

Jalisco Could Soon Be Shipping to the U.S.

With the U.S. Department of Agriculture publishing a proposed rule that would allow all Mexican growing regions the opportunity to ship avocados to the United States, growers and packers in the state of Jalisco would appear to be the first benefactors of this expansion.

The USDA noted that fact in the background information accompanying the February 18 posting of the Proposed Rule in the Federal Register. The proposal includes a 60-day comment period with the record being left open until at least April 20, 2015. It is not uncommon for the comment period to be extended depending upon the complexity of the issues in question. After the comment period does close, the USDA has an unspecified amount of time to consider the comments before either amending its proposal or posting a Final Rule. In any event, most observers believe it is highly unlikely a Final Rule will be posted in time to allow significant shipments in 2015.

Mexico first gained access to the U.S. market in 1997 in a limited way. In that first USDA rule, growers and packers from Michoacán who passed certification were allowed to ship Hass avocados to 19 Northeastern U.S. states during a four-month window during the winter. The USDA determined that this protocol would protect U.S. production in California and Florida. Over time, the rule was amended and expanded. Today Michoacán growers and packing houses that qualify have access to the entire U.S. market, including Hawaii and Puerto Rico, all 12 months of the year. In 2015, Mexico is expected to

export about 1.4 billion pounds of Hass avocados to the United States. That represents about 70 percent of the total consumption expected in the United States this year.

While not downplaying this new proposal, Emiliano Escobedo, executive director of the Hass Avocado Board (HAB), based in Irvine, CA, said it needs to be examined with some perspective. He noted that more than 80 percent of Mexico's avocado production is produced in Michoacán. According to Escobedo, that state accounts for about 2.6 billion pounds of the country's 3.2 billion pounds of production, which includes all varieties. About 80-85 percent of the Michoacán Hass production has passed the U.S. protocols and can be shipped into the United States...but not all of it is.

Jalisco, on the other hand, accounts for only about 5 percent of Mexico's total production. Almost all of the Jalisco fruit is either the Hass or Mendez variety, which Escobedo says qualifies as Hass. Total Jalisco production is around 190 million pounds according to the HAB executive. Currently that product is consumed domestically as well as sold to some export markets including Canada and Asia. Escobedo said Jalisco growers are more technologically advanced and have larger groves and many have upgraded packing sheds. For example, he said most of the hectares of avocados in Jalisco are irrigated. That is not the case in Michoacán.

Escobedo said the better growers and packing sheds will most likely qualify for shipments to the United States relatively quickly after they

are allowed to do so. He said those growers should be expected to send top notch fruit to the U.S. market, just as they have sent high quality fruit to other markets.

Escobedo said, depending upon the elevation of the grove, Jalisco avocados are typically marketed from about March until October. While this timing is of concern to California growers, as it fairly closely resembles California's growing season, Escobedo said the potential for increased exports from Michoacán packing sheds that are not certified is much greater than all the fruit from Jalisco. And there is no thought that Jalisco shippers will abandon the markets they have already established.

In any event, Escobedo believes the United States can absorb the extra volume if it is marketed in an orderly fashion...and he believes it will be. He said the extra fruit will result in extra promotion dollars and the U.S. market has been growing significantly each year. "We are seeing 35 million pounds of fruit week after week with no drop in price."

When you factor in the 120.2 million pounds of avocados consumed around the Super Bowl, about 183.5 million pounds of avocados were sold in January according to Escobedo, making it the highest volume month ever recorded for avocados. Projections for February were that 150 million pounds would be shipped. That brings the January/February total to more than 333 million pounds, making it the second largest two-month period in history. Only June and July of 2014 topped that volume with total shipments of almost 350 million pounds. 🥑