

Optimism Abounds for 2022 California Crop



The stars appear to be aligning for the 2022 California avocado season with a manageable crop size, some rain, a very good December market, and an extra week of Super Bowl selling leaving handlers to express a good deal of optimism for the upcoming season.

Many avocado groves received three inches or more of rain by the middle of December with another storm in the forecast. In the first couple of weeks of the month, the f.o.b. price on smaller fruit jumped significantly along with good volume pointing to strong demand.

"There is expected to be a slight increase in California's volume in 2022," said Gary Caloroso, regional business development director for The Giumarra Companies, on December 13. He added

that the next month would be critical in the development of the crop and noted that a storm was expected to deliver much needed rain to all of the California avocado districts the following day. "We've had very little rain so far and we need some," he said.

Two days later, Gary Clevenger, managing member of Freska Produce International, reported that many growers measured at least three inches of rain in their groves in the previous 24 hours, which was a welcome sight. Clevenger echoed the comments of Caloroso stating there is expected to be a slight increase in California's volume in 2022. Early estimates peg the crop at about 305 million pounds. "It's a little bit larger than last year," Clevenger said. "Most growers are reporting a good set with minimal wind damage so far.

We have to get through January but it's looking very good."

The Freska executive surmised that some California fruit might be harvested in January to take advantage of a strong market and the later date for the Super Bowl. This year the Super Bowl will be held on February 13, the latest date ever. That extra week will give California fruit another week to size and also could create extra sales because the run-up to the event will be longer.

Clevenger pointed out that both December and January should offer plenty of opportunities for avocado promotions and sales. "There will be a lot of college bowl games, as well as an extra week of NFL (National Football League) games and the playoffs leading up to the Super Bowl. We'll have to see how the market holds up, but it is very

strong right now.”

He revealed that in the first couple of weeks in December, the f.o.b. price on 60s jumped almost \$20 per carton to near \$50. The always-popular 48s were returning \$55. “We’ll have to see how it plays out,” he said, “but right now there is a shortage of small fruit.”

He added that only 48s and larger fruit have been released for sale from California groves, but the release of 60s should happen by mid-January. It would have to be a size pick in January, but he believes some California growers will make that choice if the strong market persists.

Caloroso agreed that some California growers will pick early, and the later Super Bowl date will factor into the decision-making process. For the most part, he expects California’s crop to start being harvested in a meaningful way in March with the vast majority of the crop sold from April through July.

Rob Wedin, executive vice president of fresh sales for Calavo Growers Inc., had a very similar take on the size and marketing of the 2022 California crop. He expects Calavo to have about 10-15% more California fruit than it had in 2021 and believes that slight increase should allow growers to have a good season with solid pricing.

Another topic top of mind for Wedin is the reported opening of Jalisco for shipment of avocados to the United States. Calavo has a state-of-the-art packing facility in that Mexican state and has been marketing fruit from Jalisco to markets elsewhere in the world for many years. He said the timing of the Jalisco crop is a bit different than Michoacán as the “normal” crop typically matures one to two months earlier. “Jalisco has two seasons,” he said. “The first one runs from April through July and the second starts in July and takes them to the holidays before they usually

run out of fruit.”

That could put Jalisco in the business of selling avocados to the U.S. market as California’s season is ramping up in the spring. It also pits Jalisco against Peru as summer arrives.

But Wedin does not expect that there will be an oversupply of fruit in the U.S. market just because Jalisco has been granted access, which is expected to commence in April. In the first place, the Jalisco fruit is already being sold in the world market to loyal customers in Canada, Asia and elsewhere. That fruit is not going to automatically be diverted to U.S. buyers. “It’s not new fruit. Its bigger impact might be in shifting which fruit goes where,” Wedin said, adding that Jalisco fruit will most likely be phased into the U.S. market over time.

The groves and packing sheds most likely have to be recertified before they can ship into the United States and that will take time.

Clevenger also said he does not expect the Jalisco fruit to adversely affect the market. “Demand keeps going up, both in the United States and worldwide. We need more fruit to fill that demand,” he said. “I’ve heard Michoacán growers are complaining about Jalisco gaining access, but it’s a big market.”

He reminded us that since Mexico first gained access to the U.S. market, the f.o.b. price has climbed even as volume has doubled and tripled, despite fears that the opposite would happen. He noted that Chile is increasing its sales to the United States this winter by a reported 50% and Colombian avocado imports should also be on the rise in the spring. Clevenger noted that consumption continues to increase. He quipped that avocado toast should again see a big boost in January when New Year’s resolutions take center stage. “I think there is a spot for everyone in the market,” he said. 🥑

