

Early Movement Slow Due to Market Conditions

In 2025, California sent fresh avocados to the market every month of the year. The season began with a very strong market leading to early sales and ended with a weak market leading to late sales as some growers held fruit back searching for better returns. The 2026 season, which is expected to produce a crop of comparable size, clearly has vastly different market conditions.

A trio of handlers interviewed for this story agreed that there is no clear timing strategy for marketing this year's expected volume of 330-350 million pounds, as growers are most likely looking at challenging market conditions through the bulk of the California season.

The U.S. avocado FOB price has been at the low end of the spectrum – often trading in the mid to high \$20s per carton on most sizes – since the middle of last summer. There is no ambiguity about the reason as Mexico has had a robust crop every bit as large as the 3 billion pounds forecasted for their fiscal year (July 1 to June 30) last summer. And they are still sending huge volumes to the market, with 150 million pounds coming into the United States from Mexico during the first two weeks of March, according to the numbers posted on the Hass Avocado Board's website.

Understandably, California growers are reluctant to enter the market.



Through March, the state's growers had put fewer than 30 million pounds in commerce since the beginning of the season, which was much less than the previous year. Though Mexico is still expected to send big volumes at least into May, California growers have to start picking their crop for a variety of cultural management and marketing reasons. They do have to sell more than 300 million pounds this year, which does require that volume kick in by mid-April.

Keith Blanchard, who oversees all California field and facility operations for Index Fresh, confirmed that the slow start is the result of California growers waiting for improved market

conditions. He noted that it does appear this year's fruit will be marketed most heavily in spring and summer, with April producing the first high volume weeks. He reasoned that the early Easter date of April 5, followed by Cinco de Mayo a month later and Mother's Day on May 10 could give the California fruit some solid momentum at the front end of its season.

He noted in late March that Mexico growers were not showing signs of slowing down their shipments, but California growers should still be able to get a premium for their fruit from their loyal retail customers.

On the plus side, Blanchard said the California crop is sizing very well

with very clean fruit, which should play well in the marketplace. He also noted that the organic market price saw a significant jump in late March, which seemed to be signaling that Mexico's organic avocado volume was ebbing as it typically does in the spring.

Patrick Lucy, president of Del Rey Avocado Company, agreed that California growers would most likely be faced with less-than-ideal market conditions all season long. He said Mexico is in the midst of its largest crop ever and observers are also expecting its summer *flora loca* crop to be on the high side. He said California growers have to start getting the fruit off their trees by mid-April or the industry will be in a crunch to get it all harvested and packed as the season wears on.

Lucy did see a silver lining in this year's relatively low market price as he hopes it can trigger some consumption growth by consumers. "The market price on avocados has been pretty high over the last several years and we have seen stagnant growth," he said. "Mexico has a ton of volume this year and we should see many promotions."

He added the opportunity exists "to promote the heck out of avocados (at retail) and create some new users." He said those promotions will be able to feature larger fruit as California should have a size curve this season that is better than past years.

Lucy does expect California organic avocados to have a larger premium above conventional fruit this year because of a drop in organic volume. He noted that organics make up about 10% of California's volume but this year he believes the number will be closer to 5%. The Del Rey president isn't exactly sure why the volume will be down but he suspects some organic growers have pulled acreage. He said the high costs associated with growing organics – including crop inputs and water – have

led to some growers eliminating low performing groves and allocating their resources to their better producing trees.

As he searches for marketing strategies that growers might consider this year, Lucy said it is possible that late fruit will have a stronger market than the early market as well as last year's very low late season prices. He reasoned that after such a huge crop this year, it is reasonable to expect that Mexico's 2026-27 crop will be down. He also

noted that Peru, which sends more of its avocados to Europe on average, has good market conditions in that market this year, which could lower its U.S. volume. While it's a gamble to hold fruit on that expectation, Lucy said growers are already in the gambling business and these circumstances could attract some takers.

Peter Shore, vice president of product management for Calavo Growers Inc., echoed the sentiments of the other two handlers. "I thought we would have more California fruit to sell in March but the market conditions led to this slow start," he said.

But putting an optimistic spin on it, Shore said demand has been very good with the amount of volume coming into the United States being very high and moving well. He said over the first three months of the year Mexico has sent a huge volume of fruit to the U.S. market, which should lessen its inventory moving forward. He added that while Mexico does appear to have a good summer crop, history tells him that the market price will eventually go up.

"I do think we will have a better



market in May, June and July when Mexico is typically at its low point," Shore said, but cautioned that the market price still will not get anywhere close to the highs reached during last year's spring and early summer period.

He also noted that the strong European avocado market should cause there to be less Peruvian fruit in the U.S. market this summer, which could have a positive impact on the field and market price for California growers.

Another factor that could impact the market price on avocados, according to Shore, is the high fuel costs caused by the disruption in the flow of oil in the Middle East. He didn't want to guess as to what impact it will have on marketing opportunities, but he said both overland haulers and ocean freight carriers are seeing higher costs and are tacking on fuel surcharges to their customers.

One might surmise that this could be advantageous to California growers who market the great majority of their crop in a relatively small geographic area near point of origin. 🥑