

By Tim Linden

Short Crop but Strong Prices Expected

There is no sure thing in life – and that axiom is especially true in agriculture. But it is clearly shaping up to be a strong marketing season for California avocados.

As growers begin to pick fruit in early March, there is no doubt the crop is only about half the size of the one they were looking at a year ago. But marketing conditions have much improved. Several industry representatives interviewed agree that the estimate placing the crop in the 200-225 million pound range is fairly accurate, but mitigating factors may alter that number.

Rob Wedin, vice president of fresh sales and marketing for Calavo Growers Inc., Santa Paula, CA, told *From the Grove* on Tuesday, February 22, that all the rain received so far this season should help the crop make that volume estimate. “It was my opinion that the estimate was a little high,” he said. “This rain should help make the crop.”

Gary Clevenger of Harvest Time Produce, which is headquartered in Oceanside, CA, was a bit more optimistic in terms of the rain's impact. “I think 200 to 225 million pounds is about right, but I won't be surprised if it comes in a bit larger because of the rain. The crop looked like it was going to peak between a 48 and a 60. Now I believe we are going to get a crop that might be a size larger or more. We might see a lot of 36s, 40s and 48s. That will make a difference.”

Thus far, very little California fruit has been picked for the market, which Wedin said is a good thing. “Right now the market is getting stronger,” he said. “It looks like the industry is going

to start to ramp up throughout March, adding a million pounds per week. By the first week in April, California should be shipping about five million pounds per week.”

With the light crop, Wedin does not anticipate volume topping 12 million pounds during any individual week of the season. Calavo estimates that shipments will continue through August. It appears Mexico has a lighter crop than anticipated and even though Peru will probably up its shipments to the United States in late spring and summer over last year, Wedin believes a strong market will persist. In February, Mexico was sending less than 40 million pounds to the U.S. market each week and that weekly number was not expected to top 45 million as the season wears on.

As far as Peru is concerned, he said an accurate count of that country's crop is still more than a month away with no major impact on the U.S. market until mid-May, at which time Mexico's production should be dipping.

On this February day, Wedin said avocados were selling in the \$45-\$50 range and he doesn't expect that to change significantly in the near future. “We have had a very structured situation from Mexico this year, and it looks like it is going to continue.”

Clevenger predicted that California growers would be in a fairly good position all year. “There may be only 215 million pounds out there and we're all (the handlers) competing for it. I expect the (field) price to be in the \$1.50-\$2 range.”

He said last year's summer shortage brought prices up to \$2 for short periods of time, but that it was very difficult to get beyond that number. While the consumer has shown a willingness to pay as much as \$3 for a California avocado, Clevenger said a field price north of \$2 per pound makes it difficult for the various stops along the supply chain to make their money and still see any promotions.

However, he added that the California Avocado Commission (CAC) has done an excellent job positioning the locally grown crop as a premium product. “That message seems to resonate well, especially within the state.”

For the future, Clevenger said that bodes well for California producers as it appears that the vast majority of the state's avocado volume will stay in the state, even in big crop years. “This year most of the fruit should stay on the West Coast; I don't think hardly anything will move further (east) than Denver.”

It's also important to note that as these conversations were taking place, the rain continued to fall. Avocado grower and former CAC Chairman of the Board Ed McFadden said his Ventura County groves finally got a good drenching. Even as the rest of the state was moving out of official drought conditions, that Santa Barbara-Ventura County corridor was stubbornly being bypassed. McFadden said that appeared to be changing in late February. “The fruit on the trees seems to be sizing very nicely,” he said.

That rain should also help the 2018 crop. 🥑