

**Asian Markets Avocado
Industry Trade Tour to Hong
Kong, Singapore and Dubai
(including Gulf Foods in
Dubai, UAE)**

Antony Allen
Avocados Australia Limited (AAL)

Project Number: AV08026

AV08026

This report is published by Horticulture Australia Ltd to pass on information concerning horticultural research and development undertaken for the avocado industry.

The research contained in this report was funded by Horticulture Australia Ltd with the financial support of Avocados Australia Limited (AAL) and the avocado industry.

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ISBN 0 7341 2010 9

Published and distributed by:
Horticulture Australia Ltd
Level 7
179 Elizabeth Street
Sydney NSW 2000
Telephone: (02) 8295 2300
Fax: (02) 8295 2399

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Avocados Australia

HAL Project

AV08026

Asian Markets Avocado Industry
Trade Tour to Hong Kong,
Singapore and UAE (including Gulf
Foods in Dubai, UAE)



Prepared by:

*Antony Allen et al.
Avocados Australia Limited
PO Box 8005
Woolloongabba QLD 4102
P: 07 3846 6566
F: 07 3846 6577
E: ceo@avocado.org.au*

March 2009

Project details

- Project Name: Asian Markets Avocado Industry Trade Tour to Hong Kong, Singapore and Dubai (including Gulf Foods in Dubai, UAE)
- Project Number: AV08026
- Date: March 2009
- Project Purpose: The purpose of this study tour was to increase the exposure of avocado growers and packers to potential export networks, to build knowledge, capacity and exposure within the Australian industry to the export culture within Asia.
- Project Leader: Antony Allen
Avocados Australia Limited
PO Box 8005, Woolloongabba QLD 4102
P: 07 3846 6566 F: 07 3846 6577 E: ceo@avocado.org.au
- Other contributors: Jenny Margetts
p2p business solutions pty ltd
31 Kinnaird Street, Ashgrove QLD 4060
P: 07 3366 2710 F: 07 33662710 E: jmargetts@bigpond.com
- Funding: This project was funded levy funds from the Australian avocado industry and by Horticulture Australia Limited



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Media Summary

As Australian production and global competition increases, the industry's reliance on the domestic market poses increasing risk for the sector. In the 2007/08 season Australia exported approximately 3% of its production.

One strategy, identified by Avocados Australia, to mitigate this risk is to increase sales into existing markets and find alternate export markets for avocados.

In 2007/08 the industry completed a project which looked at the export market opportunities and strategies for realising these opportunities. The recommendations from this project included a more focused and planned approach to export marketing through the development of appropriate industry structures. It also highlighted the key markets where further or new export growth might be possible and indicated the need for industry to gain a better understanding of these export market opportunities through in-country visits. This study tour visited four markets - Hong Kong, Singapore, Bangkok and the United Arab Emirates (UAE). These markets were identified in earlier research as having the potential to support further export growth for the Australian avocado industry.

The study tour provided the opportunity for industry participants to develop useful networks and undertake in-country research which is necessary to understand what further export development activities are required. The study tour also coincided with Gulfoods 2009, the Middle East's largest food and hospitality trade event, which gave industry participants the opportunity to gain a broader understanding of the Middle East market.

Indications from all markets visited are that there is strong demand for Australian avocados; however this needs to be supported by market development initiatives.

Importers, retailers and food service businesses in all markets indicated that quality, value for money, and continuity of supply were the most critical elements for driving growth and demand for Australian avocados. Nearly all businesses currently handling Australian avocados mentioned the frustration of not being able to access supply during Australia's low season from November to March was a period.

Market development initiatives that key stakeholders in markets consider important where consistent across all markets and included:

- Support for wholesalers and retailers in product handling - training
- Support for retailers through in-store promotional support (point of sale and in-store demonstrations) focusing on selection, handling and utilisation
- Support for food service through education staff in handling and utilisation (recipe development appropriate for market)

It is also worth noting the potential demand for avocados in China and the need for the Australian industry to pursue formal access to this market.

Increasing competition in all markets visited was evident. There were a number of countries that were attempting to increase their presence in the Asian markets. Kenya was also very active in the UAE markets and could potentially improve their fruit quality to compete at the premium end of the market with Australian product.

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1.0 Introduction

In 2007/08 the Australian avocado industry started exploring mechanisms by which the industry could drive export growth within the sector. As Australian production and global competition increases, the industry's reliance on the domestic market poses increasing risk for the sector. One strategy to mitigate this risk is to find alternate markets, including export markets, for avocados.

In the 2007/08 season Australia exported 1,205 metric tonnes of avocados, mainly by airfreight to South East Asia and the Middle East. This was equivalent to around 2.9% of Australian domestic production.

A buoyant domestic market over the last 20 years has led to an increase in plantings of avocados. In recent years, the rate of planting has accelerated and as these new plantings come into full production, the volume of Australian avocados entering will rise substantially over the next few years.

In 2007 season production peaked at 40,000 metric tonnes, resulting in growers experiencing periods of returns below costs of production. Forecasts indicate that production of Australian avocados will continually increase by 10 - 20% each year with a doubling of existing production to 90,000 metric tonnes by 2015.

Overseas evidence also indicates that other avocado producing countries, such as Mexico, Chile, Peru and New Zealand will also experience substantial production increases.

Competition for existing export markets is expected to intensify, potentially leading to declining terms of trade for Australian avocado growers and reduced industry sustainability in the medium to long term. Avocados Australia has identified that one of the key strategies to maintain industry sustainability is to proactively grow existing export markets whilst maintaining / increasing market share and developing new export markets.

In 2007 – 2008 the industry completed a project which looked at export market opportunities and strategies for realising these opportunities. The recommendations from this project included a more focused and planned approach to export marketing through the development of appropriate industry structures. It also highlighted the key markets where further or new export growth might be possible and indicated the need for industry to gain a better understanding of these export market opportunities through in-country visits.

This study tour aims to provide the opportunity for industry participants to start the in-country research which is a prerequisite for further export development activities. The study tour includes Hong Kong, Singapore, Bangkok and the United Arab Emirates (UAE). The visit to the UAE coincides with Gulfoods 2009, the region's largest food and hospitality trade event. In 2008, Gulfood 2009 attracted 39,147 trade attendees from 148 countries.

This study tour will allow industry participants to gain a first-hand understanding of key Asian and Middle Eastern export markets and related issues, develop networks and to validate information provided as part of earlier projects exploring export opportunities for the sector.

The project is in line with the Avocado Industry Strategic Plan goal P1.2.2: To ensure widespread adoption of product-handling and conditioning practices throughout avocado supply chains, to ensure optimal fruit quality is available to consumers at the retail shelf level.

2.0 Achieving expected outcomes

The outcomes expected include:

- Extending avocado growers / packers understanding of Asian market requirements, supply chains, marketing requirements and operational issues
- Understanding where Australian avocados have a strategic fit in the market ie. what are the strengths of the product in relation to competitor products, what potential there is for further developing export markets for Australian product
- Understanding the challenges that Australian fruit faces in the market place and other threats that could impact on current and future business
- Develop networks with key industry stakeholders eg. importers, wholesalers, government and business agencies and retailers, in key export markets
- Increased awareness across the whole of industry in regard to export opportunities and issues and access to information that can be incorporated into business strategies providing benefits over time.

In total six industry members participated in the study tour:

- Lachlan Donovan, Donovan Avocados
- Chris Nelson, Coastal Avocados
- Sue Nelson, Coastal Avocados
- Andrew McKillop, Natures Fruit Company
- Jenny Margetts, p2p business solutions
- Antony Allen, Avocados Australia

These outcomes outlined above were achieved through an organized visit program which Avocados Australia developed in conjunction with Austrade, Trade Queensland and Queensland Department of Primary Industries and Fisheries (the latter both agencies of the Queensland Government). Visits in each market (Hong Kong, Singapore, Bangkok and Dubai) were comprehensive and covered key importers, wholesalers, retailers, food service distributors, food service operations and other business agencies related to the industry. Participants were also able to visit Gulfoods 2009 in Dubai which showcased the Middle Eastern Food Market.

A complete itinerary is included in Section 6.

An article will be written for "Talking Avocados", the avocado industry magazine, to ensure that information gathered during the tour is effectively disseminated to industry.

3.0 Results of discussions

Hong Kong

General

The population of Hong Kong is approximately 7 million people of which 50,000 are Australian expats. There are also 30 million tourists visiting Hong Kong each year.

Hong Kong has a number of attributes that make it attractive for food importers and provide opportunities for growth in the sector including:

- good infrastructure (transport) & telecommunications;
- Rule of law based on the British system
- CEPA – closer economic partnership agreement with China – reducing tariffs from 40% to 15- 25 %
- Skilled work force
- Growing affluence
- Increased number of females working
- Limited local production
- Health and hygiene conscious
- Demand for quality products

Overall the Hong Kong consumer budget is split: food 26%; housing 30%; transport 10%; electricity 3%; and other 31%.

Food

Major food imports into Hong Kong include poultry (frozen); pork (frozen); seafood; bottled water.

Australian food imports total into A\$838m and include seafood, meat, fruit and nuts and dairy products. This equates to 29% of Australia's total food exports.

Hong Kong is a major gateway for foreign foods into China and re-export accounts for 90% of Hong Kong's total exports.

Major food trends include:

- Healthy
- Natural / organic
- Japanese
- Western
- Convenient

Supermarkets

Major supermarket chains include:

- Wellcome (including their premium / international store concept - 360)
- ParknShop (also in Guangzhou) (including their premium store concept - Taste)
- CRC (including their premium store concept Vole)
- Dah Chong Hong – for Chinese dried goods

Major convenience stores chains include:

- 7 Eleven

- Circle K

Fruit and Vegetables

The majority of produce in Hong Kong is sourced from the Chinese mainland (70%) and the remainder is imported. In regard to fruit imports, major importing countries are the USA (32%), Thailand (18%), Chile (10%), Australia (8%) and South Africa (8%

There are no duties on imported produce.

The main items imported from Australia in market are: grapes; cherries and mangoes.

Supermarkets source 70-80% produce through wholesale markets, although there is a preference for the major chains to source imported product direct from importers.

Similarly, large food service operations are increasingly sourcing product directly from overseas suppliers or from importers rather than through the wholesale markets. This provides better consistency of quality and supply and reduces the risk of non-supply.

Avocado Market

All avocados are imported. Fruit from Mexico (Coliman's brand) and Chile (organic product) was evident in the market during the study tour.

The market is predominantly size 28 fruit.

Fruit in retail stores is predominantly sold as hard green, so there is opportunity to introduce better management practices and increase sales by having riper fruit ready to be consumed (ripe 'n ready program).

Like Australia, food service operators require ripe fruit for immediate use.

Wholesale prices at the time of the visit were around HK \$130-140 / 4 kg tray. Ripe fruit that needed to be moved selling for as low as HK\$60/ tray.

Retail prices at most stores visited were around HK\$10 / piece.

Opportunities for Australian avocados

Major competitive advantage for avocados in the market is their healthy and nutritious attributes.

For Australian avocados the strategic advantage is market proximity and our ability to deliver a premium fresh product into the market. Consistency of supply and quality are essential. There is no obvious opportunity for 'composite' grade fruit in the market.

There is significant economic development in a number of areas throughout mainland China (Beijing, Yangtze River Delta, Pearl River Delta and Guangdong province) and growing affluence in these areas increases demand for fresh, healthy and nutritious produce. It is important that Australia seeks formal access to this market for future export growth.

Issues to be addressed to develop market

To realise growth in the market the following needs to be addressed:

- It is essential to continue to deliver and promote Australian avocados at the premium end of the market. It was continually suggested that the best way to do this was through in-store promotions.
- Consumers need education in how to select, use and handle the product

- Strong branding and suitable packaging is imperative to develop the market in Hong Kong
- A lidded box is preferred in the market
- There is poor demand for Shepard avocado in the market – Hass is preferred

Meetings

Meetings were held with the following business:

- Trade Queensland
- Vegetable Marketing Organisation
- Joyful Fairy (Fruits) Ltd
- Park n Shop
- Wing Kee (major produce importer)
- Maximes (food service operation partly owned by Dairy Farm. Outlets include: Simply Life; Starbucks (joint venture and manage operations); Rice paper (Vietnamese); EXP (modern café/ pizza), Chinese, Sushi and bakeries
- visits to wholesale markets and a range of supermarkets / food outlets

Singapore

Supermarkets

Major supermarket chains include:

- Cold Storage - see details below.
- NTUC Fairprice – strategy is to focus on fresh meat, dairy and produce
- Carrefour
- South China Seas – value end of market

Cold Storage have a range of outlets to cater for different target markets:

- Cold Storage Stores - high end supermarkets (37)
- MarketPlace - premium market
- 'Giant' hypermarkets
- Shop 'n Save supermarkets – value end

Fruit and Vegetables

The typical supply chain for fruit, involves importers selling to major supermarkets (e.g. Cold Storage and NTUC) and wholesalers in the central market. Wholesalers then sell to wet markets and smaller retailers (Sing Song?)

There are approximately 100 fruit importers and 60-80 fruit wholesalers in the market.

For larger volumes supermarkets often source direct for supplier in export country.

There are no duties on imported produce.

Similarly, large food service operations are increasingly sourcing product directly from overseas suppliers or from importers rather than through the wholesale markets. This provides better consistency of quality and supply and reduces the risk of non-supply.

Avocado Market

Avocados are imported from Spain, Mexico, New Zealand, South Africa, Israel and Australia.

South Africa is looking to bring fruit in by sea; can land product for US\$9 / 4kg; Mexico can also land product by sea for same price (size 20 – 22), however Mexico is 4 weeks by sea. New Zealand is bringing a sea container (assume 20') a week into the market during their season.

Australia has the largest market share commanding 81% of the market (by value) which equates to A\$3 million.

The market is predominantly size 28 -30 fruit and some size 25 for the premium market. Size 30 are preferred for prepacks and promotions.

Supermarkets have a requirement for pre packs, but fruit must be premium quality. Mexico are currently supply prepacks of 3-4 pieces of fruit in a netted bag and 12-15 bags per box (predominantly size 32 for pre packs).

Fruit in retail stores is sold as hard green, so there is opportunity to introduce better management practices and increase sales by having riper fruit ready to be consumed (ripe 'n ready program). Cold Storage is already introducing this initiative, with good results according to one Cold Storage produce manager.

Like Australia, food service operators require ripe fruit for immediate use. The market is bulk packs size 56 - 64.

There is a large proportion of fruit which is consumed as 'juice' in the local hawkers markets. Hawkers buy premium grade semi-ripe fruit to service this market. The juice is blended avocado pulp, milk and sugar (coconut sugar). It is refreshing and considered to be a healthy beverage.

Wholesale prices at the time of the visit were around S\$32.00

Supermarkets have about 50-60% mark up on produce

Retail prices at most stores visited were around S\$1.30 - S\$1.95 per piece. On special price is at S\$2.95 / 3 piece.

Opportunities for Australian avocados

Major competitive advantage for avocados in the market is their healthy and nutritious attributes.

For Australian avocados the strategic advantage is market proximity, our ability to deliver a premium fresh product into the market and reputation as a producer of safe food. Consistency of supply and quality are essential.

There is also consistent enquiry about access to Australian organic avocados.

Australia is able to competitively air freight product into the market. The differential between air and sea freight does not warrant sea freighting product at this time. There are opportunities to improve supply chain efficiency if it was possible to consistently supply straight air containers of avocados, rather than product being supplied as part of a mixed consignment.

There are still considerable growth opportunities in this market, including supermarket, wholesaler (local and juicing market) and food service. Some importers suggest up to 20% per annum.

There are opportunities to develop the food service sector by working with the Restaurant Association to develop the use of avocados in menus (this has been a successful strategy of the MLA).

Issues to be addressed to develop market

To realise growth in the market the following needs to be addressed:

- It is essential to continue to deliver and promote Australian avocados at the premium end of the market. It was continually suggested that the best way to do this was through in-store promotions, handling and recipe guides (which needed to be in English and Chinese) targeting all sectors including the local market.
- Consumers need education in how to select, use and handle the product
- Education of handlers (importers, wholesalers and retail staff) is also needed, as they are not familiar with product (Supply Chain Handling Manual)
- Strong branding and suitable packaging is imperative to develop the market in Singapore
- A lidded 5.5 kg box is preferred in the market
- There is concern about the lack of supply of Australian Hass over the December – March period. Although Shepard avocado was evident in the market the preference is for Hass fruit

Meetings

Meetings were held with the following business:

- Austrade
- NTUC Fairprice
- Ban Choon Marketing
- Hupco
- Chop Nam Huat
- WT Vision Produce
- FreshMart Singapore
- Singapore Fruit Importers and Exporters Exchange
- visits to wholesale markets and a range of supermarkets / food outlets

Bangkok

General

The population of Thailand is approximately 65 million people.

Spending on food comprises 31% of household income.

Food

Factors which influence growth in the food sector, include:

- Growing middle class with high disposable income
- Increasing demand for healthy and natural products
- Growing market for Western franchises eg. McDonalds
- A large expat workforce
- Strong food service market including airline catering
- Increasing international tourist visits (increasing at 10% per year to 14 million)
- Weakening Australian dollar

Market segments include:

- Western
- Japanese
- Korean
- Local

Supermarkets

Major supermarket chains include:

- Tops (111 stores)
- Makro (41 stores)
- Carrefour (59 stores)
- Tesco Lotus (476 stores)
- Big C (69 stores)

(above figures based on 2008 figures provided by Austrade)

Most supermarkets access imported fruit through importers. Only Tops imports directly.

Tops has approximately 90% of the modern trade. It has different store formats depending on target market:

- Central Food Hall - Premium market - currently 4 - 2 in Bangkok; 1 in Phuket and 1 in Pataya
- Tops Market - for expats / Westerners - 30 stores
- Tops – for local market - 60 stores.

Both Carrefour and Tesco also have a hypermarket format.

Supermarkets often outsource operational management of sectors of their stores.

Avocado Market

The market is predominantly size 28 fruit.

There is little demand for avocados in the wholesale market.

There is currently no demand for pre packs.

Fruit in retail stores is sold as hard green, so there is opportunity to introduce better management practices and increase sales by having riper fruit ready to be consumed (ripe 'n ready program). (The reason that fruit is purchased hard green by supermarket

personnel is that it reduces their wastage and they are then not personally penalized for not reaching KPIs – this restraint needs to be addressed).

Retail prices varied from:

- THB 35- 42 / pc in Tesco / Big C
- THB55 / pc - Carrefour
- THB59 /pc - Emporium (high end supermarket) (Large Hass B69 / pc)
- 49 – 69THB / pc – Tops Market (expat store)

Large (size 23) Shepard at Central World Mall THB69 /pc; Shepard also seen in Emporium.

Indications that supermarkets margins are between 10-30%.

Opportunities for Australian avocados

Major competitive advantage for avocados in the market is their healthy and nutritious attributes.

For Australian avocados the strategic advantage is 0% tariff as a result of an FTA (as opposed to 40% tariff imposed on other importers), market proximity, our ability to deliver a premium fresh product into the market and reputation as a producer of safe food. Consistency of supply and quality are essential.

There is also consistent enquiry about access to Australian organic avocados.

Potential to increase use of product into the food service sector and to use larger size fruit into the food service market – need to sell at kg rate (not per piece rate) and educate food service that this delivers higher yield.

There are still considerable growth opportunities in this market, particularly in supermarket and food service sectors. Discussions indicated that it would be possible to double /treble demand with right promotional / supply chain support.

Bangkok can also be used as a hub for accessing Laos and Cambodia.

Issues to be addressed to develop market

To realise growth in the market the following needs to be addressed:

- It is essential to continue to deliver and promote Australian avocados at the premium end of the market. It was continually suggested that the best way to do this was through in-store promotions, good POS, handling and recipe guides (which needed to be in English and Thai) targeting in the first instance retail and food service.
- Consumers need education in how to select, use and handle the product
- Education of handlers (importers, wholesalers and retail staff) is also needed, as they are not familiar with product (Supply Chain Handling Manual)
- Strong branding and suitable packaging is imperative to develop the market in Bangkok – quality brands will establish quickly
- A lidded 5.5 kg box is preferred in the market
- There is concern about consistency of supply throughout the year – this is essential. The preference in the market is for Hass fruit. If Shepard is used extra effort will be required to establish and develop the market.

Meetings

Meetings were held with the following business:

- Austrade
- Central Food Retail Co. (Tops)
- Jagota Thailand
- M@xFood products International
- visits to a range of supermarkets / food outlets

UAE

Food

Dubai is a key hub for the Middle East region for food. A significant proportion of imports are re-exported into Iran, other GC countries, and non-GCC Arabic countries in the region.

Food safety is an important issue in the UAE and Country of Origin labelling is evident in all supermarkets

Supermarkets

Major supermarket chains include:

- Choitrams (24 stores + 1 hypermarket)
- Spinneys
- LuLu (28 stores)
- United Coop

Avocado Market

The key suppliers to the market are Kenya, South Africa and Sri Lanka.

South African product is delivered via air and sea freight. Kenyan product is cheaper, but there are often quality problems.

The market wants size 28 -30, firm green fruit that can be ripened in market to customer's requirements.

Indications are the avocado market is experiencing good growth. Avocados mainly used by Europeans and they prefer Australian product; Indians do use them in salads.

There are no in-market promotions for avocados in UAE, although it does occur for other products. If developing promotional material would definitely be beneficial if it promotional material was also in Arabic.

Wholesale pricing: indication that first grade Kenyan fruit was selling at AED22 / 4kg tray (14 count) at wholesale level.

At retail level, avocados are sold by the kilogram not by the piece. Prices for Kenyan fruit ranged from AED32.5 / 4kg tray (18 count) for Kenyan fruit to prepacks (5-6 pce fruit/ pack (tray and wrap) fruit size 25-30) at AED8.45 – 10.95 /kg. Sri Lankan Fuerte was priced at AED9.90/kg. Australia fruit was AED24.50/kg and US organic fruit was AED29/kg.

Opportunities for Australian avocados

Major competitive advantage for avocados in the market is their healthy and nutritious attributes.

For Australian avocados the strategic advantage is the ability to deliver premium fresh avocados into the market, albeit at a premium and Australia's reputation as a producer of safe food.

Potential to increase use of product into the food service sector by opening supply chains and delivering a consistent supply of quality ready to use product. Indications from leading chefs in the market are that Australian avocados are difficult to source and consistency of supply is a problem.

There is also consistent enquiry about access to Australian organic avocados.

This market is extremely competitive but there are still considerable growth opportunities in this market, particularly in supermarket and food service sectors if the industry is able to deliver consistent volumes of quality product.

Dubai can be used as a hub for accessing other countries in the region.

Issues to be addressed to develop market

To realise growth in the market the following needs to be addressed:

- It is essential to continue to deliver and promote Australian avocados at the premium end of the market. It was continually suggested that the best way to do this was through educating the consumer and promoting the product eg. in-store promotions, good POS, handling and recipe guides (which needed to be in English and Arabic) targeting in the first instance retail and food service.
- Consumers need education in how to select, use and handle the product
- Education of handlers (importers, wholesalers, retail and food service staff) is also needed, as they are not familiar with product (Supply Chain Handling Manual)
- Strong branding and suitable packaging is imperative to develop the market
- A lidded 5.5 kg box is preferred in the market
- There is concern about consistency of supply throughout the year – this is essential. The preference in the market is for Hass fruit.

Meetings / Events attended

Meetings were held with the following business:

- QDPI &F / Trade Queensland
- Dubai Chamber of Commerce function for food importers
- Gulfoods Trade Exhibition
- Choithrams
- Lulu
- Hilton and Shangri La Hotels (Abu Dhabi)
- Barakat
- Shokri Hassan Trading
- Fresh Fruit Company
- visits to wholesale markets (Dubai) and a range of supermarkets and food service outlets

Overall market assessment for Australian avocados

Indications from all markets visited are that there is strong demand for Australian avocados in export markets, however this needs to be supported by market development initiatives. Indicators and drivers of growing demand include:

- Increasing demand in all markets for 'healthy' and 'natural' products
- Increasing affluence and westernisation of Asian markets
- Australia's reputation as a supplier of good quality and fresh avocados
- Australia's reputation as a provider of safe food
- A weaker Australian dollar (in recent times).

Importers, retailers and food service businesses in all markets indicated that quality, value for money, and continuity of supply were the most critical elements for driving growth and demand for Australian avocados. Nearly all businesses currently handling Australian avocados mentioned the frustration of not being able to access supply during Australia's low season from November to March was a period.

Market development initiatives that key stakeholders in markets consider important where consistent across all markets and included:

- Support for wholesalers and retailers in product handling - training
- Support for retailers through in-store promotional support (point of sale and in-store demonstrations) focusing on selection, handling and utilisation
- Support for food service through education staff in handling and utilisation (recipe development appropriate for market)

It is also worth noting discussions around the potential demand for avocados in China and the need for the Australian industry to pursue formal access to this market.

It was also noted that competition was starting to increase in all markets visited. There were a number of countries that were attempting to increase their presence in the Asian markets. Kenya was also very active in the UAE markets and could potentially improve their fruit quality to compete at the premium end of the market with Australian product.

4.0 Implications for Australian avocado industry

Increasing volumes of Australian avocados entering the Australian market have resulted in growers experiencing periods of returns below costs during periods of peak supply in recent years. Although per capita consumption is continuing to increase, the strong reliance on the Australian domestic market is seen a risk for the industry.

In the 2007/08 season, Australia exported only 3% of its production. Indications from the export markets visited as part of the study tour indicated there is growing demand for 'healthy' and 'natural' products, including avocados, and in particular Australian avocados. To capitalise on this demand the Australian industry needs to assist importers and retailers in export markets develop the market for Australian avocados.

One feature of the markets visited is their preference for smaller sized fruit (size 28-32) which are not the preferred sizes in the Australian market.

The Australian avocado industry will be in a stronger and more sustainable position if it is able to increase sales into export markets. By directing supply away from the Australian market, this will hopefully assist in firming prices in the domestic market.

Of course it is important that returns from export markets enable growers to develop a product / price mix that supports their longer term sustainability. Increasing competition in export markets, which is expected as other producing countries also look for alternate supply chains for increasing production, is a risk that must also be mitigated.

Australia has some strategic advantages that it needs to capitalise on; including its reputation as a supplier of good quality, safe and fresh avocados; its proximity to Asia markets; and competitive airfreight rates into Asia and the Middle East.

Other countries are not able to deliver product cost effectively in the timeframes that Australia can, particularly into the Asia markets. To be competitive they must sea freight product, which often arrives in export markets at below optimum quality and with very limited shelf life. However Australia's ad-hoc approach to marketing and supply in export markets has allowed competitors to find niches in markets that Australia has historically been a major supplier. As competitor countries develop networks and improving post harvest technology delivers better out-turns of fruit that has been stored / transmitted for longer periods, it is possible that Australia might begin to lose market share in the Asian markets where it has been a dominant supplier.

The step that the Australian industry is taking to investigate export markets and develop appropriate industry structures to provide a more deliberate approach to the export market opportunities is positive. It is essential that the industry invests in export market development activities to maintain and grows its position in key export market. If this achieved, it will provide the best opportunity for Australian avocado growers to maintain terms of trade in an increasingly competitive environment.

5.0 Dissemination of Information

To disseminate information to the broader industry an article will be written for "Talking Avocados", the avocado industry magazine.

6.0 Itinerary

Sunday 15th February

- Fly from Brisbane to Hong Kong.

Monday 16th February

Hong Kong

- Site Visit to Fresh Fruit Wholesale Market in Yau Ma Tei with Angela To
- Meeting with Mr. Kenneth Law of Vegetable Marketing Organization (VMO)
- Meeting with Henry So, Director of Joyful Fairy (Fruits) Limited
- Market Briefing by Ms. Angela To, Deputy Commissioner
- Meeting with Mr. Simon Lee, Queensland Commissioner Hong Kong and Guangzhou
- Meeting with Mr Mark M K Lee, Director and Mr. Cyril Leung, Management Executive of Wing Kee Produce Ltd.
- Dinner hosted by Dr. Wayne Leung (Chairman of Wing Kee Produce Ltd) and Mr. Simon Lee (Queensland Commissioner Hong Kong and Guangzhou).

Tuesday 17th February

- Tour by Angela To (Deputy Commissioner) to “Taste” – the premium supermarket.
- Meeting with Mr Aman Fung, Assistant Operations Manager, Fruit and Vegetables of Park 'N Shop Supermarket
- Meeting with Ms. Judy Ling & and Mr. Edward Tung from Maxim's Group
- Fly from Hong Kong to Singapore.

Wednesday 18th February

Singapore

- Briefing with Austrade Singapore
- Meeting with Mr. Tan Chin Hian (C H Tan) - MD - Ban Choon Marketing Pty Ltd
- Meeting with Tay Khiam Bak - Hupco Pte Ltd
- Meeting with Mr. John Lim -Chop Nam Huat
- Meeting with Mr. Roland Wong Siew Hong and staff – MD - WT Vision Produce Pty Ltd

Thursday 19th February

- Meeting with Mr. Tony S P Tan, MD - Singapore Fruits Importers & Exporters Exchange Pty Ltd
- Meeting with Mr. Peter C K Koh & Ms. Teo Sher Ling - Freshmart Singapore Pty Ltd.
- Market assessment meeting with Austrade – Mrs Toh and Cheryl Stamilower (Austrade Trade Commissioner Singapore)

Friday 20th February

Bangkok

- Briefing from Austrade Thailand
- Visit Emporium Shopping Mall - tour of fresh produce set up.
- Meeting with Mr. Gopal Jagota - Business Development Manager - Jagota Thailand
- Meeting with Supavadee Nimmanakait - Central Food Retail Co., Ltd.

Saturday 21st February

- Meeting with Pakaporn Thanaphol-apikit - Maxfood Products International Co., Ltd

Sunday 22nd February

- Fly to Dubai

Monday 23rd February

Dubai

- Meeting – Mr Pravesh Sawlani – Manager - Choithrams
- Visit to Gulfoods 2009 (with Tony Onley QDPI&F)

Tuesday 24th February

- Visit to Dubai Al-Aweer Fruit and Vegetable Markets
- Visit to Union Co-op Hypermarket opposite Fruit and Vegetables Markets
- Visit to Choithrams Store - Dubai
- Meeting with Mr Khaleel Rahman - Manager- Air Shipments – Fresh Fruits Company
- Meeting with Shokrollah Hassan Ali - Owner – Shokri Hassan Trading
- Chamber of Commerce meeting – Industry Outlook and Challenges Ahead
- Visit Gulfoods
- Dinner at Australian Consul General's residence

Wednesday 25th February

Abu Dhabi

- Breifing with Queensland Government Trade Commissioner
- Meetings with the manager and purchasing manager at Lulu Supermarket (Emke Group) Norbet Moog
- Meeting with the Hilton food and beverage manager
- Meeting with Shangri La Food and Beverages Manager and Chef

Thursday 26th February

Dubai

- Attend Gulfoods 2009
- Meeting with Barakat
- Visit to Mall of the Emirates 'Carrefour's'

7.0 Survey of participants

The tour members were asked questions regarding the tour's organisation, effectiveness and a success rating that related to their expectations.

All tour members gave an overall rating for the tour as exceptional and stated that the tour more than met their expectations.

The tour participants gave an assessment that clearly indicated that the tour was well organised, time effective and delivered at the correct level for the participating businesses. The range of importer contacts, business services providers and city/cultural familiarising was effective in ensuring that business activity was undertaken almost immediately upon return to Australia.

The tour members were asked for a recommendation on whether to repeat this tour or type of tour in the future and for suggested changes/additions.

The modification comments were, to have a few more rest periods during such a busy schedule.

All tour members expressed that it is essential to continue with similar tours to assist in building the industry's knowledge capacity and business contacts into the future.

8.0 Recommendations

The following recommendations are made:

- That the Australian avocado industry uses the information and knowledge obtained from this study tour to assist in proactively managing the establishment and growth export opportunities for the industry in identified markets.
- That established contacts are maintained by Avocados Australia industry for future development of export supply chains.

9.0 Acknowledgements

Avocados Australia and the tour participants would like to acknowledge the support of the following people and organisations:

- Trade Queensland
- Ms Angela Toh and Mr Simon Lee, Trade Queensland, Hong Kong
- Austrade
- Ms Gerry Doumani, Austrade Brisbane
- Mrs Toh, Mrs Cheryl Stamilower, and Ms Margaret Than-West, Austrade Singapore
- Queensland Department of Primary Industries and Fisheries (QDPI&F)
- Mr Tony Onley, QDPI&F
- Ms Susan Rae, Trade Queensland, Abu Dhabi
- Ms Jane Shanti, Austrade Dubai
- Horticulture Australia Limited

10.0 Contact list

Below is a list of contacts for visits undertaken during this study tour.

Hong Kong

Ms. Angela To & Mr. Simon Lee

Trade Queensland Hong Kong & South China
Deputy Commissioner & Queensland Commissioner Hong Kong and Guangzhou
Address: Rm 2506, Harbour Centre,
25 Harbour Road, Wanchai, Hong Kong

Mr. Kenneth Law

Vegetable Marketing Organization (VMO)
Hong Kong Government

Mr. Henry So

Director of Joyful Fairy (Fruits) Limited
Address: 831 Canton Road, Yau Ma Tei

Dr Wayne Leung & Mr. Mark M K Lee & Mr. Cyril Leung

Director & Management Executive of Wing Kee Produce Ltd.

Ms. Judy Ling & Mr. Edward Tung

Senior Manager & Category Manager Fresh Product of Maxim's Group
Address: 4/F, Star House, Tsimshatsui, Kln. Hong Kong

Bangkok

Mr. Gopal Jagota, Business Development Manager

Jagota Thailand
Address: 14 Fl, Tower 42
65 Sukhumvit Soi 42

Supavadee Nimmanakait, General Manager

Central Food Retail Co., Ltd
Address: 6th Fl., Central Plaza Office Tower
693 Paholyothin Rd., Lardyaow
Chatuchak, Bangkok 10900 - Thailand

Pakaporn Thanaphol-apikit, Managing Director

Maxfood Products International Co., Ltd
Address: 120/43 King Kaew, Soi 21/2
Tumbol Rajathewa Amphur Bangplee,
Samutprakarn 10540 – Thailand

Singapore

Mr. Tan Chin Hian (C H Tan)

MD of Ban Choon Marketing Pte Ltd
Address: 20 Quality Road, Singapore 618803

Mr. John Lim

Chop Nam Huat
Pasir Panjang Wholesale Centre
Address: Blk 6 #01-226/227 West Coast Highway
Singapore 110006

Tay Khiam Back

Hupco Pte Ltd
Head Office: 12 & 14 Chin Bee Avenue

Roland Wong Siew Heng

MD of WT Vision Produce Pte Ltd
12 Prince Edward Rd,
#04-06A Podium B
Bestway Building, Singapore 079212

Mr. Tony S P Tan (MD)

Singapore Fruits Importers & Exporters Exchange Pte Ltd
20 Harbour Drive #05-06A
PSA Vista Singapore 117612

Mr. Peter C K Koh (Director)

Freshmart Singapore Pte Ltd
Tel: +65 6779 7111
Address: 218 Pandan Loop, Singapore 128408

Ms Teo Sher Ling (BM)

Freshmart Singapore Pte Ltd
Address: 218 Pandan Loop, Singapore 128408

Dubai

Mr. Tony Onley

A/Principal Trade and Investment Officer
Department of Primary Industries and Fisheries

Mr. Pravesh Sawlani

Manager - Choithrams
Address: Building 4, Block 36A, Al Aweer Fruits & Vegetable Market, Al Aweer,
Dubai

Mr. Khaleel Rahman

Manager- Air Shipments - Fresh Fruit Company
Address: Shop 25A, Building No 2, Al Aweer Fruits & Vegetable Market, Al Aweer,
Dubai

Shokrollah Hassan Ali

Owner - Shokri Hassan Trading
Address: Shop 83, Dubai Fruits & Vegetable Market, Al Aweer, Dubai UAE