

Booster Spotlight Series – Sunchaser Avocados

We're living in unprecedented times right now, and we know it's important for you to understand how your investments remain connected to the wider world. The following article from Booster profiles one of the many investments within many of our investment and KiwiSaver portfolios, Sunchaser Avocados.



An island-based avocado orchard

To remain at the forefront of avocado production, Sunchaser has perfected the art of growing export-quality avocados on an island.

Based on Motiti Island, in the picturesque Bay of Plenty, Sunchaser have adapted their orchard practices to make the most of their unique location – including establishing a colony of resident bees!



Ideal avocado-growing conditions

Purchased in 2004, Sunchaser's Managing Director Mark Yortt and his team set about developing the 145ha Sunchaser property into an avocado orchard, with 95ha of the property planted so far.

Motiti Island enjoys a microclimate that is ideal for growing avocados. Due to the sea's moderating influence, soil temperatures remain high and Motiti is frost-free. Optimum avocado-growing temperature is around 29°C, and in summer, the island's temperature rarely reaches over 30°C.

Farming on an island requires a bit of Kiwi ingenuity, and a number of self-reliant solutions. During the recent off-season, solar panels were installed to generate almost all the orchard's power needs, with diesel-generated power now only used for peaks or as backup.

As part of the operation of the orchard, Sunchaser also owns and operates a roll on, roll off barge, Deliverance, to bring supplies onto the island and to freight fruit to market via mainland packing operations.

To ensure consistent avocado pollination, Sunchaser has also been building up their bee population with their own beehives and resident beekeepers. With an eye on diversification, Sunchaser will consider honey production or leasing excess hives for pollination elsewhere once the bee population is thriving.

Sunchaser's market advantage

The mainland avocado export season normally runs from August to February and fruit is packed to suit the respective markets and shipped in refrigerated containers. New Zealand is recognised as a producer of high-quality avocados and commands a premium accordingly.

Because Sunchaser enjoys a unique climate which provides for early maturity, fruit from the island has been officially cleared for harvest in mid-May. This gives Sunchaser a distinct competitive advantage and most fruit has been sold and consumed in domestic markets – generally the first fruit of the new season.

“One of the advantages of Sunchaser is that we're able to produce export-quality fruit ahead of time,” says Mark. “We can get our produce to the market before other suppliers.”

Clearance rates (fruit dry matter) were exceptionally good in May 2019, and tree health at the start of a new season was similarly strong. This reflects the efforts and focus of the orchard management team over the last 2-3 years.

During this time, they have also built the bee population up to nearly 600 hives, at which point the orchard will be more than self-sufficient for pollination.

In May 2018, Booster completed the purchase of a 50% shareholding in Sunchaser from the existing owners Mark and Gavin Yortt.

A bright green future

Developing an avocado orchard on an island isn't without its own set of challenges, but Mark and his team have worked tirelessly to streamline their operations.

“We've enjoyed steady growth over the last 15 years, and significant growth is anticipated for at least the next 10 years as new clonal plantings come into production,” says Mark.

Working around the challenges of avocado farming on an island is all part and parcel of Sunchaser's self-sufficient ethos. Mark has plans to expand the number of avocado polliniser cultivars in the orchard, with 1000 additional Zutano and Ettinger Clonal trees planted over the past six months and further plantings planned. This will ensure Sunchaser maximises production potential, even if pollination is affected by sub-optimal weather or climate conditions.

Booster's investment is helping Sunchaser to deliver their vision in a fast-growing industry.

This is a great illustration of how this NZ owned and operated financial services company (Booster) is supporting NZ businesses like Sunchaser, while providing us as investors with exposure to a wider collection of investments than is available via the sharemarkets. So, keep an eye out for Sunchaser in the supermarket and we need to encourage the craze for “*smashed avo on toast*” – it may actually be very good for your investment in Sunchaser Avocados.