

By Tim Linden

California Could Have Strong Marketing Year in 2021

Expectations are that the 2021 California avocado crop will be in the 300-million-pound range, which should make for a strong marketing situation. The California Avocado Commission has revealed that the fall survey of handlers indicated a crop of about 317 million pounds, but that was before some wind events in December apparently took a minor toll.

"We think the wind this past week reduced the crop by about 5%," said Rob Wedin of Calavo Growers Inc., on Dec. 11. That would bring the crop down to about 300 million pounds or about 18% less volume than last year.

Wedin noted that the decrease from 2020 will allow handlers to be a bit more strategic about marketing the crop. "What we will be doing is trying to grow the California volume in the months when everyone does their best (in terms of price)."

The longtime sales veteran is anticipating that the vast majority of California fruit will be marketed in the four-month period spanning April through July with steady shipments each week during that period. He anticipated about half as much weekly volume in March with volume again tapering off in August. Though there will be some shipments on each end of the deal (January and February and again in September and October), Wedin believes that they will be minimal.

He added that Mexico has been

averaging more than 50 million pounds per week for the past few months and is expected to continue at that pace well into April, with a significant increase in volume in January. That means a lot of Mexican fruit will be taken out of the marketplace over the next four to five months. "We see demand improving as we get into April," he said, noting that there should also be an uptick in the FOB price in January, especially on 48s and larger fruit.

Wedin did say that the supply/demand curve will continue to be impacted by the coronavirus and the ability of foodservice operations to be fully open again.

Gahl Crane of Eco Farms concurred with the preliminary volume estimate of 315-320 million pounds, noting that winter and wind will have the final say with regard to the ultimate volume. "I'd say the marketing situation is going to be pretty good for California fruit. We think (FOB) prices will be significantly higher in January than they are right now (high \$20s)."

Eco Farms also expects to market the majority of its volume from April through July but Crane said the handler will have some fruit from January to October as growers will harvest their fruit throughout the season for various cultural reasons. But he does expect an earlier end to heavier volume because of the size of the crop, and growers being motivated to pick their fruit before high

temperatures and the California fire season begins.

Eco Farms has a fairly robust organic avocado crop and Crane said there will be more organic volume during the first half of the season. "The southern growing regions have a higher percentage of organics than the later regions, so in comparison, organics will be marketed earlier."

Doug Meyer of West Pak Avocado Inc. also agreed with a 2021 estimate of about 300 million pounds, which he believes will be marketed as early as February and as late as October. "Last year's crop went all the way through October and this year we think it is going to be fairly similar."

In discussing the timing of marketing fruit from the Golden State, he said, "California fruit always has a strong place in the market regardless of supply conditions from Mexico and Peru. There are retail and foodservice customers that look forward to the California season every year. They create a very strong demand for California fruit to support consumer demand in many key markets in the West and select markets in other regions of the country."

West Pak will attempt to capitalize on that demand as long as they can with their California Gold bag brand that gives tribute to the premium freshness and flavor of in-season California Hass avocados.

Commenting on the avocado market in December, he said it hasn't been this low in years and noted that consumers are reaping the benefits with very attractive retail pricing. "We are looking beyond the end of December and are expecting the market to remain relatively stable through early to mid-January."

He said the current low prices are helping to move lots of fruit through the market with multiple packs and sizes and ongoing promotions at retail. 🥑