Avocado market in the European Union

Asian markets for horticulture initiative – a Queensland export program –
Avocado market in the European Union

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Department of Primary Industries and Fisheries • Queensland
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Executive summary

This preliminary study researches and assesses exporting avocados to the European Union (EU) market.

Key findings are presented in the two main areas of marketing and logistics. The report contains information from desktop research and limited in-market interviews by third parties (DPI&F and Trade Queensland trade officers).

This report describes the major European markets, existing supply chains, key supplying countries and freight options.

The major findings from this research are:

- Markets with the best export potential in Europe are the United Kingdom, the Netherlands and France. Although France has the highest avocado consumption level in Europe, growth in consumption is currently stagnant. On the other hand, consumption in the UK is a lot lower but is currently growing. The Netherlands is a major hub for avocado supply to other EU countries.
- South Africa, Chile, Peru, Israel and New Zealand all indicate regular sea freight shipments of avocados to EU markets.
- EU retail food markets are a highly sophisticated alliance of large retail conglomerates, a small number of preferred distributors and strong relationships with international consolidators.
- Collaboration with existing suppliers to the EU is imperative to gain a better understanding of the market, product shipments and transit routes, share resources and maximise market returns.
- The fastest logistical route to Europe by sea freight is approximately 32 days. Other combinations of road/sea/air freight may be quicker to market.
- Exact costs imposed on new shipments to Europe are currently untested but a commercial trial would identify unknown logistical costs and finalise total costs.
- Research indicates New Zealand has found commercially viable logistical and supply solutions to supply avocados to Europe. This requires further investigation to verify the methods employed by New Zealand exporters and the costs involved to compare with the Australian scenarios identified in this report.
- Further development of commercial partnerships with companies from other current supplying countries may provide new logistical solutions for Australian exporters.
Project overview

Objectives

One aim of this project was to conduct a desk-top review of the European Union (EU) avocado market to determine its size, requirements, and major suppliers. The other main aim was to investigate efficient transportation options from Australia to Europe.

Methodology

The research methodology included both desktop and limited in-market research activities. Rick Ada, DPIrF and Brendan Goulding, Trade QLD Europe jointly undertook the in-market research.

The following activities were undertaken between February and June 2008:

- A desktop study was performed using the internet, trade journals and other media to scope the size and details of the EU market for avocados.
- After determining the major countries supplying and importing avocados into Europe, further research was then undertaken to identify the main suppliers of avocados to the EU.
- Different methods of transporting avocados to the EU market were then analysed. Both sea and air freight options were considered.

To standardise monetary values in the report the following conversion rates\(^1\) were used:

- Australian dollar (AU) to Euros (€)
  \[ \$AU1 = 0.612 \text{ €} \]
- Australian dollar to Great Britian Pound (GBP)
  \[ \$AU1 = 0.48 \text{ GBP} \]

Limitations

The research presented in this report should be used as a guide only. Information included has been sourced from a number of different organisations and websites that can be inaccurate.

Whilst every effort has been made by the research team to find the most up to date information and validate this evidence, the nature of desktop research has certain limitations. Desktop research requires the use of historical reports and data that can be out of date so this needs to be factored in when viewing the overall report.

The commercial sensitivity of the international arrangements of existing competitors makes this specific information highly confidential and essentially unavailable to desk research of this nature.

A number of email and phone requests to supply commercial information have been made to various operators in the process of researching this report. Many of these requests were refused or did not receive a reply. This does not necessarily mean that these operators are not interested in developing business relationships. Rather, it is a direct indication of the fierce competition or the commercial sensitivity of information being requested. The currently undeveloped relationships with these entities will have been a key factor in the low response rate. The very nature of marketing relies on the establishment of strong, trusting relationships prior to entering formal business alliances.

Specific information missing from this report includes:

- product specifications for EU importers/wholesalers and retailers
- details about more alternative shipping ports in Europe
- other potential freight and logistical partners
- more detail about existing global alliances such as, how they operate, their product specifications and their pricing structures.
Opportunities for exports to the EU

**Australian avocado industry**

On a global scale Australia is a very small player in the world avocado market with around 2% of world production and less than 0.2% of world exports.

There are around 1200 commercial growers in Australia managing around 4000 hectares of avocado orchards. The industry is attempting to co-operate in many areas as set out in the recent strategic plan, however segmentation still exists across the various growing areas\(^2\). \(^3\).

According to Avocados Australia\(^2\) the break up of product marketed domestically in 2007 was as follows:

- supermarket – 52% (65% of retail)
- independents – 28% (45% of retail)
- food service – 15%
- export – 4%

Australia’s consumption of avocados continues to increase and is now at a level similar to the United States and France (between 1.8 and 2 kilograms per capita). The industry aims to increase domestic consumption to 4.8 kilograms per capita, requiring more than double the current supply from Australian and New Zealand producers\(^2\). \(^3\).

Avocados Australia\(^2\) is the peak industry body for the Australian avocado industry. This ‘not for profit’ membership based organisation provides services to avocado growers, associated businesses and industry people. Avocados Australia seeks to work with all parts of the chain, from production through to the consumer to continually improve the ability of growers to provide a healthy, profitable and safe product for all consumers. As part of this continual improvement, an industry Research and Development Program and a Promotional Program for the Australian avocado industry is managed in conjunction with HAL and a range of external service providers\(^2\).

**Australian avocado production**

Avocados have grown commercially in Australia for many years, but in recent years, production has increased rapidly, from 2926 t produced in the 1993 season to over 32 000 t in 2004/2005 and 40 000 t by 2007/08. For the 2008/09 season production is forecast at 46 000 t\(^2\).

---

**Figure 1** – Growth in Australian avocado production (estimates 2008-09 to 2010-11)\(^4\)
Australian production is expected to further increase in the next decade as significant areas of new plantings come into production. This expansion has been partly supported by funding from Managed Investment Schemes (MIS). Avocado production increased 20% last season, which contributed to decreased unit prices to growers because of greater supply. Thus there are strong financial incentives to export; both to move excess product offshore and to increase returns from domestic sales by preventing local market gluts.

Details of three of the major Australian suppliers are attached in Appendix 1. Other key players were identified in the major production areas of north Queensland, northern NSW, Mildura in Victoria and Western Australia. However, limited information is available about the grower and marketing bodies in these areas.

The EU avocado market

Avocado, together with pineapple and mango, is one of the most popular exotic fruits in the EU. The EU produces only 40% of its avocado requirements and thus it is the second largest import market after the United States, taking 160 000 t in 2006. This report outlines the EU market for avocados as well as product requirements.

Import data for the EU countries for 2006 can be seen in Table 1.

In 2006, 168 303 t of avocados were imported into the EU. The top four importing countries were:
- France (65 957 t)
- Netherlands (39 211 t)
- United Kingdom (29 674 t)
- Spain (26 2 t)

The top five supplying countries to the EU were:
- South Africa (35 723 t)
- Chile (34 088 t)
- Israel (31 855 t)
- Peru (30 508 t)
- Mexico (16 455 t)

The major suppliers to each market are:
- France - Mexico and Israel
- Netherlands - South Africa and Chile
- United Kingdom - South Africa and Chile
- Spain - Chile and Peru

Seasonal avocado supply to EU

Figure 2 illustrates that South Africa, Kenya, Peru and Argentina have similar seasons to that of Australia. Mexico supplies all year round however volumes are relatively low during May to October. Interestingly, New Zealand is not represented in the supply calendar, possibly due to low total volumes.

The main countries supplying avocados to the EU market from September/October to May/June (‘winter’) are Israel, Spain and Mexico. Volumes were very cyclical until 2003/2004 as alternate bearing coincided in Israel and Spain. Mexico had concentrated on shipping to the United States from the end of the 1990s and then returned strongly from 2002/2003 onwards as the euro:US dollar exchange rate was more favourable and customers, especially in France, showed increasing interest in Hass cultivars.

South Africa and Kenya continue to dominate the out-of-season market (‘summer’). Kenyan supplies have broadened, in particular through the exploitation of an original market segment (the cheapest avocados, often sold in nets) and the development of supplies of the Hass variety. However, certain emerging South American countries are tending to alter the situation. Chile has played a significant role in supplying the market at the beginning of the winter season since 2003. Present in the market since the end of the 1990s, Peru has also been a major player in the out-of-season Hass market since 2003. Supplies therefore swell considerably from June to November. Supplies are completed by a few batches from Brazil, Zimbabwe, Morocco and Argentina.

Interviews with importers of avocados into the EU suggest the major players competing with potential Australian
imports are South Africa, Peru and Chile. New Zealand also appears to be a growing player. The remainder of this report will focus on these countries.

**Avocado import hubs into Europe**

Three EU countries act as hubs, or re-distribution centres, for the avocado trade in Europe – France, the Netherlands and Spain. France remains an important hub for avocado imports in spite of a decrease in its presence in recent years. France now handles 40% of imports/introductions against over 50% in the mid-1990s (Table 2). Israeli operators who supply the whole of the EU via Marseilles do most of the re-exporting. France is the leading avocado consumer country in Europe.

The Netherlands is another important hub where re-exports have increased from less than 5000 t at the beginning of the 1990s to more than 25 000 t in 2004. Part of the traffic previously destined for Belgium now goes to the Netherlands.

Spanish operators have developed a category management operation to redistribute avocados. They are making increasing use of the marketing network set up for their own production to handle a significant proportion of the avocados imported from Chile and Peru. Imports quadrupled in the five seasons to 2004 (12 000 t) and doubled again to 26 000 t in 2006.

The United Kingdom also displays strong growth in imports but only for the purpose of supplying the domestic market. Israeli and South African exporters ran promotional activities in the UK that stimulated a near doubling of imports from 1995 to 2003.

**EU avocado consumption**

Per capital avocado consumption is lower in all EU countries than in Australia where the average consumption is 2.5 kg per person per year. In comparison, the figure is 1.4 kg in the United States. The EU level of consumption has changed very little since the mid-1990s, increasing by hardly 10 000 t. This compares to a 180 000 t increase in the United States during the same period. This result is largely attributed to a lack of product promotions in most of Europe.

Per person consumption of avocados in the EU varies considerably from one country to

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Table 1 – Total avocado imports in 2006 into the European Union (from non EU countries) in tonnes.

<table>
<thead>
<tr>
<th>Country</th>
<th>France</th>
<th>Netherlands</th>
<th>United Kingdom</th>
<th>Spain</th>
<th>Germany</th>
<th>Total EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Africa</td>
<td>5027</td>
<td>17456</td>
<td>11552</td>
<td>1191</td>
<td>171</td>
<td>35723</td>
</tr>
<tr>
<td>Chile</td>
<td>5246</td>
<td>7797</td>
<td>7075</td>
<td>11422</td>
<td>0</td>
<td>34088</td>
</tr>
<tr>
<td>Israel</td>
<td>26275</td>
<td>3549</td>
<td>1109</td>
<td>0</td>
<td>83</td>
<td>31855</td>
</tr>
<tr>
<td>Peru</td>
<td>7901</td>
<td>4347</td>
<td>4497</td>
<td>11901</td>
<td>42</td>
<td>30508</td>
</tr>
<tr>
<td>Mexico</td>
<td>11098</td>
<td>1885</td>
<td>2143</td>
<td>528</td>
<td>0</td>
<td>16455</td>
</tr>
<tr>
<td>Kenya</td>
<td>9120</td>
<td>2768</td>
<td>1215</td>
<td>442</td>
<td>11</td>
<td>13641</td>
</tr>
<tr>
<td>Argentina</td>
<td>380</td>
<td>83</td>
<td>396</td>
<td>925</td>
<td>0</td>
<td>1804</td>
</tr>
<tr>
<td>Brazil</td>
<td>322</td>
<td>687</td>
<td>395</td>
<td>24</td>
<td>2</td>
<td>1485</td>
</tr>
<tr>
<td>United States</td>
<td>37</td>
<td>123</td>
<td>837</td>
<td>82</td>
<td>0</td>
<td>1102</td>
</tr>
<tr>
<td>Dom.Republic</td>
<td>400</td>
<td>229</td>
<td>63</td>
<td>35</td>
<td>3</td>
<td>733</td>
</tr>
<tr>
<td>Swaziland</td>
<td>0</td>
<td>40</td>
<td>355</td>
<td>0</td>
<td>0</td>
<td>395</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>75</td>
<td>181</td>
<td>0</td>
<td>4</td>
<td>0</td>
<td>260</td>
</tr>
<tr>
<td>Cameroon</td>
<td>53</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>54</td>
</tr>
<tr>
<td>Total</td>
<td>65957</td>
<td>39211</td>
<td>29674</td>
<td>26552</td>
<td>314</td>
<td>168303</td>
</tr>
</tbody>
</table>
France has the highest consumption (1.38 kg per person per year), consumption in most of the Scandinavian countries is above average (0.7 to 0.8 kg per person per year in Sweden and Denmark) where consumers prefer small fruits (sizes 24 and 26 per 4 kg carton). Although Spain is a producer country, the domestic consumption is relatively low despite a recent increase that brings it just over the EU average.

Research carried out by Taylor Nelson Sofres8 indicates that the number of households in the UK where avocados are eaten has grown from 16% in 2001 to 25% in 2006. It is believed that the availability of ripe and ready-to-eat avocados has also stimulated consumption. The steady increase in the quantities eaten by British consumers indicates that promotional campaigns do pay off.

The UK is South Africa’s most stable and lucrative market and the South African Avocado Growers Association9 (SAAGA) have invested in promotional activities in the country. This is said to have contributed to an annual average growth of 11.6%. In 1995, prior to the onset of South African generic promotions, 16.7% of the South African export crop was sold in the UK. By 2006 34.3% of the volume exported was sold in the UK.

The enormous German market takes very little avocado and the quantities have even tended to decrease in recent seasons.

**EU avocado pricing**

Figure 410 shows price trends for a 4 kg carton of Hass in Euros for the years 2002 – 2005, indicating average prices can vary significantly. Comparing prices in December 2004, $AU3.50 (€2.2) per carton, with December 2002, approximately $AU17.50 (€11) per carton, shows the price variability between years even in the same month. Note the conversions were made using the current exchange rates1.

![Figure 2 – Hass avocado supply calendar for EU supply](image)

Table 2 – Avocado import hubs into Europe

<table>
<thead>
<tr>
<th>Importing country</th>
<th>Quantity re-exported</th>
<th>Re-export destination</th>
<th>Supplier</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>15 -20%</td>
<td>Hub for whole of EU mostly via Marseilles</td>
<td>Israel</td>
<td>Leading consumer country</td>
</tr>
<tr>
<td>Netherlands</td>
<td>80%</td>
<td>Germany, Poland, Scandinavia, Russia</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td></td>
<td>Spain, Chile, Peru</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Another (Figure 3).
United Kingdom avocado market

Avocado consumption has steadily increased in the UK in recent years. It is the only EU market to display growth, even strong, steady growth. Volumes have more than doubled from around 12 000 t in the mid-1990s to nearly 30 000 t in 2004 (Figure 5).

Avocado has gained in popularity in the UK thanks to the efforts made in promotion (in particular on TV) by the Israeli sector in the mid-1980s. Following the promotion, distributors worked on market segmentation and supplying ‘ready to eat’ fruit. Since the end of the 1990s, the South African Avocado Growers Association (SAAGA) has also conducted promotional activities.

The still modest per capita consumption of approximately 0.5 kg per year seems to indicate that there is still considerable room for progress in the UK. The potential to increase consumption in the UK is still substantial when compared to other EU countries such as France.

Supplies are shipped mainly from Israel during the winter season, often to France where they are re-shipped to the UK (Figure 6). Israel has supply agreements that cover a large proportion of their season with the large supermarket chains. Spain is the second largest supplier in the winter season and Mexico has been more a complementary source of supply in recent years and is tending to lose market share.

South Africa is the leading spring and summer supplier, benefiting from their promotional activities in recent years. Peru has increased its share of the market in spring since the end of the 1990s and Chile has gained an increasingly significant position in the autumn market since 2002 and boosted by an advertising campaign in 2005.

The UK fresh produce supply chain has undergone numerous changes in the last decade, with large supermarket retailers becoming increasingly powerful. The implementation of modern business practices has helped improve efficiency in the UK fresh produce supply chain. This has allowed the chain to take the fresh produce category out of the commodity trading environment through innovation and value creation. This means fresh produce is not treated as a bulk, undifferentiated commodity where producers are price takers, but rather is treated as a specialised product sold

![Figure 3](image)

**Figure 3** – Average avocado consumption in Australia, USA and EU countries

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as an item carrying additional health, ethical or convenience services. In the UK, supermarkets (both directly and indirectly through their intermediaries) determine how the chain will operate and the price structure for the rest of the supply chain^{15}.

There is steady growth in the value of sales of fresh produce in the UK, in contrast to a general decline in most food commodities. This trend partly reflects the changing shopping habits of UK consumers, but is also driven by the proactive role of supermarkets. The multiple chain retailers are keen to develop their profile as suppliers of healthy eating products. They are using various strategies to drive interest in the fresh sector, such as introducing exclusive new varieties or new packaging. Retailer own-branding has been of key importance to the multiples who have segmented the fruit and vegetable market with, for example, their good/better/best/organic own-label ranges.

Branding and product differentiation will promote growth and add value to the market. On this evidence, differentiating foods such as ‘environmentally friendly’ and ‘clean and green’ could be beneficial to Australian producers when marketing their produce, and this is very relevant when considering the EU market.

Other potential EU markets

**France**

France is Europe’s leading market for avocados. In 2006 France imported 65,957 t of fruit from non-EU nations and 28,948 t were transhipped from Spain and the Netherlands^{6}.

At 1.38 kg per person per year, France has the highest per capita consumption of avocados in the EU^{6}. The French domestic market is strongly developed and highly competitive^{6}. In 2004, the major chain stores in France (hypermarkets, supermarkets and discounters) sold 75.5% of the avocados traded^{6}.

France also acts as a hub and price leader for the rest of the EU avocado trade. In 2006 approximately 35,000 t of avocados were shipped to other EU countries from France^{6}. The major suppliers of avocados to France are Spain, Israel and Mexico in winter and South Africa in summer. Kenya, Peru and Chile are also increasing shipments into France during the summer^{6}.

**Spain**

In 2006 Spain imported 26,522 t of avocados from non-EU countries and 1355 t were imported from France and the Netherlands^{6}. Spain also produces

![Figure 4 - Average EU prices/carton for Hass avocados 2002-2005](image-url)
significant quantities of avocados, e.g. 50,000 t in 2004/05.

Spanish avocado consumption is modest with 0.54 kg consumed per person per year in 2004.

The Spanish production season goes from November to May. Major countries supplying Spain through the off-season (May to October) are Chile and Peru.

Greengrocers handle most of the avocado distribution, with an estimated share of 60%. Supermarket chains are gaining ground but are still not the major retail outlet.

**Germany**

Germany has the highest population of the EU yet consumes a relatively small quantity of avocados. In 2006 Germany imported 15,758 t of avocado mainly transhipped from other EU countries. Only 341 t were imported directly into Germany from non-EU countries in the same year.

German avocado consumption in 2004 was 0.16 kg per person per year with smooth skin varieties being preferred.

Supermarkets, hypermarkets and discount stores distribute most of the avocados in Germany.

**Netherlands**

In 2006 the Netherlands imported 39,211 t of avocados from non-EU countries and 9,654 t were transhipped from within the EU.

Average consumption in 2004 was 0.56 kg per person per year.

The Netherlands is considered to be a major hub for avocado distribution in Europe. A number of major category managers for the large supermarket chains have fresh produce distribution centres in the Netherlands.

**Eastern European countries**

Eastern European consumers are generally unfamiliar with avocado. The large Russian population of 143 million people took only 1106 t of the fruit in 2004. This equates to just 8 grams of fruit per person per year.

The countries of Estonia, Hungary, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Slovenia accounted for only 3114 t between them in 2004.

---

**Figure 5** – United Kingdom avocado import volumes 1995-2006
Fairly strong economic growth is forecast for future years in eastern Europe and this presents potential for growing the avocado market in these countries. The general trend shown in Figure 7 shows an increase in volumes imported into these countries.

The main supplier countries into eastern Europe in 2004 were Israel, Spain, Germany and the Netherlands. Interestingly, South Africa only supplied 18 t direct to these markets in 2004.

Avocado consumption in eastern European countries is extremely low (see Figure 8) so considerable efforts in communication and promotion would be necessary to reach these potential markets.

EU fruit and vegetable importers/distributors
The key importers/distributors for avocados in the following EU countries are:

- **United Kingdom**: Pauleys Fresh Produce, Fresh Direct, Mack, Reynolds, Total Produce, Wealmoor Ltd, Bakkavor, Malet Azoulay
- **Netherlands**: Nature’s Pride, The Greenery
- **France**: Dole Europe, George Heifers Group, Agrexco

Germany was considered as a potential importer but direct imports into Germany were only 314 t. The majority of avocados are transhipped from other EU importers mainly in the Netherlands, France or Spain.

**Figure 6** Sources of UK avocado imports 1994–2004

**Figure 7** Eastern Europe volumes of imported avocados 1999–2004 in tonnes

The key EU importers and distributors and some of their characteristics are listed in Table 3. Further more detailed information on each of these companies is included in Appendix 2.

**EU retailers**

Vorley\(^{18}\) documents these six major influences that significantly affect agri-food supply chains from EU supermarkets:

- Europe is the home of the giants of global retailing. In 2005, 18 of the top 30 global grocery retailers were EU. EU retailers are also the most internationalised with the top eight EU retailers all having significant proportions of their floor space and sales outside of their home markets.
- Europe is the site of a conflict of market power between supermarkets and the food industry, which is the leading EU industrial sector and accounts for 13 percent of the total production value.
- Rapid expansion of EU retailers has accompanied the fall of the ‘Iron curtain’ in 1989 and the eastward enlargement of the EU. Within a decade, there was a restructuring of the sector in central and eastern Europe of the kind that took 30 years in western Europe.
- Europe has led the world in the development of quality ‘own brand’ (private label) products, and the application of private standards, both of which play an important role in the governance of agri-food. An ACNielsen survey in 2005 indicated that own brands occupied 23 percent of sales in the market and were growing at four percent annually.
- Europe is home of the hard discount revolution, which has transformed food retailing in much of continental Europe and is conditioning the development of the supermarket and hypermarket sectors. Initially hard discounters established themselves in packaged goods however they are moving into fresh produce.
- EU retailers are very alert to the retail driven governance of agri-food such as food miles, carbon footprint etc.

Below is an overview of EU supermarket chains:

<table>
<thead>
<tr>
<th>Country</th>
<th>Supermarket Structure</th>
</tr>
</thead>
<tbody>
<tr>
<td>The United Kingdom</td>
<td>Tesco, Sainsbury, Asda and Morrisons dominate the market structure for supermarkets in the UK. Data from TNS world panel suggests in 2007 that these four retailers occupied 75.59 percent of the total market.</td>
</tr>
<tr>
<td>France</td>
<td>Retailers Carrefour, Casino, Auchan, E.Leclerc, and Intermache dominate the market structure for supermarkets in France. In 2005 these five leading retailers represented 62.9 percent of retail sales in France.</td>
</tr>
<tr>
<td>Spain</td>
<td>Spain has around 12 000 supermarket outlets plus another 13 000 convenience stores. The major players in Spain are Carrefour, Eroski, Hipercor, Alcampo and Mercadona.</td>
</tr>
<tr>
<td>Netherlands</td>
<td>The supermarket structure in Netherlands based on market share in 2005 is dominated by a single firm called Ahold.</td>
</tr>
<tr>
<td>Germany</td>
<td>Retailing groups Edeka, Aldi, Rewe, Lidl and Metro dominate the supermarket sector in Germany, accounting for 67.7 percent of retail sales in 2005.</td>
</tr>
</tbody>
</table>

![Figure 8](image.png)

**Figure 8** Comparison of average Eastern European, UK and Australian avocado consumption\(^{67}\).
Table 3 Major avocado importers/ distributors in selected EU countries

<table>
<thead>
<tr>
<th>Company</th>
<th>Main suppliers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pauleys Fresh Produce</td>
<td>South Africa</td>
</tr>
<tr>
<td>Fresh Direct</td>
<td>South Africa,</td>
</tr>
<tr>
<td></td>
<td>Chile, Peru,</td>
</tr>
<tr>
<td></td>
<td>Brazil</td>
</tr>
<tr>
<td>Mack</td>
<td>Hall's, South</td>
</tr>
<tr>
<td></td>
<td>Africa</td>
</tr>
<tr>
<td>Reynolds</td>
<td>South Africa,</td>
</tr>
<tr>
<td></td>
<td>Peru</td>
</tr>
<tr>
<td>Total Produce</td>
<td>Partner with</td>
</tr>
<tr>
<td></td>
<td>Fyffes, Capespan</td>
</tr>
<tr>
<td>Wealmoor Ltd</td>
<td>Category</td>
</tr>
<tr>
<td></td>
<td>manager to</td>
</tr>
<tr>
<td></td>
<td>Waitrose</td>
</tr>
<tr>
<td>Bakkavor</td>
<td>Food processing/food products</td>
</tr>
<tr>
<td>Malet Azoulay</td>
<td>South Africa</td>
</tr>
<tr>
<td>Nature's Pride</td>
<td>Netherlands</td>
</tr>
<tr>
<td></td>
<td>based, sister company</td>
</tr>
<tr>
<td></td>
<td>ripens and packs</td>
</tr>
<tr>
<td>The Greenery</td>
<td>Producer owned company</td>
</tr>
<tr>
<td>Dole Europe</td>
<td>Mexico, USA,</td>
</tr>
<tr>
<td></td>
<td>Israel, New</td>
</tr>
<tr>
<td></td>
<td>Zealand, Spain, South Africa</td>
</tr>
<tr>
<td>George Helfers Group</td>
<td>South Africa,</td>
</tr>
<tr>
<td></td>
<td>Kenya</td>
</tr>
<tr>
<td>Agrexco</td>
<td>Israeli based</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Supplies to/inside EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pauleys Fresh Produce</td>
<td>UK, France</td>
</tr>
<tr>
<td>Fresh Direct</td>
<td></td>
</tr>
<tr>
<td>Mack</td>
<td>UK including logistics</td>
</tr>
<tr>
<td>Reynolds</td>
<td>On-line ordering,</td>
</tr>
<tr>
<td></td>
<td>multiple clients</td>
</tr>
<tr>
<td>Total Produce</td>
<td>22 countries</td>
</tr>
<tr>
<td>Wealmoor Ltd</td>
<td>Retail, wholesale,</td>
</tr>
<tr>
<td></td>
<td>catering, processing</td>
</tr>
<tr>
<td>Bakkavor</td>
<td>Major retailers,</td>
</tr>
<tr>
<td></td>
<td>food service, public</td>
</tr>
<tr>
<td>Malet Azoulay</td>
<td>South Africa, Spain,</td>
</tr>
<tr>
<td></td>
<td>France, UK, others</td>
</tr>
<tr>
<td>Nature's Pride</td>
<td>EU</td>
</tr>
<tr>
<td>The Greenery</td>
<td>EU, North America,</td>
</tr>
<tr>
<td></td>
<td>Middle East</td>
</tr>
<tr>
<td>Dole Europe</td>
<td>Importer, ripens,</td>
</tr>
<tr>
<td></td>
<td>warehouses</td>
</tr>
<tr>
<td>George Helfers Group</td>
<td>Importer, store,</td>
</tr>
<tr>
<td></td>
<td>distributor</td>
</tr>
<tr>
<td>Agrexco</td>
<td>Markets under Carmel</td>
</tr>
<tr>
<td></td>
<td>label</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Products</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Pauleys Fresh Produce</td>
<td>2 pack conventional,</td>
</tr>
<tr>
<td></td>
<td>&amp; organic</td>
</tr>
<tr>
<td>Fresh Direct</td>
<td>Airlines, independent</td>
</tr>
<tr>
<td></td>
<td>restaurants and hotels, events</td>
</tr>
<tr>
<td>Mack</td>
<td>Wholesale, retail,</td>
</tr>
<tr>
<td></td>
<td>food service</td>
</tr>
<tr>
<td>Reynolds</td>
<td>On-line ordering,</td>
</tr>
<tr>
<td></td>
<td>multiple clients</td>
</tr>
<tr>
<td>Total Produce</td>
<td>Europe's largest</td>
</tr>
<tr>
<td></td>
<td>fresh produce provider. Retail to food service</td>
</tr>
<tr>
<td>Wealmoor Ltd</td>
<td>Retail, wholesale,</td>
</tr>
<tr>
<td></td>
<td>catering, processing</td>
</tr>
<tr>
<td>Bakkavor</td>
<td>Major retailers,</td>
</tr>
<tr>
<td></td>
<td>food service, public</td>
</tr>
<tr>
<td>Malet Azoulay</td>
<td>Leading supplier of</td>
</tr>
<tr>
<td></td>
<td>exotic produce</td>
</tr>
<tr>
<td>Nature's Pride</td>
<td></td>
</tr>
<tr>
<td>The Greenery</td>
<td>Retailers, wholesale,</td>
</tr>
<tr>
<td></td>
<td>catering, processors</td>
</tr>
<tr>
<td>Dole Europe</td>
<td>Retailers</td>
</tr>
<tr>
<td></td>
<td>200 products sourced from 90 countries</td>
</tr>
<tr>
<td>George Helfers Group</td>
<td>Avocados one of their main products</td>
</tr>
<tr>
<td>Agrexco</td>
<td>Wholesale, importers,</td>
</tr>
<tr>
<td></td>
<td>distributors, retail</td>
</tr>
</tbody>
</table>
Appendix 3 provides detailed information on the key retailers in the EU.

**Existing suppliers to EU**
Current suppliers can be defined as competitors or potential collaborators/partners. Certain countries, including South Africa, New Zealand, Chile and Peru, supply avocados to the EU during Australia’s production periods.

Figure 9 shows the major suppliers of avocados to Europe and their geographical relationship with Australia. Table 4 lists the direct shipping times from producing countries to Europe.

**Table 4 Comparison of direct shipping times to major European ports for different avocado supplying countries to the EU**

<table>
<thead>
<tr>
<th>Country</th>
<th>Shipping time to major European ports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia (Brisbane)</td>
<td>33 – 44</td>
</tr>
<tr>
<td>South Africa</td>
<td>12 – 26</td>
</tr>
<tr>
<td>Peru</td>
<td>16 – 24</td>
</tr>
<tr>
<td>Chile</td>
<td>17 – 22</td>
</tr>
<tr>
<td>Mexico</td>
<td>14 – 18</td>
</tr>
<tr>
<td>Kenya</td>
<td>12 – 21</td>
</tr>
<tr>
<td>Israel</td>
<td>3</td>
</tr>
<tr>
<td>New Zealand</td>
<td>42</td>
</tr>
</tbody>
</table>

**International collaboration**
There is potential for Australian avocado exporters to collaborate with other producing and exporting nations through the Avocado Marketing and Promotion Working Group.

The Avocado Marketing and Promotion Working Group (AMAPWG) is a voluntary organisation of producers and exporters that identified a common interest in developing the consumption of avocados. The main mission of the AMAPWG is to develop the consumption of avocados in Europe. The main principle involves information sharing to address imbalances in supply and demand.

When giving a presentation at a New Zealand Avocado conference, Naamani explained the model for AMAPWG as a special idea: ‘Cooperation of competitors from all over the world, with mutual understanding that is much more beneficial to act together on enlarging the cake than to fight on the slices’. At this conference in 2005 Naamani mentioned eleven member countries, including Australia, as part of the AMAPWG. However this appeared to conflict with a presentation by Lippert at a Chilean Fruit Conference in 2006 where he suggested the working group was made up of eight countries of Spain, Israel, Peru, Mexico, Chile, Kenya, New Zealand and South Africa.
It is believed that the AMAPWG has a fluent information exchange of simultaneous weekly shipping reports and a weekly form of projected and actual avocado supply to Europe. At the annual meetings the industry of each country is surveyed including planted areas, varieties and views of the future markets. There is also a report on past season marketing and promotion, programs for the upcoming season and a review and presentation of new research and developments of the EU market.

Naamani explains that the group shares their information without a levy or administration fee and quotes ‘We are not a cartel – there is no information exchange or coordination of prices, clients or quantities. It is a simple model of free competition with free information’.

**AMAPWG member countries**
The key competing member countries are South Africa, Peru, Chile, New Zealand, Israel and Mexico. A summary of information from avocado industry organisations and exporting companies in these competing countries indicates these common trends:

- production areas and tonnages are increasing
- export volumes are growing
- some are exporting to the same markets, but some are not
- most supply multiple sectors in the markets
- all have international accreditation setting very high standards for quality
- several have identification and traceability systems
- all manage sophisticated cold chains to match their transport times to markets
- some have duty free access to some markets
- most have regulated requirements for exporting (generally via their associations)
- up to 10% of their annual production is processed

**South Africa**
The South African avocado industry consists of 12 000 ha of commercial avocado orchards with annual production of approximately 100 000 t. The South African avocado industry is export oriented (Figure 10), with Europe receiving between 40% and 50% of the total crop annually. The rate of increase in exports is projected at about 15% per annum. The UK is South Africa’s most well-developed and lucrative market.

Annual export volumes can vary, 36 000 t went to Europe in 2006 compared to 47 000 t in 2005, due to the alternate bearing nature of the crop and other seasonal influences.

The South African Avocado Growers’ Association (SAAGA) has a voluntary membership accounting for 85% of export production. The aim of the association is to improve the profitability and sustain the viability of growing avocados in South Africa.

SAAGA’s activities are funded by its members and include technical research, extension services, promotional activities to develop the local and export markets, and the provision of marketing information. Although growers fund SAAGA, other role players, such as export companies, are also members.

SAAGA names their competitors in Europe as Spain and Israel in the early season, Kenya and Peru in the mid-season, and Chile and Mexico in the late season.

SAAGA has been funding generic promotions in the United Kingdom for the last 11 years and in the South African market for the last 9 years. A campaign was also launched in France in 2007. Promotional activities account for around 45% of SAAGA’s annual budget.

Further information on South African export logistics (including shipping times), generic promotion and industry trends is supplied in Appendix 4.

Four companies, all having strong grower involvement, control eighty percent of exports. These exporters either have their own importing companies in Europe and the UK or work very closely with established importers.

Figure 11 shows the major exporters for
the 2005 export season. These include Westfalia, Halls, Afrupro and Katope. Detailed information on the operations of Westfalia, Halls and Katope and a list of all avocado exporters is in Appendix 5.

Peru
In 2005 the Peruvian avocado industry was made up of orchards totalling approximately 3500 ha\textsuperscript{24}. Most of the production (which is all Hass) occurs along the coastal strip of the country\textsuperscript{6}. Total production was approximately 100 000 t in 2005 with approximately 82\% of production consumed locally.

Between 2000 and 2005 the export volume of fresh avocados from Peru reached an annual average growth of 60\%\textsuperscript{24}. The main destinations were Spain, France and the United Kingdom\textsuperscript{6}. It is also believed Peru will have access to the previously inaccessible USA and Japanese markets by late 2008\textsuperscript{24}.

All avocados are shipped in containers by sea using controlled atmosphere conditions. Shipping times vary from 16 to 24 days from Peru to Europe\textsuperscript{6} where they are landed duty free\textsuperscript{6,24}.

More than 80\% of Peruvian growers belong to the ProHass\textsuperscript{25} association that provides both technical and marketing support. All together, ProHass represent over 1800 hectares of plantations located mostly along the Peruvian coast.

The purpose of this association is to consolidate grower’s efforts in the areas of production and commercialisation, and strengthen their position internationally. ProHass facilitate technology transfer, the application of economies of scale, sponsor research programs, and help member growers gain better access to international markets. Membership to ProHass is open to any Hass avocado grower in Peru providing they commit to the industry standards and practices set by the association. There are no membership restrictions regarding plantation size.

ProHass believes that the best way to achieve long-lasting business relationships is to consistently provide excellent quality products and service. Its members’ ability to meet internationally approved standards and regulations has translated into repeated sales and above all, satisfied customers.

Major clients are distributors and suppliers of supermarket chains in Europe and Canada. Working closely with them allows ProHass members to adapt to client needs.

![Figure 10: South African avocado production and distribution, 2002-2004\textsuperscript{21}](image-url)

The diagram above illustrates the distribution of South African avocado production from 2002 to 2004. The data shows a steady increase in production with a peak in 2004.
resulting in continuity of supply and optimal returns for all parties. ProHass is helping its members to continually evolve with markets and to be sensitive to customer’s particular requirements.

The packing facilities selected by ProHass follow HACCP regulations in order to guarantee healthy and safe produce to the final consumer. Packing procedures have been standardised to comply with international regulations and to provide clients with uniform and top quality produce. Careful inspection, selection and classification ensure optimum quality. Temperature-controlled storage and transportation keep the Hass avocados in optimal conditions until they reach their final destination. ProHass avocados are always freighted by sea to their destination in 40HC controlled atmosphere containers of 20 metric tonnes each.

The packing facilities make use of an internal coding system allowing identification and traceability of the fruit to the individual producer if the need arises. Avocados are packed according to client specifications and regulations in each target export market. Each 4 kg carton includes information regarding product variety, weight, quality, size and a distinctive country of origin logo.

Chile
The Chilean avocado industry has grown from a production area of 4490 ha in 1973 to 25 200 ha in 2006 and has continued to rise (see Figure 12). Production is concentrated in the central area of the country. This is an arid region with very little rain, except during the winter months, so there is minimal impact from pests and spraying is limited. The Hass variety represents 75 percent of total production.

In 2005 Chile produced 177 000 t of fruit of which around 120 000 t (approximately 68%) was exported. Figure 13 shows there has been a steady increase in export volumes, although fluctuations have occurred in the past few years. The major export market is the USA, importing 86 202 t or 87 percent of Chile’s fruit in 2005. Other significant export markets included Spain, Netherlands and the United Kingdom.

Chilean avocado exports are highly dependent on the US market. The USA-Chile free trade agreement allows 49 000 t to be imported duty free increasing at five percent a year until it is eliminated.

The Chilean Avocado Commission started a campaign in 2004 targeting the Spanish and British markets for avocados. This included both research and promotional activities. The Commission also fund an extensive advertising campaign in the USA. Comite de paltas (Avocado Growers and Exporters Committee) and the Hass Avocado Committee of Chile provide representation for the Chilean avocado

![Graph showing avocado exports from South Africa in 2005](image)
industry. The Hass Avocado Committee’s mission is to promote the consumption of Chilean Hass avocados domestically and abroad. It has defined export standards and exporters must meet these strict requirements to display the group’s logo. The committee’s member exporting companies are Agricom, Propal, SantaCruz, CabilFrut, Safex, Trinidad Export, Chiquita Chile and Rosales (see Contacts section for details). Detailed information on the operations of Propal, Cabilfruit, Chiquita Chile and SantaCruz is supplied in Appendix 6.

New Zealand
The New Zealand avocado industry has grown from 946 ha in 1989 to have a total area of 3236 ha in 2007\(^30\), mostly in the Bay of Plenty region\(^31\).

In 2006/07 New Zealand growers produced 11,035 t of fruit\(^30\) and exported 5202 t to global markets, representing 47% of the crop. Export markets include Australia (taking 95%), Japan, USA and South East Asia in 2006/07\(^30\). In the same year approximately 391 t was processed, representing 3.5% of the total avocado crop\(^30\). Some of the processing produces avocado oil using a unique cold press technology. The oil is exported to markets in over 20 countries\(^31\).

The industry’s export strategy is based primarily on the Hass cultivar with enforceable export grade standards. New Zealand exporters are required to have a licence from the New Zealand Horticulture Export Authority\(^32\) to export avocados. This licence process provides greater security.
and control over quality and industry reputation in international markets. Current licensed avocado exporters as per the New Zealand Horticulture Export Authority are Fresh New Zealand Ltd., Primor Produce Ltd., Team Avocado, Te Awanui Huka Pak Ltd., Global Fresh Ltd., Chevalier Wholesale Produce Ltd., J.P. Exports Ltd., Freshmax Exports Ltd. and Delica Ltd. Detailed information on these avocado exporting companies are in Appendix 7.

Israel
The Israeli avocado industry planted its first commercial orchards in the 1950s and in 2007 had a bearing area of 4500 ha. The main production season is from November through to May. In 2006/07, the Hass variety represented 29% of production. The Israeli avocado industry is expanding and predicts to have an area of 6850 ha under production by 2015. New plantings consist of 65% Hass cultivar. In 2006/07, Israeli growers produced 92 000 t of which 8 000 t (approximately 63%) were exported, mainly to the EU. Israeli growers were the first producers to promote avocados in the EU market and are believed to be responsible for the increase in consumption in that region. In 2006/07, 71% of exports from Israel were under the Carmel brand of the Agrexco company. Further information on the company is in Appendix 8.

Mexico
Mexico is the largest producer and exporter of avocados in the world. Mexican avocado production in 2004-05 was estimated at 1.03 million tonnes, up 16% on the previous year, from an area of 111 834 ha. Exports were around 160 000 t or 16% of production in 2005. In the same year approximately 40 000 t or 4% of production was processed. The majority of Mexican avocado exports are to the USA with other significant markets being Japan, Canada, France and El Salvador. In 2005 Mexico exported 90 596 t of avocado to the USA.

The Mexican Hass Avocado Importers Association conducts market campaigns in the USA. A levy of 2.5 cents per pound is levied on fresh avocados, produced or imported into the USA to finance promotion, research, consumer information and industry programs.

The Association of Michoacan Avocado Growers, Packers and Exporters (APEAM) is the official representative of Mexico’s avocado export industry. APEAM is dedicated to implementing stringent quality measures to ensure the production of quality avocados. APEAM partners with the Mexican Ministry of Agriculture and the US Department of Agriculture to ensure these quality standards.

The Association maintains market representatives in New York, Chicago and Texas, USA. Their website claims the organization has a membership of more than 3500 growers, who farm approximately 30 000 ha, as well as 26 avocado packers.
EU freight and logistics

For the Australian avocado industry to successfully export fruit to the European Union, the industry must find satisfactory and economically viable freight and logistics solutions.

Defining a balance between the cost involved and freight time will be necessary to help determine the ultimate freight and logistical method to be used. Cost effectiveness and product outturn (quality of product after transportation) are critical.

Transport routes

As part of this report, different logistical methods were investigated to key EU ports. These ports included Felixstowe in the UK, Le Havre in France, Barcelona in Spain and Rotterdam in the Netherlands. The possibility of combining road/sea and air/sea freight was also investigated. The road, air and shipping times for possible routes are outlined in Table 8 and 9. Note that these routes and times are for two companies only and that there may be further options that need to be investigated.

Table 9 indicates the shortest and average shipping times from the selected Australian ports of Brisbane, Adelaide and Fremantle and other ports of Singapore, Hong Kong and Dubai to the four key ports in Europe.

Shipping services to Europe are available by a number of providers from Australia. At the time of this report Maersk provided the only service offering the option of controlled atmosphere shipping containers.

For this report, only the Maersk routes have been examined. Shipping routes used by Maersk 22 shipping company are outlined on the Maersk website.

Of the Australian ports outlined, cargo that leaves Brisbane is transhipped in Hong Kong on the Maersk route called AU2, which travels north via the Pacific Ocean before steaming to Europe. Other Australian ports ship via the AU3 route, which travels west via the Indian Ocean, and transhipping occurs in Singapore before steaming to Europe.

Understandably the quickest route to Europe is by direct air freight. The next shortest freight times are by road/air/sea freight. These are via:

- Hong Kong to UK, Spain, Netherlands (24-25 days)
- Dubai to UK (25 days)
- Singapore to France, Spain, Netherlands (range 21 to 29 days)
- Dubai to Netherlands (range 26 to 30 days)

Operators seem more confident of the Hong Kong and Dubai route times as they have rarely indicated a range. In comparison, freight using the Singapore routes shows a range of times and is harder to compare with the other transhipping countries.

The fastest road/sea freight routes are:

- Fremantle to France and Spain (31 to 33 days)
- Adelaide to the same destinations (33 to 35 days) [N.B. this route may not continue]

Table 8 Transit time by air to key overseas hubs

<table>
<thead>
<tr>
<th></th>
<th>Singapore</th>
<th>Hong Kong</th>
<th>Dubai</th>
<th>London</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brisbane</td>
<td>8 hours</td>
<td>8 – 10 hours</td>
<td>16 hours</td>
<td>24 hours</td>
</tr>
</tbody>
</table>
The fastest time from Brisbane is to Spain (shortest 35 days) but all other routes appear to be potentially longer than the post-harvest maximum period identified (40 days).

Generally Queensland avocados transported interstate to South Australia and Western Australia require treatment for fruit fly under the ICA agreement. Exemptions do apply and should be sought before attempting this route.

The shipment of perishable exports from Australia to UK/Europe and the Middle East using a combination of air and sea freight has been successfully trialled through the auspices of the Air Freight Council of Queensland Ltd and the Air Freight Export Council of New South Wales Inc37.

This potential new service would cut current shipping transit times from Australia in half (or more) i.e. to UK/ Europe is 20-21 days and the Middle East is 10-11 days with significant corresponding reductions in freight rates compared to air freight.

Table 9 Estimated shipping time in days to selected EU ports (temperature controlled containers)37

<table>
<thead>
<tr>
<th></th>
<th>Felixstowe UK</th>
<th>Le Havre France</th>
<th>Barcelona Spain</th>
<th>Rotterdam Netherlands</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brisbane (shortest transit time)</td>
<td>37</td>
<td>43</td>
<td>34</td>
<td>37</td>
</tr>
<tr>
<td>Brisbane (average transit times)</td>
<td>37 - 41</td>
<td>43 - 47</td>
<td>34 - 38</td>
<td>37 - 41</td>
</tr>
<tr>
<td>Adelaide* (shortest transit times)</td>
<td>36</td>
<td>31</td>
<td>31</td>
<td>35</td>
</tr>
<tr>
<td>Adelaide* (average transit times)</td>
<td>36 - 43</td>
<td>31 - 32</td>
<td>31</td>
<td>35 - 36</td>
</tr>
<tr>
<td>Fremantle</td>
<td>32</td>
<td>27</td>
<td>26 - 27</td>
<td>31</td>
</tr>
<tr>
<td>Singapore (shortest transit times)</td>
<td>23</td>
<td>21</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>Singapore (average transit times)</td>
<td>23 - 28</td>
<td>21 - 26</td>
<td>18 - 24</td>
<td>19 - 25</td>
</tr>
<tr>
<td>Dubai</td>
<td>22</td>
<td>32</td>
<td>23 - 27</td>
<td>27</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>21</td>
<td>27</td>
<td>21</td>
<td>22</td>
</tr>
</tbody>
</table>

* this route may be discontinued in the near future
The EU is the second largest avocado market after the USA. Consumption of avocados is increasing but per person consumption is still significantly lower than that of Australia and the USA.

The major target markets in Europe are the United Kingdom and France. These markets have the highest import and consumption levels of EU nations.

A number of avocado growing nations including South Africa, Chile, Peru, Kenya, Mexico and Israel already supply the EU market.

Multinational supermarket chains with a strong focus on category management dominate the EU market for avocados. Many countries, including major consolidators from the southern hemisphere, currently supply these retailers.

Quality is a major factor in supplying the EU market. Product specifications are rigorous and need to be guaranteed by producing countries.

To be successful exporters would need the following logistics and handling infrastructure in place:

- Quality systems including EU accreditations etc.
- Production differentiation e.g. organic accreditation
- High/fanatical product standards required for competitive advantage
- Research into the performance and monitoring of product and delivery systems.

Existing suppliers to Europe also have strong logistics and distribution systems in place throughout the supply chain.

Good relationships with the EU supermarkets and importers are imperative in gaining a market foothold. Strong commitment to the promotion of avocados is also part of these alliances.

Secondary information from New Zealand shows they are experiencing success supplying Europe with avocados by sea freight.

Australia is located further from Europe in shipping times than competing nations. Detailed studies of avocado storage and quality traits are required to determine if Australian avocados can stand up to the shipping conditions to Europe.

The market for avocados in the EU needs further investigation based on this research. Primary information needs to be collected covering supply, pricing, product specifications, market structure and other requirements.

Collaboration with existing suppliers to the EU is imperative to gain a better understanding of the market, product shipments and transit routes, share resources and maximise market returns.

Further analysis of the freight options to Europe is required so that the most cost effective route is identified.

To be successful exporters would need to have the logistics and handling infrastructure in place to ensure the minimum residue limits (MRL) requirements in EU countries are met.
Contacts

Major EU importers and distributors

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Website</th>
<th>Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Kingdom</td>
<td>Pauleys Fresh Produce</td>
<td><a href="http://www.pauleys.co.uk">www.pauleys.co.uk</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Fresh Direct</td>
<td><a href="http://www.freshdirect.co.uk">www.freshdirect.co.uk</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mack</td>
<td><a href="http://www.mwmack.co.uk">www.mwmack.co.uk</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Reynolds</td>
<td><a href="http://www.reynolds-cs.com/introduction.asp">www.reynolds-cs.com/introduction.asp</a></td>
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<td></td>
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<td><a href="http://www.totalproduce.com">www.totalproduce.com</a></td>
<td></td>
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<tr>
<td></td>
<td>Wealmoor Ltd</td>
<td><a href="http://www.wealmoor.co.uk">www.wealmoor.co.uk</a></td>
<td></td>
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<tr>
<td></td>
<td>Bakkavor</td>
<td><a href="http://www.bakkavor.com">www.bakkavor.com</a></td>
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<tr>
<td></td>
<td>Malet Azoulay</td>
<td><a href="http://www.maletazoulay.co.uk/index.php">www.maletazoulay.co.uk/index.php</a></td>
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<tr>
<td>Netherlands</td>
<td>Nature's Pride</td>
<td><a href="http://www.naturespride.nl">www.naturespride.nl</a></td>
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<td></td>
<td>The Greenery</td>
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<td></td>
</tr>
<tr>
<td>France</td>
<td>Dole Europe</td>
<td><a href="http://www.doleeurope.com">www.doleeurope.com</a></td>
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<td></td>
<td>George Helfers Group</td>
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</tr>
<tr>
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<td>Agreexo</td>
<td><a href="http://www.agreexo.co.il">www.agreexo.co.il</a></td>
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</tbody>
</table>

Major South African avocado exporters

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Website</th>
<th>Contacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Westfalia</td>
<td>Tzaneen</td>
<td><a href="http://www.westfalia.co.za">www.westfalia.co.za</a></td>
<td>+27 15 309 0000</td>
</tr>
<tr>
<td>Halls</td>
<td>Mpumalanga</td>
<td><a href="http://www.halls.co.za">www.halls.co.za</a></td>
<td>+27 (0) 13 753 5700</td>
</tr>
<tr>
<td>Katope</td>
<td></td>
<td>In development</td>
<td>015 3078514</td>
</tr>
<tr>
<td>Afrupro</td>
<td></td>
<td>In development</td>
<td>015 3077096</td>
</tr>
</tbody>
</table>

Peruvian growers’ association

ProHass contact email prohass@terra.com.pe Web address www.prohass.com.pe

Major Chilean exporters

Comité de paltas or Avocado Growers and Exporters Committee (www.comitedelpaltas.cl) and the Hass Avocado Committee of Chile (www.paltahass.cl)

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Website</th>
<th>Contact phone</th>
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</thead>
<tbody>
<tr>
<td>Agricom</td>
<td>Santiago</td>
<td><a href="http://www.agricom.cl">www.agricom.cl</a></td>
<td>(562)4313200</td>
</tr>
<tr>
<td>Propal</td>
<td>Quillota</td>
<td><a href="http://www.propal.cl">www.propal.cl</a></td>
<td>(5633) 272704</td>
</tr>
<tr>
<td>SantaCruz</td>
<td>Santiago</td>
<td><a href="http://www.santacruzsa.cl">www.santacruzsa.cl</a></td>
<td>(562) 2456677</td>
</tr>
<tr>
<td>CabilFrut</td>
<td>Santiago</td>
<td><a href="http://www.cabilfrut.cl">www.cabilfrut.cl</a></td>
<td>(562) 2065133</td>
</tr>
<tr>
<td>Safex</td>
<td>VinaDelMar</td>
<td><a href="http://www.safex.cl">www.safex.cl</a></td>
<td>(5632) 695496</td>
</tr>
<tr>
<td>Trinidad Export</td>
<td>VinaDelMar</td>
<td><a href="http://www.trinidad.cl">www.trinidad.cl</a></td>
<td>(5632) 386000</td>
</tr>
<tr>
<td>Chiquita Chile</td>
<td>Santiago</td>
<td><a href="http://www.chiquita.cl">www.chiquita.cl</a></td>
<td>(562) 7074000</td>
</tr>
<tr>
<td>Rosales</td>
<td>LaSarena</td>
<td>www/rosales.cl</td>
<td>(5651)241511</td>
</tr>
</tbody>
</table>

New Zealand licensed avocado exporters

<table>
<thead>
<tr>
<th>Company</th>
<th>Location</th>
<th>Website</th>
<th>Contact phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresh New Zealand Ltd</td>
<td>Auckland</td>
<td><a href="http://www.freshco.co.nz">www.freshco.co.nz</a></td>
<td>09 376 9990</td>
</tr>
<tr>
<td>Primor Produce Ltd</td>
<td>Auckland</td>
<td><a href="http://www.primor.co.nz">www.primor.co.nz</a></td>
<td>09 522 2822</td>
</tr>
<tr>
<td>Team Avocado</td>
<td>Tauranga</td>
<td>n/a</td>
<td>07 552 6880</td>
</tr>
<tr>
<td>Te Awanui Huka Pak Ltd</td>
<td>Mt Maunganui South, Bay of Plenty</td>
<td><a href="http://www.hukapak.co.nz/">www.hukapak.co.nz/</a></td>
<td>07 575 9812</td>
</tr>
<tr>
<td>Global Fresh Ltd</td>
<td>Katikati, Bay of Plenty</td>
<td><a href="http://www.globalfresh.co.nz">www.globalfresh.co.nz</a></td>
<td>07 549 3027</td>
</tr>
<tr>
<td>Chevalier Wholesale Produce Ltd</td>
<td>Auckland</td>
<td><a href="http://www.chevalierproduce.co.nz">www.chevalierproduce.co.nz</a></td>
<td>09 828 8348</td>
</tr>
<tr>
<td>J.P.Exports Ltd</td>
<td>Auckland</td>
<td>n/a</td>
<td>09 423 0359</td>
</tr>
<tr>
<td>Freshmax Exports Ltd</td>
<td>Auckland</td>
<td><a href="http://www.freshmax.co.nz">www.freshmax.co.nz</a></td>
<td>09 917 1495</td>
</tr>
<tr>
<td>Delica Ltd</td>
<td>Auckland</td>
<td><a href="http://www.delicaonline.com">www.delicaonline.com</a></td>
<td>09 256 9323</td>
</tr>
</tbody>
</table>

Mexican industry organisation

Association of Michoacan Avocado Growers, Packers and Exporters (APEAM) Web address: www.avocadosfrommexico.com
References

2. Avocados Australia. www.avocado.org.au
16. www.morrisons.co.uk
17. www.naturespride.nl
21. www.capespan.co.za
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28. www.comitedelpaltas.cl
29. www.paltahass.cl
36. www.avocadosfrommexico.com
37. www.australianairfreight.com

Appendices

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Appendix 2: Major importers/ distributors in selected European countries 2
Appendix 3: Retailers in selected European countries 5
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Appendix 1: Major Australian avocado suppliers

Sunfresh Marketing Cooperative Ltd
www.sunfresh.com.au
Sunfresh is a grower cooperative based at Palmwoods on the Sunshine Coast. For over ten years the company has demonstrated its commitment to develop and grow exports by establishing strong international partnerships in Singapore, Thailand and Hong Kong.

Nature's Fruit Company
www.naturesfruit.com.au
According to their website, Nature's Fruit Company is the leading marketer of avocados in Australia. In 1988 the business was established as a co-operative to pack and market the fruit of a group of avocado growers in the hinterland of Queensland’s Sunshine Coast.

Today more than 600 000 trays are marketed annually under the Nature’s Fruit Company brands, representing product from several hundred co-operative members. These members come from many parts of Australia including the Atherton Tablelands, Bundaberg, Sunshine Coast, Mt Tamborine, Toowoomba, the Northern Rivers, mid North and Central Coasts of NSW, Mildura and south west Western Australia.

TimberCorp
www.timbercorp.com.au
As Australia’s largest agribusiness investment manager, TimberCorp sources, funds and manages high quality large scale forestry and horticulture projects for investors looking for attractive tax advantages. The company’s operations include timber plantations, citrus, table grapes, mangos, avocados and glasshouse tomatoes.

In 2006 TimberCorp purchased Australia’s largest avocado producer and marketer, Simpson Farms and a horticultural management company, Primary Growth. At the same time they also acquired Chiquita Brands South Pacific Limited. According to their website, TimberCorp owned 1207 ha of avocados in 2007.

Simpson Farms is responsible for managing the Queensland orchards and Primary Growth is responsible for managing the orchards in Western Australia. Simpson Farms and Chiquita co-market the avocados to a range of customers, including the major retail chains in Australia. Timbercorp offered the first avocado project to investors in the 2006 financial year and expects to generate more than $80 million in project revenues during the next five years.
Appendix 2: Major importers/distributors in selected European countries

United Kingdom
Pauleys Fresh Produce
www.pauleys.co.uk
Pauleys Fresh Produce is part of the Brakes Group of companies, based in Ashford, Kent. This company supplies both the UK and France and specialises in supplying the food service sector.

According to their catalogue http://www.pauleys.co.uk/images/pauleys%20guide.pdf Pauleys supply both conventional and organic avocados, as well as some fresh cut products and avocado packs.

The seasonality guide on the company website shows South Africa as the main supplier of avocados from June to September. http://www.pauleys.co.uk/downloads/Seasonality_chart_3rd.pdf

Fresh Direct
http://www.freshdirect.co.uk

Fresh Direct is a wholesale supplier of fresh produce to the food service sector and the central markets in the United Kingdom. With bases in Bicester, London, and Manchester, Fresh Direct is able to supply the UK with quality products all year round.

The major customers of Fresh Direct include:

- airlines
- restaurants (independent)
- hotels (independent)
- fine dining restaurants
- college and conference centres
- event caterers

Mack
www.mwmack.co.uk

Since being established in 1874, Mack has grown into an extensive business serving a customer base including major supermarkets, independent retailers and foodservice operators. Mack sources fresh produce from over 80 countries around the world.

The three company divisions are:

- Mack Wholesale – supplies retail, wholesale and food service
- Mack Multiples – sources fresh fruits, salads and vegetables from over 60 countries and supplies the UK’s major multiple retailers, including logistics and category management.
- Fresca Group - Diverse business growing, logistics, imports, fruits etc – includes partner companies (www.frescagroup.co.uk).

Reynolds
www.reynolds-cs.com/introduction.asp

Reynolds is one of the UK’s leading independent distributors of fresh produce, chilled goods and ambient goods to the foodservice market. Products include dairy, frozen items, herbs, organics, and prepared items distributed throughout the UK.

Reynolds supply avocados in tray pack form with 12 to 18 fruit per tray. Their main source of avocados is South Africa and Peru.
The company is London-based with multiple outlets in UK and a new distribution centre at Waltham Cross. The details of how to establish supply relationships is set out in the FAQ’s section on the website.

Product catalogue: www.reynolds-cs.com/reynolds_productc.asp
Availability calendar: www.reynolds-cs.com/availability_calendar.pdf

Total Produce
www.totalproduce.com
According to their website Total Produce is the largest fresh produce provider in Europe. In partnership with Fyffes and Capespan, Total Produce supply fresh food through almost 90 distribution locations in 22 countries throughout Europe.
Total Produce aim to be leaders in fresh produce by growing, sourcing, importing, packaging, distributing and marketing over 200 lines of fresh fruit and vegetables to the wholesale and retail trade.
Product range: www.totalproduce.com/range.php?m=18

Wealmoor Ltd
www.wealmoor.co.uk
Wealmoor specialise in the provision of tropical fruits and also act as category managers for Waitrose. The company has a turnover of £50 million and are located in Hayes, Middlesex and Taplow, Berkshire in the UK.
Their key products are exotic fruit and vegetables and legumes (conventional and organic). Their key customers are major multiples, wholesale, catering and processing clients.

Bakkavor
www.bakkavor.com
Bakkavor is a food company that supplies almost all (90%) of their products to large multiple retailers with remaining sales to smaller retailers, food service providers, hospitals, care homes and schools. Bakkavor’s main focus is to develop products under the retailers’ or foodservice providers’ own brands and, as such, they are entrusted with a part of their brand equity.
In the UK, their customers include all of the major retailers: Tesco, Asda, Marks & Spencer, Waitrose, Sainsbury’s, Morrisons and Somerfield. Institutional suppliers such as the National Health Service are also among their customers.

Malet Azoulay
www.maletazoulay.co.uk/index.php
Malet Azoulay (parent company is Katope) is the category manager for Marks and Spencer. Katope is a French company with operations around the world including South Africa, Spain, France and UK.
Malet Azoulay is a specialist importer, ripener and pre-packer of tropical, citrus and deciduous fruits. Supply of avocado and other tropical products is seen as one of the cornerstones of the business since its inception.
Netherlands

Nature's Pride
www.naturespride.nl

Since its inception in 2001 Nature's Pride has become one of the leading suppliers of exotic produce to the EU. This company offers a range of premium (ready-to-eat) products and have a sister company specialising in ripening and packing fruit.

The Greenery
www.thegreenery.com

The Greenery provides a complete range of vegetables, fruit and mushrooms to supermarket chains in Europe, North America and the Far East. Specific target clients are wholesale businesses, catering companies and industrial processing companies. The company has 1500 producer-owned suppliers (in the Netherlands and overseas) who market all their products through The Greenery.

France

Dole Europe
www.doleeurope.com

In 1990, Dole Europe was established as a company to oversee the import of Dole fresh fruit and vegetables through Dole import offices and agents in various European countries. The company's headquarters are now in Paris.

Since 1993, Dole Europe has steadily built up importing, ripening and warehousing facilities across Europe. Today, these forward-integrated operations offer retail customers a highly efficient service and enable Dole to import a wide range of fresh fruit and vegetables from both their own farms and independent growers around the world.

Other sections of the business undertake packaging and processing, including fresh cut salads. Dole supply avocados all year round from Mexico, USA, Israel, New Zealand, Spain, South Africa. More than 200 products are sourced for sale in over 90 countries.

George Helfers Group
www.helfergroup.com

Since 1965 the George Helfers Group have specialised in importing, storing and distributing fruit from overseas. Their main base is in France however they also have distribution centres in Switzerland and Netherlands.

Avocados are one of the Helfer Group’s main products. Their website suggests they source product from South Africa and Kenya from April to November. The Helfer group also has exclusive rights to avocados from the Kazuki company of Kenya http://www.freshplaza.com/news_detail.asp?id=6458
Appendix 3: Retailers in selected European countries

United Kingdom

Tesco

www.tesco.com

Tesco is a significant retailer in the UK. Tesco has over 250,000 employees and 1779 stores. Nearly 80% of group sales and profits come from the UK business. Growth in the UK business comes from new space, extensions to existing stores and a multi-format approach. Sales of non-food, which are growing at around twice the rate of food, also contribute to the overall growth of the company.

Tesco has four different store formats, each tailored to targeted customers’ needs. These formats are Extra, Superstore, Metro and Express. Their details are summarised in Table append 3.1.

Table append 3.1 – Tesco retail store numbers and sales area in UK (correct to end of 04/05 financial year)

<table>
<thead>
<tr>
<th>Format</th>
<th>Number of stores</th>
<th>Sales area (million sq ft)</th>
<th>% of UK space</th>
</tr>
</thead>
<tbody>
<tr>
<td>Extra</td>
<td>100</td>
<td>6.6</td>
<td>27.2</td>
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<tr>
<td>Superstore</td>
<td>446</td>
<td>13.9</td>
<td>57.4</td>
</tr>
<tr>
<td>Metro</td>
<td>160</td>
<td>1.9</td>
<td>7.8</td>
</tr>
<tr>
<td>Express</td>
<td>546</td>
<td>1.1</td>
<td>4.5</td>
</tr>
<tr>
<td>Total Tesco</td>
<td>1252*</td>
<td>23.5</td>
<td>96.9</td>
</tr>
</tbody>
</table>

*Tesco also has an additional 527 stores under the One Stop banner

Sainsbury

www.sainsburys.com

Sainsbury’s a leading UK food retailer with interests in financial services. Sainsbury’s was established in 1869 and is Britain’s longest-standing major food retailing chain. It consists of Sainsbury’s Supermarkets, Sainsbury’s Local, Bells Stores, Jacksons Stores, JB Beaumont, Sainsbury’s Online and Sainsbury’s Bank. The company employs 148,000 people.

Sainsbury’s serves over 16 million customers a week and at the end of March 2007 had 788 stores throughout the UK. Nearly 60% of their stores are in central or edge-of-centre locations with many built on previously redundant sites. Sainsbury store numbers and sizes are outlined in Table append 3.2.

Table append 3.2 – Sainsbury store numbers and sizes

<table>
<thead>
<tr>
<th>Area *000 sq ft</th>
<th>+40</th>
<th>25-40</th>
<th>15-25</th>
<th>&lt;15</th>
<th>Totals</th>
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</thead>
<tbody>
<tr>
<td>Convenience</td>
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<td>–</td>
<td>–</td>
<td>298</td>
<td>298</td>
</tr>
<tr>
<td>Supermarkets</td>
<td>178</td>
<td>163</td>
<td>91</td>
<td>58</td>
<td>490</td>
</tr>
<tr>
<td>Total stores</td>
<td>178</td>
<td>163</td>
<td>91</td>
<td>356</td>
<td>788</td>
</tr>
</tbody>
</table>

Asda

www.asda.co.uk

Asda became a subsidiary of Wal-Mart, the world’s biggest supermarket chain in 1999. Asda is the second largest retailer in the UK behind Tesco. In 2006 Asda had over 340 stores including: 21 Asda/Wal-Mart Supercentres, 243 superstores, 37 supermarkets and a number of clothing and lifestyle stores. In 2006 Asda had 143,125 employees.
Morrisons
www.morrisons.co.uk
Morrisons is unique amongst the big four supermarket chains in the UK in that it has a highly vertically-integrated company structure. Morrisons operates a distribution network composed of in-house and third party contractors with regional distribution centres throughout the UK. Fruit and vegetables are mainly supplied by Bos Brothers Fruit and Vegetables BV, which Morrisons own, and is located in the Netherlands.

France
Carrefour
www.carrefour.com
Carrefour is the largest retailer in Europe and the second largest in the world behind Wal-Mart. In 2007, sales were over 82 billion euros and they had a total of 7906 stores worldwide. Carrefour has 194 hypermarket stores in France generating 45% of overall company sales.

The group currently operates four main grocery store formats – hypermarkets, supermarkets, hard discount and convenience stores. Hypermarkets accounted for 60% of sales in 2007.

Carrefour operates in three major markets – Europe, Latin America and Asia – and has a presence in 30 countries. Over 54% of the group turnover is derived from outside France. The group sees strong potential for further international growth in the future, particularly in large national markets such as China, Brazil, Indonesia, Poland and Turkey.

Carrefour headquarters are in Levallios-Perret in France and in 2006 it employed 454 295 staff.

Casino Group
www.groupe-casino.fr
The Casino group currently has over 9850 stores worldwide with 8447 in France. These stores include 129 hypermarkets and 361 supermarkets. Other stores were made up of convenience stores, discount stores and restaurants. Company sales in 2007 were 24.9 billion euros, with France accounting for 17.9 billion euros of these sales. International stores are located in Europe, South America and Asia.

Auchan Group
www.groupe-auchan.fr
In May 2008, Auchan Group had 1136 hypermarkets and supermarkets in 12 countries. France has 121 hypermarkets under the Auchan and Les Halles d’Auchan brands. There are 292 Auchan supermarkets in France using the Atac and Simply Market brands.

Sales were 36.7 billion euros in 2006 with sales in France contributing 14.6 billion euros. The company employs 186 000 staff. In 2007 the company opened 39 new hypermarkets, 16 in Europe and 23 in China.

E.Leclerc
www.e-leclerc.com
E.Leclerc is a major French supermarket chain with 561 stores in France. Of these, 391 are hypermarkets, 131 are supermarkets and 39 are specialty shops.

E.Leclerc has operations in Italy, Poland, Portugal, Spain and Slovenia.

Intermarche
www.intermarche.com
Intermarche is the supermarket chain of the French multi-national company Les Mousquetaires. Intermarche is a chain of supermarkets noted for their convenience. Intermarche has over 2000 stores worldwide, with 1500 of these stores in France. Other stores are found in mainland Europe.
Spain
Eroski
www.eroski.es
Eroski is a Basque supermarket chain with around 1000 outlets spread across Spain. It is operated within the Mondragon Cooperative group as a worker's co-operative, similar in nature to Japanese consumer co-operatives.
Eroski operates a range of formats including hypermarkets, petrol outlets, convenience stores and travel agents. Eroski is the largest Spanish-owned supermarket chain. It is second to the French owned Pryca (Carrefour) retail groups. Grupo Eroski is the distribution arm of the retail cooperative.

El Corte Ingles
www.elcorteingles.es
El Corte Ingles is the third largest retail company in Spain. It operates 70 department stores and 30 hypermarkets throughout Spain and Portugal. Its major food hypermarket trades under the brand Hipercor. El Corte Ingles operates a regional sourcing network with a regional office in Hong Kong and additional offices in Shanghai and Taipei.

Alcampo
Alcampo retails as a convenience store network throughout Spain. Alcampo is part of the French-owned Auchan group.

Mercadona
www.mercadona.com
Mercadona has a network of around 1067 supermarkets and claims to be the leading Spanish supermarket chain. In 2007 Mercadona had a turnover of 13.986 billion euros.

Netherlands
Ahold
www.ahold.com
Ahold is an international group of quality supermarkets and food service operators based in the United States and Europe. Ahold provides an easy, convenient and appealing shopping experience through continuous customer focus. Ahold is committed to offering their customers the best value, the highest quality and healthy choices, while building value for their shareholders.
Ahold’s major supermarkets in Holland trade under the banners of Albert Heijn and C1000.

Germany
Edeka Retail Group
www.edeka.de
Edeka Retail Group is the largest German supermarket corporation with an estimated 26% market share. Edeka manages some 4100 stores trading under its name and also trades under the SPAR, Netto, Marktkauf and Plus retail configurations.

Albrecht Discount (Aldi)
www.aldi.com
Aldi is short for Albrecht Discount, named after two founding Albrecht brothers. Aldi consists of two separate groups, Aldi Nord and Aldi Sud. Aldi Nord has 2500 stores in northern and eastern Germany and also operates in Denmark, France and Poland. Aldi Sud operates approximately 1600 stores in southern and western Germany and also in Ireland, the United Kingdom, Austria, Slovenia, USA and Australia. Revenues in 2006 were approximately US$48 billion.
Metro Group
www.metrogroup.de
Metro Group is the third largest retailer in Europe behind Carrefour and Tesco, founded in 1964. It operates in over 30 countries including Asia. It is a public company listed on the German stock exchange. In 2007 Metro added the German Wal-Mart supermarkets to its Real Hyper Mart operations. Metro’s retail formats include Real Hypermarkets, Metro Cash and Carry, Media Market and Saturn.

Rewe
www.rewe-group.com
Rewe is a diversified retail and tourism group based in Germany, is privately owned and founded in 1927. It operates 3000 supermarket chains in 14 European countries.
Rewe operates numerous retailing formats in different countries including REWE, Billa, Penny Market, Fegro/Selgros, ProMarkt, MERKUR, STANDA and BIPA.

Lidl Stiftung & Co.KG
www.lidl.com
Lidl is a European retailer founded in Germany in the 1930s. In 1973 Lidl opened its first discount store copying the concept from the Aldi stores. Lidl is Aldi’s number one competitor. It is now operating some 7000 stores across 26 European countries.
The Lidl chain has targeted low income earners and focuses on a low pricing strategy.
Appendix 4: Other international avocado suppliers – South Africa

Fifty to sixty percent of the South African crop is consumed domestically and approximately 10% is processed (oil and purée for guacamole). In 2003, 12 600 metric tonnes of avocados were sent to the processing industry. Locally, avocado is sold mainly to the National Fresh Produce Markets. However, direct sales are increasing whereby fruit is sold from the packhouses to the wholesalers.

The South African Avocado Growers’ Association (SAAGA)

Export logistics

The majority of avocados are exported by sea in refrigerated containers under controlled atmosphere (CA) conditions. 1-MCP (SmartFresh®) treatment is used as an alternative to CA for fruit destined for markets where avocados are not ripened prior to retail.

Air freight is expensive and is only viable when prices are abnormally high. Fruit exported by sea is packed and cooled in the production regions. It is either loaded directly into refrigerated trucks at the packhouse or into refrigerated containers for transport by road or rail to the port. Avocados transported in refrigerated trucks are containerised at the port prior to shipping.

Cape Town is the major export port and is approximately 1800 km from the production regions. The sea voyage from Cape Town to Europe takes 12 to 14 days. Due to the lengthy transit period (about 25 days from packing to reach the European retailer), strict control of all links in the cold chain is vital in order to maintain high fruit quality standards.

Generic promotion

All of SAAGA’s promotional campaigns are based on public relations (PR) techniques, as opposed to advertising. A PR approach is one that targets journalists to write articles that will change perceptions and educate the desired audience. Using this method, journalists are not paid to write about avocados, but instead, they are supplied with interesting information, recipes, press releases and photographs that will encourage them to write about avocados, or include them in a feature on a radio or TV program.

On a relatively modest promotions budget, PR is deemed to be more cost-effective than advertising. But in order to be effective, a sustained effort is required. This is why SAAGA has persisted with its PR campaigns over a number of years and regularly receives media coverage with an advertising equivalent value in excess of 10 times the total amount invested in a particular campaign.

Industry trends

1. Consolidation within the industry

A need for continuity of volume in order to meet the requirements of supermarket programs has resulted in significant consolidation within the South African avocado export business. Contracts with major retailers provide greater price stability than selling fruit on the open market.

2. New markets

The South African industry is working on accessing new markets such as the USA, Japan and China. Access efforts are being carried out within the bounds of official government-to-government protocols. Research is underway in order to develop mitigation procedures for phytosanitary pests, according to the specific requirements of new markets.
Appendix 5: Major South African avocado exporting companies

Westfalia
www.westfalia.co.za

Westfalia began operations in 1929 when Dr Hans Merensky bought Westfalia estate near Duiwelskloof in Northern Transvaal.

Three Westfalia Marketing companies manage the marketing of fresh fruit exports in South Africa, the UK and Northern Europe. The focus is primarily on avocados and mangoes, but includes a wide range of other fruits. Imports by the UK and European offices include avocados and mangoes from South Africa, Kenya, Zimbabwe, Peru, Chile, Brazil and Ecuador.

The supply base includes Westfalia farms, as well as growers with the same values and disciplines in terms of quality, food safety and social and environmental responsibility.

Strategic alliances form part of Westfalia’s vision to maintain year-round supply according to growing customer needs.

The Westfalia Marketing offices in Europe were established as part of Westfalia’s strategy of moving closer to its customer base, whilst linking with its own production base. Product support through continuing personal relationships with its customers, allows Westfalia to provide the ultimate service. The company prides itself on its product quality, reliability of supply and technical back-up.

Westfalia currently services some of the major UK and European supermarket chains, as well as having an extensive base of wholesale customers. Westfalia differentiates itself through its ability to supply customers with organic and conventional avocados, which have been given the following accreditations: Fairtrade, BRC, Nature’s choice, LEAF, HACCP, ISO 9001(2000) and Eurepgap.

Halls
www.halls.co.za

Halls is a family-owned business with a long and respected history of activity in Mpumalanga, South Africa. The company was founded by H.L. Hall who obtained a long-term lease from the Transvaal Government in 1890. Halls is a vertically integrated company with farming, exporting and international marketing operations.

Halls have been growing avocados since the 1950s. They are founding members of the South African Avocado Growers Association (SAAGA) and pioneered the cold chain requirements for shipment of fruit to Europe.

Halls’ mission is to continue as a leading producer and marketer of avocados. In 2006 they produced 4000 tons of fresh avocados. In 1997 Halls were the first avocado operation in the world to achieve an ISO9000 Universal Quality accreditation. Technical innovation with fruit ripeness testing and sorting technology (chillTrac) established Halls as world leaders.

Halls comply with all of the UK and European fruit safety legislation, supply a number of the leading supermarkets in Europe and enjoy a substantial share of the UK retail market.

Hall International represents the international marketing for the group. Avocados are Halls’ single most important product, representing approximately 70% of the company’s annual turnover.

In the early years avocados were only sourced from South Africa and marketed during the English summer. Recently, Hall International have expanded their procurement base to include Israeli, Spanish, Greek, Peruvian, Chilean and Kenyan avocados facilitating a year round supply to their customers both in the UK and throughout mainland Europe.

While Hall International markets avocados throughout Europe, the main focus remains in the UK. Besides supplying the traditional wholesale markets, Hall International is a major supplier to UK retailers including Marks & Spencer, Sainsbury’s, Tesco and Morrisons as well as the growing convenience store market sector.
Halls was the first to market with a guaranteed ripe-and-ready avocado product using new ripeness testing and sorting technology developed jointly with Imperial College, London. This technology was subsequently licensed to Sinclair International and is marketed as the Sinclair IQ system. Halls’ strong position with the UK retailers has been forged through a solid partnership with Mack Multiples.

**Katopé International**
www.katopeinternational.com

After establishing a fruit wholesaling business in France, the founders of Katopé International began their South African operation in Tzaneen in 1985. This company has experienced significant growth to have 2000 employees, 17 packhouses, 200 growing partners and over 2000 hectares of Katopé farms in 2004. Today Katopé export to 35 international markets and their client list includes most of the world’s leading retailers.

Katopé’s own logistics team support the extensive farming and production centres. Their own cool store import facilities in Rotterdam give Katopé a seamless distribution chain into the European markets. Such a tightly integrated infrastructure helps ensure full product traceability and transparent operating methods.

**AFRUPRO**

Information on AFRUPRO was not available other than the contact details in the table below.

Table appendix 5.1 – South African Avocado Growers’ Association exporter list

<table>
<thead>
<tr>
<th>Company</th>
<th>Contact numbers</th>
<th>E-mail address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adel Fresh Fruit</td>
<td>Tel: 011 454 5094</td>
<td><a href="mailto:mzaptia@gmail.com">mzaptia@gmail.com</a></td>
</tr>
<tr>
<td>Mahfud Zaptia</td>
<td>Mob: 072 570 7686</td>
<td></td>
</tr>
<tr>
<td>Afrupro Wiedse Kruger</td>
<td>Tel: 015 307 7096</td>
<td><a href="mailto:wiedse@afrupro.co.za">wiedse@afrupro.co.za</a></td>
</tr>
<tr>
<td>Agrilink Rene Jordaan, Ben</td>
<td>Tel: 011 390 2366</td>
<td><a href="mailto:rene@agrilink.co.za">rene@agrilink.co.za</a></td>
</tr>
<tr>
<td>Haliday</td>
<td>Mob: 083 635 3055 or 082 900 3515</td>
<td><a href="mailto:ben@agrilink.co.za">ben@agrilink.co.za</a></td>
</tr>
<tr>
<td>Conlink Trust Werner Seele</td>
<td>Tel: 033 503 1316</td>
<td><a href="mailto:seele@futuregttn.co.za">seele@futuregttn.co.za</a></td>
</tr>
<tr>
<td>Dole Sa Thys Marais</td>
<td>Tel: 012 663 1339</td>
<td><a href="mailto:thys_marais@za.dole.com">thys_marais@za.dole.com</a></td>
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<tr>
<td>Agrilink Rene Jordaan, Ben</td>
<td>Mob: 082 412 1576</td>
<td></td>
</tr>
<tr>
<td>Haliday</td>
<td>Fax: 012 663 8596</td>
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<tr>
<td>Dwaleni Investment Co David</td>
<td>Fax: 012 663 8596</td>
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<tr>
<td>Meyer</td>
<td>Tel: 092 6820 78484</td>
<td><a href="mailto:saldevco@africonline.co.sz">saldevco@africonline.co.sz</a></td>
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<tr>
<td>Fedfa Exports Bokkie Strauss</td>
<td>Fax: 092 6820 78055</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tel: 021 917 2600</td>
<td><a href="mailto:bokkie_strauss@capespan.co.za">bokkie_strauss@capespan.co.za</a></td>
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<tr>
<td>H L Hall &amp; Sons Mark Baker</td>
<td>Fax: 021 917 2891</td>
<td><a href="mailto:mark@halls.co.za">mark@halls.co.za</a></td>
</tr>
<tr>
<td>Katopé Exports Jaco Marais</td>
<td>Tel: 013 753 5769</td>
<td><a href="mailto:jaco@katope.co.za">jaco@katope.co.za</a></td>
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<tr>
<td>Premier Fruit Steven Beghin</td>
<td>Fax: 013 753 5768</td>
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<tr>
<td>Summerfield Glenda Backhouse</td>
<td>Tel: 015 307 8514</td>
<td><a href="mailto:pfe@iafrica.com">pfe@iafrica.com</a></td>
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<td>Westfalia Marketing Zac Bard</td>
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<td>Mob: 082 492 2048</td>
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Append page 11


Appendix 6: Major Chilean avocado exporting companies

Propal

www.propal.cl

Propal has become one of the two most successful Chilean avocado exporting companies. In the last five years, Propal has experienced strong growth in sales, propelled mainly by the export market. According to its website Propal exported 28 000 tonnes of avocado in 2003.

Propal claims its product is of excellent quality and is supported by certificated systems such as GMP, HACCP, EUREPGAP. This, together with the transparency of their business, has given Propal S.A. not only a good performance, but also prestige with growers and customers.

Contact email: propal@propal.cl
Web address: www.propal.cl

Cabilfrut

Cabilfrut, is a family company started in 1989 in Cabildo, Chile. Its main focus is the production, commercialisation and export of avocados, mainly to the USA.

Cabilfrut is part of the Chilean Avocado Imports Association (CAIA), the first association to encompass both American avocado importers and Chilean exporters. Their aim is to manage the Chilean avocado promotional campaigns in the United States. Cabilfrut is also a founding member of the Avocado Growers and Exporters Committee, a non-profit organisation whose main purpose is to promote the Chilean Hass avocado in Chile and abroad.

The company’s focus is on high quality in fruit processing and packing. Cabilfrut's main site is at Cabildo, close to the major Chilean port for sea shipments. Cabilfrut’s cold stores are controlled by cutting-edge computing systems which enable close monitoring of temperatures.

Quality regulation is very important to Cabilfrut who insist on stringent standards in fruit packing, storing and shipment processes. The company has these measures in place to meet international regulations.

Contact email: cabilfrut@cabilfrut.cl
Web address: www.cabilfrut.cl

Chiquita Chile

Chiquita Chile is part of the worldwide operations of the Chiquita group. The Chiquita group has operations in North America, Europe, Latin America, the Mediterranean, Asia and the Middle East. European countries with offices include Spain, Italy and Portugal.

Chiquita Chile’s website mentions the Hass variety being available from June through to January.

Contact: Florencia Milthaler, email fmilthaler@chiquita.com
Web address: www.chiquita.cl

SantaCruz

SantaCruz was founded in 1986 and the company’s aim was to become the best link between fruit production and distribution channels throughout the world. SantaCruz claim they are one of the most important exporters from Chile. SantaCruz has a vision of doubling their current turnover by 2010.

SantaCruz is a vertically integrated company owning farms and packhouses. SantaCruz has a diversified network of importers located in 15 countries in Asia, Europe, North and South America. SantaCruz website mentions strong links with importers in France, Spain, the Netherlands, Denmark, Sweden, Belgium, Germany and the UK. This company have the Hass variety available from July through to February.

Contact email: santacruz@santacruza.cl
Web address: www.santacruza.cl
Appendix 7: Major New Zealand avocado exporting companies

Team Avocado

Team Avocado is a group of growers representing 33% of the New Zealand avocado crop. Team Horticulture Ltd is the marketing arm of Team Avocado.

This group acts similarly to a cooperative alliance where growers, packers and marketers work together to serve both domestic and international markets. Team Avocado facilitates strategic alliances and has formed a cooperative agreement with the largest avocado marketer in the USA, Calavo (California Avocado Growers Exchange). (www.calavo.com, 2008)

Contact – Managing Director, Mr Alistair Young, phone 64 7 571 1662

Fresh New Zealand Ltd

Fresh New Zealand Ltd is a vertically integrated company specialising in marketing fresh fruit from New Zealand. The company’s focus is on quality and innovation with new variety development and production techniques a key part of their business. Fresh New Zealand’s key activities include variety management, fruit production, horticultural consultancy, farm management, as well as fruit marketing and logistics.

The company’s mission is to consistently deliver superior quality fruit to New Zealand and the world. Exports include apples, pears, kiwifruit, persimmons, avocados, cherries and nectarines.

Fresh New Zealand also has ownership in ZeeSweet and the New Zealand Fruit Tree Company and undertakes fruit procurement for Heinz Watts in Hastings.

Contact – Mr Neil Prosser, phone 64 6 870 0826

Web address – www.freshnz.co.nz

Freshmax Holdings Ltd

The Freshmax group is a marketing business integrating orchards, post harvest distribution and packhouses for domestic and international markets. Freshmax was established in 2006 in a 50/50 joint venture with a New Zealand owned company and an Australian investment company, Wolseley Private Equity.

Freshmax made two major acquisitions in 2007 in the Australian horticulture industry. These included Holman Fresh Pty Ltd and the stonefruit producer Panda Ranch.

Contact details – General Manager, Mr John Scott, (64-9) 917 1445

Web address – www.freshmax.co.nz

Global Fresh

Global Fresh (subsidiary of parent company Bridge Cool Corporation) has an integrated orchard-to-supermarket shelf marketing structure, successfully managing the supply chain from production and post-harvest processing through to retail supply.

Global Fresh New Zealand markets under three brands, BayFresh®, Global Fresh and Sunny Days. These brands have been used extensively for avocados worldwide. Global Fresh is currently exporting to Australia, North America, Thailand, China, Japan, Korea, United Kingdom, Europe and Singapore.

Global Fresh has established a supply partnership with Coles supermarkets in Australia. Bridge Cool and Global Fresh are preferred suppliers to Coles for New Zealand kiwifruit and avocados. To ensure these relationships remain, the quality standards implemented by Global Fresh are stringent and are audited through food safety programmes. They are Eurepgap and BRC certified as well as HAACP accredited for Coles Supermarkets in Australia.

Global Fresh pushes its green credentials under a brand name Global Green®. It uses a pest management program called NutriClean® to reinforce this environmentally friendly practice. Global Fresh is also developing organic avocado exports to the US Whole Foods® retail group.
In 2000, Global Fresh initiated sea shipments of New Zealand avocados to the UK. This opportunity opened the doors for subsequent shipments to Europe, utilising an efficient sea freight liner service discharging at Antwerp. The company website claims it has increased volumes to Europe in recent seasons using the latest shipping technology.

Major retailers, including Waitrose and Marks and Spencer, received these shipments. Global Fresh’s avocados are shipped in a specially designed 4 kg tray where fruit is place-packed and shipped in 20’ CA containers. All fruit undergoes a pre-shipment survey before departure and an independent assessment of fruit condition is undertaken on outturn.

Contact details – Managing Director, Mr Mark Yortt, +64 6 878 8851
Web address – www.globalfresh.co.nz

Chevalier Wholesale Produce

Chevalier Produce is a family run business established in 1963 by owner Mr Ranji Chhita. The company is a specialty wholesaler to the food service industry including restaurants, caterers, cargo ships and cruise liners. In the late 1980s Chevalier began exporting fresh produce to the Pacific Island region.

Chevalier’s growth and success can be attributed to strong customer service values. The business is founded on strong family and business values and a determination to deliver both product and service excellence to partners.

Contact details – Sarah Chew Tel (09) 828-8348 sarah@chevalierproduce.co.nz
Web address www.chevalierproduce.co.nz

Primor Produce Ltd

Primor was established in 1988 to form a link between growers and markets. Primor claim to be experts in marketing perishable produce through access to market information, improved logistics and handling.

Primor claim to have first exported New Zealand avocados to California, USA in 1995. In 2000 Primor, along with three other export companies, initiated the first bulk sea shipments to the USA in partnership with Lauritzen Cool.

This company also pioneered sea shipments of avocados to Korea and Japan in conjunction with three other exporters. Primor boast a product traceability system that tracks each carton from the grower to the customer. Primor’s website outlines marketing relationships in Australia, the United States, Europe and Asia and claims to be the leading marketer of New Zealand’s best produce.

Contact details – General Manager, Mr John Carroll, phone 64 9 522 2822
Web address – www.primor.co.nz

Te Awanui Huka Pak Ltd

Huka Pak’s core business is the packing and cold storage of kiwifruit and avocados. It is among the largest kiwifruit packhouses in New Zealand and packs over five million trays annually.

Marketing is done in association with Zespri but an ‘own’ market brand called ‘Te Awanui’ is exported to India, Malaysia, Indonesia, Australia and USA.

Contact details – phone 64 7 575 9812
Web address – www.hukapak.co.nz

Delica Group

Established in 1997, Delica is an international marketing company that sources product from New Zealand, Australia and North America. Delica claims to be New Zealand’s largest exporter of asparagus and berryfruit. Delica exports select lines of produce to Japan, USA, Europe, Australia and North East Asia.

Contact details – Managing Director, Mr Anton Masutti, phone 64 9 256 9323
Web address – www.delicaonline.com
Appendix 8: Major Israeli avocado exporting company

Agrexco

Agrexco is Israel's foremost agricultural exporter and markets their produce under the Carmel label. This brand has been in existence for over 50 years and according to the website is applied to over 350,000 tonnes of produce valued at US$590 million annually.

Carmel have their own fleet of ships and a state of the art terminal in Marseille, France. From Marseille produce is stored and distributed throughout the EU. Carmel also has air shipping terminals in Israel and Liege, France.

Agrexco has strong links throughout the supply chain including multiples, importers, wholesalers and distributors, and thus the Carmel brand has established an impressive international presence. Carmel produce can be found in supermarkets across the globe from Europe (West and East), Latin America and North America, to Japan, Singapore and Hong Kong.

The success of the Carmel brand name lies in Agrexco’s global network of branches operating in London, Frankfurt, Paris, Rotterdam, New York, Zurich, Vienna, Madrid and Milan. Special sales offices in Israel are dedicated to marketing and sales in countries where Agrexco does not have representative offices, such as Eastern Europe, the Far and Near East.

Carmel markets Hass avocados from November through to May.

Contact Details - 972-3-563-0940 info@agrexco.com

Web address – www.agrexco.co.il