

By Tim Linden

Didn't Meet Expectations... But It Was a Good Season

Going into this season, the California avocado industry was expecting a very good year with regard to market price and there was speculation that the grove price could reach \$2 per pound.

The reasoning was that the 2014 on-tree crop was estimated at 300 million pounds, only 60 percent of the 2013 crop. With Labor Day in the rearview mirror and the vast majority of the crop picked, packed and shipped, early season speculation was replaced with end-of-the-season accounting.

"It wasn't a bad season," said Steve Taft, president of Eco Farms Avocados Inc., Temecula, CA. "But most people thought it was going to be better. I always thought the talk of \$2 a pound (at the grove) was wishful thinking."

Taft said total volume will be around the 300 million pound level and grower returns were pretty good. He added that the grove price for organic avocados did reach the \$2 per pound level.

Ron Araiza, director of sales for Mission Produce Inc., Oxnard, CA, echoed those same sentiments. Prior to the Labor Day weekend, he said California was winding down and September supplies would be much lighter than usual but perhaps a bit more than early season talk, which suggested that the industry would be finished by Labor Day. Araiza expected four million pounds of California fruit to be shipped that week and for shipments to continue to taper off through the rest of the month.

Phil Henry, president of Henry Avocado Corp., Escondido, CA, said that by mid-August, California growers were at about 273 million pounds. He anticipated shipments throughout September, albeit at a relatively low level. "Three hundred million is possible," he said. "We may get there."

One California area gearing up for that September time slot as this was being written was the Morro Bay avocado deal from California's Central Coast. Over the last several years, growers in California's furthest avocado-producing region have been creating a niche market for their fruit.

Jim Shanley of Shanley Farms in Morro Bay, CA, said a couple of growers are out of the deal this year because of drought issues but two other growers joined the program and he was expecting volume similar to what Morro Bay had last year for the eight-week shipping season. The deal was expected to kick off on Labor Day and last through October.

Shanley expects to receive a premium for that fruit in the high \$30s. In fact, in mid-August and through Labor Day, California fruit was selling for top dollar in the high \$30s. Throughout the summer there was a two-tier pricing system as California fruit earned as much as \$10 more per carton f.o.b. than the Peruvian fruit. However, there is no doubt that the increased presence of Peruvian avocados put downward pressure on the market price of avocados.

As the industry looked forward to 2015, shippers reported that it was

too early to make an accurate prediction on the size of next year's crop. Water issues are top of mind and growers are holding their collective breaths that fall and winter rains help make the crop.

Eco Farms Sold To Total Produce

Total Produce, based in Dublin, Ireland, has purchased a 45 percent share of Eco Farms Avocados, Inc., in Temecula, CA.

Eco Farms, which was started by a partnership led by Steve Taft in the early 1970s, was one of the pioneers in the development of the organic avocado sector. Taft said the company has entertained offers before but the timing was never right. He said a number of factors entered into the decision to allow Total Produce to purchase a minority stake in the avocado operation with the ability to take controlling interest at an unannounced time down the road. "Certainly the age of the partners was a factor," he said.

However, he added that there will be no immediate changes in the management of Eco Farms. Total Produce's first entry into the North American marketplace came in early 2013 when it agreed to purchase a controlling interest in the Vancouver, British Columbia-based Oppenheimer Group in two phases over a four to five year period.

The Eco Farms president expects the new partnership will result in an infusion of cash "that may allow us to do a few things," but he wouldn't reveal any specifics. 🥑

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