

EUROPEAN MARKET— Overview

Despite a sluggish atmosphere, the avocado market remains well-oriented. Following a month of November heavily supplied (+13%/2016), overall Hass volumes have begun to decline, reaching levels below 2016 (-9%). Indeed, the supply pattern has changed as Chilean deliveries have finally further tended down. The peak of deliveries has ended and volumes have dropped significantly, reaching levels below 2016 (-8%). Thus, developing Mediterranean seasons have not been sufficient to offset the Chilean decrease: Spanish deliveries have accelerated but Israeli volumes have stabilized at levels below 2016 (-33%). Besides, Mexican deliveries have punctually decreased, recovering levels below 2016 (-13%). Nevertheless, the atmosphere has remained sluggish. Indeed, sales at retailers have just maintained a steady pace while a very limited demand has been registered on the wholesale segment. Moreover, some stocks have remained available on the market. In this context, all prices have continued to erode but levels have remained well above average.

For green varieties, volumes have slightly tended down, recovering average levels, as the transition between *Ettinger* and *Pinkerton/Fuerte* from Israel is ongoing. Moreover, demand has remained dynamic thus, prices have firmed up, keeping high levels.

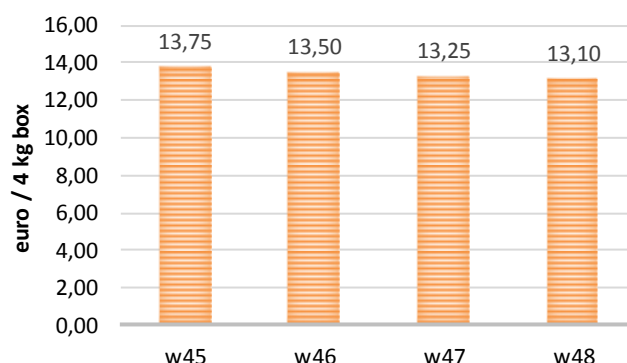
EU Reference Price—Hass grade 18



W48	W48/ W47	2017 / 2016
13.10 €/ 4 kg box	- 0.15 €	+ 9 %



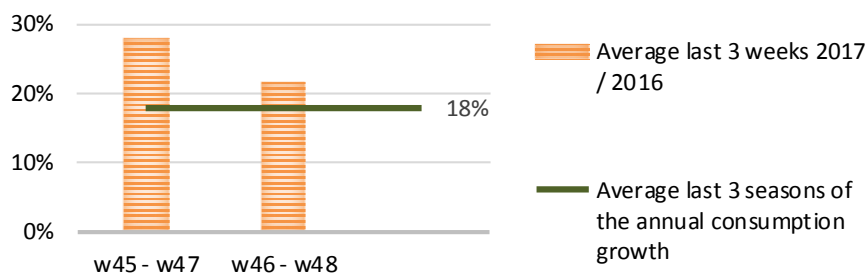
EU - REFERENCE PRICE - HASS GRADE 18



Global European supply—w 48



EU - GLOBAL HASS SUPPLY TREND



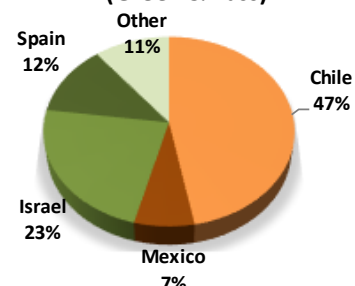
LEVEL OF STOCKS



Some stocks available, especially on medium and small grades.

Variety	Trend	Observation	Accumulated supply		
			Total year 2017 (million boxes)	Comparison with year 2016	Comparison with year 2015
Hass	↘	Sharp decrease of the global offer, reaching levels below 2016 (-9%) due to the further decline of Chilean deliveries.	89 253	+ 17 %	+ 37 %
Green	=	Stable offer, levels close to the average.	16 136	- 7 %	- 12 %

Market share of suppliers in EU (Green & Hass)



EUROPEAN MARKET— Trend



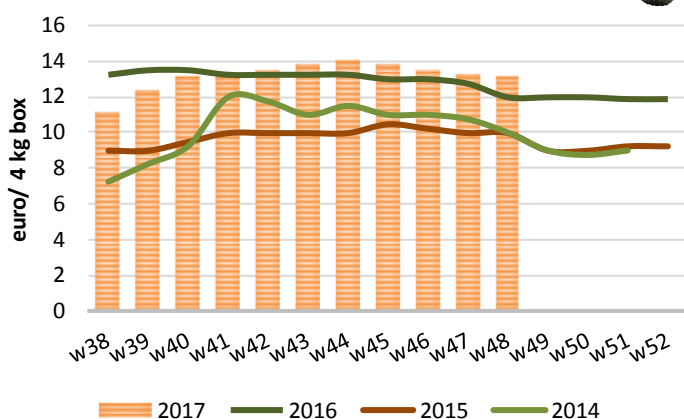
Import prices in Europe (FOT)

in euro / 4 kg box	Hass					Green varieties			
	Chile	Mexico	Israel	Spain	Colombia	Israel (Ettinger)	Israel (Pinkerton)	Israel (Arad)	Spain (Fuerte)
Grade 12				15.00 / 15.50 =↘					10.00 =
Grade 14	13.00 / 14.00 =	13.00 / 14.00 =		15.00 / 15.50 =↘		(8.00) 8.50 / 9.50 =↗	10.00 / 11.00	8.50 / 9.00 (10.00)	10.00 =
Grade 16	13.00 / 13.50 (14.00) =↘	13.00 / 13.50 (14.00) =↘	13.50 / 14.00 (15.00) =↘	15.00 / 15.50 =↘	(12.00) 13.00 / 14.00 =↘	(8.00) 8.50 / 9.50 =↗	10.00 / 11.00	8.50 / 9.00 (10.00)	10.00 =
Grade 18	(12.00) 12.50 / 13.50 =↘	(12.00) 12.50 / 13.50 =↘	13.00 / 13.50 =↘	14.00 / 14.50 =↘	12.00 / 13.00 =↘	(8.00) 8.50 / 9.50 =↗	10.00 / 11.00	8.50 / 9.00 (10.00)	
Grade 20	11.00 / 12.00 ↘	11.00 / 12.00 ↘	11.50 / 13.00 =↘	13.00 / 13.50 =↘	(10.00) 11.00 / 12.00				
Grade 22	9.50 / 10.50 ↘	9.50 / 10.50 ↘	10.50 / 11.00 ↘		9.00 / 10.50 ↘				
Grade 24	8.00 / 9.50 ↘	8.00 / 9.50 ↘	9.50 / 10.50 ↘		8.00 / 9.50 ↘				

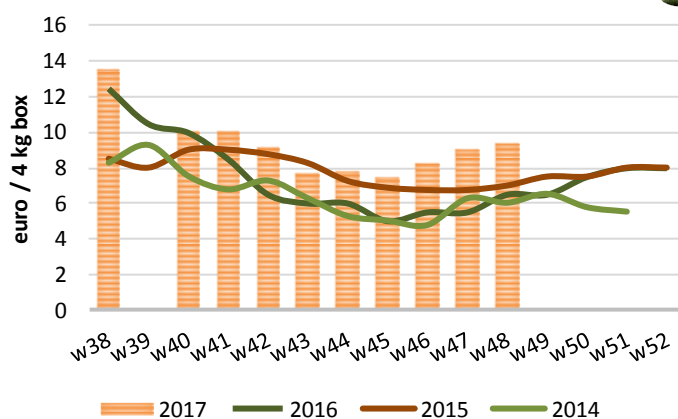
* () : lowest or highest price, out of average prices



EU - REFERENCE PRICE - HASS GRADE 18



EU - REFERENCE PRICE - GREEN AVOCADO GRADE 16/18



EUROPEAN MARKET—Trend

Global European supply—Detailed by sources

Origin	Trend	Last 3 weeks supply 2017 / 2018	Observation	Accumulated supply		
				Total season 2017/18 (boxes)	Comparison with season 2016/17	Comparison with season 2015/16
Chile	↘ Hass	+ 30 %	Sharp decrease, recovering levels below 2016 (-8%).	14 165 000	+ 26 %	+ 69 %
Mexico	↘ Hass	+ 16 %	Punctual decline, reaching levels below 2016 (-13%).	2 244 000	- 2%	- 14 %
Israel	= Hass = Green	- 4 %	Stable deliveries of green varieties at average levels. Stable arrivals of Hass at levels below 2016 (-33%).	3 279 000	- 1 %	+ 34 %
Spain	= ↗ Hass = ↘ Green	-	Developing season of Hass. Slightly lower volumes of Fuerte.	-	-	-
Colombia	= Hass	-	Stable arrivals.	-	-	-



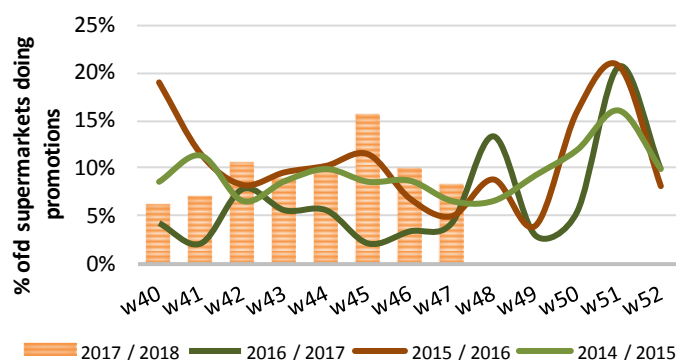
Retail prices—FRANCE

	Week 47	Week 48	Comparison with Average 3 years
Packed	0,79 € / piece	↗	+ 9 %
Loose	1,43 € / piece	= ↗	+ 18 %

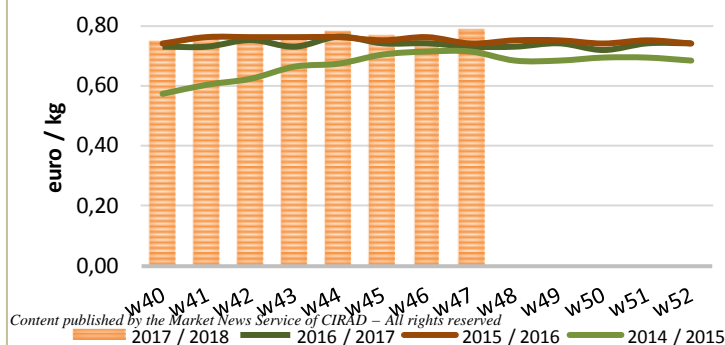
Source : RNM



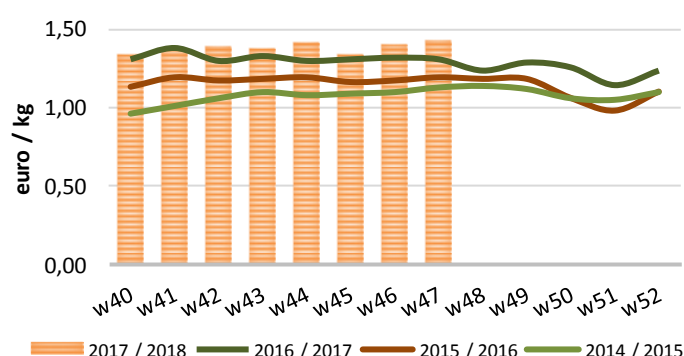
Promotional frequency on the French market



France - Average retail prices Packed avocados



France - Average retail prices Loose avocados



EUROPEAN MARKET— Forecast

The avocado market should completely shift towards a tenuous situation by the end of the year.

On the one hand, sales should accelerate due to the upcoming programs and promotions of the Christmas period. Indeed, importers have already established their programs that should begin by w50. On the other hand, the global Hass supply should remain moderate and below 2016 : Chilean volumes will stabilize at levels below 2016 until mid December. Furthermore, the origin should significantly slowdown during the second part of the month: the export potential forecast is similar to 2016 and the season is running ahead of schedule thus, the remaining volumes should be almost 50 % lower than 2016. Besides, volumes of Mediterranean suppliers should only accelerate to reach their cruising speed at the end of the year/beginning of 2018. Moreover, both Spain and Israel have forecasted lighter seasons than 2016-17 (-20% for Spain, -25/30% for Israel). In this context, other suppliers (Morocco, Colombia and Mexico) which have forecasted higher crops should not be able to entirely compensate for the lack of volumes.

For the green varieties, the last batches of *Ettinger* from Israel should enter the market in w48.



Global European supply

Variety	Trend	Observation
Green	↘	Decreasing Israeli volumes due to the expected deficit of <i>Pinkerton/Fuerte/Arad</i> .
Hass	=	Stable Chilean volumes at levels below 2016.

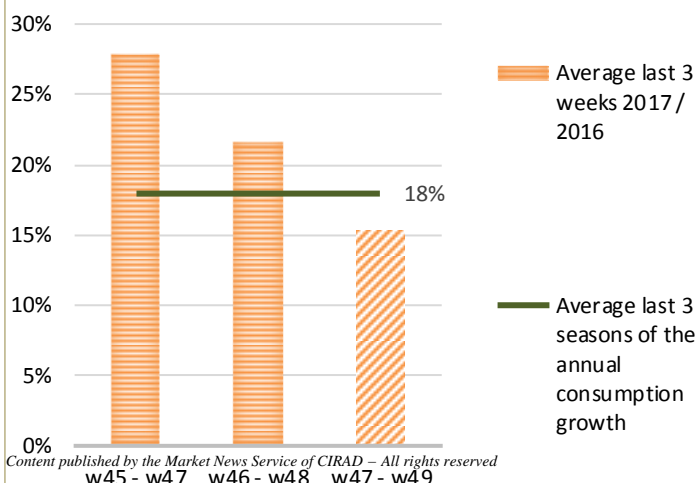


Import prices in Europe (FOT)

Variety	Trend	Observation
Green	=↗	Firm prices.
Hass	=↗	Upward trend of prices.



EU - GLOBAL HASS SUPPLY TREND



You can find more information on



- [Avocado forecast for winter season 2017-18](#)
- [Mediterranean Hass crop forecast](#)
- [World avocado statistics](#)
- [Avocado monthly market review](#)

US MARKET— Overview

The global supply in the US market has further tended down, keeping levels below average (-16%) but just recovering levels similar to 2016. First, Mexican deliveries have further decreased, recovering levels similar to last year. Chilean volumes have continued to tend down, still exhibiting levels below 2016 as the peak of arrivals has taken place earlier than last year. In this context, prices on the spot market for Mexican fruits have recovered an upward trend, above 2016.

USDA Reference Price in the USA

Spot market—Hass grade 48

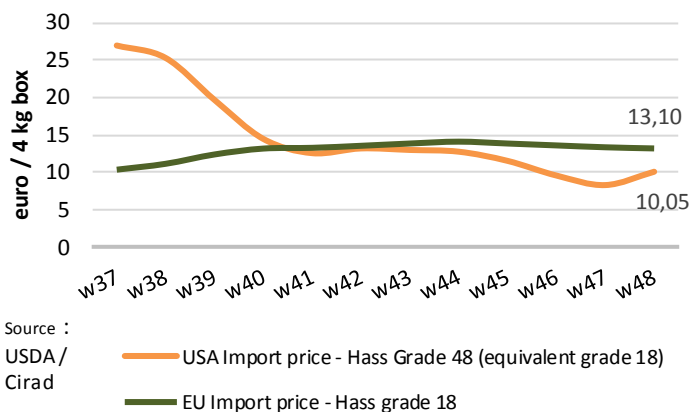


W48	W48 / W47	2017 / 2016
33.25 \$/ 11.15 kg lug	+ 6 \$	+ 14 %

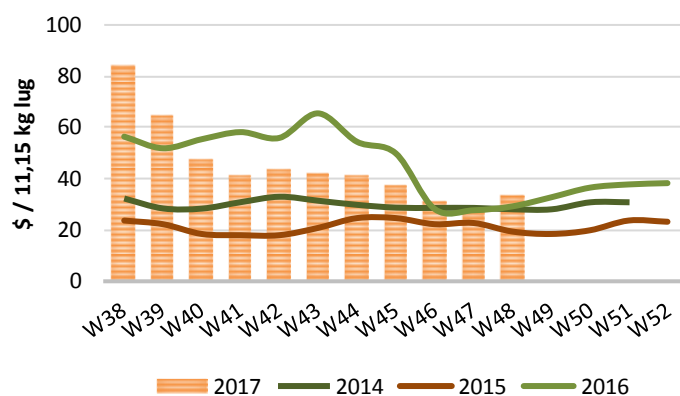
Source: USDA



AVERAGE PRICES IN THE EU AND USA EQUIVALENT GRADE 18, SPOT MARKET, IN EUROS

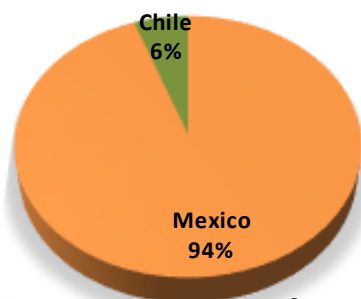


IMPORT PRICE ON THE SPOT MARKET HASS - GRADE 48 - IN DOLLAR



Global US supply

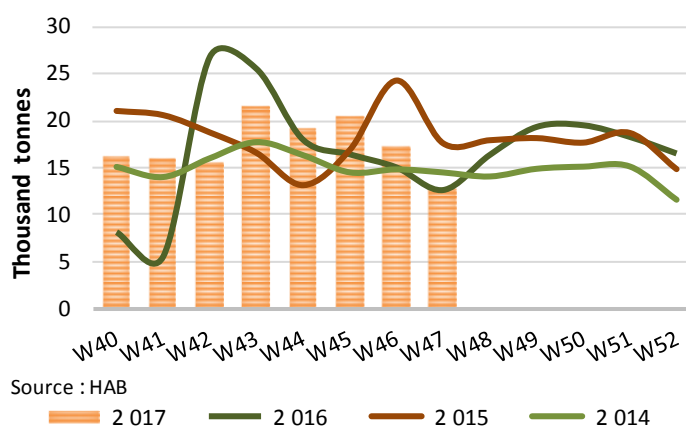
Market share of suppliers in the USA



Source : HAB



GLOBAL SUPPLY TO THE US MARKET



Variety	Trend	Last 3 W supply / average	Observation	Accumulated supply		
				Total year 2017 (tons)	Comparison with year 2016	Comparison with year 2015
Hass	↘	- 2 %	Sharp decrease, recovering levels similar to 2016.	878 990	- 4 %	- 1 %