

HORT Innovation - Avocado Market Research Executive Summary - India and Thailand

**Hort
Innovation**
Strategic levy investment

**AVOCADO
FUND**

This project has been funded by Hort Innovation using the avocado research and development levy and funds from the Australian Government. For more information on the fund and strategic levy investment visit horticulture.com.au

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Project Background & Objectives

Over the past 10 years, the Australia avocado industry benefited from strong domestic demand and an increase in production. As production is expected to continue its rapid growth in the next five years, exports become crucial. Hort Innovation's Strategic Investment Plan 2022-26 evaluates that export needs to increase by 400% in five years, to ease volume pressures on the domestic market and ensure growers are receiving sustainable returns.

Currently, the avocado industry is at an early stage of its exporting journey, with only 4% of total production exported, and many growers have limited or no experience in exporting.

In this response, Euromonitor will provide up-to-date market intelligence, helping Hort Innovation develop its export strategy, in order to help growers and exporters to implement key opportunities in India and Thailand.

▪ **The key objectives of the research are as follows:**

- Produce industry trade performance data and market intelligence reports for the Australian avocado industry, covering India and Thailand.
- Outline specific success factors for Australia to succeed in India and Thailand, after detailed understanding of the market dynamics, consumer purchasing patterns, channel analysis by mapping Australian industry's export capabilities vs. competitor analysis building, and international market development services needed.
- Inform market access considerations involving other trade and non-trade barriers in the form of an easy-to-digest resource for growers and exporters looking to develop their export capability and grow their exports.

Overview of the research methodology implemented

1

Alignment



- Review existing knowledge and hypotheses
- Confirm objectives, scope, and definitions
- Provide key local stakeholders

2

Execution and analysis

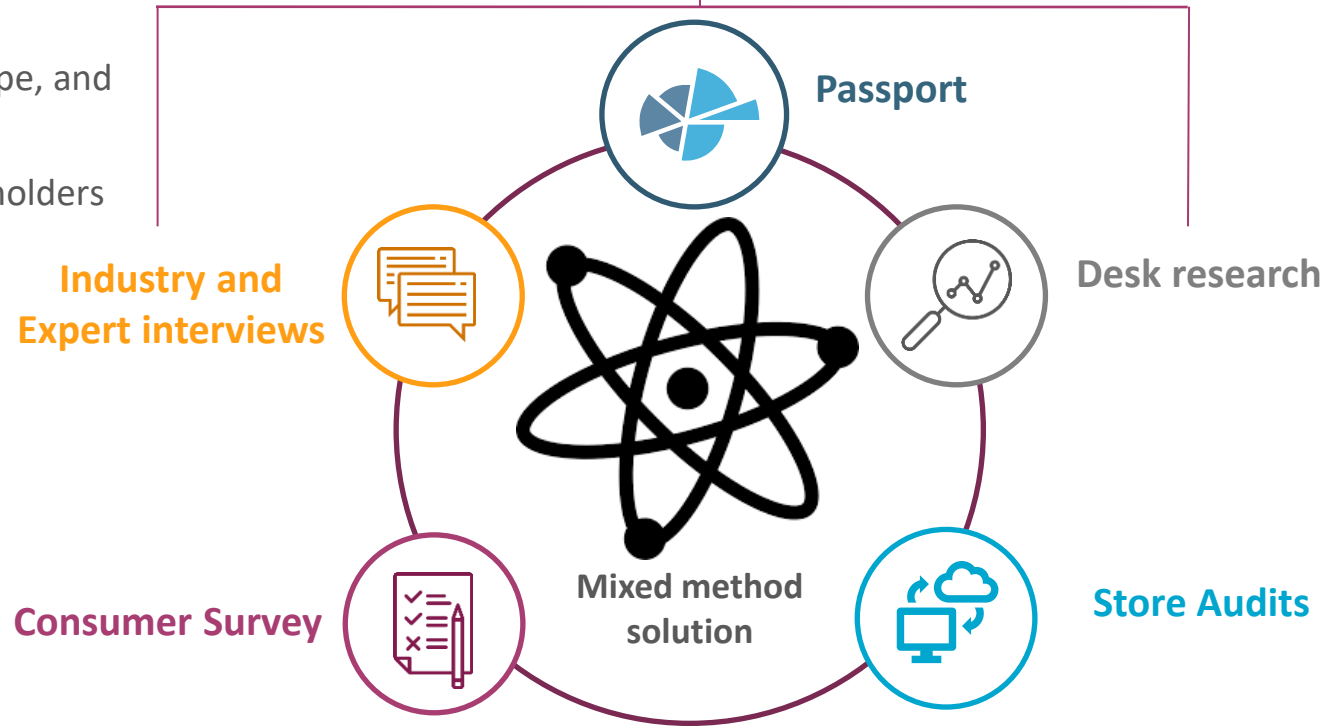


3

Actionable recommendations



- Final delivery & data triangulation
- Strategy inputs & key recommendations
- Ongoing support to Hort Innovation



Avocados are forecasted to grow in demand strongly supported by expanding retail landscape characterized by dominant supermarkets & hypermarkets; yet rising local production is set to influence overall demand for imports

TOTAL PRODUCTION (2022)

4,701 Tonnes

14.6% CAGR 2022-2026

TOTAL CONSUMPTION (2022)

6,647 Tonnes

13.4% CAGR 2022-2026

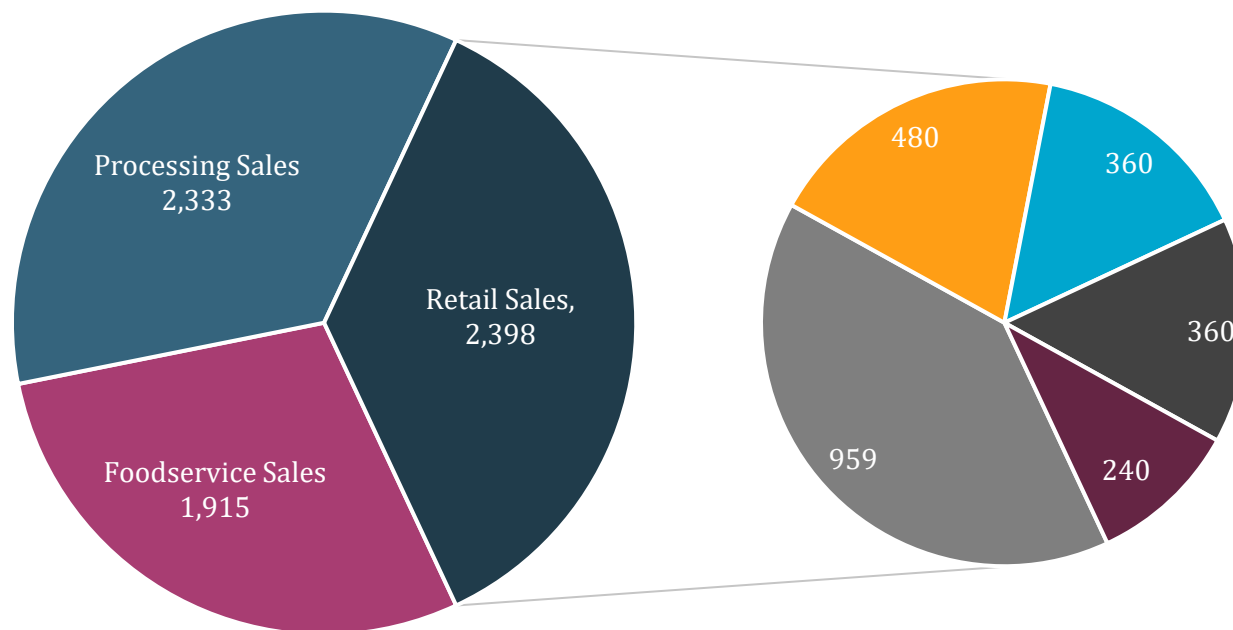
SHARE OF IMPORTS OF TOTAL CONSUMPTION (2022)

34.5%

SHARE OF IMPORTS OF TOTAL CONSUMPTION (2026)

40.3%

CHANNEL VOLUME SPLIT BY KEY RETAIL CHANNEL (000 TONNES - 2022)



- Supermarkets/hypermarkets
- Open markets/street vendors
- Traditional grocery retailers
- Speciality stores
- Online

Growing awareness of health benefits of consuming avocados, coupled with rising disposable incomes are expected to drive growth; however, increasing local production and competition from established exporters would present key challenges for Australian exporters when we achieve market access

TOTAL PRODUCTION (2022)

5,595 Tonnes

9.0% CAGR 2022-2026

TOTAL CONSUMPTION (2022)

6,590 Tonnes

9.0% CAGR 2022-2026

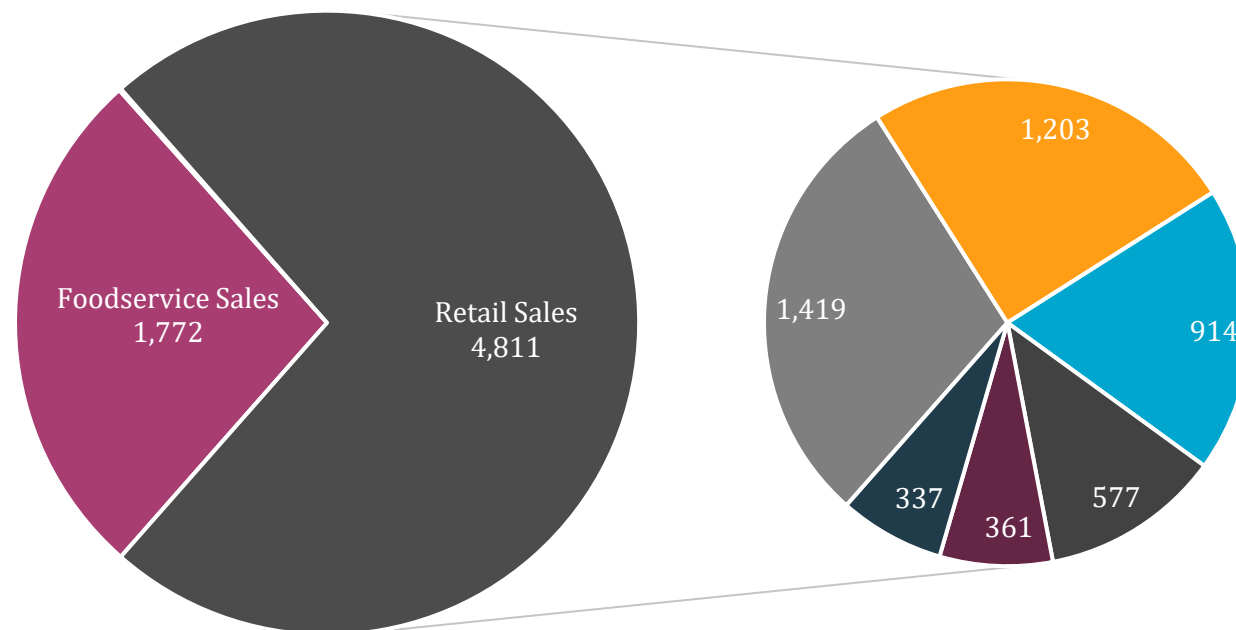
SHARE OF IMPORTS OF TOTAL CONSUMPTION (2022)

15.5%

SHARE OF IMPORTS OF TOTAL CONSUMPTION (2022)

20.0%

CHANNEL VOLUME SPLIT BY KEY RETAIL CHANNEL
(000 TONNES - 2022)



- Traditional grocery retailers
- Open markets/street vendors
- Supermarkets/hypermarkets
- Independent food stores
- Online
- Speciality stores

THAILAND – OPPORTUNITIES AND RECOMMENDATIONS

1

Partnering with local importers and distributors would be key for Australian exporters as they benefit from extensive distribution networks covering both retail and foodservice sectors. In addition, they are able to offer support in terms of regulatory matters, eg licensing and protocol registration.

2

Modern retail which includes hypermarkets/supermarkets, specialty stores, and online channel account for more than 65% of the retail volume consumption. These retailers account for majority of the imported avocado sales and should be key target for Australian exporters once they achieve market access.

3

Rising local production and competition from existing exporting nations would present key challenges for Australian exporters. However, increasing share of imports of total consumption in the forecast period shows consumer preference towards imported produce which presents an opportunity for Australian exporters.

INDIA – OPPORTUNITIES AND RECOMMENDATIONS

1

Collaboration with local importers is key for Australian exporters due to their strong distribution and partnership with key retailers in major cities as well as the foodservice channel.

2

With limited awareness of the health benefits of avocados, exporters can target the modern retail channel for increasing awareness through product promotions along with online channels. Moreover, modern retailers remain key when it comes to sales of imported avocado.

3

Australian exporters are likely to face stiff competition from other avocado-exporting countries (eg Netherlands, New Zealand and Peru) as well as from locally-produced varieties