

By Tim Linden

Late March Should Bring Better Volume

With a total California avocado crop estimated to be in excess of 500 million pounds this year, there appears to be universal support for getting the harvest underway as soon as possible. Throughout this issue, many voices are singing that same tune, including CAC President Tom Bellamore, CAC Chairman of the Board Ed McFadden and the commission's research experts, Jonathan Dixon and Tim Spann.

And now marketers are saying the same thing.

Patrick Lucy, who is involved in sales for Del Rey Avocado Co., Fallbrook, Calif., told *From the Grove* staff during the first week of March that it seems as if most growers are on board with an early start in anticipation of marketing the big crop. "The big issue appears to be lack of size," he said.

He added that some growers were reluctant to get going because of market conditions but the handler had sufficient growers that were willing to pick if they had size, which they don't. "There are some growers that would like to get going but their fruit is too small."

Bruce Dowhan, general manager of Giumarra Agricom International LLC, Escondido, Calif., echoed the same sentiments. "We are seeing a little hesitancy in getting started for two reasons," he said on March 6. "Number one the market price has been softer than what most Califor-

nians want to see when they start. And number two most groves are having difficulty sizing. Growers like to pick when most of their fruit are 48s. Right now most of the fruit is in the 70 to 84 range."

Dave Fausset, sales/category manager for Mission Produce Company in Oxnard, said early volume from California was less than what the company had hoped for but, like the others, he blamed the sizing. "We had only light rain in January and February so we didn't get much size."

However, he said significant rain was expected over the next few days. "If that's followed by some warm soil, the fruit can size and we can get going a little faster."

Still a fourth handler, Phil Henry of Henry Avocado, also in Escondido, relayed a similar story. However, he said his company is right on target with its expectations. "For our company, we are planning to begin size picking in the third or fourth week of March and we are still on that schedule."

He said that while the California avocado industry as a whole is up well over last year, his company is not. "In the south, we see the crop on the tree being about the same as last year. Most of the increase is in the north."

Consequently, Henry said the company's picking schedule is also similar to last year. He said this year's mid to late March start is based

on logistical reasons and tree health as much as anything else. However, he did add that the market price through February didn't warrant any alteration to that plan. "The prices are not at a level that most growers want, but we did see an increase from Mexico this week (March 4-8) which should help California growers," he said.

Lucy said the early March price hike created a significant difference between size 60 and size 70 fruit and might convince more growers to open up their groves. "Today both 48s and 60s are at about \$26 while 70s are \$5 less...and we think the price is going to get stronger."

He said there appears to be a shortage of 60 size fruit coming out of Mexico and that probably will not change as they move closer to the end of their 2012-13 crop year. Though some fruit is coming from higher elevations in Mexico and it may be smaller, he said the majority of the fruit now being picked and shipped to the United States is end of the season fruit, which tends to be larger than smaller. "This could create a good marketing situation for California growers," he said.

Like others, however, Lucy said getting started on this year's crop is also important because of both tree health and the size of the crop. "Culturally it's important to get some fruit off the tree in March, April and May," he said. "The new buds are coming and we want to have a good

crop next year.”

He indicated that growers with excellent on tree crops in the 15,000 to 20,000 pounds per acre range are more willing to get into their groves and size pick to relieve some stress on the trees.

Of course, another important factor impacting when to pick, at least for handlers, is the overall size of the crop.

Dowhan said when you add California’s 500-plus million pounds of fruit to the 60 million pounds expected from Peru this summer and the increased Mexican production, “It’s safe to say we will have significant volume of avocados through the spring, summer and fall.”

Currently, Lucy said that early March saw about five million pounds from California groves on a weekly basis. “We expect that to grow to 10 million pounds (per week) as we get into March and up to 15 million pounds by Cinco de Mayo.

He said for the U.S. market to absorb all the avocados that it will have in the next six months, there will have to be some weeks where total avocado shipments (from all points of origin) are in the 35-40 million pound range

Fausset also predicted that California would be shipping about 10 million pounds per week by the end of March, with shipments peaking somewhere over 15 million pounds per week in May and beyond. “It’s amazing what Mexico can put out with their labor situation,” he said. “They were averaging 29 to 30 million pounds per week this winter. We just can’t do that. I understand we just don’t have the labor to do that.”

All of the handlers were optimistic however, about this year’s marketing situation and the potential for a strong price.

Dowhan said “I think we are going to have a market that will be better than some are predicting. We have seen demand continue to in-



crease and I think there are going to be some very good marketing opportunities out there this year.”

He said the retail promotional price of around \$1 per piece of fruit has become more commonplace this winter but it’s a good price point and a lot of avocados can be moved at that price.

Fausset agreed with Dowhan’s assessment. “I think some people have underestimated year over year increase in demand. We have seen Chipotle (restaurant) and Subway add avocados to their menus and Red Robin is coming out with a new turkey burger with avocados. There is a lot of momentum for avocados and I see it continuing.”

For this season, Fausset expects the market to chug along in the mid-\$20s range with occasional spikes

to the high \$20s and beyond during high demand periods.

As the California season gets underway, Henry said there is demand from retailers and foodservice operators to switch to a California avocado program. “We have very little California fruit at this point so I haven’t been offering it yet but I know there are many California retailers out there ready to switch. California avocados play into the locally grown movement and many retailers are looking for them.”

He added that while it is not all positive, the presence of a lot of Mexican fruit in the California marketplace during the winter months is not all bad either. “They help keep demand for avocados up and that can help when California fruit is ready.” 🥑