

By Tim Linden

Spain Steadily Growing Volume As It Gains Access to U.S. Market

Spain's avocado production, which dates back about 60 years, reached its modern peak in 1997 with a total output of about 60,000 tons. Production did decline after that, though now it appears to be on the rise again. And in early January, the U.S. Department of Agriculture (USDA) announced that fruit from mainland Spain that has been certified free of all quarantine pests is allowed to be shipped to the United States.

However, don't expect an onslaught of shipments as the USDA announced that about 260 tons (520,000 pounds) of Spanish avocados may come into the United States this year.

Enrique Coliles, general manager of TROPS, a 1500 member grower association involved in mangos and avocados, recently shared information about Spain's avocado industry with *From the Grove*. TROPS, which handles about 30 percent of Spain's avocado production, is located in Velez-Malaga, a city in the south of Spain in the province of Malaga in the Andalusian region of Spain. Perhaps Granada is the most famous city in that region. Almost 90 percent of Spain's avocado production comes from that region, which stretches from Portugal to the east through the Straits of Gibraltar and encompasses almost all of the southern coastal region of Spain that touches the Mediterranean.

Coliles said that in the 1990s about 30 percent of Spain's crop was made up of green skin varieties,



while 70 percent was Hass. Over the last 15 years, Spanish growers have been pulling out their green skin acreage and he said the Hass variety now makes up about 87 percent of total production.

He reported that annual Hass production is typically between 35,000 and 50,000 tons. A grower organization in Malaga has estimated this year's crop at 40,000 tons. Coliles said the European Union is the top market for Spanish avocados as those countries take about half of Spain's production.

Coliles pegged Europe's avocado consumption at about 700 grams per year, which equals about a pound and a half per person. "Surprisingly," he said, "Spain, the only avocado grower in EU, only consumes 500 grams per habitant."

He added that the "companies in Spain are developing themselves as service suppliers, importing fruit for

other countries, mainly from South America, and selling it in the rest of the EU, giving it added value with the packaging and ripening services." TROPS has an import company as well as an avocado processing facility where it makes guacamole for resale.

With regard to Spain's production, this TROPS executive noted that Spain only produces Hass avocados from the end of November to May. Coliles said green skin varieties are available as early as September but he said market demand for those varieties is lacking and growers must settle for a price that they believe is too low. "I'm not going to say that the growers are happy with the current market price of the green skin. Really not, but we are trying to convince them that the markets demand is only for Hass."


Just as in California, Coliles said water is the biggest problem facing growers. He said there is much

land with good climatic conditions to produce avocados but it is lacking irrigation infrastructure, which is an impediment for growth. On the other hand, Coliles said Spain's well-publicized economic problems are forcing some people out of other business sectors and they are exploring agriculture as an option. As a result there are

significant investments being made in establishing irrigation on much new land. He estimated that avocado production could increase as much as 30 percent in coming years.

"It's not cheap to produce avocados in Spain," he said. "The land is expensive, but it is a good business in comparison with the rest of the agri-

culture sectors in this area."

It is estimated that less than 10,000 tons of avocados are purchased through domestic marketing channels in Spain. Coliles said the most popular way to eat avocados is as part of a salad but added that guacamole is gaining favor. 

Handlers Report

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Record Numbers Could be on the Horizon

Just what both the field price and market f.o.b. will hit this year for California avocados, is anybody's guess. But record numbers are not out of the question.

"It looks a lot like 2011," said Ron Araiza, director of sales for Mission Produce Inc., Oxnard, CA. "The (f.o.b.) price got in the \$50-\$54 range that year and I think that could happen this year."

He said in his memory, the highest market price he has ever seen was north of \$60 per carton. He would not predict that this year, but indicated that it would not be a complete surprise if it happened.

Jim Shanley of Shanley Farms, Morro Bay, CA does expect to see record grove prices paid at some point this year. "The highest I have ever seen is \$2.20 (per pound at the grove) and I think at some point, we'll top that."

The bullish viewpoints are simple arithmetic, according to Shanley. California has a short crop this year with many believing it will not reach 300 million pounds. At the same time both Shanley and Araiza have heard

that Mexico will not be shipping record numbers to the United States as the summer drags on, both because of supplies and global demand. "For the first time in at least a decade there has not been a big increase in certified hectares (for export to the U.S.)," said Ariaza.

Shanley said with U.S. consumption at an average of close to 35 million pounds per week, there just won't be enough avocados to fill that demand as the California season moves along. The situation may be especially acute toward the late summer when San Luis Obispo typically markets much of its output. He wonders out loud just how much consumers will pay for an avocado. "Is it \$2.99, \$3.99, \$4.99?"

Mission has been packing California fruit since January and Araiza expects the California season to end by about mid-September. Typically San Luis Obispo has fruit well into October with some select customers getting the "Morro Bay" branded fruit in November. The Mission executive said lack of water has caused some of those most northern grow-

ers to pick early so he just doesn't expect fruit from that region to be around as late this year.

Shanley confirmed that in general San Luis Obispo does have severe water issues but on this day (Feb. 27), he said three quarters of an inch of rain fell and four more were expected in the next few days, which has moved the situation from "apocalyptic to grim. And using the word apocalyptic was not too strong."

Shanley said some groves have no water and those growers have been picking their fruit early. On the other hand, he said there are 6,000-7,000 acres of avocado trees in San Luis Obispo County and some growers do not have water problems. He is currently talking to some of his growers about holding their fruit late in the season so they can service the customers they have created for the Morro Bay brand. Shanley said the recent rain greatly helped in that cause. However, he admits that if a grower has an opportunity at a \$2 per pound in the grove price in the middle of the summer, he will be hard pressed to pass that up. 