

2019: Another Unique Year on Tap

A common agricultural industry adage is that no two years are alike. A discussion with a handful of handlers reveals that the 2019 California avocado crop season is going to prove that theory in spades.

"I've been in the business for 35 years and I think I'm no better at predicting what's going to happen...maybe worse," quipped Jim Donovan, a senior vice president at Mission Produce Inc., Oxnard, CA.

As 2018 heads for the exits, there are many questions circulating about the upcoming California season. How big is the crop going to be? Will the season be truncated because of the smaller crop? Will California fruit be much higher priced because of the lower volume? Will the fruit from the Golden State continue to enjoy a premium in the marketplace? What are the other sources of supply expected to send to the U.S. market? And the million dollar question... When is the best time to market the California production?

Growers are asking these questions but so are the handlers.

How big is the California crop going to be?

For budget purposes, the California Avocado Commission has set the size of the crop at 160 million pounds. Around the first of the year, a more accurate number is expected to be attached to the crop once all the survey reports are in and winter weather can be better assessed. Of course, the weather will play an important role in both siz-

ing what's on the trees and maximizing the marketability of that fruit. In early December, handlers appeared to be comfortable with the budget number CAC is using. "We know we are going to have reduced volume this year, certainly much less than last year," said Gary Caloroso of the Giumarra Companies. "At this point it is too early to tell but we think the early estimate is accurate."

Phil Henry of Henry Avocado Corp. reported that the southern district, which is home to all of their company-owned fruit, has a much lighter crop on the trees than last year. He said that was always going to be the case as last year's crop on the trees was a good sized one with weather, fire and heat reducing the marketable portion considerably. Though growers do what they can to combat it, the general nature of an avocado tree is to be alternate bearing. On the particular day that Henry was being interviewed, it was raining in San Diego County. He said a good deal of rain during December will greatly help this year's crop. Not only will the rain help size the fruit, but Henry said it will improve the health of the trees, which will have a big impact on the length of the season. He noted that a healthy tree allows the grower more flexibility with regard to harvesting and allows the fruit to be held on the tree longer, if that proves to be advantageous.

One very positive observation that Henry has made is that the trees themselves – at least the ones that Henry owns and manages – don't appear to

have been damaged by the very high temperatures in July. He said that statement is highly dependent on the health of your trees going into that heat wave. But the trees in good shape going in, appear to have survived the furnace-like temperatures that hit in early July.

Will the season be truncated because of the smaller crop?

While intuitively that seems to make sense, handlers didn't necessarily see it that way. Donovan said regardless of the size of the crop, the first thing any grower should do "is optimize the weight of the fruit and the tonnage you have on your trees. Weight is money."

So from that perspective, each grower should try to harvest his own fruit when it is at its best and heaviest. But others factors have to play a role. First and foremost is each individual grower's own situation. If you have a light crop and only one harvesting pass makes sense, timing is going to be critical to maximize your volume while minimizing the harvesting costs. A grower with fuller trees might see great results this year from size picking the grove two or three times during the season to maximize production of the most desirable sizes.

Caloroso said customer demands are also going to play an important role. "We have some customers – especially in California – that want California fruit as soon as they can get it and then they take it as long as they can."

Extending the season from January through August for these retailers is

seemingly the best strategy. He does believe that the vast majority of fruit will be harvested from March to July but it could be very advantageous for growers who can to work one end of the marketing season or the other.

When is the best time to pick?

In general, the handlers agree that this is an impossible question to answer, especially four months before any appreciable volume is being picked on a weekly basis. “With the fruit we own, we don’t try to time the market,” said Henry. “That’s a very hard thing to do.”

Instead Henry spreads out its volume over as much of the year as they can and harvests at a steady pace. With this strategy, they do expect to participate when the market gets hot. “But ultimately each individual grower has to make that decision for himself,” he said.

Donovan said logistically, it is very difficult to time the market because handlers like to schedule those picking dates four to six weeks in advance. One might anticipate a strong market at a particular time in the summer, for example. But that market will be materially impacted by factors that the grower has no control over – such as supplies from another country. “There are just too many factors involved in the avocado industry to know for sure what’s going to happen,” he said.

Going into the 2019 year, Donovan said there are no known supply holes that will exist during California’s harvest season. Mexico has a good crop and Peru is expected to send a good deal of volume to the U.S. market during much of the California season.

Caloroso agreed that each grower should make the marketing decision based on their own groves. “Some groves are historically prone to wind. You are going to want to pick those early. The number one factor should be when

is it best for your fruit to be picked.”

Will California fruit be priced well and will it get a premium?

Caloroso did go out on a limb and predict a strong market throughout the season for California avocados. He reasoned that the crop is light and “there are a lot of buyers that like California fruit. For that reason, it is going to be more valuable this year.”

That prediction also fuels his belief that growers should harvest when their fruit is ready and not be overly concerned about the market. “We think there should be a good market for California fruit throughout the season.”

Henry also “anticipates a pretty good year” for California. He said the industry has received a premium for its fruit the last few years and with a smaller crop that should again be the case.

Donovan of Mission was a bit more cautious. He said California

fruit will most likely sell for more than fruit from other countries a good portion of the time, but he stopped short of predicting that it would be a strong market. He again reiterated that there are many factors to pricing that are out of the hands of the California growers with the most important being the total volume of avocados on the market in any given week.

A fact that could give growers both pause and optimism as they look ahead is the situation that occurred during the last two weeks in November of 2018 following the grower strike in Mexico earlier in the month. During those two weeks, Mexican growers reportedly harvested about 80 million pounds each week. More than 68 million pounds were sent to the U.S. during the week ending Nov. 25. “That points to the size of the market and what it takes to fill up the pipeline,” Donovan said. 🥑

BROKAW NURSERY

Premium Avocado Trees
On Clonal Rootstock

Dusa®
Toro Canyon
Duke 7
Borchard
GEM™
Carmen®

BROKAW NURSERY LLC.
5501 Elizabeth Road, Ventura, CA 93004
Tel. (805) 647-2262 Fax. (805) 671-9738
Serving CA farmers' nursery stock needs since 1956
www.brokawnursery.com