

# Avocado

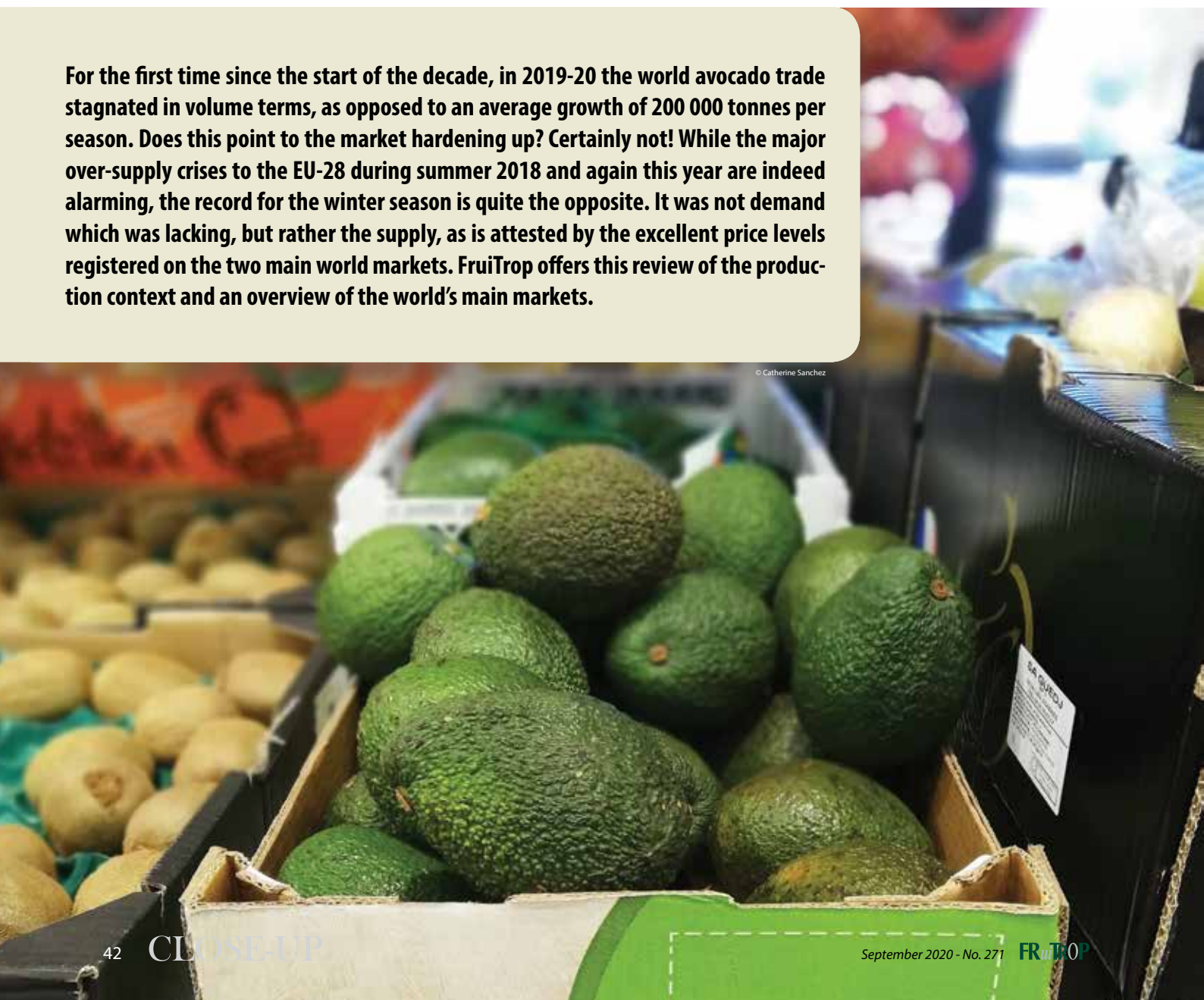
## World market Review of summer 2019 and winter 2019-20

Stable volumes, but market still exhibiting strong growth

by **Eric Imbert**, CIRAD  
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For the first time since the start of the decade, in 2019-20 the world avocado trade stagnated in volume terms, as opposed to an average growth of 200 000 tonnes per season. Does this point to the market hardening up? Certainly not! While the major over-supply crises to the EU-28 during summer 2018 and again this year are indeed alarming, the record for the winter season is quite the opposite. It was not demand which was lacking, but rather the supply, as is attested by the excellent price levels registered on the two main world markets. FruiTrop offers this review of the production context and an overview of the world's main markets.

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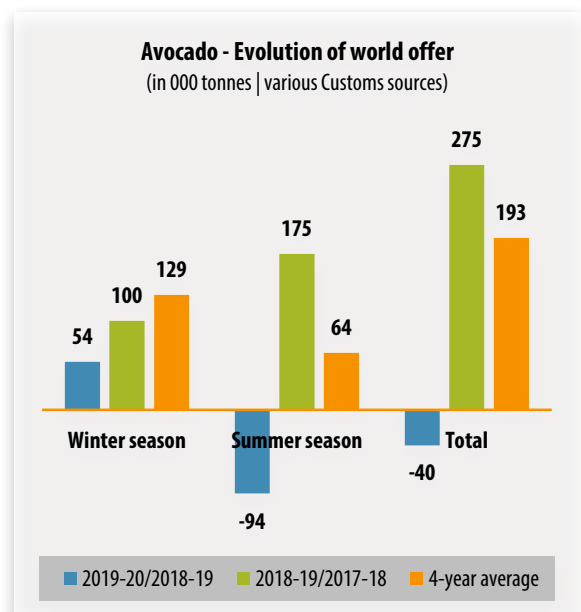
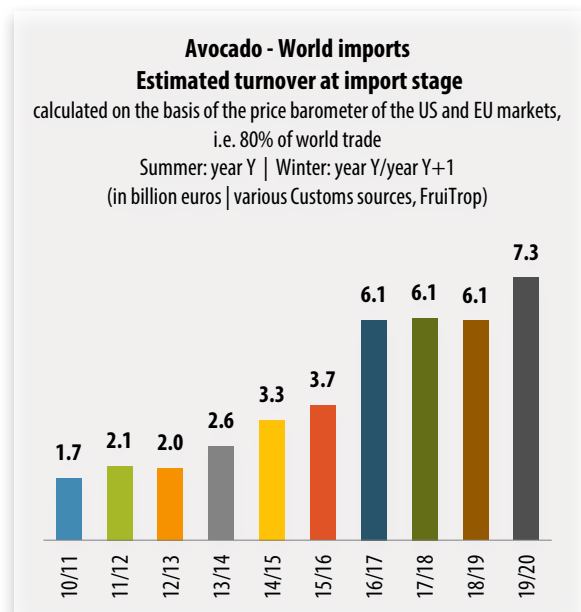
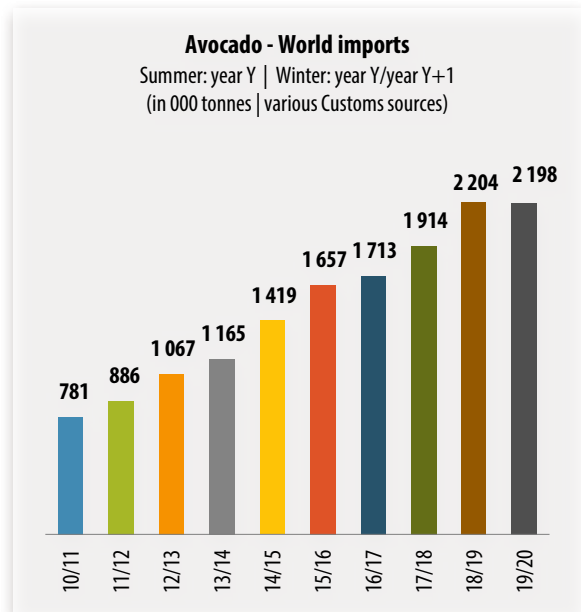


## Under-performance to be taken in context

We should take a step back to reach a fair analysis of the stagnation of the avocado trade at 2.2 million tonnes in 2019-20. The world market exhibited an impressive trajectory in 2018-19, with 300 000 tonnes' growth in a single season. Hence, smoothed over two seasons, the world trade dynamic remained strong (150 000 t per season, a level not so far off the 200 000 t average registered since the beginning of the decade). Furthermore, the economic figures were about as good as they could be. Our international trade barometer, calculated based on 80 % of world flows (US and EU-28 imports), and on the size 18 Hass import price (4-kg box), was up by 20 % from 2018-19 and 12 % above the four-year average. Meanwhile, turnover quite simply set a new record, at more than 7 billion euros! Hence the financial volume represented by world avocado imports has more than doubled in four years. The avocado is now close to the top three fruits by turnover, which are, in order of magnitude, the banana, grape and apple.

## Distinct supply shortfall during the summer season

The unprecedented under-performance of world trade was mainly due to a big fall in production from the supplier countries feeding the summer market (i.e., to put it crudely, the Southern Hemisphere countries excluding Chile). There was a major alternate bearing downswing, after an exceptional rise registered in the 2018 campaign. Exports dropped by nearly 100 000 t, after rising by 175 000 t between 2017 and 2018, and by a four-year average of 130 000 t. Peru was particularly hard hit, despite no less massive areas of young orchards entering production. There was also a marked fall by the other two leaders on this market, with a clearer downturn for South African than for Kenya.



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## Mixed production levels during the winter season

The context appeared fairly favourable for making up this shortfall during the winter season. The trade calendar was extended by approximately one month, with the summer season coming to an early end in mid-September. Furthermore, the number one, Mexico, which due to its size sets the tone for the trajectory of world production, enjoyed a historic harvest. Nonetheless, while there was a considerable rise in volumes sold during the winter season, it was not as marked as the context seemed to indicate, with a level actually well below average: “only” + 54 000 t, as opposed to nearly double that between 2017-18 and 2018-19, and a four-year average of 129 000 t. On the one hand, not all the supplier countries were in as comfortable a situation as Mexico in terms of production. Mediterranean harvests registered very mixed levels: modest to low in Israel and in Spain’s main production area; yet fairly high in Morocco and the new production zones on the Iberian Peninsula. Similarly, Chile saw a below-average harvest, while Colombia had another considerable rise.

## Covid pandemic impact on certain markets

Furthermore, the consequences of the Covid-19 pandemic must not be passed over. The OOH sector shrivelled up on all the world’s main markets at the height of lockdown (between February and April 2020, according to the regions). It remains sluggish in plenty of countries. Despite the sometimes spectacular rises in retail sales, they were seldom able to offset the collapse of this segment (see inset).



# Avocado World Market

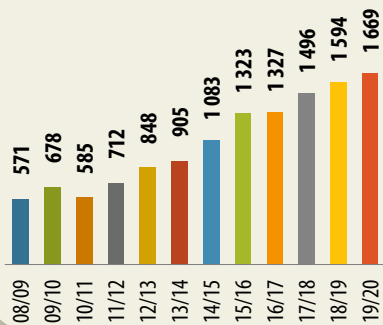
## Main suppliers

### export dynamic

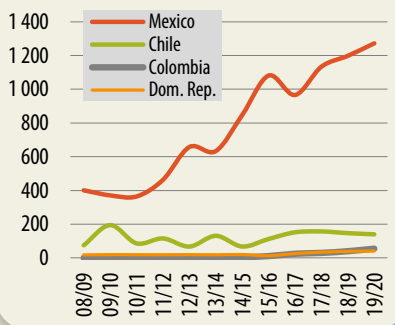
**WINTER SEASON: 1 669 000 tonnes – 79 % of world market**

Export calendar mainly centred on autumn and winter

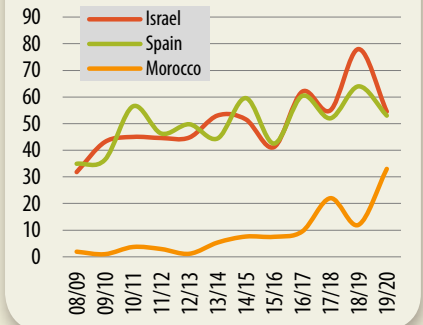
**Avocado - World export in winter season**  
(in 000 tonnes | professional sources)



**Avocado - Latin America exports in winter season**  
(in 000 tonnes | professional sources)



**Avocado - Mediterranean exports in winter season**  
(in 000 tonnes | professional sources)



**Avocado – World – Exports**

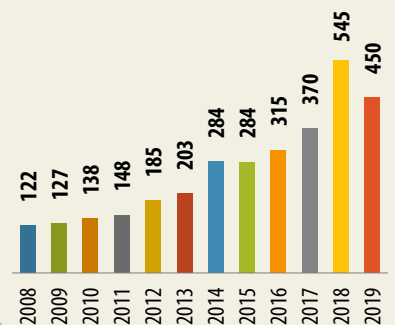
in 000 tonnes	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20
<b>Total</b>	<b>624</b>	<b>693</b>	<b>805</b>	<b>724</b>	<b>860</b>	<b>1 033</b>	<b>1 108</b>	<b>1 367</b>	<b>1 607</b>	<b>1 642</b>	<b>1 866</b>	<b>2 139</b>	<b>2 118</b>
<b>Total winter season, incl.</b>	<b>526</b>	<b>571</b>	<b>678</b>	<b>585</b>	<b>712</b>	<b>848</b>	<b>905</b>	<b>1 083</b>	<b>1 323</b>	<b>1 327</b>	<b>1 496</b>	<b>1 594</b>	<b>1 669</b>
<b>Latin America</b>	<b>442.6</b>	<b>494.2</b>	<b>585.2</b>	<b>470.5</b>	<b>597.7</b>	<b>745.2</b>	<b>784.8</b>	<b>939.6</b>	<b>1 217.6</b>	<b>1 169.3</b>	<b>1 354.7</b>	<b>1 424.0</b>	<b>1 508.0</b>
Mexico	308.4	401.0	370.9	364.5	462.7	657.4	633	847	1 081	966	1 134	1 198	1 272
Chile	113.7	74.9	194.4	86.4	115.7	67.5	131.3	67.6	112.5	152.0	157	147	140.0
Dominican Rep.	20.5	18.3	19.8	19.5	19.2	19.8	18.9	20.4	13.2	26.3	34	39	41.0
Colombia	0.0	0.0	0.1	0.1	0.0	0.5	1.2	4.5	10.9	25.0	30.0	40.0	55.0
<b>Mediterranean</b>	<b>68.4</b>	<b>68.6</b>	<b>80.5</b>	<b>105.2</b>	<b>93.8</b>	<b>95.7</b>	<b>102.9</b>	<b>118.8</b>	<b>91.2</b>	<b>131.9</b>	<b>129.0</b>	<b>154.0</b>	<b>140.5</b>
Spain	39.4	34.9	36.4	56.5	46.3	49.8	44.4	59.6	42.5	60.4	52	64	53.0
Israel	27.3	31.8	43.1	45.0	44.6	44.8	53.1	51.6	41.2	62.0	55	78	54.5
Morocco	1.7	1.9	1.0	3.7	2.9	1.1	5.4	7.6	7.5	9.5	22	12	33
<b>New Zealand</b>	<b>14.5</b>	<b>7.7</b>	<b>12.4</b>	<b>9.6</b>	<b>20.4</b>	<b>6.7</b>	<b>17.3</b>	<b>24.7</b>	<b>14.0</b>	<b>26.0</b>	<b>12</b>	<b>16</b>	<b>20.0</b>
<b>Total summer season, incl.</b>	<b>99</b>	<b>122</b>	<b>127</b>	<b>138</b>	<b>148</b>	<b>185</b>	<b>203</b>	<b>284</b>	<b>284</b>	<b>315</b>	<b>370</b>	<b>545</b>	<b>450</b>
<b>Latin America</b>	<b>39.1</b>	<b>53.1</b>	<b>51.3</b>	<b>62.2</b>	<b>84.7</b>	<b>87.8</b>	<b>118.9</b>	<b>184.9</b>	<b>178.9</b>	<b>199.1</b>	<b>253.8</b>	<b>368.6</b>	<b>320.8</b>
Peru	37.6	51.3	48.3	59.5	81.4	83.6	114.5	179.0	174.3	194.1	246.0	361.0	310.5
Brazil	1.5	1.8	2.9	2.7	3.3	4.3	4.3	5.8	4.6	5.0	7.8	7.6	10.3
<b>Africa</b>	<b>53.3</b>	<b>66.9</b>	<b>57.8</b>	<b>68.0</b>	<b>49.7</b>	<b>74.7</b>	<b>72.4</b>	<b>91.0</b>	<b>92.3</b>	<b>107.9</b>	<b>98.9</b>	<b>168.4</b>	<b>115.9</b>
South Africa	37.6	51.2	38.8	47.8	27.6	50.3	46.4	60.2	50.1	57.4	43.0	89.0	47.9
Kenya	15.7	15.7	19.1	20.2	22.0	23.8	25.0	28.9	38.9	46.7	51.5	71.9	60.0
Tanzania			0.0	0.0	0.1	0.6	1.0	1.9	3.3	3.8	4.4	7.5	8.0
<b>California</b>	<b>6.1</b>	<b>2.4</b>	<b>17.4</b>	<b>8.1</b>	<b>13.9</b>	<b>22.5</b>	<b>11.5</b>	<b>8.4</b>	<b>12.8</b>	<b>8.0</b>	<b>17.0</b>	<b>7.8</b>	<b>13.0</b>

Source: Customs

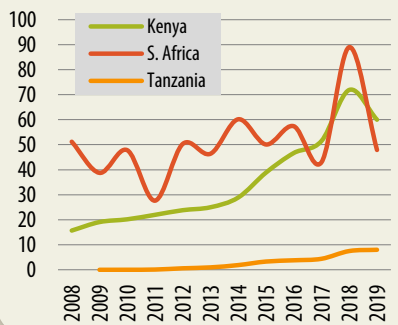
**SUMMER SEASON: 450 000 tonnes – 21 % of world market**

Export calendar mainly centred on spring and summer

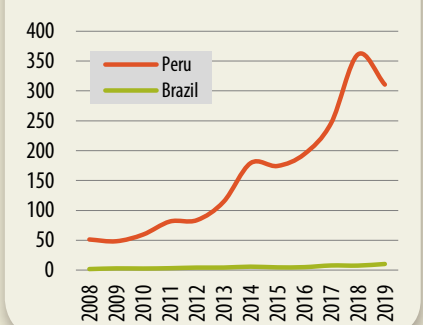
**Avocado - World export in summer season**  
(in 000 tonnes | professional sources)



**Avocado - Africa exports in summer season**  
(in 000 tonnes | professional sources)



**Avocado - Latin America exports in summer season**  
(in 000 tonnes | professional sources)





# Covid-19

## Impact varying between markets

How to measure the effect of the Covid-19 pandemic on world trade during this disrupted season? It is important to clarify this point, as the epidemic seems intent on a prolonged stay, or even to embark on a more intense second wave. Unfortunately, the finest analysis tools, namely consumption data, are lacking and/or fail to take into account the OOH segment, which represents a major outlet on certain markets. The supply and price trends shed some light, albeit not entirely clearly. The effects seem to have varied between the markets.

### USA weighed down by the fall in OOH segment activity

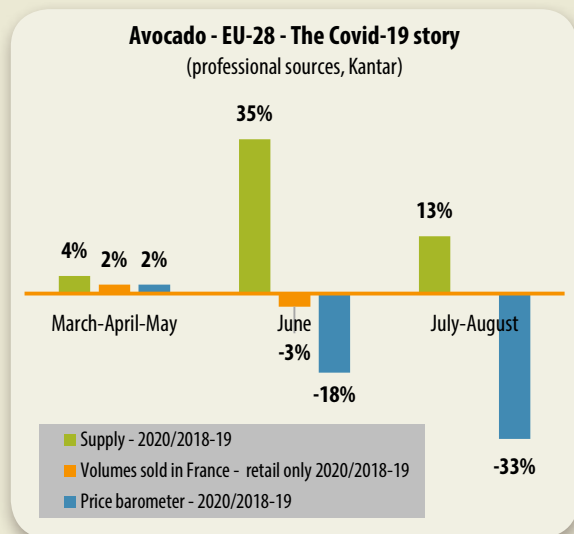
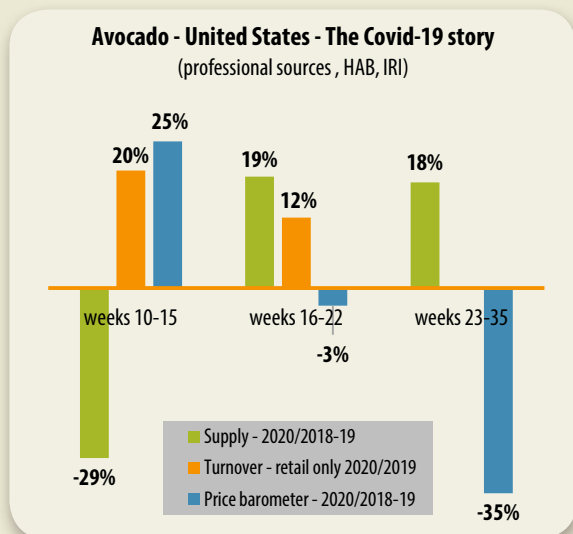
In the USA, the supply collapsed at the start of the crisis, from early March to mid-April (- 30 % from week 10 to week 15, according to the HAB's figures). The industry turnover (source: IRI panel), which only reports retail sales, went up by approximately 20 % during these same weeks, which seems to indicate that during this period this sales channel was doing very good business. Nonetheless, this rise probably did not offset the collapse in sales via the OOH segment, which in normal times would take in approximately 30 % of volumes, according to professionals. Thereafter, the return to a bigger supply volume from mid-April tipped prices toward a distinctly below-average level, after a lag; and they would remain stuck at this level throughout the summer. Operators had to step up the retail promotions, not only to cope with the recurrent lack of activity from the OOH segment, but also to cope with overall volumes

much bigger than in previous years. So the Covid-19 effect only partly explains the low prices charged in the USA since June.

### Retail trade in the EU-28 holding up

The EU-28 seems to have held up better, if we adopt an analysis cut-off point at the end of May, after which the supply volume became so huge that it was clearly the major cause of the market collapse (see review). The figures from the consumption panels, available only for France and Germany, confirm that volumes sold via retail held up well over the period from March to May (+ 2 % in Germany, and - 3 % in France). Throughout this period, our price barometer registered a good level in parallel, more than 15 % higher than in 2019, and equivalent to the four-year average. So operators did not need to resort to massive promotions to sell off the available volumes.

This summary analysis, conducted with the means at hand, seems to show that the US market was more fragile than the European market during this pandemic period, a factor of course to be put into perspective given the weight of the OOH segment (two or three times bigger). Until sales to this outlet regain cruising speed, the US market supply will require particularly fine management, and with numerous promotions, in order to prevent an over-supply, the possible consequences of which could lead to volumes spilling onto the EC market.

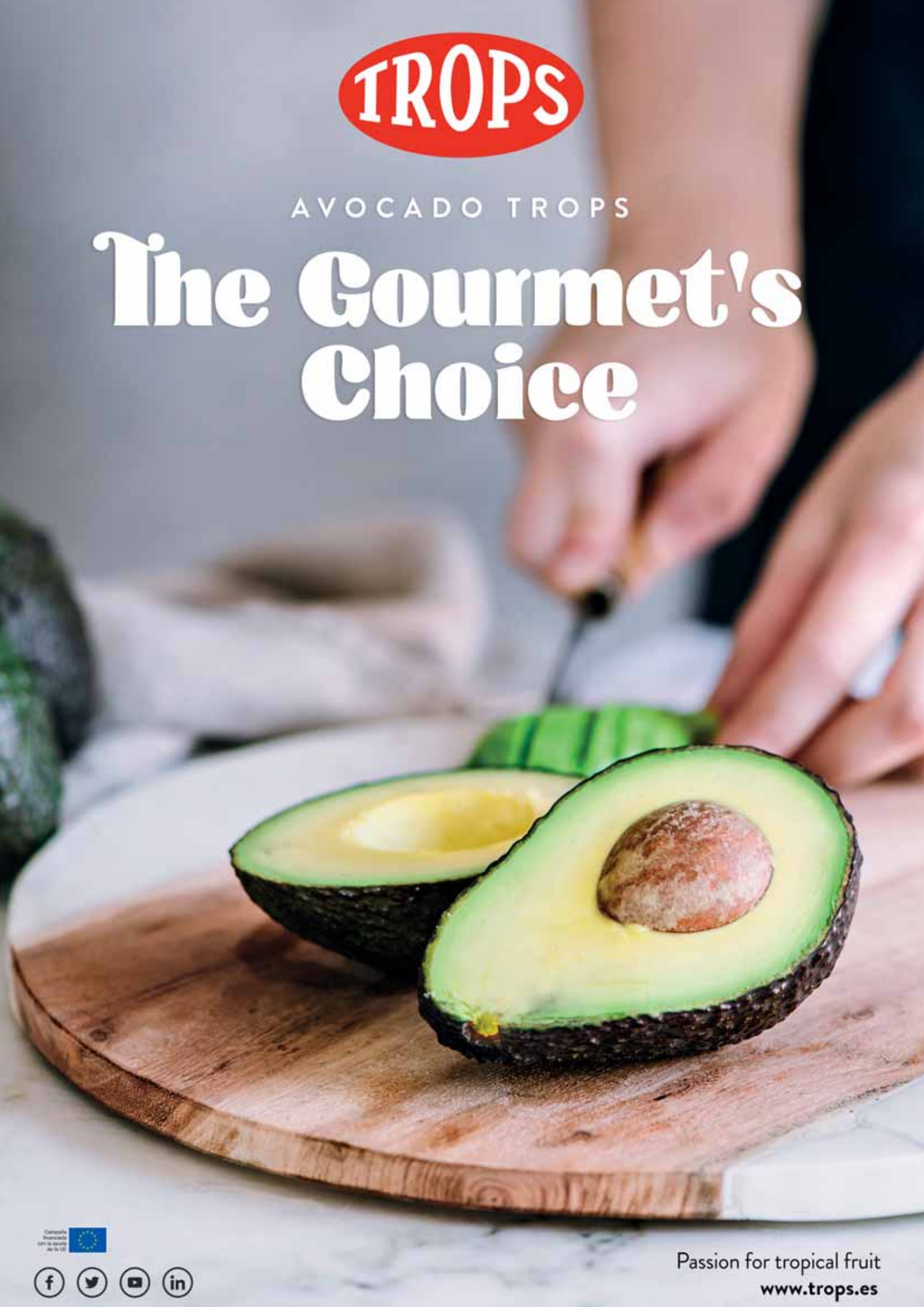




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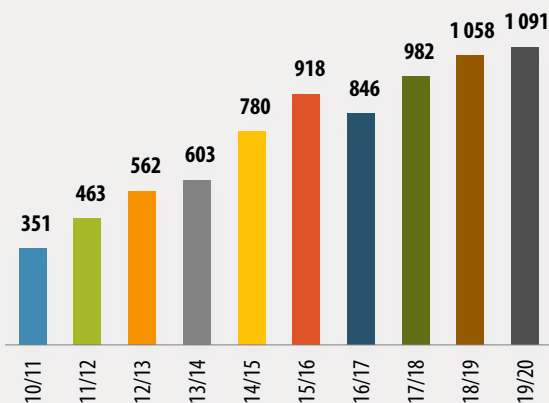




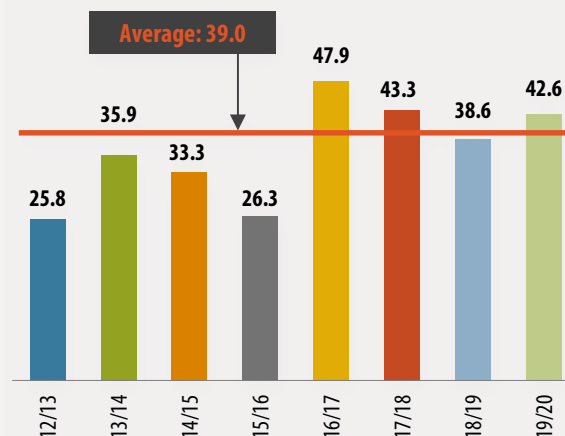
## A slight rise on the world's number one market

US imports rose by approximately 30 000 t during the period from July 2019 to June 2020, to approach 1.1 million tonnes: although the gourmets might say “only”... It is true that we have got used to much more dazzling performances from this country in recent seasons (+ 70 000 t on average). Furthermore, the context appeared favourable, with a small Californian harvest paving the way for imports and a very good production level from Michoacán, the main supplier to this market. In a similar context in 2017-18, imports had risen by approximately 140 000 t. Does this point to US demand for one of their favourite fruits slackening off? No – rather, it can be attributed to a few months where volumes sold bring limited by a shortage of fruit (early July, with the Mexican season starting gradually), or above all because of the disruptions due to the pandemic which affected both the upstream and downstream segments, in particular from early March to mid-April (see inset). As proof, our campaign average price indicator registered a level 10 % above the four-year average. It exhibited metronomic regularity, fluctuating from early September to mid-February within a narrow range of 30 to 40 USD per lug, before seeing a slight surge in the peak period of the pandemic in late winter/early spring.

**Avocado - United States - Imports**  
July to June, excluding Peru (calendar year)  
(in 000 tonnes | source: US Customs)



**Avocado - United States - Average price indicator**  
(in USD/11.14-kg lug | source: USDA)



### Avocado – United States – Supply

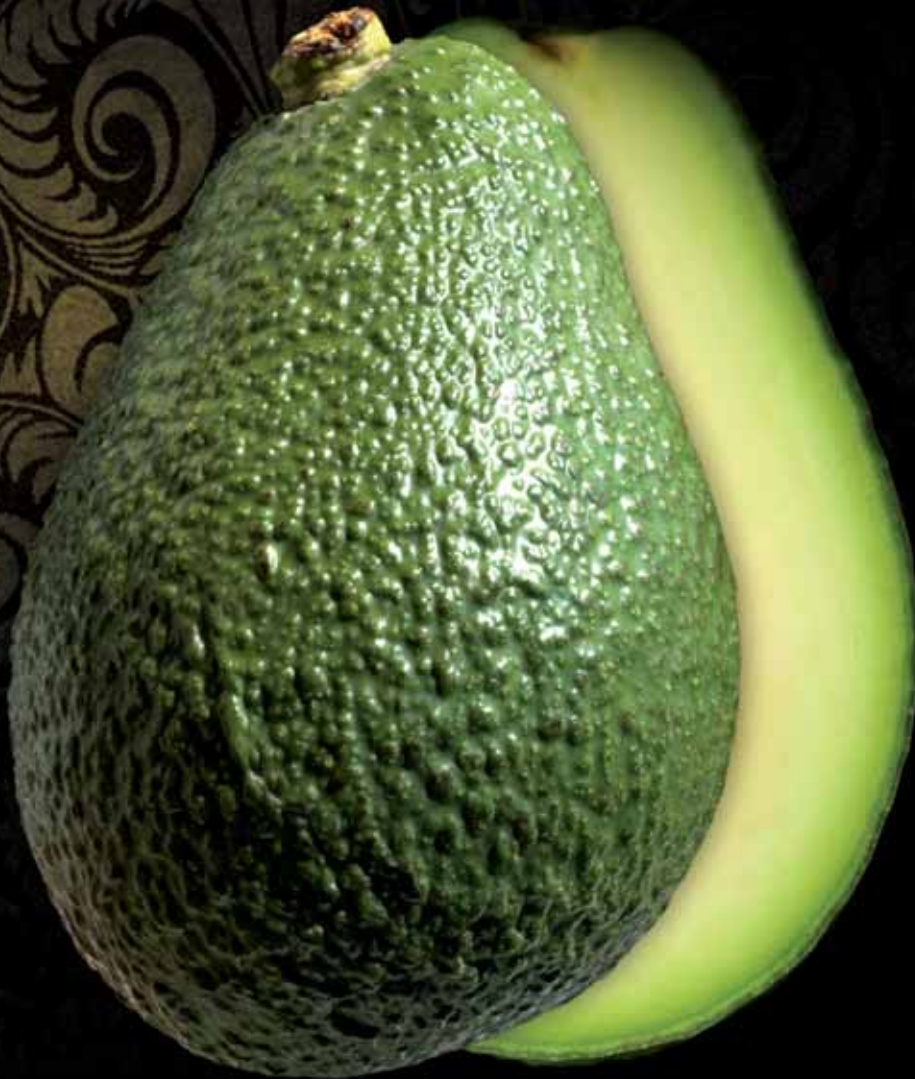
in tonnes	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Total</b>	<b>351 120</b>	<b>462 777</b>	<b>561 892</b>	<b>603 160</b>	<b>780 412</b>	<b>917 667</b>	<b>846 414</b>	<b>982 227</b>	<b>1 058 084</b>	<b>1 090 704</b>
Mexico	281 672	360 924	515 143	512 276	686 404	853 617	764 680	862 596	917 730	963 539
Peru	137	9 157	15 860	21 617	64 448	46 284	31 573	64 420	81 893	85 174
Dom. Rep.	14 956	17 204	16 150	15 958	15 548	7 393	20 805	25 757	29 560	27 823
Chile	54 355	74 701	14 721	53 305	10 600	10 362	29 354	29 454	28 001	12 216
Colombia	-	-	-	-	-	-	-	-	889	1 951
Others	-	791	18	4	3 412	11	2	-	19	1

Source: US Customs

# Avocado at its best

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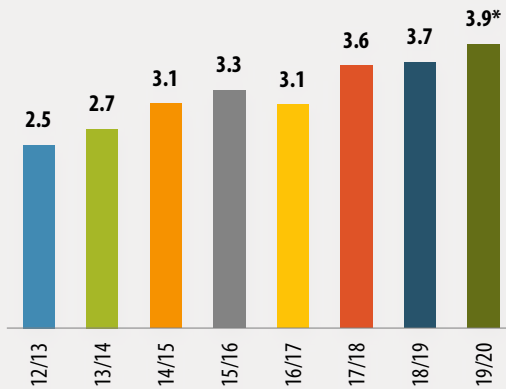


## US demand for avocado as keen as ever

Sales in Q4 2019, the only period of this campaign when there was a large supply of Mexican fruit available, and when the market was not yet affected by the pandemic, gave a true indication of the health of demand in the USA... and the news was good! Sales grew by 7 % from 2018 during this period, which was accompanied by a limited drop in prices of approximately 4 %. The dynamic came mainly from the under-consuming regions of the East Coast (South-East and North-East), but also the West, already very much a super-consumer. California, although top of the charts across all categories in terms of volumes taken in per capita, also exhibited a fine rise, of a level close to the national average. The Plains and Mid-South regions, conversely, stagnated. The net bag market segment remained a powerful growth driver. According to the HAB's figures, it was up by 20 % by volume, and by more than 30 % by turnover, between 2018 and 2019, after an increase of more than 55 % by volume and nearly 30 % by value between 2017 and 2018. This segment represented 45 % of volumes sold in 2019. Its rise nibbled into the share of small fruit (US size 60, i.e. 22 in 4-kg box equivalent) and large fruit (US size 40, i.e. 14 in 4-kg equivalent), which fell by 10 to 15 %, though they still each represented approximately 25 % of the market.

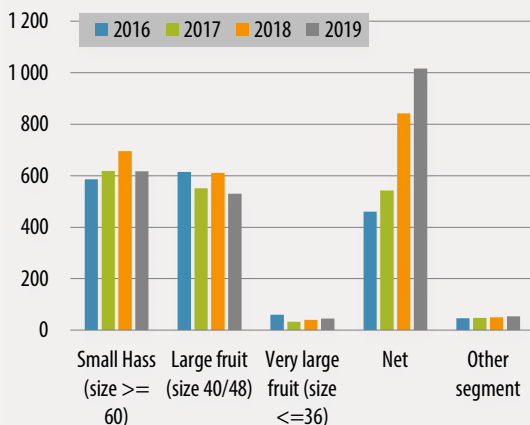
### Avocado - United States - Consumption

(\* estimate | in kg/capita | sources: Customs, CAC)



### Avocado - United States - Sales by market segment

(in million units | source: HAB)

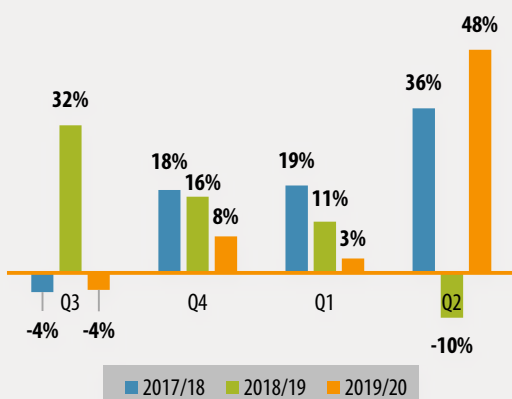


## Mexico increasing its stranglehold on the US market

In terms of suppliers, Michoacán appears to be increasingly in control during the winter season; leaving little room for Chile, whose already minimal market share tumbled by approximately 3 %, to barely over 1 %. Colombia maintained a nominal presence (barely 2 000 t received), with the sanitary protocol remaining highly restrictive despite easing in 2019. Only Peru managed to withstand the Mexican steamroller, thanks to less frontal competition during the summer season.

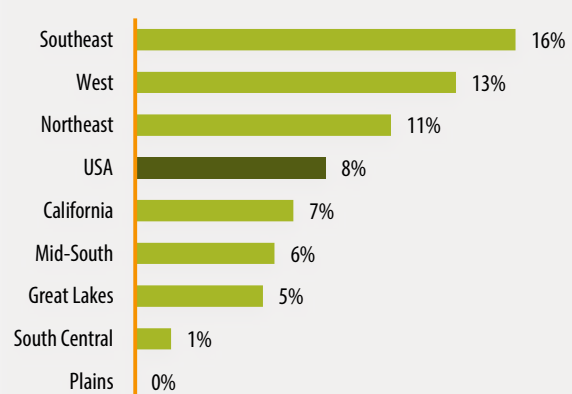
### Avocado - United States - Evolution of retail quarter sales

(year Y/Y-1 | source: HAB)



### Avocado - United States - Evolution of consumption 2019/2018

(Q4 2019 | source: HAB)





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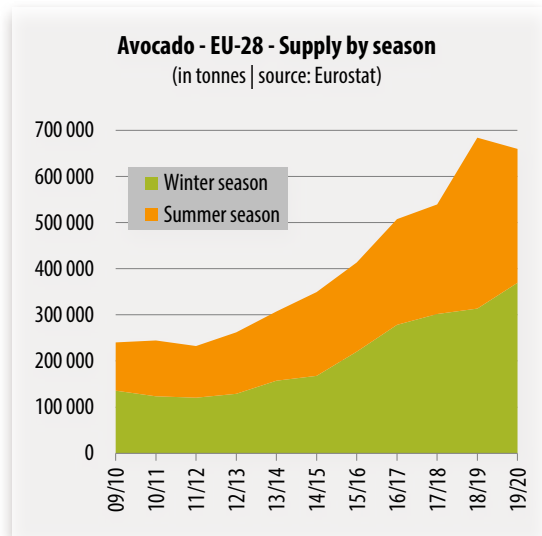
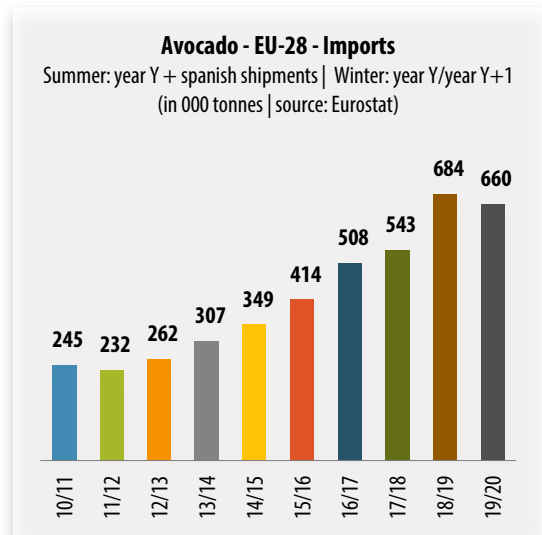
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## An unprecedented downturn for the EC market

The EC market recorded an unprecedented under-performance. Volumes imported from extra-EC suppliers or from the Iberian Peninsula, growing at a tempo often exceeding US imports in recent seasons, slipped down in 2019-20 to reach approximately 660 000 t. Just as on the other side of the Atlantic, the fall was mainly due to a lack of supply. The summer 2019 season brought a major alternate bearing downswing, after the bumper harvests of the 2018 season. All the players on this market saw their exportable potential collapse, in particular the big two, with a downturn in exports to the EU-28 of nearly 45 000 t for Peru, and more than 30 000 t for South Africa. The winter 2019-20 season brought a completely different trend, with an extra four weeks or so of trading due to the early end of the summer season. The supply leapt up by more than 50 000 t. Mexico, Morocco and Colombia were the main architects of this increase, illustrating the very rapidly expanding cultivation areas in these countries.



### Avocado – European Union – Supply

in tonnes	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Total</b>	<b>232 436</b>	<b>262 115</b>	<b>307 358</b>	<b>349 426</b>	<b>413 717</b>	<b>507 582</b>	<b>542 653</b>	<b>684 252</b>	<b>659 920</b>
<b>Total N. Hemisphere, incl.</b>	<b>120 414</b>	<b>128 824</b>	<b>157 266</b>	<b>167 741</b>	<b>220 318</b>	<b>278 351</b>	<b>305 045</b>	<b>313 643</b>	<b>369 588</b>
Chile	32 637	41 074	62 968	42 797	78 244	90 138	92 467	87 571	95 210
Mexico	2 909	9 085	6 293	12 918	45 593	36 884	60 993	47 561	71 645
Spain	38 900	38 500	36 700	50 600	37 700	55 200	48 600	57 000	57 100
Colombia	121	486	1 142	3 740	11 189	24 024	29 752	38 000	54 700
Israel	40 448	35 175	42 844	46 086	34 995	56 600	41 567	60 101	43 465
Morocco	2 803	840	4 766	7 798	7 115	9 552	21 746	11 237	32 649
Dominican Rep.	1 467	2 503	1 810	3 034	4 445	5 527	7 345	8 657	11 482
Portugal	-	-	-	-	-	-	1 440	3 032	2 753
Others	1 129	1 161	743	768	1 037	426	1 135	484	3 020
<b>Total S. Hemisphere, incl.</b>	<b>112 021</b>	<b>133 291</b>	<b>150 092</b>	<b>181 686</b>	<b>193 399</b>	<b>229 231</b>	<b>237 608</b>	<b>370 609</b>	<b>290 332</b>
Peru	66 155	62 618	86 260	101 971	114 321	144 367	157 744	228 769	184 109
Southern Africa*	27 375	49 083	45 165	56 713	50 962	54 095	43 984	87 127	54 948
Kenya	15 028	17 078	13 313	15 604	20 728	23 444	25 425	41 525	35 530
Brazil	3 006	3 959	3 928	5 265	3 535	3 908	7 189	6 680	8 158
Tanzania	6	133	968	1 643	3 278	2 948	2 987	6 244	6 612
Mozambique	-	-	-	-	-	-	56	168	975
Others	451	420	458	490	575	470	224	96	36

\* South Africa, Zimbabwe, Swaziland | Source: Eurostat



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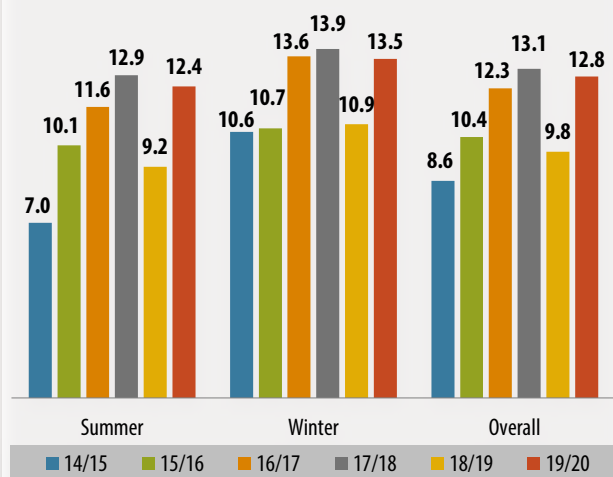
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### Avocado - EU-28 - Average campaign price indicator

Last summer season: 2019  
(in euro/4-kg box | source: CIRAD)



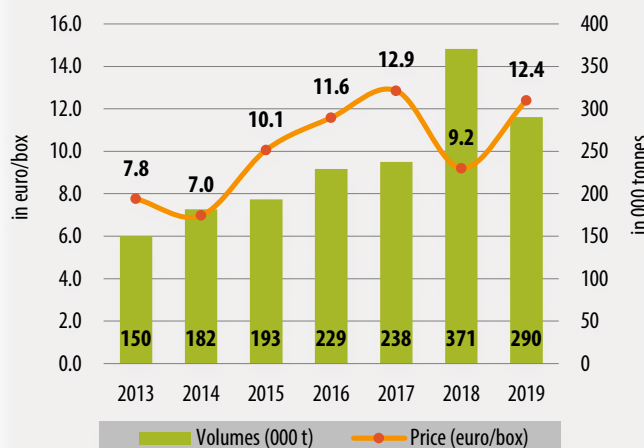
## Campaign average price close to the 2017-18 record

Unsurprisingly, in a nondescript supply context, our campaign average price indicator (focused on size 18) registered a rise of 30 % from the 2018-19 season, close to the absolute record from 2017-18 (with nearly an additional 100 000 t sold). The surge in average price which occurred during summer 2019 will come as no surprise to anyone, given the paucity of volumes available (indicator at 12.40 euros/4-kg box, close to the 2017 record). This counter-season campaign went practically without a hitch, with the usual dip in late May marked but short-lived. The record performance registered during the winter season was more astounding at first sight: price and volumes registered a two-digit rise, of 30 % and 20 % respectively! This goes to show the spectacular dynamic of the EC market, in what was nonetheless a highly favourable context of a short summer campaign, which provided an additional month's trading and enabled exceptional price footings at the start. Nonetheless, the campaign was far from easy (see inset).



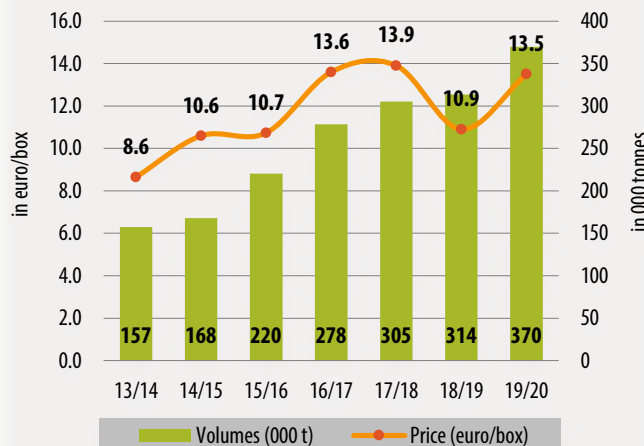
### Avocado - EU-28 - Supply and average price in summer season

(sources: Eurostat, CIRAD)



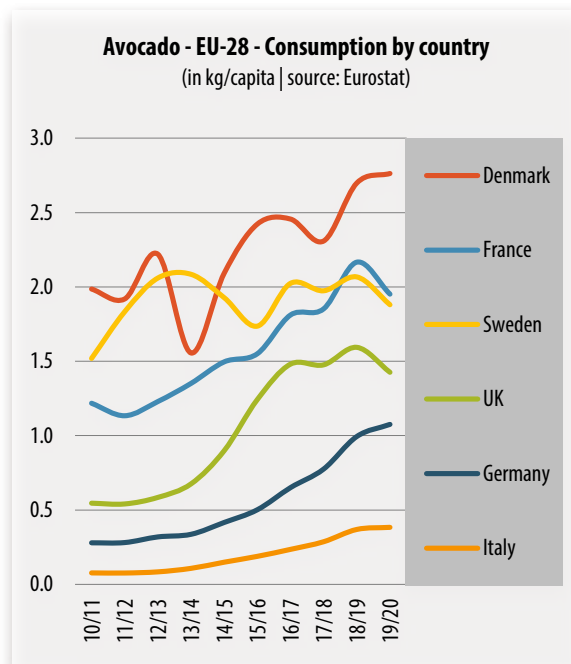
### Avocado - EU-28 - Supply and average price in winter season

(sources: Eurostat, CIRAD)



## Germany still just as dynamic

It is tough in this context of a slight supply drop to assess the health of demand on the various EC markets. Nonetheless, some figures should be highlighted. The top two, namely France and the United Kingdom, under-performed, with their consumption down by considerably more than the European average. While there had been a perceptible slowdown in the UK's growth dynamic for the past few seasons, the downturn registered in France was completely unprecedented, bringing an end to a decade of constant strong growth. Conversely, the other figure to bear in mind is the continuing surge by the German and Austrian markets. Growth remained strong (+ 8 % and + 6 % respectively), despite the context of volume shortages. Italy too had a notable rise, more modest yet nonetheless considerable (+ 4 %), confirming the awakening of this high-potential market though still very under-consuming in view of its large population. The Scandinavian market confirmed its stabilising trend – albeit a deceptive stability, due to Sweden's downturn being offset by slight but recurrent growth by Norway and Denmark – and led the way more than ever in Europe in consumption, with 2.6 to 2.8 kg/capita.



### Avocado — Consumption in Europe (June 2019 to May 2020)

	Estimated marketed volume in 2019-20 (t)*	Population in millions	Consumption per capita (g)	2019-20 compared to	
				2018-19	2015-16
<b>EU-28 + Norway + Switzerland</b>	<b>609 236</b>	<b>524.9</b>	<b>1 161</b>	<b>- 2 %</b>	<b>+ 73 %</b>
<b>EU-15 + Norway</b>	<b>546 914</b>	<b>413.7</b>	<b>1 322</b>	<b>- 2 %</b>	<b>+ 47 %</b>
France	130 797	66.9	1 955	- 10 %	+ 27 %
United Kingdom	95 054	66.3	1 434	- 10 %	+ 18 %
Germany	89 315	82.8	1 079	+ 8 %	+ 119 %
<b>Scandinavia</b>	<b>57 074</b>	<b>26.7</b>	<b>2 138</b>	<b>- 1 %</b>	<b>+ 13 %</b>
Sweden	19 237	10.1	1 905	- 8 %	+ 14 %
Denmark	16 042	5.8	2 766	+ 3 %	+ 17 %
Norway (non-EU)	13 922	5.3	2 627	+ 4 %	+ 12 %
Finland	7 873	5.5	1 431	0 %	+ 3 %
Spain**	67 500	46.7	1 445	+ 1 %	+ 19 %
Netherlands**	40 000	17.2	2 326	0 %	+ 48 %
Italy	23 147	60.5	383	+ 4 %	+ 102 %
Belgium	7 655	11.4	671	0 %	+ 85 %
Austria	9 785	8.8	1 112	+ 6 %	+ 78 %
Greece**	9 300	10.7	869	+ 15 %	+ 92 %
Ireland	5 444	4.8	1 134	- 24 %	+ 3 %
Portugal**	11 000	10.3	1 068	+ 40 %	- 12 %
Luxembourg	843	0.6	1 405	- 5 %	+ 155 %
<b>NMS Eastern Europe</b>	<b>46 794</b>	<b>102.7</b>	<b>456</b>	<b>- 12 %</b>	<b>+ 115 %</b>
Poland	16 383	38.0	431	- 21 %	+ 110 %
Baltic States	7 858	6.1	1 288	+ 1 %	+ 75 %
Romania	8 106	19.5	416	- 1 %	+ 146 %
Czech Rep.	4 392	10.6	414	- 11 %	+ 115 %
Hungary	2 594	9.8	265	- 22 %	+ 111 %
Slovakia	2 756	5.4	510	- 5 %	+ 159 %
Bulgaria	2 265	7.1	321	- 10 %	+ 152 %
Croatia	1 324	4.1	323	- 4 %	+ 200 %
Slovenia	1 116	2.1	531	- 23 %	+ 137 %
Switzerland (non-EU)	15 528	8.5	1 827	+ 4 %	+ 78 %

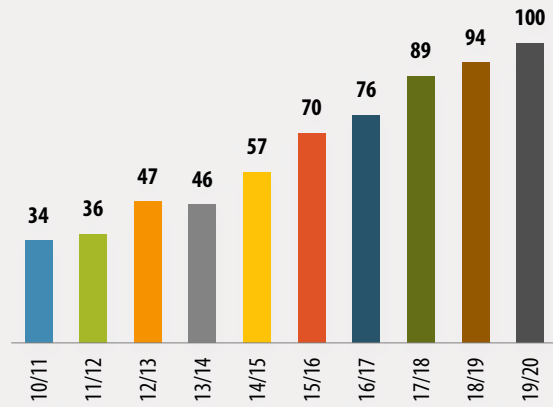
\* Imports-exports+production | \*\* estimate | professional sources, Eurostat



## Canada: 100 000-tonnes mark broken!

The world number three market broke the symbolic 100 000-t mark for imports in 2019-20. While the dynamic is tending to slow down, with a single-digit growth rate for the past two seasons, it nonetheless remains highly significant. Consumption per capita, estimated at 2.7 kg in 2019-20, remained approximately 1 kg lower than in the neighbouring USA. Mexico, which provides practically the entire supply, continues to undertake major promotion efforts. The "Avocado from Mexico" communication is now aiming at increasing purchase frequency, by promoting the multiple possible uses of this fruit, in addition to reiterating its health benefits. Peru now provides a minor top-up supply during the summer season.

**Avocado - Canada - Imports**  
July to June, excluding Peru (calendar year)  
(in 000 tonnes | sources: Trademap, other Customs)



**Avocado – Canada – Imports**

in tonnes	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Total</b>	<b>45 193</b>	<b>56 365</b>	<b>78 621</b>	<b>75 109</b>	<b>88 088</b>	<b>95 022</b>	<b>100 048</b>
Mexico*	33 451	44 958	72 004	71 540	82 951	91 111	94 135
Peru	2 905	5 542	2 627	1 130	3 567	1 955	3 224
United States	7 964	4 925	3 308	1 843	507	746	922
Others	873	940	682	596	1 063	1 210	1 767

\*Sources: Trademap, National Customs

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## Asia disappointing... yet again

Asia is still far from being the third driver for the world market, on which many operators have been reckoning. Despite its undeniable growth potential, its imports went from weak growth to a downturn, i.e. from 160 000 t in 2018-19 to just over 140 000 t in 2019-20. This big potential market at present represents barely 6 % of world trade. Japan, which remains by far the region's number one market, saw its imports decrease to 72 500 t, i.e. approximately 4 000 t less than in 2018-19. The fall was even more considerable for China, a market which is for the moment proving to be more of a mirage than an Eldorado, with imports of 35 000 t, i.e. 12 000 t less than in 2018-19. As for South Korea, volumes imported quite simply practically halved between 2018-19 and 2019-20, going from more than 13 000 t to just over 7 000 t. True, the Covid epidemic played a role, but was a long way from being able to explain everything. Imports were stable (Japan), or even well down on the previous season (China, South Korea) during the period from the start of the season to the start of the pandemic. In fact, the pandemic only aggravated the trend.

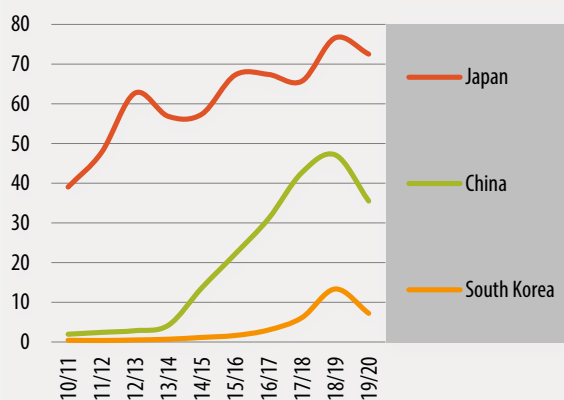


Avocado – China + Hong Kong – Imports

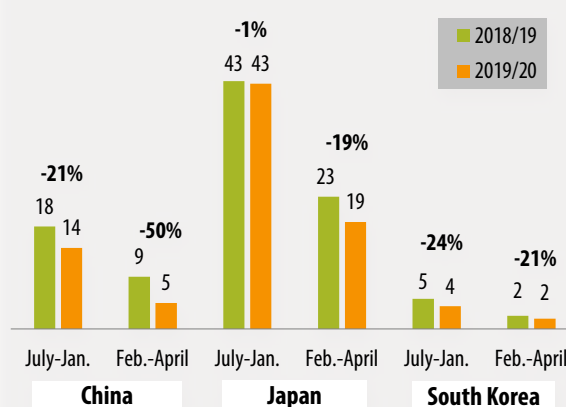
in tonnes	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
<b>Total</b>	<b>13 629</b>	<b>22 165</b>	<b>31 068</b>	<b>41 971</b>	<b>47 127</b>	<b>35 588</b>
Peru*	1 154	520	2 802	6 437	17 073	13 589
Chile*	1 092	5 783	13 405	15 029	13 616	11 012
Mexico*	10 794	14 223	10 919	17 690	13 952	8 070
United States	243	1 052	644	1 084	1 011	1 500
Others	346	587	3 298	1 731	1 475	1 417

\* Estimates based on the Customs of the exporting country | Sources: Trademap, National Customs

Avocado - Asia - Imports  
(in 000 tonnes | sources: Trademap, national Customs)



Avocado - Asia - Consumption in pre-Covid and Covid periods  
(in 000 tonnes | sources: Trademap, national Customs)



## Near future of the market... still with the USA and EU-28

This campaign was yet another success for the world avocado trade. While volumes stagnated, the turnover continued to increase with a livelier dynamic. If we analyse the negative points, what we need to take away from this 2019-20 campaign is more the recurrent lack of dynamic from the Asian markets, rather than the downturn in the world trade, which was cyclical and largely due to a supply shortage as a consequence of the Covid pandemic. This season confirmed that tapping into the huge growth potential of the Asian markets will take time. Conquering these markets, which is essential given the world production growth tempo, will also take major investment, both in terms of consumer education and setting up the infrastructures required to ensure decent marketing conditions for a fruit often weakened by long voyages. Hence the two historic mainstays of the world trade, the USA and EU-28, will remain the two main drivers of the world trade in the medium term. The investment to be made in promotion must be in line with the big increase in world production expected in the coming years. At present, Europe is clearly not doing its bit ■

## Winter avocado campaign

### New critical periods to be monitored in the EU-28?

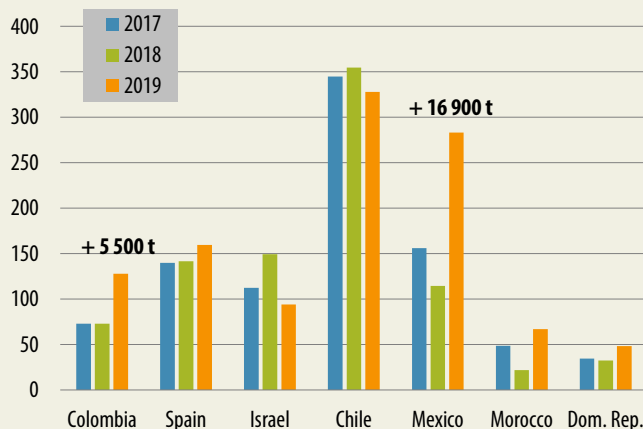
On paper, we were set for a quiet winter 2019-20 campaign, thanks to restrained growth in export potentials, and to an extended trading calendar, with the summer season coming to an early end. The reality was very different. Although the figures were highly satisfactory overall, the first part of the season was much tougher than expected, with prices slipping to a distinctly below-average level from mid-November to mid-January. Why was there such a slump? November and December brought a massive supply, with total volumes through Customs of 110 000 t from the main winter market suppliers over these two months, as opposed to 90 000 t in 2017 and 2018. On the one hand, Colombia saw a considerable surge, with nearly 13 000 t registered by Customs over the period November/December, as opposed to just over 7 000 t in the two previous seasons. Yet above all incoming Mexican shipments enjoyed a genuine boom, with just over 28 000 t according to Customs, as opposed to 15 000 t and 11 000 t respectively in 2017 and 2018. Taking a bit of a step back, we can see that the Mexican trading calendar was completely atypical and hyper-concentrated between August and December in 2019-20, with more than 80 % of its volumes shipped during this period, as opposed to 50 % in previous seasons, with 60 % from October to December, as opposed to 40 % usually.

Why such a change? This is an important question, since it could be a structural trend. Jalisco, generating more than 50 % of shipments to the EU-28 in 2019-20, saw its production peak earlier than

Michoacán, during this August-December period. In view of the very rapid growth dynamic of Mexican exports to the EU-28 (volumes increasing 6-fold in five years, enabling Mexico to take second place among the winter market suppliers, with more than 70 000 t in 2019-20), such a change could greatly affect the market balance during this already heavily-laden period. However, we can take some reassurance. This boom in volumes seems due above all to the pull of the extraordinary prices registered at the beginning of the season, which peaked at nearly 18 euros/box in early November for the sizes most in demand. Nonetheless, over the coming campaigns, we will need to keep a close eye on the consequences of the rapid rise to prominence of a large-scale supplier with an early production calendar.

The increasingly massive incoming shipments of Colombian avocados may also alter the market's supply structure at certain periods. The increase in volumes during the first part of the season has already been stated, but this is also, and even more significantly, the case at the end of the season. There were very substantial incoming shipments in May and June (between 4 500 and 5 000 t during these two months, according to Customs), when the supply is in the hands of the summer market suppliers. These additional volumes, and the rapidly growing volumes from Peru's Olmos region, are, as we saw in 2020, able to pressurise the small fruit market, which accounts for a large part of the supply from these two production zones.

Avocado - EU-28 - Imports in November-December  
(in 000 tonnes | source: Eurostat)



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# Advance review of the summer 2020 avocado season on the EU market

## A catastrophic scenario

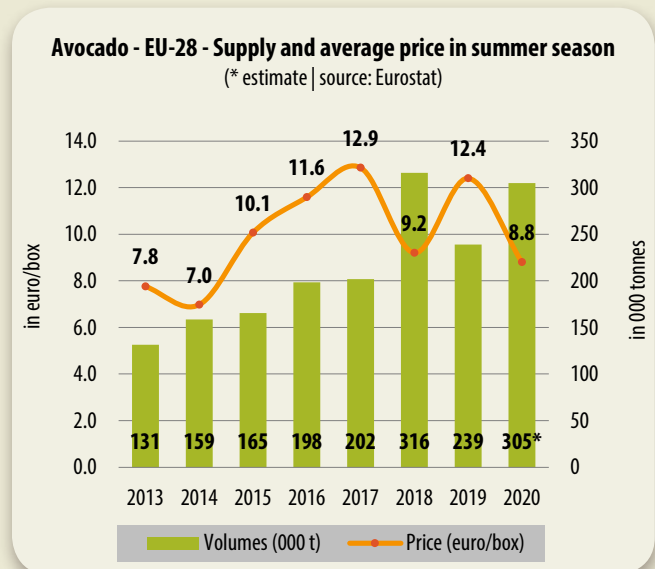
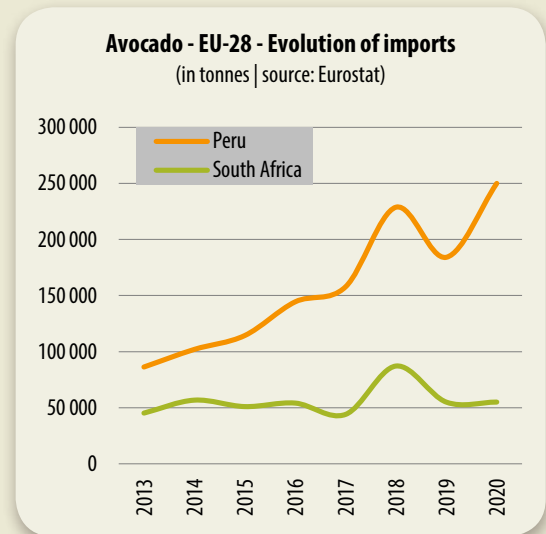


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Could we call it an avalanche? No, that wouldn't be quite right, since while it is a good description of the mountain of fruit crashing down on the EC market, there was nothing unpredictable about it. In the present case, the record level of the Peruvian supply – and the associated risk of over-supply – was all too well known. According to our estimate, based at present solely on the professional figures from South Africa and Peru (approximately 80 % of the overall summer season supply to the EU-28), the supply seems to have been nearly as big as in 2018, in excess of 300 000 tonnes. Peru shipped record volumes to the EU-28, probably of around 240 000 to 250 000 t across all varieties (+ 55 000 to 65 000 t from 2019, and + 10 000 to 20 000 t from 2018). Conversely, despite rising production, shipments from Southern Africa should “only” register a similar level to 2019, approximately 30 000 t down on 2018. There was an enormous supply in June, with shipments from Peru alone of between 3 and 3.4 million boxes throughout the month, with indeed a peak of nearly 4 million boxes. To put it in nautical terms, this might be akin to scuttling... Unsurprisingly, our price barometer is registering its worst level since 2014-2015. Rates plummeted from early June, reaching rock-bottom levels at the end of the month, at which they were stuck until late July. The situation was particularly critical for large fruit, with the price for a 4-kg box dropping below the 4 euros mark in late June. Prices maintained a level below 7.5 euros for seven weeks for sizes 16 to 20, and for twelve weeks for size 12/14. If we only look at the above-mentioned seven-week period, the turnover for the European market, over-evaluated since it is calculated based on size 18, went down by more than 40 % from 2019, while incoming volumes from Peru and South Africa were 44 % greater (+ 7 million boxes approximately).

Are there external factors explaining such a massive oversupply to the European market? Not really: Peruvian exporters pulled off the difficult feat of maintaining a similar level of shipments to 2018 and 2019 to the USA, in a much more heavily laden context in terms of Californian and Mexican Hass. Furthermore, they also managed a rise on the Asian diversification markets and in Chile, albeit these markets remain modest compared to the EU-28 and USA. Did the Covid pandemic curb demand in the EU-28? Perhaps, but very probably not in major proportions (see inset). Clearly, and above all, it was the supply which was much too heavy. Lessons need to be learned from this eminently predictable crisis.

This advance review will of course need to be refined, after the release of the Customs figures, which will also enable us to factor in volumes from other suppliers such as Kenya, Tanzania, Brazil and also Colombia, present in August.



**Avocado – EU-28 – Supply in summer season** (South Africa + Peru = approx. 80 % of market)

in tonnes	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Total</b>	<b>111 701</b>	<b>131 425</b>	<b>158 684</b>	<b>165 283</b>	<b>198 461</b>	<b>201 728</b>	<b>315 896</b>	<b>239 057</b>	<b>305 000</b>
Peru	62 618	86 260	101 971	114 321	144 367	157 744	228 769	184 109	250 000
South Africa	49 083	45 165	56 713	50 962	54 095	43 984	87 127	54 948	55 000

Professional sources, Customs

A close-up photograph of a tree branch heavily laden with green avocados. The avocados are in various stages of ripeness, with some showing a more yellowish-green hue. The leaves are dark green and glossy. The background is a soft-focus green, suggesting a lush orchard.

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