

Early Sales Boost California Deal

With a good marketing situation in January, followed by a week-long suspension of Mexican avocados in February, California avocado shipments were well ahead of schedule as March began. In fact, by March 7, more than 40 million pounds of California avocados had been harvested, packed and shipped, causing many handlers to expect a bit of a shift in the overall supply curve for 2022.

"This year I think the peak weeks will be a little earlier, mid-April through mid-June," said Doug Meyer, senior vice president of sales and marketing for West Pak Avocado Inc. "This is due to the earlier start to the season that has already taken a considerable amount of fruit off the trees, and I anticipate there will be high demand for California fruit and great returns for our valued growers during this time frame."

Still, Meyer expects West Pak to sell California fruit all summer long and into late September/early October. "Volume will be dwindling during the late season, but we will keep specific customer programs going until the end," he said.

The California Avocado Commission has estimated this year's crop as being slightly above 300 million pounds, which mirrors West Pak's projection. "Seems about right at this early point in the season," Meyer said in early March. "We need a series of rainfall events in March to help push sizing in the groves and keep the total pounds estimate on track. What may cause lower crop tonnage is greater than estimated harvest

rates in March and April, when fruit sizing is a little smaller (lighter weight)."

But regardless of when the California fruit is marketed, he is expecting a very good season for growers. "Mexico and the import programs will not cause lower prices this summer for California avocados," he predicted. "CAC has done a tremendous job of positioning all the crop's positive attributes... premium quality and flavor, freshness, local, versatile, and dependable."

He added: "There will be continuous promotional opportunities for California avocados for the next several months. California pricing does not need to be low or cheap for it to be promoted."

One of the trends helping to drive avocado sales is bagged fruit and Meyer expects it to continue. He noted that in 2021 "bagged sales grew 27.9%, and I foresee another impressive year of sales growth in 2022."

Commenting on California's early volume, Index Fresh California Field Manager Keith Blanchard said there are many reasons to pick early including a strong market as well as the location of your grove. "There is an urgency to pick if you are in a vulnerable position," he said, talking mostly about the wind.

By early February, he said Ventura County had experienced 16 days of wind events in recent months. "That's not a pleasant experience if you are a grower."

He added that the strong market price was helping growers make the decision to pick early, and it probably

was the major reason that California growers were picking early. In February, with the market price well into the \$60s, Blanchard said: "In my 25 years in the avocado business, I don't recall ever seeing prices this high at this time of year."

He noted that the early fruit was both the result of size picking as well as the vulnerable growers stripping their groves. In either event, he said the early fruit netted a nice return. "For many, a bird in the hand is worth it," he said, adding that some growers pick some of their fruit early as an insurance policy against wind damage and/or poor markets.

But for those growers who are taking a wait and see approach, the Index Fresh executive expects a strong market for California fruit throughout the season. He said Mexico's growers appear intent on keeping the market strong by regulating the volume to a certain extent.

Turning his attention toward California's organic avocado crop, Blanchard said overall volume appears to be on the rise as a percentage of the total crop. He said growers have been pretty happy with the grove price on organics over the last few years leading to increased acreage. "We have some growers converting some groves (from conventional to organic) and there are also some new plantings of organics," he said. "Growers are continuing to get a good premium for their organic production and the market for organics seems to be less volatile."

Blanchard said the one negative in



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the current calendar year is the lack of rain after a very nice end of 2021. “We were pretty hopeful early in the season and now we have seen hardly any rain in January and February,” he said. “We’d like to see a rainy March. We need to get more rain this season.”

In late February, Rob Wedin, executive vice president of sales for Calavo Growers Inc., Santa Paula, CA, agreed that the strong marketing conditions and the one-week hiatus in Mexican shipments clearly gave a boost to California growers. Throughout February, California growers sent many more pounds of fruit to market than was originally expected.

In fact, the Calavo executive said the company did ask its California growers to consider picking fruit early to fill demand when Mexico was out of the market. In late February, Wedin reported the f.o.b. price on 48s from California was about \$64 per carton, while size 60 fruit returned \$60 and size 70s checked in at \$48. Though he did not go through his historical data to confirm that these were record prices for this time of year, Wedin said they were either all-time highs or very close to it.

Originally, the Hass Avocado Board projection page predicted California would send about 6-8 million pounds to market in February, but the final number was over 25 million pounds. California had estimated its crop to be around 306 million pounds for the season with about 80% of the volume marketed from April through July. It now appears that a larger percentage of the fruit will be sold prior to April. Wedin said if the pattern continues, shipments in late June through July will be less than predicted.

But he added that this could be a good thing for California growers who are getting excellent returns currently. The marketing situation that will present itself in late June through July may be much different as he noted that the opening of avocado imports from the state of Jalisco for the first time, which is expected to begin in late June, should put more Mexican avocados in the U.S. market. In addition, Mexico is anticipating a larger than usual summer crop from Michoacán, and Peru has estimated that it will ship more fruit to the United States in that time frame. 🥑