

THE WEEKLY NEWSLINE

May 18, 2018

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QUOTE OF THE WEEK

Next thing you know we're going to have to put a label on the fruit to let people know not to eat the pit. I tell you, these damn media guys, they can make a unicorn skipping on a rainbow seem like a hazard!

THIS WEEK IN AVOCADOS

- *Grower prices FLAT.*
- *Avocado demand dampened but up globally.*
- *Inventory build-up short lived. I hope.*
- *Columbia is coming. Maybe.*
- *Ag worker bill introduced in US Senate*
- *Index Fresh has a new TX processing facility.*
- *Avocado Hand. Really?*
- *Blaming China.*

Grower Prices Flat. Flat. Flat. Prices are flat for conventional growers, even down a few cents on 32s, 48s and 60s. Organic growers can be self-satisfied this week because prices continue to climb a bit and sources say there is a shortage of organic fruit. Overall, it appears that grower prices will stay in this range until the harvest slows considerably, estimated to occur in late June.

Avocado Demand High prices are contributing to an anemic pull says one source and it will keep demand in check. A temporary decrease in avocado production and a global increase in demand have led to an increase in the price of up to 80 pesos per kilogram in markets in Mexico. The *Avocados of Mexico* promotion campaigns, mainly in USA, Canada and Japan, have caused demand increases. In the United States demand has grown between 12% and 15% per year; Japan increased its consumption by 24% last year and Canada by 17%, and, although Europe has other suppliers besides Mexico, consumption soared more than 20%.

Inventory Is there too much fruit in inventory? Maybe. One source says "Anemic Cinco pull. High prices will keep demand in check. Just in time for a Memorial Day to forget." Another says "The inventory build-up should be short lived. The market

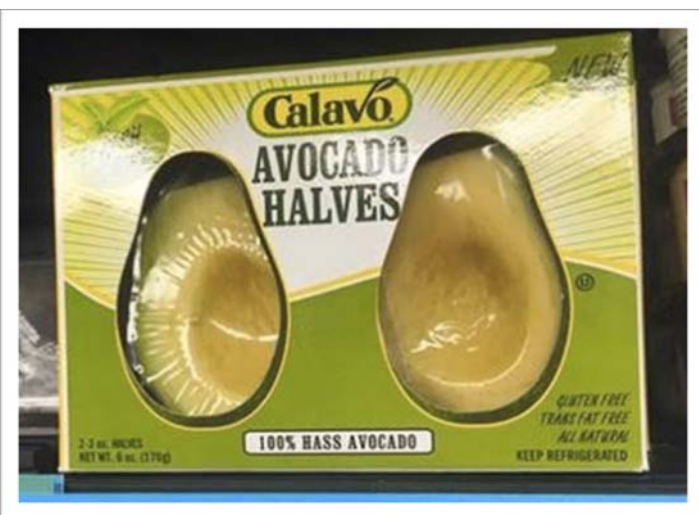
Is active but orders are smaller than usual. Things are moving orderly but slowly. The market should absorb some of the inventory with the Memorial Day ads and the little weather break from picking this week will also help check the amount of fruit being packed and handled. I hope.” I hope so, too.

Columbia is Coming. Maybe. Colombia is one of the countries with the greatest potential for expansion in agriculture, since it has more than 17 million hectares available for agricultural development. And avocado leads the list of desired exports to the US and they expect to have the eligibility for Hass avocado at the end of 2017. Columbia has been going through the USDA process for shipping approvals. However, given all the rhetoric from the current White House, there is uncertainty about the approval.

Ag Worker Legislation From *The PACKER* publication: Democrats in the U.S. Senate have introduced legislation that would shield agricultural workers from deportation and give them a path toward legal status. On May 3, Sens. Dianne Feinstein, D-Calif.; Patrick Leahy, D-Vt.; Michael Bennet, D-Colo.; Mazie Hirono, D-Hawaii; and Kamala Harris, D-Calif., introduced the Agricultural Worker Program Act. The bill would give farmworkers who have worked in agriculture for at least 100 days in each of the past two years the chance to earn lawful “blue card” status, according to a news release. Those workers who maintain blue card status for the next three or five years — determined by the hours worked in agriculture — would be in line to receive a green card or legal permanent residency, according to the release. Agriculture is a \$54 billion industry in California, and the University of California-Davis estimates that up to 70% of farmworkers there — roughly 560,000 people — are undocumented. That puts them at risk for deportation under Trump administration guidelines, according to the release. “Everywhere I travel in California, I hear from farmers, growers and producers from all industries — wine, citrus, fruit and tree nuts, dairy — that there aren’t enough workers,” Feinstein said in the release. While not explicitly endorsing the legislation, Western Growers president and CEO Tom Nassif said the legislation recognizes the importance of retaining the existing agricultural workforce. “To reform our broken immigration system, Congress must pass bipartisan solutions that acknowledge the contributions and value of current farmworkers while also creating a workable program to enable the future flow of labor to American farms,” Nassif said in a statement. “We are hopeful that those members of the legislature that are working on agricultural immigration legislation accelerate the process because time is definitely of the essence and our labor situation has reached a critical stage.”

New Facility Index Fresh Inc. is building a 60,000-squarefoot ripening, bagging and cold-storage facility in Pharr, Texas, to handle the increased volume of fruit crossing the border. The building is expected to open in late October or early November

Avocado Hand I don’t even know what to say about this, but it was everywhere this week. Starting with the *Guardian*, we learned that people cut themselves badly when opening an avocado. Apparently one UK hospital sees 4 cases a week. The article says, “In the



meantime, the British Association of Plastic, Reconstructive and Aesthetic Surgeons wants safety-warning labels placed on avocados. “There is minimal understanding of how to handle them,” the honorary secretary of Bapras, Simon Eccles, told the Times. “Perhaps we could have a cartoon picture of an avocado with a knife, and a big red cross going through it?”” OMG. Are you kidding me?

Then some friend of a Facebook friend posted her story about badly cutting her hand, almost severing the tendons, weeks of recovery, etc. And, all the articles note that Meryl Streep apparently had avocado hand at some point which required reconstructive surgery. Check out this crazy video

including Ms. Streep and other bloody hands.

<https://tinyurl.com/lm9h9rm>

Figure it out, people. This is 2017. *Google* “cutting an avocado” and you get 658,000 results. Or try one of the 6.5 million Google hits for videos of “cutting an avocado.” Maybe Calavo is prophetic with their packaging for the avocado clumsy (or the discerning buyer.) Me, I like the tool from OXO.

Links to three of the articles here:

Avocado hand: why the fruit has become a health hazard

<https://tinyurl.com/kfczolz>

Brunchers beware: “Avocado hand” injuries on the rise

<https://tinyurl.com/lmya4do>

“Avocado hand” health warning <https://tinyurl.com/kemsntt>

Check out the video.

Blame China In this week’s hang-wringing about the shortage/price of avocados, a *Conversation* article infers we can blame China. A few weeks ago, we were blaming EU, UK and the US. Now, the article says, “These displays of conspicuous consumption are just as prevalent in China, which

has a rapidly growing middle class of more than 100m people. Avocados – or “butter fruit” as they are known – are also relatively new there, having only been available in exclusive outlets for a few years. So, avocado demand there is being doubly driven, not only by their promised health benefits, but equally by their newness, exclusivity and symbolic, aspirational value to the burgeoning middle class.” <https://theconversation.com/is-china-to-blame-for-the-global-avocado-shortage-77271>

GROWER NEWS

Sharing is GOOD Are you growing any non-Hass fruit including Lamb Hass, Gems, Carmen, Reed, Pinkerton, Holiday, etc.? If you are and are willing to share your experiences, please contact me via email or text. Email: estrada.susan@gmail.com Text 760-505-0342

MEETINGS & EVENTS

June Growers Seminar Series: Field Trips to See Local Issues

San Luis Obispo - Jun. 13, 1pm

Ventura - Jun. 14, 9am

Fallbrook - Jun. 15, 1pm

CAS Annual Meeting Oct. 21, 2017

CAS Mexican Avocado Tour, 2017 Oct. 3-9, 2017

UC Beginner Avocado Course Today

Dr. Gary Bender’s avocado course starts TODAY! This is a great course for both starting and existing growers to learn newer techniques. Sign up at <http://ucanr.edu/survey/survey.cfm?surveynumber=20847> Questions can be sent to Erin at 858-822-7919 or enthompson@ucanr.edu.

Pine Tree Ranch Grower Field Day July 13, 2017

The California Avocado Commission will host a California avocado grower Field Day. The event will take place from 9:00 a.m. – 11:00 a.m. at Pine Tree Ranch, 19455 E. Telegraph Road, Santa Paula, CA, 93060.



Avocado tool from OXO. 1

WHOLESALE AND RETAIL PRICES

HASS AVOCADO PRICES 5/17/2017

SIZE	ORGANIC #1 Field Price per Lb.	Conventional #1 Field Price per Lb.	Conventional #1 Carton Price
32 (12.5-14 oz)	\$2.08 – 2.18	\$1.85 – 1.96	\$51.50 - \$54.25
36 (11.5-12.5 oz)	\$2.08 – 2.18	\$1.86 – 1.96	\$51.75 - \$54.25
40 (9.5-11.5 oz)	\$2.08 – 2.30	\$1.86 – 1.96	\$51.75 - \$54.25
48 (7.5-9.5 oz)	\$2.30 – 2.45	\$1.88 – 1.98	\$52.25 - \$54.75
60 (6.25-7.5 oz)	\$2.20 – 2.35	\$1.68 – 1.78	\$47.25 - \$49.75
70 (4.75-6.25 oz)	\$1.84 – 2.00	\$1.28 – 1.38	\$37.25 - \$39.75
84 (3.75-4.75 oz)	\$0.90 – 1.25	\$ 0.90 – 0.98	\$25.05 - \$26.81

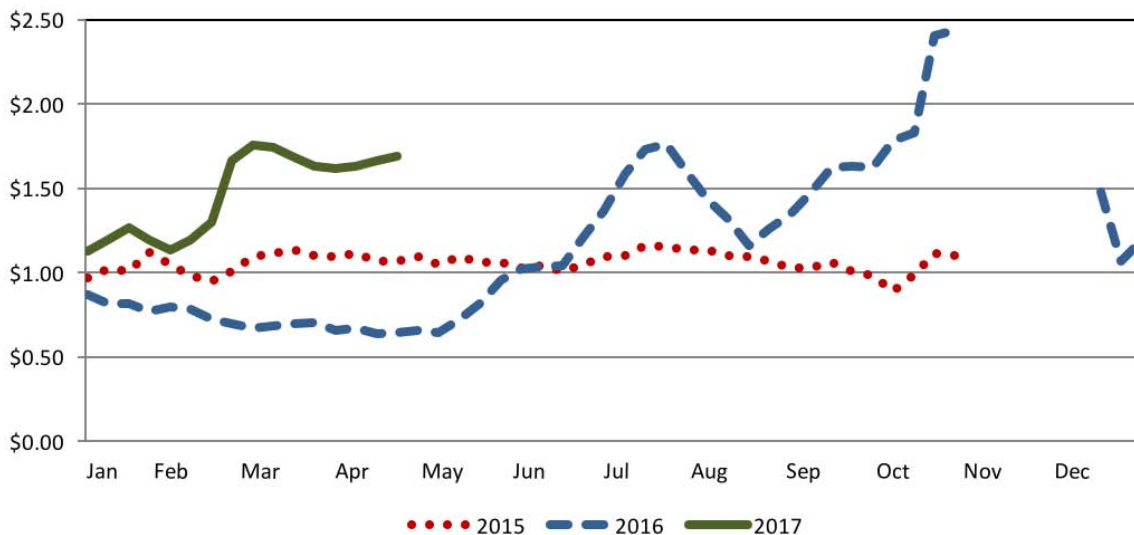
CA source: Handler field price sheets (at least 5). Conventional #1 field prices are converted to carton prices with \$5.25 added for handler retain, palletizing and cooling. Price colors show differences from last week: GREEN indicates increase, RED indicates decrease, BLACK indicates no change.

RETAIL PRICING FOR WEEK OF 5/12/2017

VARIETY	# STORES with ADS	Weighted AVG PRICE	STORES LAST YEAR	PRICE LAST YEAR
HASS	1870	1.30	7982	.91
ORGANIC	747	2.17	1,934	1.42

USDA advertised prices do not indicate fruit size. Stores with conventional #1 ads has decreased dramatically, well below last year's ad level. Prices continue to be high at the retail level, damping demand.

Average Weekly California Hass Field Price



INVENTORY

CA Detail	5/8/17	5/9/17	5/10/17	5/11/17	5/12/17
Inventory	14,588,642	14,480,448	14,597,499	15,675,551	15,507,809
Shipped	3,522,725	2,002,875	1,457,600	1,515,825	1,775,050
Presold	3,055,600	2,926,975	2,653,050	2,850,450	2,918,175

WEEKLY CA INVENTORY BY SIZE

Conv. #1	Daily Inv.		Organic	Daily Inv.	
Size	Wk. Average	%	Size	Wk. Average	%
28	1	0%	28	-	0%
32	3,672	1%	32	128	0%
36	10,386	2%	36	515	2%
40	42,595	10%	40	1,805	6%
48	136,571	33%	48	13,625	44%
60	127,909	31%	60	7,442	24%
70	59,414	14%	70	6,137	20%
84	31,576	8%	84	1,241	4%
96	4,753	1%	96	43	0%
Total	416,866	100%	Total	30,937	100%

54% of conventional fruit is 60s and smaller.

Volume Summary (pounds)

	Shipped by AMRIC Handlers	CA Harvest + Import Arrivals
Week 28 ending 5/14/17	26,359,712	46,579,407
Week 27 ending 5/7/17	30,284,072	41,137,311
Week 26 ending 4/28/17	32,552,122	49,472,068

Shipped volume trending down which will keep grower prices flat.

CALIFORNIA CROP WEEKLY HARVEST PROJECTION

Weekly Crop Movement vs. Distribution Projections All Varieties

Week	4Y Historical Forecast	AMRIC Handler Forecast	Harvest	Shipments
Apr 21	8,515,566	7,246,800	10,833,534	7,862,948
Apr 28	8,608,866	10,498,200	12,895,380	10,879,147
May 7	8,086,781	9,866,700	12,325,867	12,091,373
May 14	8,432,419	10,288,600	11,843,532	10,755,122

Shipments 1M lbs. below harvest this week. Forecast and Shipments were about even this week.

30 DAY OUTLOOK FOR COAST and VALLEY AREAS OF CALIFORNIA and SEASONAL OUTLOOK 1830 PDT May 15, 2017

GENERAL SYNOPSIS FOR CALIFORNIA... May 19-June 12...

Hot dry spell occurs 19-22nd. Dry trough aloft during 23-28th will tend to support late season frosts and light freezes in NW and central coast areas of Calif. A return of stronger troughing is indicated for the end of May and the first week of June, with showers primarily focus in in NW Calif coastal mountains Siskiyou's, NE Plateau and N SierraNV.

The next 2-3 weeks of recurrent cool conditions and troughs are consistent with the current sea surface temperature anomaly (SSTA) pattern off the coast of N and central Calif, in which fronts move into N Calif, then deepen briefly into the SierraNV then migrate to the southern Plateau area.

BASIC PATTERN... May 19-June 12

The basic pattern consists of:

- a) The tendency for troughing near and over northcentral and N Calif.
- b) A pool of unusually cold water off the coast of central and N Calif, while warmer than normal sea surface temperatures are W and SW of SOCAL.
- c) The sea surface temperature anomaly (SSTA) pattern in the central N Pacific is strong and persistent enough to continue the tendency for WSW flow towards N Calif and troughing near or just W of Oregon into early June.
- d) El Nino has developed, and is already interrupting the transition to the warm season. A typical moderate to strong El Nino anomaly pattern is expected to develop per the current SSTA pattern and the NMME (North American Multi-Model Ensemble): time frame- later in the summer and autumn.

REGIONAL HIGHLIGHTS FOR WEEKS 1 AND 2

Salinas Valley-San Luis Obispo Co... May 19th-June 2nd...

- a) Very warm days 19-22nd with chilly nights.
- b) Frosts are possible on 23-29th interior Salinas Vly on some nights and in Edna Vly.
- c) Snowmelt will be accelerated during 19-23rd then decrease during 24-31st and June 1st due to clouds, possible showers and colder days.

S Calif Avocado Area... May 19th-June 2nd...Santa Barbara Co to San Diego Co ...

- a) It is warm and dry 19-24th, then cooler in general 25th-31st.
- b) Cold morning still an issue during 23-26th.
- c) Rain is unlikely, but deep marine layer and drizzle is possible.

WEEKS 3 thru 5: June 3-17th...S Calif Avocado...San Luis Obispo S)

There is risk of a continuation of cool and showery conditions across central and S Calif during the first half of June. This currently appears most likely about June 1-3 and 5-17th. Temperatures average a little cooler than normal in SOCAL overall due to recurrent troughing and recurrent deep marine layer. The rainy or showery periods will most likely be cooler than normal, while the intervening dry and warm periods, if they occur, would be much warmer than normal, though brief.

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