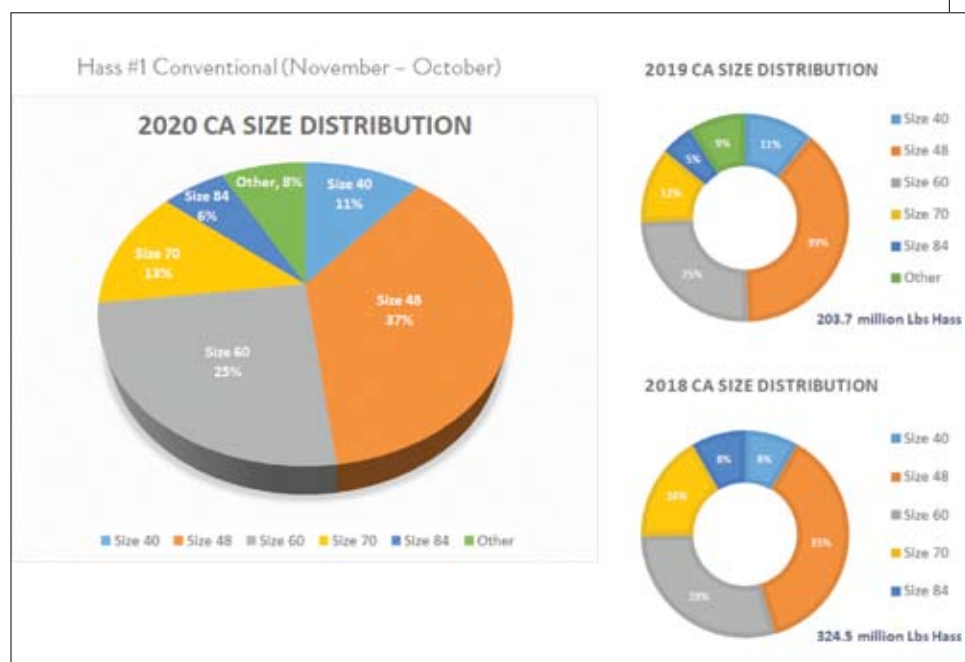


California Avocados Perform Well Despite Tumultuous Year

At first blush, the high-volume 2020 California avocado season may appear to have underperformed in comparison to other high-volume years. However, a closer look at the data presents a more accurate representation of the season. Not only did the California avocado industry successfully move an added 150 million pounds of California fruit in 2020 at prices comparable to other large-crop years, but it did so in a season when total U.S. avocado volume reached 2.8 billion pounds, a high percentage of small fruit significantly impacted price and out-of-home consumption opportunities were restrained by COVID-19 protocols.

California avocado growers recorded 376 million total pounds and reported the fourth highest crop value at \$411.5 million, just \$800,000 less than the third highest crop value recorded in 2015-16 — a season in which 25 million more pounds of fruit was produced. The 2020 average price per pound was reflective of similarly sized crop years: \$1.10 in 2020 (376 million pounds), \$1.13 in 2018 (338 million pounds) and \$1.09 in 2016 (401 million pounds).

If we compare California's most recent high-volume year (2018) with 2020, the early 2020 season outpaced 2018. The first half of the 2020 season averaged \$1.239/pound at 115.8 mil-



lion pounds, while 2018 recorded 114.5 million pounds and an average price of \$1.067 during that same time frame. The second half of 2020 showed lower per pound prices than in 2018 (\$1.031 versus \$1.169) but the additional volume of the latter half of the 2020 season (245.9 million pounds versus 209.7 million pounds) led to strong returns as the Commission's robust California avocado peak- and late-season promotions were able to successfully move a significantly larger crop during this time frame.

In 2020, growers also benefitted

from a crop with a greater percentage of large size fruit during a season in which an excess of small fruit was imported to the United States, resulting in decreased pricing across all sizes. According to Hass Avocado Board data, collected in February 2021, in both 2018 and 2020, the U.S. markets had a large share of Hass 60s and smaller fruit — about 593 million pounds in 2018 and 592 million pounds in 2020. However, in 2018 there was a significant volume of large 40s and 48s (445 million units) and extra large 36s and larger (33 million units) to offset the volume of smaller fruit. In

comparison, in 2020 there was significantly less large fruit available with just 372 million units large 40s and 48s, and 31 million units extra large fruit. While in 2018 55.3% of the volume of Hass fruit was small, in 2020 that percentage increased to 59.5%, representing an increase of 260 million pounds of small-sized fruit. This glut decreased pricing with \$.82 average retail prices for 60s and smaller in 2020 as compared to \$.88 in 2018. That price differential is evident in the final retail dollars — in 2018 small fruit secured about \$525 million in sales while in 2020 that number was \$485 million.

In light of a pandemic-induced change in shopping patterns, as well as more small fruit being available, HAB reported a marked increase in bagged fruit sales. In 2018, 663 million retail

units were sold, in 2019 the figure rose to 759 million retail units and in 2020 the volume leapt to 1.1 billion. Although the average retail price for bagged fruit in 2020 was respectably higher than in 2018 (\$1.07 versus \$.97), it also was notably lower than in 2019 (\$1.19).

There is evidence the Commission's years-long investment in promoting peak California avocado season to targeted consumers, retailers and foodservice partners continues to pay off even during years in which a high volume of fruit is available in the U.S. market and California crop volume also is high. Keeping in mind the added 200 million pounds that flooded into U.S. markets, coupled by the excess of small fruit, the 2020 and 2018 price figures are remarkably comparable. During the non-California season in 2020, the

average selling price/unit was \$1.06; in 2019 it was \$1.09. The California season average (March – August) was the same for both years at \$1.11.

And, while the Commission focuses marketing support on targeted retailers and foodservice operators in California and the west, it also supports loyal customers outside the west who meet the tiered marketing support criteria. As a result, in 2020, the Commission reported a f.o.b. price advantage of California avocados within California at an average +8% over imports from March – September 2020, with a high of +29%. Likewise, outside the state, California avocados delivered an average f.o.b. price advantage of +5% over imports, reaching as high as +19% from March – September 2020. 🥑

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