

Tighter Marketing Window Expected for 2015 Season

Marketing fresh produce is a continual learning experience and this past year sellers of California avocados learned that the best market is probably in the spring and early to mid-summer.

Peruvian growers have been planting many hectares of Hass avocados over the past decade and that production is starting to materially impact the U.S. market place. Emiliano Escobedo, executive director of the Hass Avocado Board (HAB) said that while other foreign producers – most notably Mexico and Chile – do have strong domestic markets for their Hass fruit, currently there is minimal demand in Peru's local market for that variety. And Peruvian exporters have yet to fully develop other foreign markets as Chile has done over the past 20 years. Hence the Hass fruit produced in Peru ends up primarily in the United States and Europe. In 2014 that meant more than 140 million pounds were sent to the U.S. during the summer months. Early estimates indicate that 2015 will see a significant increase in shipments of Peruvian Hass to the United States, with 200 to 280 million pounds expected to arrive between May and September.

Partly for this reason, Rob Wedin, vice president of sales and marketing for Calavo Growers Inc., headquartered in Santa Paula, CA,

believes most California growers are going to harvest their avocados a bit earlier this year. "We expect more early fruit in the market," he said.

Wedin explained that in the past, growers could generally expect more money for fruit picked from the July to September time frame. That was not the case in 2014 and so he expects most growers are going to want to get their fruit off the trees as early as they can. "Of course there is a sizing component to the equation," he added.

The Calavo executive explained that while growers will want to take advantage of an earlier marketing scheme, not all trees and fruit are going to cooperate. He said the fruit on older, larger trees tends to take longer to size. It is almost always advantageous to wait until the fruit reaches its optimum size rather than picking too early, even to take advantage of a stronger market.

Echoing Wedin's comments about market timing for the 2015 California crop was Dave Fausset, retail sales manager for Mission Produce Inc., Oxnard, CA. "We are looking at a February to August window to market the California crop," he said. "There will even be some size picking in January."

Fausset told *From the Grove* in early December that the fruit was already sizing very well and "it is a bit

ahead of where it is normally at this time of year. Some guys could pick today."

On this particular day, Ventura County was getting a good drenching from Mother Nature, which Fausset called a "Godsend." He said several more storms were in the forecast for the coming weeks and he said each one will be very helpful to avocado growers.

Besides decreasing the need for costly irrigations, Wedin said there is "nothing like rain" to improve a crop. Growers use well water and reservoir water when they need to but he said rain water is just better quality and is more advantageous to the trees.

Wedin said that besides the marketing aspect of picking fruit early, it is also culturally advantageous to the following year's crop to get this year's fruit off the trees as soon as possible. The sooner a tree can start concentrating on the next year's crop, the larger and healthier that crop will be. Fausset added that the bloom for the 2016 crop will be evident in March and April of 2015, which will give the industry its first real guess at the 2016 crop.

Looking at what is on the trees at this juncture in early December, Fausset said sizing is very good and he expects to see a great deal of 48s and larger when the California fruit hits the packing sheds a couple of

months down the road.

For 2015, marketers expect a crop that will be larger than the 297 million pounds California marketed in 2014. “We think it will be about 10 percent larger,” said Wedin. “Right now we are estimating 315 million pounds.”

But Wedin added that it could be “sneaky large” and surpass that number, especially if there is a good amount of rain that helps increase the size of the fruit. Of course larger fruit results in a larger crop.

Fausset of Mission said his firm is currently estimating a crop closer to 340 million pounds, which would be almost 20 percent greater than 2014.

The official 2015 estimate for CAC is 327 million pounds. Both CAC and HAB are using 320 million pounds for budget purposes.

Each of the avocado industry veterans expressed faith in the orderly marketing of that crop at fairly good returns to growers. Wedin said U.S. demand for avocados outstripped supply last year as the market price increased at a greater percentage clip than volume by a significant amount. He said the United States is ready to consume 40 million pounds per week on an average basis as it did so for many weeks throughout the year in 2014. A 40 million pound per week average is needed to reach the two billion pounds expected to be consumed in 2015.

During the fourth quarter of 2014, which typically is the weakest quarter for avocado sales, Wedin said the United States absorbed about 33 million pounds of fruit per week.

Fausset said the Thanksgiving/Christmas period is typically a bit weak as there are many other fresh produce items that have a greater traditional tie to holiday dining. Nonetheless, he said the market remained fairly strong and movement was good. He was looking forward to a particularly strong January bolstered

by the run-up to the Big Game, which will be held on Sunday, February 1. There will also be many other football-themed parties that will take place in January for both college and NFL playoff games.

New this year will be a Big Game ad featuring avocados. Though it is sponsored by Avocados from Mexico and notes that point of ori-

gin, there is also great anticipation that it will boost the entire category. “Avocados have become a mainstream item,” Fausset said. “A lot of people are going to see that ad. It will be very interesting to see what kind of impact it has.”

And if it does have an impact it could create a great start to the California marketing season. 🥑

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