

# Western Retailers Report Avocado Sales Top the Charts

By Tim Linden

**F**our different Western U.S. retailers report that avocado sales continue to climb and have become one of the top, if not the top, produce item in their respective stores. California avocados remain a very important part of both the past growth in avocado sales and the future that lies ahead.

Bristol Farms is an upscale grocery store chain with a dozen of its 15 stores in Southern California. John Savidan is the director of produce merchandising and has watched the popularity of avocados grow into the stratosphere. “Avocados are a hip must-have item now, where 10 years ago it wasn’t the case,” he said. “People now know that they are very good for you and quite versatile. Avocados really were always a great item for us, but I’d have to say roughly six or seven years ago is when they really started to take off. We have never looked back and look for more great things to come.”

At Bristol Farms, the avocado is always one of the top 10 sales items and many times they are in the top 5. “Avocados are a very important driver in our business today,” he said. “It’s not uncommon for us to have avocados and fresh guacamole in the top 10.”

The company’s Southern California roots make it a natural to promote California avocados. “For us, being a Southern California retailer makes the avocado the perfect fit. We rely heavily on the California Avocado Commission during the California season. We have somewhat trained our customers on the fact that if they want to eat the best avocados, it’s when they are in season from California. We work closely with the California Avocado (Commission) staff to plan and strategize ahead for each upcoming season. Having this relationship makes for a seamless season that seems to prosper and only get better as we move into the future. During the month of August we run a Hatch Chile event where we tie in late season California avocados and really promote and push fresh guacamole.”

Though California has been a mature avocado market for many years, Savidan said sales gains have been steady over

the years, and even more dramatic when you add in fresh guacamole. “We don’t have any real formal data on the actual consumption percentage, but I’d guess that many of our customers track on the heavy- to even mega-user status when it comes to avocado consumption.”

Of course, Bristol Farms offers other sources of avocados throughout the year, but Savidan said “the California avocado is the anchor to our whole program. Our consumers love avocados and although we carry fruit from Mexico and perhaps even Peru, it’s the California fruit that sees the most consistent results. We do promote California fruit and we are constantly working with Jan DeLyser and her staff year-round to ensure we have all the right tools and support.”

He continued, “We only carry one origin at a time and it’s usually always California and then Mexico. Our customers ask for California fruit when Mexico is at the tail end of the season as it’s more synonymous with summer, BBQs, grilling and get-togethers.”

Though he did add, “Having supply 365 days a year is so key to our program. Without the fruit we have no sales and nothing to sell. Fresh guacamole is also a big part of the program and without fresh avocados there’d be no guacamole. Having fruit available year-round offers us the ability to run programs, promote and offer great-eating fruit to our customers 365 days a year.”

Bristol Farms typically carries two to three fresh avocado SKUs on a regular basis, as well as several guacamole SKUs.



*John Savidan, Bristol Farms*

“Our customers like the larger fruit and tend to lean towards organic over conventional. We do not sell a lot of small single serve or bags for that matter.”

He added that, “Organic, for us, is the name of the game when they are in supply and our costs are favorable.”



Jeff Fairchild, New Seasons Market

Jeff Fairchild, produce director for the 19-store New Seasons Market chain — which has stores mostly located in the Portland, Oregon area — calls the operation a collection of “quality, neighborhood grocery stores.” He further notes that the chain is “a tweener” with the bookends being a conventional supermarket and a high-end specialty market. Organics make up about 70 percent of its produce sales, and “quality” drives Fairchild’s purchase decisions in that department.

“I buy a lot of California avocados. I like the fruit and you tend to buy what you like,” he said.

But Fairchild readily admits that he doesn’t start buying fruit from California until it reaches that top-quality level that he loves. “I don’t buy the first fruit from California. I usually switch in late March or early April and then I stick with California as long as I can...through September and into October if I can.”

In late September or October, he usually switches to Mexican fruit but says the last quarter of the calendar year is typically when his sales are the lowest. He believes that avocado quality is not at its best in that time frame, which is why sales suffer. “But from January through March, Mexico produces a very good piece of fruit, which is why I typically stick with it through March,” Fairchild says.

He believes his Northwest shoppers are driven by quality, not place of origin. Fairchild likes California avocados because he thinks they taste better during their peak time in market, not just because they are from California.

New Seasons’ goal is to carry only one source of avocados at a time, but the company uses distributors who sometimes have to supplement supplies with other sources of origin to fill the order. And the avocado order is as big as any other.

“For us, avocados are ranked either one or two,” Fairchild said. “It’s either avocados and berries, or berries and avocados.”

He indicated that many of the chain’s clientele are aging

“hippies” who fell in love with the avocado in the ‘70s, ‘80s and ‘90s and still love it today. Though he is amazed at how “hot” an item it has become, he said “it has always been a big item for us.”

New Seasons sells both a large piece of fruit — 32 or 36 — and a bagged option, offering value and a smaller avocado. While the preference is to offer organic produce when it is available, Fairchild reiterated that quality is always the overriding criteria. While the chain’s customers prefer organic produce, Fairchild indicated they understand it is not always available and they will buy conventional produce when it is presented to them.

Michael Schutt has been with Raley’s Supermarkets, headquartered in Sacramento, for 32 years. He has risen from store level to a senior position on the produce buying team. One of his responsibilities is the avocado category, an item he has been dealing with for most of his career. In fact, when he first moved from the store to the distribution center in the quality assurance department, ripening avocados was an important part of the job. Avocados have to be jockeyed between the ripening room and the cold room to ensure a consistent supply of a consistently ripe piece of fruit.



Michael Schutt, Raley's

For the past decade, he has been in charge of purchasing the fruit and making sure Raley’s stores have an ample supply. “It is our number one item and it is the clear-cut winner. It reached that level two years ago when it surpassed bananas and now it’s not close.”

For years, Schutt said managing avocado supplies meant using California as long as you can and then switching to Chile until California got going again. Today, it is a different ball game with huge supplies from Mexico, increasing supplies from Peru, and Colombia on the horizon. “Chile is opportunistic. They only come here when the market is good.”

With its California location, Schutt said his customers clearly prefer the California fruit when it’s available. “When California is in season, that’s what we feature. California grown resonates with our customers. I start with California in the beginning of the season and stay with it as long as we can.”

Speaking in early August, Schutt spoke as the California crop was entering its latter stages of the season. He said Raley’s will switch when it has to and will look at fruit from Mex-

ico, Peru and Chile. He said Peru is doing a much better job on quality this year so he will probably feature some Peruvian fruit before heading “full steam into Mexico” when its new crop is ready in mid-to late-September. “Every year is a little different,” he said.

Though his customers have a preference for California avocados during their season, he said avocados are popular all year long and create great dollar sales, as well as strong unit velocity, virtually every sales period of the year. He also noted that the use of avocados by consumers has gone through a tremendous shift. “As avocados have proliferated, they have become a part of every diet and they are featured in all facets of meals,” he said. “Guacamole used to be the number one use; now I think it’s about number seven.”

Like all the retailers interviewed, Schutt said it is quality that always drives his produce buying decision. “Quality is the first thing we try to curate,” he said. “There are very few states of origin that denote quality (for any product). Idaho potatoes is one and California-grown avocados is another. They go hand-in-hand.”

Raley’s typically handles a 48-count conventional avocado, a 60-count organic avocado and a four-count bag featuring 70-80 size fruit. That size differential in organic and conventional is designed to present a relatively similar price point. Organics has been a labor of love for Schutt for the past two decades. He launched Raley’s organic program and has pushed and pulled it to its current successful perch. He said when it comes to most organic produce – and the avocado is no exception – sales tend to mirror the conventional side of the aisle. If conventional sales are great, they also are great for organics. As far as avocados are concerned, he believes Raley’s over-indexes when it comes to heavy avocado users.

As produce sales manager for the 141-store Portland Division of Albertsons/Safeway, Jim Molamphy oversees merchandising for a wide variety of operations. But they all sell the heck out of avocados. With his 35-plus years with the organization, the veteran retailer remembers when avocados were a specialty item. “We carried California fruit and limited supplies from Mexico. It was mostly a June, July and August deal.”

Those times have come and gone with Molamphy calling the avocado category a “million-dollar item” with sales in the top five on a year-round basis and often reaching the top spot. He said the addition of foreign supplies and the improvement in quality from foreign sources has greatly enhanced the popularity of avocados. “That’s the beauty of it; it is now a year-round crop.”

While Molamphy sources from other districts, he said California still “carries its weight and is valued by my customers. Understandably, shoppers in California have more passion for fruit coming from their own state, but it is still a strong

point for my customers. It is a U.S. product and has that California label, which is important.”

He noted that for his customer “quality is always number one. In fact, I might not switch to California during that first week or the first 10 to 14 days of the season. I wait a bit so they get a little more oil,” he said, adding that when the quality is there California fruit is tough to beat.

And he promotes the fruit almost non-stop. Speaking in early August, with the first 26 weeks of the year under his belt, Molamphy could not recall one week in that time frame in which he failed to promote avocados, mostly California avocados. “Out of the last 26 weeks, I believe I have had a conventional avocado, organic avocado or guacamole on ad every week.”

He was especially complimentary of organic avocados from California. “The whole month of July I promoted organic California avocados,” he said.

The Albertsons executive also discussed the great synergy between the retailer’s ripe avocado program and its in-house guacamole program. With the ability to transfer unsold ripe avocados for use in the making of fresh guacamole, a store can offer a greater volume of preconditioned ripe fruit, which definitely increases sales. “I love our guacamole program,” he exclaimed.

He added that Albertsons/Safeway typically carries several different avocado SKUs. “The proliferation of sizes has been great. Twenty-five years ago, we only carried a 48,” he said. “Now we have a three-size program. We carry an organic 48, an extra large 32 or 36 and medium size 60. Our market has struggled with bags. We haven’t had a lot of success with bags, but I think there is a growth opportunity there at a good price point. We are going to try to start that up again.”

While the Western U.S. is a mature avocado market, Molamphy said some newer customers do struggle to pick out ripe fruit and need help. At the same time, he noted that during a two-year hiatus from Albertsons several years ago, he worked with various East Coast retailers and the comparative volume of avocado sales was startling. “The difference between the Northeast and the Northwest blew me away. We sell truckloads of avocados while they sell pallets of avocados.”

Molamphy expects avocado sales to continue to soar as the various sources offer increased opportunities for promotions and introduce new consumers to the product. 🥑



*Jim Molamphy, Albertsons/  
Safeway*