

By Tim Linden

## Stronger Market Expected in Spring/Summer

**A**wetter than usual winter, and continued rain in the forecast, is making it much easier for California avocado growers to hold onto their fruit and wait for the stronger marketing opportunity that typically comes in the late spring into summer time period.

A survey during February of several handlers of California fruit indicated that while there was some fruit in the market, and it would continue to slowly increase, it will probably be well into April before the weekly numbers jump. May, June and July appear to be the sweet spot for this year's crop. Rob Wedin, vice president of fresh sales and marketing for Calavo, said the significant rainfall has had a "calming effect" on growers as it makes any decision to hold the fruit for a better market easier to make. He added that rain makes the trees healthier, which makes them better suited to carry the fruit into the summer.

Gary Clevenger, chief operating officer for Freska Produce International, made a similar observation. "We hear it's going to rain through May. That's good for the trees and good for the growers," he said. "They can let the fruit sit on the trees and size up."

Dana Thomas, president of Index Fresh, said the market typically rises along with the temperature in spring and summer and he expects most of the California fruit to be marketed during that time frame. "We think Cinco de Mayo, Mother's Day, Memorial Day and on through the 4<sup>th</sup> of July will be an excellent time to market California fruit.

Those are strong marketing opportunities and it will allow most of the fruit to be sold before Peru starts shipping heavily into the U.S."

He expects the California fruit to differentiate itself from other sources of supply during its season and to receive a premium for its output. Though returns might not be as large as the small size of the crop (175 million pounds) would historically predict, Thomas still believes "it will be a strong pricing year for California fruit."

The f.o.b. market in late February was in the \$25-\$30 range depending upon fruit size. That market price resulted in a lot of promotions but not a great incentive to pick your fruit if you are a California grower. Wedin said the light crop means most growers will only go through their groves once, meaning they will want to time the picking for both optimal sizing of the fruit and a good marketing window.

He noted that Mexico is expected to send an average of more than 50 million pounds of avocados to the United States each week through March. At that point, there should be a reduction in Mexican supplies, which could lead to a stronger marketing situation. In February, it was too early to pinpoint when Peruvian avocados would first enter the U.S. market but the consensus was that it would be sometime in May. Both Wedin and Clevenger said reports are that Peru has a lighter crop this year, though its shipments to the United States could very well be about the same as last year, which was about 181 million pounds.

Donny Lucy of Del Rey Avocado

Co. said: "We started harvesting California fruit in a light way at the end of January and that will continue through February. There hasn't been much volume and we don't think there will be until late March. We expect to sell most of the crop in April, May and June and then it will start to trail off in July."

The packer is also known for its representation of the Morro Bay avocado that typically comes off in September and October, but he said supplies of that fruit will be very light again this year. Morro Bay was hit with a hard freeze a year ago with its effects still being felt.

Clevenger indicated that the silver lining in this year's situation is that there could very well be an excellent crop in the making for the 2020 season. The trees are not overly-burdened with 2019 fruit and the steady rain is surely helping the blooms that are currently on the trees, which will play a huge role in determining the size of next year's crop.

Another positive aspect of avocado marketing is that consumers are continuing their love affair with the fruit. In January, a record number of avocados were sold with back-to-back weeks topping 70 million pounds of avocados in the U.S. marketplace. While the f.o.b. market price is less than what growers would like to see, Wedin of Calavo said the market price held firm while those record-breaking shipments were being made. And even though multiple weeks of 50-plus million pounds are in the forecast, Lucy of Del Rey expects the market to strengthen in March and April. 🥑