in terms of sales price and costs involved so we can see the reality of it. At workshops where Tyas speaks everyone seems to be hiding from the actual sales returns and costs data. It might be sobering but lets not shy away from it. It may also make people think twice before planting more trees...
- In formations about demands for Australian avocados around the World and, make available the transparent export policy and procedures to whoever wants to export.
- Have the directors stop crying doom and gloom for production and export of avocados. The industry needs positive proactive support from the directors not negative doomsday cries of woe. Do your job and find export markets for growers.
- keep up good work
- AAL needs to get growers on board and encourage commitment to export
- Increase clearer communication

Part B: 2019 Stakeholder Survey full result - Government and Hort Innovation

The Department of Agriculture and Hort Innovation are key external stakeholders supporting avocado export development. Email interviews were conducted with two representatives from Department of Agriculture and Hort Innovation.

1. How do you rate the information Avocados Australia provides in supporting you in maximizing the export of Australian avocado?

Extremely useful

Very useful - one response

Useful – three responses

Less useful

Not useful

2. How do you rate the engagement level of Avocados Australia in working with you in export related areas?

Extremely high

High – three responses

Reasonable – one response

Low

Very low

No engagement

3. Are there any changes you would like to see in the way Avocados Australia engages with you or your organization on export matters?

In the last 24 months our interactions have increased as we have been working on Japan and Thailand and most recently India. AA has also identified China as a priority market for access. There may be merit in establishing a more formal advisory group with industry (which we have done with some commodity sectors) to establish more regular or structured engagement.

When comparing the Avocados Australia (AA) approach to that of other industry groups, there is less of direct grower/packhouse engagement rather an exporter focus.

From an export certification point of view, it is just as important the growers and packers be engaged, as they are responsible for directly addressing biosecurity elements required for export.

In future seasons it would be proactive for AA to organize grower packer preseason meetings to ensure the trade developments and issues that have arising during previous seasons could be identified and addressed. Face to face meeting with stakeholders provided an efficient mechanism for addressing issues could be avoided long before audits commence. Industry body meetings are always the responsibility of relevant body as this typically results in the most relevant stakeholders attending, the departments attendance is always at industry request.

We work well together from the trade events side of things – we could collectively work together a bit more in the lead up – updates, who is attending, what product is available, how we can promote in country ... requirements of growers, expectations etc.

4. What are the areas you think Avocado Australia should improve or do differently in export?

We appreciate any intelligence/information AA is able to pass on with regards to export conditions that other competitor countries may have with importing countries that we are interested in. AA have been helpful a number of times with information along these lines.

Consideration of in-country capacity building or cooperation activities run by industry with importing country industry can help progress our own market access interests.

The programs view would be for AA to have more regional engagement with the Horticulture Exports Program providing assistance on technical protocol requirements. State authorities often also assist in providing contact points and reference material to growers and packers around export opportunities along with other material that would assist prior to the export season arriving. As feedback from some auditors, there has been some lack of

understanding regarding conditions for export from both growers and packhouses. Industry bodies such as AA generally act as the first point of call for export information, as AA should be more closely engaged with their membership when compared with the role a certifying authority such as the department can play.

It would be great if you would host the Export Reference Group meeting again to allow all the parties to participate in a group conversation (including Hort).

It works really well to include as many growers in activities as possible – it is a good learning experience for them to be in market – at all levels of the export readiness and capability.

AVOCADO MARKET STUDY

INDIA

John Tyas, Avocados Australia
July 2019

Avocados Australia

Phone: (61) 07 3846 6566 or toll free 1300 303 971

Fax: (61) 07 3846 6577 or toll free 1300 303 972

General enquiries: admin@avocado.org.au

www.avocado.org.au

www.facebook.com/AvocadosAustralia

<https://twitter.com/AvocadosAu>

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Strategic levy investment

**AVOCADO
FUND**

Introduction

India is a market that has been identified as a high priority within the *Avocado Export Strategy – 2019-2021*. Australia does not yet have market access for fresh avocados to India, but Avocados Australia is in discussions with the Australian Government Department of Agriculture to progress our application.

This report covers the main highlights from a fruit market study to India undertaken in July 2019. The study was facilitated by Hort Innovation, with the detailed program of meetings arranged by Austrade. The Avocados Australia CEO participated along with representatives from the Apple and Pear, Citrus, Summerfruit and Tablegrape industries.

The study included meetings in New Delhi, Mumbai and Chennai from Monday 22 to Saturday 27 July 2019. The visits primarily included importers, wholesalers, retailers, port facilities as well as meetings with officers from the Australian government. The study provided a good introduction to the avocado market in India.

Summary

India is the second most populated country in the world with 1.3+ billion inhabitants. Demographically, it is the youngest consumer market with 33% of the population younger than 15 years and 50% younger than 24 years. More than 60 cities in India have 1 million people and more than 7 cities have 10 million people or more.

The level of disposable incomes is increasing, especially in tier-one cities. Households with a disposable income of more than US\$10,000 has increased from around 2.5 million in 1990 to nearly 50 million in 2015. GDP growth is expected to increase at 6-8% per year.

It is a price sensitive market, at least until a brand gets established (e.g. Zespri). Consumers purchase brands they recognise, so promotion and branding are important. Customers visit both traditional “mum and pop” (Kirana) stores and modern stores in the ratio 5:1 times on a weekly basis. Modern Retail currently has about 10% of market share.

Traditions and religion influences food consumption; 38% of the Indian population is vegetarian. There is a major spike in consumption around the marriage season which is aligned with lunar cycles.

Despite the lack of recorded production data from the Food and Agriculture Organization of the United Nations (FAO), India produces avocados, with the main season from June to March. However, they produce a green skinned fruit used mainly for smoothies. Little, if any, Hass is grown. There is a looming crisis with India becoming drier, and monsoons are getting shorter. There are restrictions on farm size ownership, but conflicting information was provided, so it is not clear what the restrictions are. It is expected that the growth in India’s demand for food will exceed supply.

Imported fruit is considered much more valuable than locally produced fruit. Imported avocados are considered by importers we visited a fruit with a lot of potential in India and the category is growing rapidly (albeit off a small base). Peru is a newer supplier of avocados which are sea freighted with quoted shipping times of 50 to 55 days, using controlled atmosphere (CA) technology. According to importers, AU\$50 per 4kg tray of avocados from Peru is considered the lower end of the wholesale market price. New Zealand has been increasing their supplies to India during the past five years and are planning to trial an air-sea freight combination option which will enable transport times of 11 days.

It is difficult to understand (from this study visit alone) how large the premium niche market is, but clearly it is growing and will continue to grow with the changes that are occurring in the Indian economy. (It is also worth noting that even a niche market can be significant in a young, upwardly mobile population of 1.3 billion.) The upmarket retailers had a very good understanding of avocados with excellent displays of premium fruit. The health and nutrition of avocados is an important selling point and is widely promoted. Most of the avocados in these stores were a large size, with plenty of ready-to-eat fruit available. Retail price points over AU\$25/kg were commonly observed.

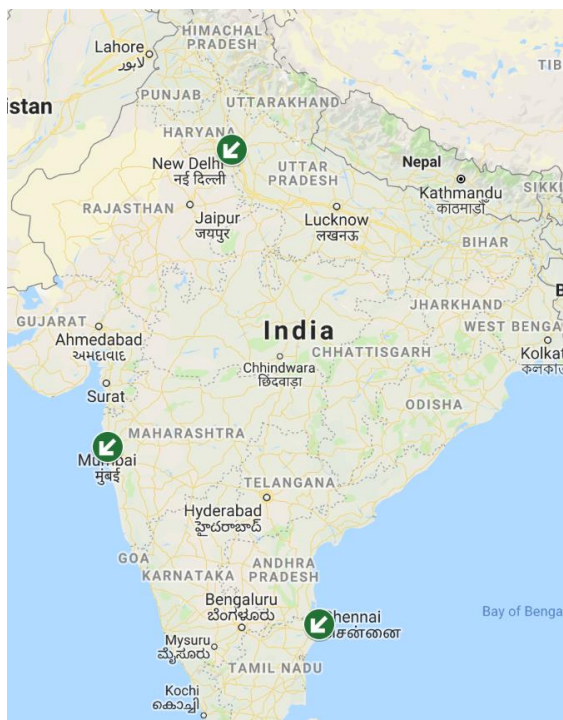
The prominence of Hass avocados in retail stores was very surprising. The opportunities in India for Australian avocados are excellent with more detailed investigation warranted. Avocados Australia will continue to seek the progression of market access with the Australian government.

India is a country where extreme wealth and extreme poverty coexists. However, despite the poverty, it seems everyone has a mobile phone and satellite dish.



New Delhi

New Delhi is part of India's National Capital Region (NCR), an urban area with a population of 47.7 million and a GDP of US\$90 billion (www.austrade.gov.au/Australian/Export/Export-markets/Countries/India/Market-profile). Austrade has identified horticulture as one of the major industry opportunities for Australia in the NCR.



Map data ©2019 Google

Lots Wholesale Solutions (Siam macro PCL - parent company)

Mr Dushyant Gupta, General Manager - Commercial
Block A, Industrial Area, Sector 62, Noida, Uttar Pradesh 201309



Lots cash and carry store



Lots cold storage. Quite small with regular turnover



Local green skinned avocados
– Rs 3.99 per kg (\$8.00)

Lots is a new family-owned cash and carry business in India. Their parent company is based in Thailand; it trades as Macro in Thailand.

The store we visited was new, opened in January 2019 and is the third store. The business is growing steadily. Metro cash and carry is their main competition.

They have introduced solar pre-cooling units for their local farm suppliers, the only retailer doing this to date.

Their main customers are small to medium businesses. They are not open to public and work on a membership system with various incentives. Sixty percent of their product is supplied to retailers, but hotels, restaurants, caterers and institutions are important customers. They are open from 7.00am to 10.00pm with about 300 customers per day. They run two shifts per day with 60 people per shift.

Fruit is received daily and is supplied via importers and local markets. They don't import directly but plan to in the next six months.

Indian-grown green skinned avocados were on display at Rs399 per kg (AUD\$8.00). The peninsular area in the south of the country is where avocados are grown with some also in the west.

Issues with Australian fruit (other than avocado) have been shelf life and price. It was suggested that packing in India could reduce cost.

Opportunity for Australian avocados

Marketing opportunity - love avocados, show your love with Australian avocados

The Marriage Season (which is based on a lunar cycle) runs throughout the year and is a good opportunity for fruit sales. Interestingly, a lot of Indians are having their weddings in Thailand as it is cost competitive.

Suri Agrofresh

Mr Hitin Suri, Director

Plot NO-576, HSIIDC, Rai Industrial Estate, Sector 38, Sonapat, Haryana 131029



Cold rooms, CA storage and ripening



Repacking Washington apples



Mr Suri showing the collapsible bins used for New Zealand apples

This is a family owned third generation business with the original founders from Pakistan and now with a partner from Ireland (Total Produce).

This was a fairly large fully enclosed multi-level facility with cold rooms, CA rooms and internal lifts. The company is planning an upgrade to the facility.

The company is one of India's largest fresh produce companies and handles 65,000MT of produce each year.

Apples are the main fruit imported to India with the bulk coming from Washington.

The company is importing apples from New Zealand in bins and repacking them. The New Zealand company invested in the system of collapsible bins.

The company also produce cold pressed juice and is installing HPP (High Pressure Processing). They juice orange, pomegranate, apple and beetroot, sugar cane.

The company imports avocados from Peru and New Zealand as well as some local Indian – grown avocados. Hass are not grown in India, although some new plantings may be emerging. There have been anecdotal reports of Australian nursery producers interested in the emerging Indian market.

Price was a key factor for most lines. Suri believes that for longer term growth, suppliers need to commit to the market, despite values in other countries.

Suri Agfrofresh started working with a model called Shop In Shop (SIS) in November 2018, which is effectively a category management model for supermarkets and hypermarkets. They have taken over 24 stores and plan to take over 100+ by the end of 2019. They handle the whole fresh fruit and vegetable section of the supermarkets and hypermarkets – sourcing, pricing, staff management, logistics, sale point and returns.

Opportunity for Australian avocados

The company is establishing some of their own orchards with some government assistance. There is an opportunity for Australian investment in growing in India. The country wants companies with knowledge to invest. A centre of excellence has been established in Kashmir.

Australian High Commission

Dr Nora Galway, Agriculture Counsellor

We had a general update on the market with some interesting insights provided:

- Regarding avocado access, the embassy is waiting for advice from the Department of Agriculture in Canberra
- The Indian Minister has been very protectionist, very slow
- India has a very small public service and resources for market access is very limited
- There is a view that e-commerce may leap conventional retail because the distribution systems are already in place
- India wants quality at the right price, and continuity of supply
- GST was introduced in 2017 so interstate trade transactions are now simpler
- Modern retailing is only about 10% of total retail
- North India is more price driven
- Industry - government trust is low and vice versa
- Industry and customer pull can help in India, producer organisations
- Trade shows are a good way to make connections – Food Importers Forum of India; Fine Food Show in February (small); Gulf Food is also very well attended by India
- A good tactic is to try and connect with businesses who have studied or worked in Australia.

Opportunity for Australian avocados

Information was provided regarding the protocol requirements for the various fruits from countries with access. From this information, it appears that there are no requirements in relation to fruit fly management for avocados from Peru.

Food Hall - Retailer visit

Food Hall is a very up market supermarket chain. There are about five of these stores in Delhi and they are growing. They cater for the very rich. According to Austrade, the average house price in the area is AU\$200-500m.

The store had on display avocados from Peru and local Indian avocados. The Peruvian fruit was very large (500g), about AU\$15 per piece. We were advised that the store usually stocks smaller New Zealand fruit when it is available. Avocados are the fastest selling SKU (stock keeping unit) in the store.



Large Hass from Peru



RS 160/100g (AU\$32/kg)



Consumer education material



Gift box guacamole kits



Local green skins – RS
150/250g – AU\$12/kg)



Avocado display

Safal – Retailer visit

This is a typical fruit and vegetable retail chain. It has a limited range of produce but restocked regularly. It caters more to the price sensitive shopper.



Safal shop front



Safal fruit display

Deloitte Touche Tomatsu India LLP

Mr Rajat Wahi, Partner

7th Floor, Bld 10B, DLF Cyber City, Phase ii, Gurgaon, 122002

An excellent market research report was presented which provided a good overview of the Indian fruit market. Some of the key points noted are:

- Imports are dominated by apples, at 70%
- About 375,000MT are imported valued at about \$400m
- Avocados make up 0.1% of imports
- There has been 80% growth in avocado imports in the last 3 years. This has been driven by the media and health awareness. A similar thing happened with kiwi fruit which is considered to be very healthy
- There is a lot of demand in affluent areas for healthy foods. Therefore, avocado is seen as a big opportunity
- Tariffs are a barrier, although they are the same for all suppliers. Australia needs to look at removing the tariffs with an FTA. The current tariff for avocados is 30%
- Per capita consumption of fruit is increasing, and currently sits about 60kg of fruit per person, per year
- Vegetarianism is high at 38% but it is not all pure vegetarianism as we know it. Many are 'flexitarians' determined by religion – i.e. vegetarian at certain times
- Vegetarianism is generally declining
- There are few large organised importers, many small importers without infrastructure
- Mahindra Greenyard is an example of a corporate importer (details of our visit to Mahindra Greenyard are included elsewhere in this report)
- Most food is imported through importers with very limited direct importation as there is too much risk with perishable products
- E commerce is very small and will struggle to compete with push cart suppliers. General Trade has wide variety, Modern Trade can have less range
- The Indian government wants assistance for their farmers to improve their performance.

NGK Trading Co.

Mr Gagan Khosla, Director
B 1/03 Palm Grove Villa, Ardee City, Sector 52, Gurgaon

Australia has supplied a lot of fruit to India in the past. New restrictions stopped a lot of trade.

Avocado is seen as a big untapped opportunity. Mexico is also seeking access. They have imported some avocados from Peru but it is very risky with a 55 day transit time. They have looked at avocados from AVANZA also.

NGK sells 50% to retail, the rest is sold to wholesale markets around the country.

There is a very strong focus on price.

Opportunity for Australian avocados

If the Australian industry can develop a shorter transit time, there may be opportunities. However, this could well be offset by price.

Le Marche – Retailer visit

Mr Nishant Choudhary, Category Head
Cross Point Mall, Golf Course Rd, Gurgaon

Located inside a modern shopping centre, this store had just opened on the day of our visit. There are seven stores in Delhi. The chain was originally family owned, bought out by DS Group.
Rs 1360/kg (\$28/kg)



Mission avocados from Peru in clam shell package – RS 1,360/kg (AU\$27/kg)



Impressive merchandising



Fresh guacamole prepared in store

SS Associates – Consultant

Mr Sumit Saran, Director

#25 Ground Floor JMD megapolis, Sohna Rd, Sector 48 Gurugram 122018

Sumit is a consultant working for specific clients. He provided some very interesting insights into the market and the culture.



- Different sides of India exist together
- There are rich and poor in every city
- 8.2% economic growth, driven by domestic consumption
- The building we were in had young workers working as start ups
- The country has well informed young people due to internet access
- Avocados are different in that most sales are through Modern Retail, whereas most other fruits are 70% sold in General Trade
- Online is the best opportunity for high value lines
- Some retail green grocers in the south deal with high value products
- Australia needs to jump on avocado opportunity
- There are big regional differences in India, need to define 'your India'

10 mantras for discovering pot of gold in India:

1. Trouble will not go away, accept it
2. Define your India
3. There is always room in India
4. Avo case study
5. India is what it is - 33 cities with one million millionaires (in rupees)
6. Establish partnerships with 360 degree view
7. Reach out or you will be lost
8. Firecrackers often fail. Small candlelight burns for long
9. Have a long term plan
10. There is life beyond google

Mumbai

Mumbai is the capital of Maharashtra, India's second most populous state. The state has a population of 112.37 million. (www.austrade.gov.au/Australian/Export/Export-markets/Countries/India/Market-profile)



Map data ©2019 Google

Big Basket - breakfast meeting

Big Basket is an online retailer with an Uber Eats-type model. It was a start up in 2011 and is now 30% owned by Alibaba. They have about 20,000 staff including deliverers.

The business founders had a retail background.

The business is doubling each year currently with 15 million customers.

Bangalore, Delhi, Mumbai and Chennai are the biggest areas, but Big Basket is moving into smaller cities. They have distribution centres in 15 cities and ripening facilities in the major centres.

Thirty percent of the product is fresh. They source avocados from New Zealand, Peru and the local industry. They manage some direct imports, e.g. apple from New Zealand.

Once they receive an order, they make up the basket and deliver by bike to the customer in a defined window. Two-kilogram orders are delivered within one hour, larger volume have a longer timeframe.

They also sell to business wholesalers. They appeared to have a very good understanding of avocado handling technology.

Austrade Insights

- Rich people use street sellers to supply everything- milk, newspaper, fruit seller. Also, some visit department stores or have their staff visit for them.
- Middle class also use street sellers to supply their homes. They also now use online as it is cheaper, with more variety.
- The younger generation are driving online sales.
- Middle class is growing and incomes are increasing.
- Large versus medium importers - Medium importers are quite good, don't just focus on big importers.

IG International

Mr Tarun Arora, Director and Shubha Wadhawan, CCO

802, Akshar Tower Blue Chip Building, Turbhe Naka, Turbhe, Nave Mumbai - 400076

This is a family owned importing business, started by the father. It is a well-established business with good infrastructure, including their own trucks. The cold chain appears to be well managed and they have sophisticated quality monitoring software to provide transparency for suppliers.

They are now moving into growing, e.g. with blueberries from Australia. They are also growing cherries.

Mission supplies avocados from Peru and they believe the quality is good. The shipment takes 50 days but the fruit arrives hard green.

They note that the retail sector needs education on handling. They support marketing programs with a marketing budget of about \$2m per year, shared 50/50 between IG and exporters.

Turan believes there is opportunity for high flavour and the younger generation want the new products/varieties. As they are all digitally connected, they know what is going on in other parts of the world.

APMC (Agricultural Produce Market Committee) Fruit Market)





The markets are very lacking in modern technology. Cool chain and food safety management is limited at best. We visited the IG International stand and had a general look around. However, as it was raining, it was difficult to move very far, as the facilities were not entirely weatherproof.

Avocados from Peru were on display for Rs 26-2800 per 4kg carton (\$50+) at the IG International stand. I was advised that this is the lower end of price.

IG International are now planning trials with New Zealand to use airfreight to Singapore and then sea to India - 11 days in total.

IG International believes it has a 'monopoly' on avocado imports and they work with the other main importer to keep price buoyant. Because avocados are not easy to handle, it's not easy for others to enter the category without the necessary infrastructure.

Opportunities for Australian avocados

IG International believes the main growth area for avocados is in the restaurant trade. The benefit of this market is that it gives consumers the eating experience with avocados that they then replicate at home.

Bahaarat Mumbai Container Terminals

PSA

Ngian Shi Wei, Deputy Head Ops & Solomon Das, Senior Executive, Marketing
Jawaharlal Nehru Port, Sheva, Navi Mumbai 400 707



Reefer plug in area

PSA is a global port management company with a large global footprint and commenced in Mumbai in 2018.

The port facility has 1620 reefer plug points and can handle reefer trains.

The terminal is government regulated but prices are negotiated with shipping companies.

Rail goes directly into the port which provides a secure cool chain.

A new international airport is planned to be developed nearby in the near future.

Mahindra Greenyard - Reena Verma

Mr Ravindranath Kamma, CEO and Reena Verma, Head - Imports
Meeting at Austrade office, Mumbai

The joint venture between Mahindra and Greenyard commenced in 2014. Mahindra is a large company involved in 22 different industries, in 100+ countries. Greenyard is in 88 countries. Soboro is their brand and they are one of the only corporates in agriculture in India.

They have plans for expansion with new distribution centres, more suppliers and more products.

The joint venture imports fruit from everywhere. Apple is the dominant product followed by citrus. They don't handle any avocados at the moment. When they do, it is expected to be frequent delivery of small volumes. Australia's year-round supply ability is a positive. The price of avocados is currently very high, so the market is limited. However, avocado consumption is growing at more than 100% per year.

For other fruit, most is sold at retail in push carts (90%).

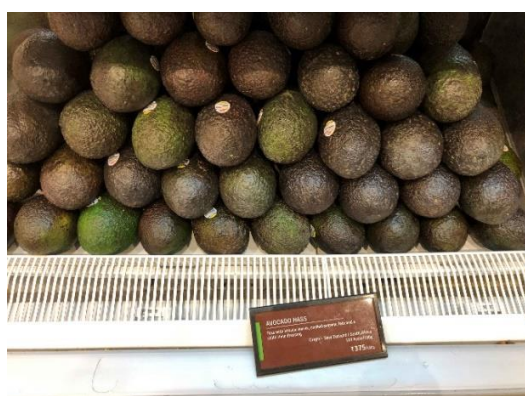
One-third of the population is less than 15 years old, imported fruit is growing rapidly and Modern Retail is growing quickly. More than seven cities have at least 10 million people. Modern Retail is constrained by profitability but it is expected to grow rapidly in the next five years. Also, there is rapid on-line retail growth. Internet access is very cheap (\$2 per month).

Opportunity for Avocados Australia

The business has a sophisticated market price forecast model and are willing to share monthly data on imports.

Food Hall, Khar West – Retail store visit

This store is very similar to the one visited in Delhi. Avocados were at the front of the store with a very modern display. They work on 100% mark up for avocados due to the risk of losses.



Ripe avocados in refrigerated display



Mis-labelled Peruvian Hass



Top quality display



Avocados in prominent position



Gift boxes were on display for the same price per kilogram as the loose display



Local greenskin – Rs 600/kg (\$12/kg)



Red skinned local organic avocado – Rs 800/kg (\$16/kg)



Guacamole made to order



Large display of hydroponic leafy salad products

Godrej Nature's Basket – Retail store visit

Arshad Saiyed – AVP – Head of Supply Chain

Mr Yash Jaisinghani – Category Manager, Fruit & Vegetables

Godrej One, 3rd floor, Gate No. 4, Pirojshanagar, Eastern Express Highway, Vikhroli (E), Mumbai - 400079

This is an omni-channel retailer. The store in Mumbai has been in existence for 14 years.

They also have stores in two other cities (three stores in total). They are planning to open more stores as other catchments in the city want the products; Nature's Basket is looking at eight new stores in next 12 months. They have undertaken consumer research on the streets to define good catchments - how much they travel, what things they like etc.

Their online business is 14% but they claim to have the largest percentage of all retailers. They are very focussed on quality and flavour. Sweetness is key.

They had an innovative program of free avocado twin packs to launch the category, and carry some organic lines. Nature's Basket has a traceability app which tracks every vegetable item.



Refrigerated display



Rs 1,290/kg (\$25.80/kg)



Local greenskin prepack in refrigerated display



Avocados feature on their advertising banner

Reliance Retail Limited

Sunil Ramashankar Singh, Lead – Premium F&V

Avinash Joshi, Vice President and Business Head (F&V)

Reliance Corporate Park, Gate – A, Thane – Belapur Rd, Bldg. No. 4, Wing B, 2nd floor, WS-148, Ghansoli, Navi Mumbai – 400 701

Founded in 2006, Reliance is the largest retailer in India. They have more than 10,000 stores, and 10 new stores are being established per day. They have a variety of formats and have experienced rapid growth in the last five years. They make up 48% of modern fresh produce retail and are soon to commence on-line as well.

They have a farm to fork model, working closely with 1.5 million acres of farmers.

Imported fruits is increasing 25% per year and premium fruit and vegetable categories are growing at 14% per year.

Californian table grape and Zespri Kiwi Fruit were two examples where they have developed the categories based on quality and promotion. Reliance Vice President Avinash Joshi is very confident that there is good market for top quality product where price is not an issue.

Children demand for fruit was noted as a good opportunity. They do sell fruit baskets around festivals, Christmas and New Year.

Anusaya Fresh India

Mr Denish Shinde, Director

Meeting at Austrade Office, Mumbai

This importer is very interested in blueberries and avocado. They started importing avocados six years ago, starting with 25 trays per week. They now handle 6,000 trays per week.

They import avocado from Peru and New Zealand (AVANZA). They use third party cold storage facilities and have just started avocado ripening.

They target the middle class because that is where there is more volume opportunity.

Chennai

Chennai is the capital of the state of Tamil Nadu, the most urbanised state in India. The state has a population of 72.14 million (www.austrade.gov.au/Australian/Export/Export-markets/Countries/India/Market-profile).



Map data ©2019 Google

Chennai is very much in the tropics. Only local avocados were seen, and it seemed the imported Hass hasn't made its way to the south yet. There was not much interest in imported avocados, compared with Delhi and Mumbai.

Koyambedu Wholesale Fruit Market, Chennai



Market loading area – stray cattle feeding



No cool chain



Well presented fruit display in the markets

D.manivannan & Co

R. Viswanath (Vish) – Import Manager

D. Manivannan – Proprietor

T/D.95, T/C.39, Anna Fruit Market, Koyambedu, Chennai – 600 092

This importer/exporter/wholesaler is a third-generation family business.

They don't import avocados (and claim that no avocados are imported in the south of the country).

Local avocados are used for smoothies.

They believe that avocados need promotion in Chennai.

EDS Agro India Private Limited

D. Sriram

No. 12- Kuthambakkam (Chettipedu), Kathambakkam Village, Thiruvallur District, Tamilnadu
– 602 107

This importer is a multi-generation family business.

They first imported fruit from Australia in 1999.

They have cold store with a capacity for 5,000 metric tonnes

Many growers are starting to grow avocados, but not Hass. Indian avocado production period is June to March.

Opportunity for Australian avocados

Establishing a new market for premium imported fruit in Chennai would be a longer term proposition, but there are benefits to being first in the market (customer loyalty, brand recognition). However, more background would be needed, as this work clearly isn't being done by larger producing nations, and there may be good reasons for this.

KPN Farmfresh Cold Storage

Mr Harikrihnan, Director

No. 107 Chettiyar Agaram St, Noombal Village, Vanagaram, Chennai - 600 077

The facility is a processing and distribution centre for a group of stores that the seven partners privately own. They started in retail then moved back up the chain to wholesale and importing. They own 60 retail outlets and the facility only supplies its own stores. Customers in their stores are high to middle class.



Sorting and repacking stonefruit



Preparing packaged products

They have good cold room facilities and can manage ripening. The business and its customers are interested in new products. They believe there is an opportunity for avocados but more in the north.

Mr Harikrishnan believes a retail price point for avocados at Rs400 per kg (\$8/kg) is a price that works. Suppliers need to focus on sea freight to be viable. Retailers need to sell on smaller margins to make it work. Local avocados are much cheaper- Rs150 per kg (\$3/kg).

Staff sorting onions were paid Rs15,000 per month (AUD\$1.50 per hour) plus health care and lunch. As at August 2019, that's about AUD\$300 a month.

KPN – Retail store visit

This store is targeting the middle class with good displays of reasonable quality.



Sampling of local avocado – bland and watery



Local avocados labelled 'Butter Fruit'

Adani Agrifresh

Mr Basant Nayak, Business Head
Mr Sanjay Shah, Head – Imports & Exports
Meeting at Hotel

Adani is a large conglomerate involved in a number of different industries. Recent developments include six new airports, data mining with google, and the Australian mine. Its core business is agriculture, managed through the entity called Agrifresh Limited.

Agrifresh limited is involved in imports, mainly apples, mandarins and pears. It is also a grower of pomegranates (mainly), seedless lemon, and is emerging in dates and dragon fruit, with 16,500 farmers.

With the development of modern retail, imports are now increasing.

A new port is being developed at Vizinhos and is purported to replace Singapore.

The company's Farm-pik apple plant is a very sophisticated packing facility that processes 300,000MT of apples produced. Adani is aiming for Indian growers to displace imported red delicious. Growers are moving to high density and newer varieties are being planted in new plantings as well as converting existing orchards. Government subsidies are provided to support this.

There are restrictions on corporate land ownership but long term leases are available (Adani has 99 year leases for orchards).

Advertising in India is very cheap.

Opportunities for Australian avocados

Adani indicated that they are very willing to support Australians, aside from potential trade. Building good will with Australians is probably a strategic priority for the company.

Typical fruit stall at local street markets



Appendix C- Project monitoring & evaluation planning

1 Program logic

Figure 1 Logic model for project

Relevant outcomes from the <i>Avocado Strategic Investment Plan 2017-2021</i>	By 2021, over 10 percent of production will be exported to markets where customers have a willingness and a capacity to pay a premium for Australian avocados
End of project outcomes	• An informed industry aware of export opportunities and requirements through targeted training programs and associated activities • Utilisation of new market access protocols by growers and exporters • Workable market access protocols negotiated for new markets • Increasing exports of avocado each season equating to 10% of national production by 2021 • Continuity of export knowledge within the industry
Intermediate outcomes	• An engaged core group of key export stakeholders • Solid relationship with key departmental stakeholders
Outputs	• Updated Best Practice Resource Export Module • A clear and broadly supported work plan document and annual workplans • Support for training of participating orchards and packhouses on export protocols ahead of each season • Implement a packhouse (and if required, grower) export registration and audit process • Avocado industry input into a comprehensive market development package operated by Hort innovation • Avocado industry input into a multi-industry Export Quality Standards project (to be procured separately by Hort Innovation) • Avocado industry input into development of training materials for a broad multi-industry export training program aligned to the Export Strategy • Stakeholder surveys as agreed with Hort Innovation • Status report on the Avocado export program including any issues that may need to be incorporated into the next year's work plan • Business cases developed for Hort Innovation to support new avocado market access • Industry input into market access protocol development

Activities	Communicate export related information with stakeholders via export communication and engagement plan	Work closely with DAWR to facilitate the logistics and provide assistance to enable the registration and auditing of packhouses and also orchards, if required	Manage the annual export registration process
	Provide technical information to DAWR as required to support the development of robust, workable market access protocols for both new market access and market improvement	Develop and submit business case for priority market for new market access and market improvement according to the priorities identified in the new Avocado Export Strategy and the annual work plans	Support Hort Innovation on market development package, training materials, export quality standards, trade shows, status report on the Avocado export program
Foundational Outputs	Review and update of export strategy	Annual work plans developed	
Foundational Activities	Plan and manage project and budget	Form project team and project reference group(PRG)	

2 Project M&E scope

2.1 Audience

Table 1: M&E audience and their information needs

Audience	Information need
Primary	
Project team	Result from Stakeholder survey Result from training workshop participant survey Published export performance data Extent of industry acceptance of outputs
Hort Innovation	Number and timing of distributed reports Extent of participation by exporters Extent of industry acceptance of outputs Number and timing of communication and engagement efforts
Project reference Group	Project progress report Project communication
Secondary	
Avocado growers, packers, exporters, value chain members and federal and state government stakeholders	Industry reports Project communications

2.2 Key evaluation questions

Table 2: Project key evaluation questions

Key evaluation questions	Relevant?	Project-specific questions
Effectiveness		
1. To what extent has the project achieved its expected outcomes?	yes	To what extent has the project increased the adoption of the industry Best Practice Guidelines? To what extent has the project improved knowledge and awareness of exports? To what extent has the project built the export capacity?
Relevance		
2. How relevant was the project	yes	

Key evaluation questions	Relevant?	Project-specific questions
to the needs of intended beneficiaries?		To what extent has the project met the needs of avocado growers, packers, exporters and value chain members?
Process appropriateness		
3. How well have intended beneficiaries been engaged in the project?	yes	To what extent were the target engagement levels of achieved? Have regular project updates been provided through linkage with the industry communication project?
4. To what extent were engagement processes appropriate to the target audience/s of the project?	yes	Did the project engage with exporters through their preferred learning style? How accessible were extension events to exporters and stakeholders?
Efficiency		
5. What efforts did the project make to improve efficiency?	Yes	What efforts did the project make to improve efficiency?

2.3 M&E budget

Sufficient resources have been allocated within the project team

3 Performance expectations, data collection and analysis

Table 3: Project monitoring plan

Logic level	What to monitor	Performance expectation (KPIs) and/or monitoring questions	Data collection – method (e.g. survey) and source (e.g. growers)	Timing of, and responsibility for, data collection
Foundational activities	Form project team	Export Coordinator is employed and time of Communication Manager and Data Analyst are allocated.	Record keeping	Initially (project leader)
	Form project reference group	Project reference group is formed.	Record keeping	Initially (project leader)
	Plan and manage project and budget	Project planning docs completed and sent to Hort Innovation, milestone deadlines are met, budget is adhered to	Record keeping	At MS102, and quarterly (project leader and export coordinator)
	Review and update of Export Strategy 2014-2019	Export Strategy 2014-2019 is reviewed and updated	Record keeping	At MS103 (project leader, export coordinator and PRG)
Project activities and outputs	Update export module when relevant new export related information available. Upload information on phytosanitary protocols and export registration approved by Australian government.	Best Practice Resource Export Module is updated when relevant export related information is available	AAL website	Ongoing (project leader and export coordinator)

	Upload Maximum Residue Limits (MRL) information when available and relevant to BPR	MRL is updated in BPR	AAL website	MS103 and MS106 (export coordinator and data analyst)
	Facilitate the logistics and provide assistance to Australian government in registration and auditing. Arrange and participate in information and training sessions for growers and exporters interested in exporting, to be delivered in conjunction with DAWR staff. Identify and communicate with interested growers and packhouses, advice regarding harvest windows, support with planning travel itineraries, dissemination of information on behalf of DAWR and in-bound visits in relation to accessing new markets	Support for training of participating orchards and packhouses on export protocols are provided as required	Record keeping and DAWR	Depend on the success of market access negotiations by Australian government (project team)
	Implement a pack house (and if required, grower) export registration and audit process	The registration process is communicated to the industry. Registration applications are reviewed and feedback is provided. Registration applications are submitted to DAWR once acceptable. The need of online registration model is investigated.	DAWR, AAL, record keeping	As required (project team)
	Assess and adjust the project resources depending on timing of market access	Review of resource requirements for registration and auditing is completed	Record keeping	MS102 and MS104 (project leader and export coordinator)
	Industry input into market access protocol development	Industry inputs into market access research is provided via project MT14052. Industry input into market access protocols development is provided.	Record keeping, DAWR	Over three year period Depends on the success of market access R&D (Project team & PRG)

	Avocado industry input into a comprehensive market development package operated by Hort innovation	Inputs are incorporated into annual work plan	Record keeping	When required by Hort Innovation (Project Leader and Export Coordinator)
	Avocado industry input into a multi-industry Export Quality Standards project (to be procured separately by Hort Innovation)	Industry input is provided to the multi-industry Export Quality standards when required.	Record keeping, Hort Innovation	When required by Hort Innovation (Project Leader and Export Coordinator)
	Avocado industry input into development of training materials for a broad multi-industry export training program aligned to the Export Strategy	Avocado industry input is provided and incorporated into the annual work plan	Record keeping, Hort Innovation	When required by Hort innovation (Project Leader and Export Coordinator)
	Stakeholder surveys as agreed with Hort Innovation	Stakeholder surveys are completed annually and reported on time.	Record Keeping, Survey results	MS105 (Project leader, export coordinator, communication manager)
	Overview of the export program including issues that may need to be incorporated into the work plan	Status report on the Avocado export program is completed and submitted on time to Hort Innovation	Record Keeping	MS103 and MS 105 (Project Leader and Export Coordinator)

4 Evaluation

Table 4: Additional evaluation data requirements

KEQ	Data collection requirement	Source and method
<i>Copy from Table 2</i>	NA	

Table 5: Independent evaluation studies (as required by Hort Innovation)

Type of evaluation	When (start and finish)
<i>Mid-term evaluation</i>	NA
<i>Final evaluation</i>	NA

5 Reporting and continuous improvement

Table 6: Project progress reporting

Report type	To whom	Timing
Six Milestone Reports	Hort Innovation	Six-monthly
Final Reports	Hort Innovation	At end of project
Written and verbal update	Project Reference Group	Annually

Table 7: Project continuous improvement activities

Continuous improvement process	Details	Timing
Reflection meeting with Hort Innovation R&D Manager	Meeting with R&D Manager to discuss progress to-date and what's working well/not, and agree any follow up actions	Six-monthly
Team meetings	Meeting between project team members to discuss project progress	At least monthly
Project Reference Group meetings	Meetings with PRG to gain feedback on project activities and refine methodology	Annually

Risk Management Plan – AV17000 – Avocado Export Readiness and Market Access

The risk	Potential causes/sources	Potential impacts	Controls	Likelihood with controls in place	Consequence with controls in place	Treated risk assessment	Risk evaluation	Responsible person
What could happen?	What would cause it?	How risk impacts delivery of project	What controls are in place, or will be, to manage the risk?	From Risk Likelihood Scale	From Risk Consequence Scale	From Risk Assessment Matrix	Is this level of risk acceptable?	Who will monitor & manage the risk?
Low industry adoption	Better return in domestic market, low production levels, Competition in export market	Less interest in export, underachieving on this project outcome, diminished usefulness of project outputs	Communication plan devised, carried out and updated as required, and appropriate resources allocated. Provide training in system and organize activities to increase confidence and awareness Ensure communication with stakeholders is effective and efficient	Probable	Minor	Medium	Yes	Project Leader, Export Coordinator and Communication Manager
Low utilisation of new market access protocols by grower and exporters	Competition in the new market; low supply; better return in other markets, unfamiliar with new markets	Delay to engagement activities and thus achievement of some milestones	Provide target training programs and associated activities Communicate and engage with exporters and stakeholders in activities Disseminate relevant information to export community	Possible	Minor	Medium	Yes	Project Leader and Export Coordinator
Proposed market access protocols for new market are not acceptable to import countries	Not possible to manage and control the requirements of protocols in the new markets	Delay in negotiation in the new markets	Communicate and engage with stakeholders Provide support to Australian government in protocol development	Possible	Minor	Medium	Yes	Project Leader, Export Coordinator and PRG

Loss of key staff: project and administration	Resignation; inadequate stakeholder management system to store information currently held in staff memory	Delay while staff are recruited and trained.	Central location for project information. Retain staff through appropriate management techniques.	Possible	Minor	Medium	Yes	Project Leader and Export Coordinator
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Appendix D - Communication and stakeholder engagement plan

AV17000 – Avocado Export Readiness and Market Access

Background

Australian avocado production has increased significantly from 34,515 tonnes in 2005/06 to 66,716 tonnes in 2015/16 in response to domestic demand. Over the same period, consumption has increased at approximately 6.3 percent per annum, or from 46,103 tonnes to 78,276 tonnes. The rapid rate of increase in avocado production has created an imperative for the industry to access and develop new markets. Avocados remain a relatively new food option and many consumers, particularly in overseas markets, are yet to become familiar with the product.

Based on production forecasts developed by Avocados Australia, Australian avocado production is likely to exceed 100,000 tonnes by 2025. This rate of growth is well above previous consumption growth and the expectation is that significantly more fruit will be marketed to off shore markets as domestic market saturation increases. This may also be impacted by imports from other countries, such as Mexico, if/when market access is granted.

The Avocado Strategic Investment Plan 2017-2021 has identified export development as a key priority.

Outcome 3 in this plan states that 'By 2021, over 10 per cent of production will be exported to markets where customers have a willingness and capacity to pay a premium for Australian avocados'.

There are many export industry development activities that need to be undertaken and resourced in order for industry to reach its export potential. Many of these will be supported through this project.

Avocados Australia, as the peak industry body, is best placed to undertake these activities. We have extensive industry networks and relationships; a whole-of-industry approach and significant experience in export market development. We have been a member of the Australian Horticulture Export Association (AHEA) since 2013.

We have an Avocado Export Committee that includes representation from the main Australian avocado exporters. Our directors have extensive networks throughout the industry and a number are actively involved in exporting avocados.

Our CEO has been driving export development initiatives for the avocado industry for the past five years, including the commissioning of the first avocado industry export strategy and overseeing its implementation.

He has actively pursued market access negotiations for avocados to Thailand and Japan with Western Australian access expected to be granted in 2017. Our CEO has also led a PASE market development project to explore market opportunities and to pilot a ripe and ready retail offer in Singapore and Malaysia.

Other staff within Avocados Australia will support the project in the areas of industry communication (Avocado Communications Manager) and analysis of global market data (Avocado Data Analyst). We have a comprehensive industry communication program (AV15002) that can support the specific export communication needs. Similarly, our data analysis project (AV16006) includes an export data analysis component which will be utilised through this project.

Objectives

The project communications align with the *Avocado Strategic Investment Plan 2017-2021* by contributing to the achievement of these SIP outcomes:

- by 2021, over 10 percent of production will be exported to markets where customers have a willingness and a capacity to pay a premium for Australian avocados

Audiences

The main target audiences are avocado growers, packers, exporters and value chain members. Secondary targets are Hort Innovation, federal and state government stakeholders.

Communication outputs

This plan integrates with Avocados Australia's existing communication program but addresses the specific needs for the export sector and develops tailored export information targeted to this sector of industry. It will consider all relevant mediums including hard copy, on-line and face-to-face.

The direct communication outputs of this project are:

- a stakeholder engagement and communication plan
- updated Best Practice Resource Export Module
- stakeholder surveys on a schedule agreed with Hort Innovation.

Communication and engagement activities will also be undertaken in support of:

- support for training of participating orchards and packhouses on export protocols ahead of each season
- implement a packhouse (and if required, grower) export registration and audit process
- avocado industry input into a comprehensive market development package operated by Hort innovation
- avocado industry input into a multi-industry Export Quality Standards project (to be procured separately by Hort Innovation)
- avocado industry input into development of training materials for a broad multi-industry export training program aligned to the Export Strategy
- export project status reports, for information of Hort Innovation to enable monitoring of issues during the respective season, incorporating results and lessons from the surveys
- business cases developed for Hort Innovation to support new avocado market access
- industry input into market access protocol development.

Data analysis and reporting

Project AV16006 (delivered by Avocados Australia) includes a component of data analysis to support export development. The Data Analyst employed through AV16006 will undertake relevant global data analyses and provide relevant reports for communication to industry. This will utilise IHS Global Trade Atlas data and other data sources will be accessed as required including drawing on reports produced by other relevant Hort Innovation projects. AV16006 has a separate community and engagement plan, which also integrates with this plan for AV17000.

This project communication strategy will aim to build an export culture in the industry and demonstrate the benefits to industry from export development. Data analysis undertaken as part of AV16006 will provide supporting information.

Communication and engagement tools and activities will include:

- establishing an internal working relationship between AV17000 and AV16006 via face-to-face meetings and other communication as appropriate.

Wider industry memberships

Avocados Australia will maintain associate membership of the Australian Horticultural Exporters' and Importers' Association (AHEIA) to facilitate dissemination of relevant information from the export community and to provide information about the avocado export activities to the broader horticulture export community.

Communication and engagement activities will include:

- securing membership of AHEIA
- ensuring AV17000 project team is in receipt of AHEA communications materials
- analysis of AHEIA materials for dissemination to export-related stakeholders identified by Avocados Australia, from the target audience list of this strategy

On line Best Practice Export Module

The recently upgraded avocado industry website – www.avocado.org.au – and Best Practice Resource (BPR) will play a key role in the communication of relevant information for export stakeholders. An export module was recently added to the Best Practice Resource and will be updated as new information becomes available. In particular, information regarding phytosanitary protocols and export registration that is being developed by the Australian Government will be made available online.

Avocados Australia's fortnightly *Guacamole* newsletter contains a regular section to highlight new materials with the BPR. If and when materials are added to the export module, there is potential for these updates to be publicised in this newsletter section. This raises awareness of potential export markets and their requirements to the nominated target audiences.

Meetings with key stakeholders

Appropriate members of the project team will participate in key meetings of relevance to the project including those with the Australian Government Department of Agriculture and Water Resources (DAWR), Hort Innovation, state governments, Austrade and other domestic agencies. Which team member(s) will participate will depend on the purpose of each meeting.

Communication and engagement activities will include:

- identifying key meetings of relevance to the project
- identifying key contacts of relevance to the project
- communication with key contacts and attendance at key meetings as appropriate
- dissemination of the outputs to the key target audiences outlined within this communication strategy, via the appropriate channel (including but not limited to direct emails, or providing content for *Guacamole*, *Talking Avocados* or other suitable publications.

Stakeholder survey

As part of the communication and stakeholder engagement strategy, as requested in the RFP, a schedule of stakeholders surveys will be agreed with Hort Innovation for this project. The first survey will be undertaken in 2019 (year two of the project). The frequency of this survey will be reviewed with stakeholders early in the project to determine appropriate timing, delivery mechanism and frequency.

Stakeholder surveys will include: Growers, Packers, Exporters, State agency staff; DAWR staff, Hort Innovation Trade Unit and other relevant staff as determined by the project management team, and other relevant stakeholders. Existing Avocados Australia stakeholder contacts will be made available for use in the project,

with all necessary precautions to meet the requirements of the Privacy Act 1988 and the Avocados Australia privacy policy.

Information sharing with other industries

This communication and stakeholder engagement strategy includes liaison with service providers of other similar projects in other industries such as Table Grape (TG17000) and Summerfruit (SF17002) to share experiences and learn from each other. An informal network will be established to enable interaction between the related projects and encourage sharing of knowledge and experiences. It is proposed that this will include up to two face-to-face meetings each year and phone hook-ups on an as needs basis.

Communication and engagement activities will include:

- identifying key contacts within TG17000 and SF17002
- two face-to-face meetings annually
- phone hook-ups on an as needs basis.

MRL information updates

Each year, a review of Maximum Residue Limits (MRLs) for key export markets will be undertaken. This will compare the MRLs for products registered on label or permit with those in the exporting countries. The information will be provided to industry through the communication program.

Communication and engagement activities will include:

- securing the outcomes of the review
- analysis of the outcomes of the annual review, to determine relevance for the identified target audiences
- dissemination of the analysis within Avocados Australia's communication channels, as appropriate.

Market access related communication and engagement activities

Grower and packhouse protocol training

This relies upon development of protocols and cannot be implemented before that stage.

The project team will work closely with the DAWR to facilitate the logistics and provide assistance to enable the registration and auditing of packhouses and also orchards, if required. The project team will arrange and participate in information and training sessions for growers and exporters interested in exporting, to be delivered in conjunction with DAWR staff. These will be planned for appropriate times in relation to the harvest period for different regions. For example, in the first year, this may only be Western Australia depending on the timing for extension of protocols to other regions.

Communication and engagement activities to support DAWR will include:

- include identification of and communication with interested growers and packhouses,
- advice regarding harvest windows,
- support with planning travel itineraries, and
- dissemination of information on behalf of DAWR.

This support will be extended to other in-bound visits in relation to accessing, improving or developing priority export markets including potential pre-clearance inspectors as required. Avocados Australia has extensive

knowledge of the industry, an extensive stakeholder database and effective communication mechanisms to provide this support.

Registration and auditing

This relies upon development of protocols and cannot be implemented before that stage.

In line with expectations communicated to Avocados Australia from DAWR, the project team will manage the annual export registration process for industry. This will involve establishing communication channels with prospective export businesses; providing information about the registration process; reviewing the registration applications and providing feedback to applicants and once acceptable, submitting the registration application to DAWR. DAWR will undertake the inspections for registration.

Communication and engagement activities to support registration and auditing will include:

- educating growers about their requirements under the conditional non-host protocol
- engagement with the Australian Table Grape Association, to evaluate the potential for extending their online registration process to the avocado industry.

Protocol development

The project team will provide technical information to DAWR as required to support the development of robust, workable market access protocols for both new market access and market improvement.

Communication and engagement activities to support DAWR will include:

- liaising with growers, packers and others in the supply chain regarding commercial practices and procedures in various regions that need to be accommodated in the protocol development process
- draw on Avocados Australia's extensive networks to obtain expert opinion regarding pest issues and supply chain management practices.

Business case development

In line with priorities identified in the new Avocado Export Strategy and the annual work plans, business cases for priority markets will be developed and submitted to the Hort Innovation Trade Assessment Panel for new market access and market improvement.

Communication and engagement activities to support business case development will include:

- utilising the skills of the Avocados Australia Data Analyst and other stakeholders to assist with the development of robust businesses cases.

Hort Innovation support

Some of these activities rely upon development of projects by Hort Innovation and cannot be implemented before that stage.

Market Development Package

The project team will provide input to a comprehensive market development package operated by Hort Innovation.

Communication and engagement activities to support this will include:

- liaising with the PRG and other relevant stakeholders in the avocado industry to ensure appropriate input and to garner broad industry support from the avocado sector.

Training materials

The project team will provide input to the development of training materials for a broad multi-industry export training program aligned to the Export Strategy.

Communication and engagement activities to support this will include:

- liaising with the PRG and other relevant stakeholders in the avocado industry to ensure appropriate input and relevance of the materials
- provision of existing extensive best practice materials for training purposes.

Export Quality Standards

The project team will provide input to the proposed multi-industry Export Quality Standards project.

Communication and engagement activities to support this will include:

- liaising with the PRG members, to capture their extensive experience in Quality Management Systems including for export markets,
- provision of existing materials housed with Avocados Australia (such as photography and domestic grade standards) for use in the project.

Trade shows

The project team will provide input to Hort Innovation to assist with planning trade show displays and providing supporting material.

Export project status reports for Hort Innovation

Each year, export project status reports will be produced for Hort Innovation, to enable monitoring of issues.

Project Communication

This project will utilise two channels of communication directly with all growers, members and avocado industry stakeholders:

- project updates and important communications are distributed fortnightly (when timely and relevant information is to hand) through articles in the industry newsletter *Guacamole*.
- the project team contribute up to three articles for each edition of *Talking Avocados* (the printed quarterly industry magazine) discussing the latest outcomes and reporting from the project, as well as upcoming activities.

Furthermore, the project reports to Hort Innovation via the milestone report schedule for this project as detailed below.

Project Year	Milestone	Due Date	Milestone Description
1	101	18/09/2017	Agreement signed
1	102	16/4/2018	Project progress report
1	103	28/9/2018	Project progress report

2	104	1/4/2019	Project progress report
2	105	27/9/2019	Project progress report
3	106	30/3/2020	Project progress report
	190	18/09/2020	Final Report

