

Premium Positioning Offers Bright Future for California Avocados

By Tim Linden

With a great geographic advantage and a defined marketing window, the future of the California avocado industry could be very bright if the industry capitalizes on these advantages to seek out a premium position for its fruit.

In recent years, U.S. avocado consumption has more than doubled yet California's production has remained in the same range, which is allowing the fruit to be marketed in tighter windows both geographically and in terms of timing. While this could be considered a negative it also allows the industry to position itself in a niche premium position within the growing avocado category, in much the same way that Vidalia onions and top shelf wines position themselves in their respective sectors.

This was the message that CAC President Tom Bellamore and two well-known veterans on the buy side of the equation delivered to growers during a series of annual meetings in the state's three major growing districts: San Diego, Ventura and San Luis Obispo counties. The discussions featured a review of the supply side situation as well as California's inherent advantages as a producer. The facts, as laid out by Bellamore, include the overarching reality that U.S. consumption of avocados is increasing dramatically, but so is the supply from several sources with Mexico looming as an avocado production giant. Supplies from Peru are also on the rise, while Chile remains a fall/winter source and several other countries are trying to gain access to the growing U.S. market. For much of the past 40 years, California's production, which has typically been in the 300-500 million pound range, defined the supply situation. But in the past 10 years, Mexico's exports have increased mightily with their projected U.S. volume in 2013 approaching one billion pounds.

The majority of California's crop has always been sold in the western half of the United States, but Bellamore said there may be a time in the near future when most of the state's supplies are sold within California. This speaks both of the growing popularity of the fruit as well as the increase in supplies from other sources. That situation would give California growers some marketing opportunities including highlighting the "locally-grown" aspect of the product as well as the geographic advantage, which allows the fruit to be delivered to consumers closer to its harvest time.

Joining the discussion was longtime retailer Reggie Griffin, who retired from the Kroger Company after 40 years of service last year, and Chef Ray Martin, who has spent more than three decades opening restaurants and expanding menus, most notably at the Cheesecake Factory and BJ's Restaurant chains. Both men said creating a premium position is achievable and works well with the goal of retailers

and foodservice operators to attract loyal customers. Griffin said it is all about getting customers to come to your store and retailers will do anything they can to attract those customers, including featuring premium products that have an enhanced value or a perceived premium value. In fact, he said perception is a huge part of the game. For example, Griffin said Washington State apples, have a perception of superiority, even though in blind taste tests they don't score higher than other apples.

California avocado producers believe their product does taste better and would outscore other avocados from other regions in the world in a blind taste test, especially during the peak of their season that stretches from spring to fall. Griffin says if an advantage does exist California avocado producers could market their fruit for a premium throughout the United States as there are pockets of consumers, serviced by upscale retailers, who will purchase the best products in virtually every metropolitan area in the country. He said there is no reason to limit the sale of that fruit to California if it truly has an advantage.

Bellamore continually discussed other advantages including the locally grown aspect. There are people throughout the United States who prefer U.S. grown products and will pay a premium for that distinction. California growers, he said, need to exploit this advantage.

Chef Martin revealed that when selling product to chefs the main focus needs to be on the advantages that product has and why it should make a difference. He indicated that a superior taste is a very important attribute. He also said growers should be able to find homes for their small "egg-size" avocados as the smaller the fruit the greater the ratio of pulp to pit, an important measurement when using avocados to make guacamole or other sauces. He said those small avocados could be used in innovative ways such as a small slider-sized salad. He said one of the best ways to get chefs to try a new product is give them some product. 🥑