



RURAL INSIGHT

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AVOCADO OPPORTUNITIES QUIETLY GROW.

While kiwifruit may be claiming much of the spotlight for its re-surg-ing success after the devastating Psa virus, the avocado sector has also been quietly building its own success story.

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Only five years ago the sales would have been less than half that amount, having bounced along at those numbers for several years.

The positive news coming out of the sector for both domestic and international markets has lifted interest among buyers in avocado orchards.

Bayleys Tauranga sales consultant Karen Payton said investor and orchardist interest in avocado orchards was growing with the maturing of the industry in recent years.

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“We see a good proportion of buyers who may be ex or retired farmers wanting to make a move off the farm, but not ready or not wanting to go into town. Generally they do very well with the orchards they are on.”

She said an avocado orchard offered the flexibility they needed to combine income and lifestyle and their new orcharding career.

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“The industry has developed to a point that the support is there in terms of advice, and contractors to do the work if needed, so you can tune it to however much you chose to put into it.”

Farmers were also familiar with and appreciated the transfer of knowledge that occurs in the avocado sector, with new ideas and techniques discussed and passed on.

“And we have seen some significant advances in tree husbandry and cropping methods as the industry works to try and develop a crop that fruits reliably every year.”

Picking a price for an orchard was difficult given the many versions throughout the growing regions, dependent upon dwelling type and how well the orchard has been managed in the past.

“It really does depend upon the quality of the crop you are going to be growing.”

The boom in domestic growth has also been matched by more overseas consumers finding what New Zealand consumers have known for years about the fruit’s versatility and increasingly appealing health giving benefits.

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New Zealand Avocado Growers Association chairman Ashby Whitehead said the industry was looking forward to coming developments in the Chinese market.

“Until now we have not been able to export to China due to phytosanitary restrictions. However there have been two Chinese delegations down here, and we have had industry reps up there

and looks like next year will see us able to export there. This is a huge breakthrough.”

This comes after the sector secured access to the enormous Indian market two years ago.

He said there would be considerable education required in both markets, but the Chinese market has become more familiar with the fruit, thanks to exports already arriving there from Peru.

The industry is also starting to research more closely into the nutritional benefits of New Zealand avocados, riding a wave of consumer demand for healthier, smarter foods in their diets.

This year the industry is anticipating a heavy crop, with the initial crop harvest meeting demand from the buoyant Australian market prior to Australian fruit hitting the market.

Ashby Whitehead said there was a lot of optimism in the sector at present, and prospects of strong orchard expansions taking place, particularly through the Far North including the Kaipara harbour area.

He said the greatest constraint at present is the ability to source avocado trees, with nurseries all out of stock.

Returns vary year to year depending upon the fruit’s cropping pattern, but it is possible for a reliable orchard to deliver its owner an average orchard gate return of \$50,000 a hectare.

“But with avocados like any crop, it is all about doing your due diligence. Location is critical, but if you have a good orchard it is possible even for one with 40-50 trees to still make you a reasonable sort of income.”

Bayleys New Zealand country manager Simon Anderson said avocados had flown below the radar as an option for many investors and owners.

“But it has gone in leaps and bounds in recent years, benefiting a lot from being alongside the kiwifruit sector and the skill pool that is there. The sector has made an effort beyond the orchard gate too, learning a lot about effective marketing and it has given it the confidence to take a positive growth path.”

