# Coordination of Export Development for Australian Avocados

**Avoz Exports** 

Project Number: AV09005

#### AV09005

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Project No: AV09005

Project Title: Coordination of Export Development for Australian Avocados

Milestone No: 190

Due date: 30 November 2011

## **Progress report:**

## 1. Ongoing facilitation and assessment

All activities in the Export Market Plan have been undertaken as per schedule. Progress was good and the supply and customer base are fully aware of our export market development activities. The training programmes have been completed in 4 of the countries that we are exporting to and over 500 people in the importer; wholesale and retail markets have been trained in the handling, cool chain management, ripening, quality control, merchandising and promotion of avocados.

The communications plan was reviewed by our consultant corporate communications officer. A database was set up incorporating all the relevant contacts the AEC has dealt with up to now ranging from growers, shareholders, government institutions, customers and service providers. The database is constantly being updated as new contacts are made. Changes were made to incorporate more international magazines covering our distribution base.

Assessments on fruit being exported are done on a daily basis at the freight forwarders in Brisbane and Perth when new consignments from suppliers are received. Incorporating the assessment data into the logistics software is currently undertaken to ensure that data is available per consignment but also available on a data base for future use and reference. . See attached PDF file.

Continuation of the Avocado Export Development plan is well underway with this year sales to date at 145590 trays with a GVP of \$3.2 million dollars .Sale have increased 60% in sales vale over the past 12 months

## 2. Communication Plan reviewed and being executed

The communications plan has been reviewed by our consultant corporate communications officer. The database has been updated after all new market visit when new contacts made whilst attending the Gulfood in Dubai from 27 February to 2 March, Australia Fresh Expo In china November 2011

As a result of the on-going communication plan, AEC continues to see media (news and magazine) stories about avocado export development (eg. Freshplaza, 26/11/2010, "Talking Avocados", Spring 2010 Produce plus, Tacler online Marketing and Tacler newsletter)

Regular articles about the AEC and the development of the Avocado export markets are placed in the magazines targeted. Awareness for Australian avocados has been created in the SE Asia markets.

# 3. On-going co-ordination of fruit

The logistics supply chain have constantly been addressed and upgraded to address the following fundamental principles:

- Identify and then focus on a known need or problem
- Design the end-to-end solution but address the highest priority processes first
- Complement existing or agreed business processes, rather than changing processes to fit the solution
- Use extensive prototyping and pilots to "fine tune" the solution
- · Keep the solution and technology as simple as possible
- Keep the costs as low as possible
- Use flexible technology
- Use the Internet as a "post office" for the lodgement and distribution of data
- Include secure data storage and distribution
- Include quality assurance data and outturn reporting for a reverse flow of QA data from receiver to supplier.

## 4. Development of an Export Manual

The Export manual has been completed and handed over to the suppliers with the shareholders now following the guidelines with in the manual. It will be introduced to third party suppliers once the AEC is comfortable with suppliers.

## 5. Development of consumer/food service education material content.

Posters translated into Thai and modern Chinese have been developed for the wholesale and retail markets as well as the avocados ripeness charts. More than 150 000 Avocado Recipe booklets have been distributed in the markets in Hong Kong, Malaysia and Singapore.

## 6. Development of consumer and food service educational material.

Consumer and food service information resources have been developed and used for training activities in-market. The information incorporated into a variety of manuals and brochures included how to select, when to eat, how to store, how to prepare, how to use (and their versatility) and the nutritional benefits.

Resources and information for both the consumer and food service businesses was developed for the 2011 avocado season in conjunction with AAL. The aim was to gain further insights into Asian consumers in particular (as opposed to expatriate consumers) to stimulate interest and subsequent purchase and use of avocados in Asian households. In early 2012 new recipe material will be available in traditional Chinese and Mandarin and the theme will be more on the modern chinese cuisine as well some traditional flavours.

## 7. New market opportunities

The AEC is consistently looking for new markets. The AEC attended the ChinaFresh Food Expo in November 2011 with the idea of gaining access in the future. There is currently a great opportunity to get the frozen product in to China as there are no barriers. In June the AEC had many discussions with importers in Canada to see where the most suitable times are to get product there. It seems the window of opportunity is very small and will need to be well timed. The other market that is being looked at is India with a market analysis started. Both China and India are a seen as important markets there is a lot of still to do.

# **VERSION: 1**

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# **Avocado Export Research and Development report**

Date: 25 February to 5 March 2011

**Participant**: Louis Grey, General Manager of the Avocado Export Co.

Itinerary:

Friday 25 Feb 2011

10:30pm Depart Perth to Dubai Flight EK421

Saturday 26 Feb 2011

5:40am Arrive in Dubai

7pm Attend Meat and Livestock Australia (MLA) network function at the Grand Hyatt hotel Dubai.

# Sunday 27 February 2011

10am Visit Al Aweer Fruit and Vegetable market.

Meetings scheduled with

- KAF group
- Fresh Fruits Co
- G Choithrams and Sons Supermarkets.

1pm Attend Gulfood.

Meeting scheduled with

Barakat Plus

## Monday 28 February 2011

10 am Spinneys Supermarkets

11am Gulfood

12am Qatar Airways

3:30pm Carrefour

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## Tuesday 1 March 2011

10:00am Barakat

10:30am Zara Fresh (Abbar and Zainy)

11:00am Unifrutti

1:30 TB Connections

Wednesday 2 March 2011

Market Outturn reports

Thursday 3 March 2011

11:30 LuLu Supermarkets Abu Dhabi

Friday 4 March

10:35 am Depart Dubai on Emirates Flight EK434

Saturday 5 March

6:35 am Arrive at Brisbane International Airport

## Overview

During the previous visit to Dubai Gulfood a business relationship was established with one importer, Fresh Fruits Co. 5 air pallets were delivered and the programme was suspended by Fresh Fruits because of their requirement for consolidated loads. The market in the Middle East has a big potential in 2011 in the light of the fewer exports expected from South Africa into this market because of severe hail damage. We have had significant results with the training programmes so far which could be extended into the Middle East. Supermarkets are increasingly buying directly from suppliers and our business model is the ideal. The 3 major supermarkets were targeted as well as the importers re-exporting to neighbouring countries and distributing to the food service in Dubai and Abu Dhabi.

## **Programme**

Saturday 26 February 20117pm

MLA network function at the Grand Hyatt Hotel Dubai.

On invitation from Trade Queensland Commissioner of the UAE, Ms Susan Rae I attended the networking function. At this function I was introduced to:

- Lara Zeidler, Sales Manager of Milk and Honey. They specialise in the importation of Australian processed and fresh produce and distributing it into the food service industries in the UAE.
- Sanjay Amar Bathija, Manager Procurement Inflight and Catering of Qatar Airways (QA). QA currently prepare 45 000 meals per day and is projected to increase to 90 000 meals per day in 3 years when their fleet of aircraft will be 245. We agree to meet during Gulfood to discuss supply of avocados.

## Sunday 27 February 2011.

## 10 am Khalid Ahmad Foudeh Group of Companies. (KAF)

**Present:** Youssef Al Najjar, Financial Manager, Gladess Matar, Business Development Manager, Walid Mansour Import/Export Coordinator and Vanessa Scott of Trade Queensland.

KAF started in 1968 and now has 600 employees and 38 branches across the UAE. They procure and deliver over 700 different fruits and vegetables. They are currently servicing Hotels, restaurants, import and export, wholesale and retail (Carrefour) and the food service sector. 28 000 ton of fruit and vegetables are imported every month. They would require 2 X 40' reefer containers of Hass ct 20 avocados per month.

More information about prepacks and labelling is required which will be emailed to them.

#### 11am Fresh Fruits Co (FF)

**Present:** Khaleel Ur Rahman, Manager Air Shipment. Vanessa Scott, Trade Queensland.

FF has more than 1000 people in their service. They have bought 5 air pallets of avocados from the AEC in 2010. Their major requirement is to receive combined loads of fruits and vegetables via air pallet from consolidators in Australia.

Spinneys supermarkets are one of their major customers. The AU\$ exchange rate is one of the biggest stumbling blocks to increase sales of Australian produce.

The possibility of air/sea freight shipments via Singapore can open doors to increased business. Ct 25 is their preferred count size.

They down load temperature data loggers on a daily basis and is a preferred QA tool.

## 12am G Choithrams and Sons Supermarkets. (GC)

**Present:** Manoj Kumar, Fruit and Vegetable Import Manager. Vanessa Scott, Trade Queensland.

GC currently have 25 Supermarkets and 1 Hypermarket in Dubai. They plan to build another 3 this year in Dubai.

Most of their imports are supplied by Bob Watts in Sydney. They receive about 100 – 125 trays of size 28 – 30 per week. They do import Shepard when Hass is not available. They require Retail, Wholesale and Ripeness charts for each of their Supermarkets.

## 2pm Gulfood

## Meeting with Barakat Quality Plus (BQ)

Present: Michael Wunsch, Managing Director. Vanessa Scott, Trade Queensland.

BQ is the major supplier of freshly squeezed juices, smoothies and salads to hotels and retail outlets.

They use about 300 – 400kg of avocado per week.

External appearance is not important and they prefer large fruit packed in bulk trays.

Please quote Class 2 fruit Shepard and Hass when they become available.

## Monday 28 February 2011

## 10am Spinneys Supermarkets

**Present:** Tinus Hendrikse, Commercial Manager, Shaun Swart, Category Manager:

Produce, Susan Rae Trade Qld Commissioner for the UAE

Spinneys currently have 45 supermarkets in the UAE and is rated the top of the line.

Waitrose in the UAE is also owned and run by Spinneys.

Spinneys sell about 700 trays of avocados per week. They are selling Kenyan Fuerte at DH 13.95/kg and Australian Shepard at DH39.95/kg.

They are very interested in the training programmes run by the AEC and will be ready for training from April onwards.

More information about pre-packs should be sent to them.

They are also busy with the construction of a ripening room. Temperature data loggers will be down loaded as required.



Wind scarring clearly visible





Shepard Avocado selling for AU\$10.70 per kg

# 12am Qatar Airways

**Present:** • Sanjay Amar Bathija, Manager Procurement Inflight and Catering of Qatar Airways (QA). Susan Rae, Trade Qld Commissioner for the UAE

Due to limited supply QA only uses about 200kg of avocado /month. They are definitely interested in bigger supply and will submit the name of their suppliers in Qatar to LG.

Once they have sufficient supply they will increase the use of avocados. They require more recipe booklets.

Avocados are currently used only in smoothies.

## 3:30 pm Carrefour

**Present:** Thierry Samson, Merchandise Manager, Fouad Hamza, Merchandise Manager Fruits and Vegetables, Susan Rae, Trade Qld Commissioner for the UAE

Carrefour imports about 1 X 40' container every 3 weeks into the UAE. The preferred variety is Shepard which should be about 90% of the consignment with Hass making up the balance.

They prefer to enter into 3 month fixed price supply contracts. Quotes should be CIF Dubai. Training will be required and recipe booklets will be a great promotional tool. Quotes to be submitted as soon as possible.



Kenyan Avocados in Carrefour

## Tuesday 1 March 2011

## 10am Barakat Vegetable and Fruits Co.

Present: George Rodrigues, Operations Manager, Vanessa Scott of Trade Queensland. Barakat deliver to hotels only in Dubai and distributes about 500 X 4kg trays per week. They also re-export through their Jebel Ali Branch to Maldives, Oman, and India. They are currently importing Hass avocados from Spain at €9.30/tray (AU\$17.26/5.5kg tray)

To be quoted when the Hass season start for an Air pallet volume.

# 10:30 Zara Fresh (Abbar and Zainy)

**Present:** Sulficker Aboobacker, Director, Vanessa Scott of Trade Queensland.

Abbar and Zainy sold their business in Dubai to Zara Fresh.

They are currently distributing to Carrefour and Medina Supermarkets. They also reexport to Jeddah, Qatar and Oman.

They require a med size fruit- about Ct 23/25 Hass avocados in 40' container volumes. Currently they are supplied by Kenya.



#### 11.00 Unifrutti

Present: Sarfraz Ahmed, Vanessa Scott of Trade Queensland.

Unifrutti is a big international corporation with its head office in Italy. Their regional office for the Middle and Far East id located in Dubai, Al Aweer market. They own a number of farms in various countries and has a well-developed supply chain where their own and procured produce are distributed to various destinations around the globe. The office in Dubai mainly deals with Qatar, Bahrain and Saudi Arabia. They are currently importing Kenyan avocados of reasonable quality. Sarfraz will pass on our details to their regional office in the Far East.

Quotes in air and sea freight volumes to be given as soon as the volumes are sustainable.

# 1:30pm TB Fresh Connections

Present: Tia Nicholson, MD

Tia used to run the office for Lantao (China) in Hong Kong. She has started her own importing and distribution business in Dubai. Her main clientele is Spinneys and Abusedo, a wholesaler in Al Aweer markets.

She will be interested in all offers in air and sea freight. Her business supply network includes Chile, Peru and South Africa. She wishes to deal with avocados only from Australia.

# Wednesday 2 March 2011

## **Market Outturn reports**

10:45 Spinneys, Jumeirah, Jumeirah Rd.

I met with the fruit and vegetables manager Shyam. New Zealand Hass (Caringa brand code 4046 S) exported by an Australian consolidator were sold as Australian Hass. This fruit was also mixed with Shepard and stacked 4 layers high. The Shepard was of poor quality with heavy bruising (Cyclone Yasi Shepard). Australian fruit was selling at DHs 39.50/kg. Kenyan Fuerte was selling at DHs 13.50/kg





Kenyan Fuerte at the bottom of the shelf with Australian Hass( From NZ) and Shepard mixed.

# 12:00 Carrefour, Al Shindagha, Bur Dubai.

I met with Badari Prasad, fruit and vegetable manager. Carrefour only had Kenyan Fuerte selling at Dhs10.95/kg loose or \$14.50 for a 6 pack prepack. The fruit was displayed in a single layer. Quality was reasonable with lenticels damage clearly visible.



DHs14.50/6 fruit prepack of Kenyan Fuerte AU\$3.93

## Thursday 12:00 LuLu Supermarket, Al Wahda Mall Abu Dhabi

I met with Mohamed Shajith, General Manager of the supermarket. They had Kenyan Fuerte @DHS 6.95, American Hass @DHs 28.95 and Mexican Organic Hass @ DHs 36.95/kg on display. The American Hass were overripe bruised and ready for the trash bin. The Kenyan were reasonable and the Mexican Hass although colour plate 5 and 6 were still firm.

Thursday 3 March 2011

11:30 LuLu Supermarkets, Abu Dhabi

**Present:** Mohamed Shajith, General Manager of the Al Wahda Mall Supermarket and Vanessa Scott of Trade Queensland.

The meeting with Mr Riyadh, Fruit and Vegetable Procurement Manager was cancelled on short notice and Mr Shajith stood in on his behalf. Very little information could be gathered and follow up will be done by Trade Queensland office in Abu Dhabi. The desire for training was expressed by the GM of the supermarket.



LuLu Supermarkets with USA Hass @ DHs 29.95/kg AU\$8.11/kg Conclusion

The assistance of Trade Queensland in setting up and attending the meetings have been very successful. Apart from our last appointment with LuLu Supermarkets every meeting have been positive. The supermarkets are definitely looking at direct supply and importers are more focusing on foodservice and hotels and restaurants. The potential to develop this market into one of our strong markets exist but the market is extremely price driven. Once a business relationship with a supermarket is established we may

see more stability in the exports. Training for the supermarkets is essential and will enhance our profile as supplier but also to support our product. All supermarkets and importers have enquired about the supply of mangoes too. Only Choithrams supermarkets, the smalles of the 4 I visited, insisted on consolidated loads.