

By Tim Linden

European Avocado Market Continues to Expand

Within five years, avocado consumption in the European Union and the United Kingdom is expected to equal or surpass what is sold in the United States, making the EU-UK the world's largest avocado market.

That is the view of Xavier Equihua, CEO of the Washington, D.C. based World Avocado Organization, a multinational non-profit group that promotes the consumption of avocados in the EU-UK. WAO represents many of the world's largest avocado producers, exporters and importers, including grower-shippers from Colombia, Mexico, Mozambique, Peru, South Africa, Spain, Tanzania, the United States and Zimbabwe.

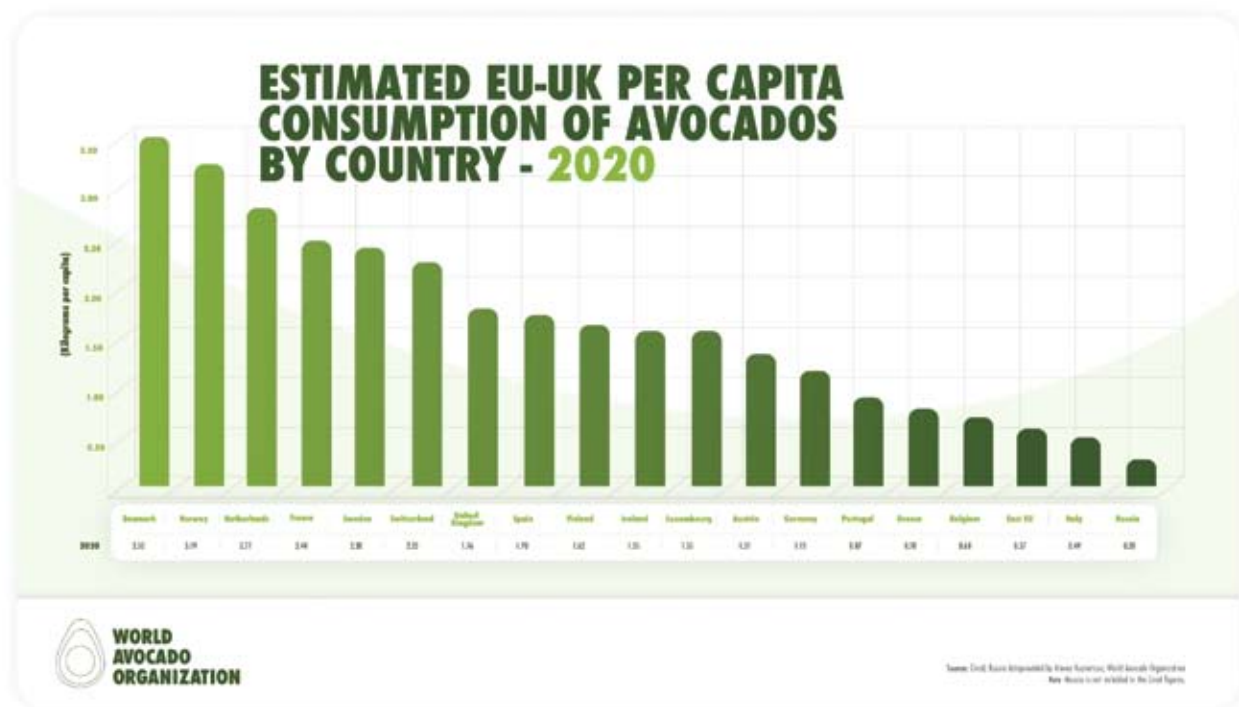
WAO was established in Febru-

ary 2016. It launched its first marketing program in four EU countries in 2017 and now has programs in 13 EU countries and the UK. Equihua believes the numbers speak for themselves as the EU-UK have been on a steep growth curve since WAO began its first marketing effort. Though sales in Europe dipped in 2019 because of a drop in world supplies that year, overall sales have doubled since 2016. In 2021, it is estimated that Europe will consume about 1.8 billion pounds.

While that volume is still about one billion pounds below total U.S. consumption projections for 2021, Equihua notes that per capita consumption is now growing at a much faster pace in the EU-UK market than in the U.S. In 2020, U.S. avocado sales increased

by 5.8% while the EU-UK registered a 23% increase. The additional volume also was mostly centered in 14 of the 29 countries that are part of EU-UK. This year consumption in the EU-UK is expected to grow by at least 8% while the U.S. is looking at a rate growth of 2-3%.

Equihua believes that by 2026, European avocado sales will equal or surpass those in the U.S. He points to several factors supporting his optimism. Most importantly is the demographic difference between the two regions. While avocado sales in the U.S. have grown tremendously over the past two decades and cut across a wide swath of American consumers, the presence of 60 million Latinos and about 200,000 Mexican restaurants and eateries is an important driver of that growth. In-





deed, research on avocado consumers in the U.S. does reveal that heavy and super heavy users—about one-third of the U.S. households—now represent around 90% of all avocado sales. Equihua notes that a sizable number of the super heavy consumer category has Latin American roots and specifically of Mexican descent.

Though avocado consumer research in Europe is not as robust as in the United States, Equihua points out that avocado consumption on the other side of the pond is not nearly as concentrated as it is in the U.S. He says only a small population of European consumers are of Latin American descent and grew up eating avocados. Consequently, the growth has come from a much broader base, which has expanded as WAO has introduced new populations to the avocado. While consumers in France have been the leading purchasers, Equihua believes both the UK and Germany will eventually surpass

France. This is due to the UK's more diverse demographics, and Germany's larger population and keen interest in healthier eating. In addition, there are 15 additional EU countries that are very low consumers of avocados where WAO is not currently doing any promotions.

While reaching consumers in each of these countries is a complicated task because of language and retailing differences, Equihua says WAO's current winning strategy has proven successful. It now promotes avocados in 14 languages via the top retailers in EU-UK. For example, in 2020 WAO launched new retailer marketing tactics such as e-coupons during the pandemic—something that had never been done by European retailers. WAO also creates customized, language-specific promotional material for each country and each individual retailer. WAO cannot take a one-size-fits-all approach as that would not work in an area with 24 official languages and many different

eating habits and customs. The corresponding increase in awareness, public relations and sales also has been accomplished on a relatively small budget.

Another factor that points to an increase in avocado sales in Europe is the large number of countries supplying the EU-UK. While one state from Mexico dominates avocado sales in the U.S., followed by California and Peru, Equihua says there are at least 16 countries supplying the EU-UK market. As that market expands, more origins will only complement such growth, including California which already sells some avocados to Europe in small quantities. California avocado marketers could find it profitable to look for niche sales opportunities in the EU-UK.

Another factor leading Equihua to believe that the EU-UK market for avocados will eventually surpass that of the U.S. is its sheer size. The EU-UK has a population of more than 514 million with a similar per capita income as the United States. That's 35% more consumers than in the U.S.

One of the biggest concerns for the worldwide avocado industry is whether supply and demand can remain in sync. Equihua sees increased production coming from South America (including Peru, Colombia and Brazil) but is uncertain if increased production in the Americas can keep up with worldwide demand. "The big question then is Africa," he says, noting that it has both the climate and the land to become a major avocado producer. "At least 10 of the 54 countries in Africa, ranging in diversity from Morocco to Tanzania to South Africa, now produce and export avocados to the EU-UK," he said. 🥑

(Xavier Equihua is also the president of the U.S.-based Peruvian Avocado Commission, charged with promoting that country's avocados in the United States. Peru is the leading supplier of avocados to Europe and the third leading supplier to the United States.)