



THE WEEKLY NEWSLINE

MARKET STATISTICS & ANALYSIS FOR AVOCADO GROWERS

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March 30, 2017

QUOTE OF THE WEEK:

It's a good time for California growers and it's only going to get better.

THIS WEEK IN AVOCADOS

- *California forecast is 200M pounds.*
- *Peru imports are definitely delayed.*
- *Avocado consumption is down.*
- *Pick when you have the right size.*
- *Holy Week lull during Cinco de Mayo harvest.*
- *Retailer promotions for Cinco de Mayo no-go.*
- *Inventories are comfortable this week.*

CA Crop: 200 million pounds is projected for this year's California's Hass harvest. This is down 100% from last year's large (and delicious) crop. The California Avocado Commission has cut its spending on advertising accordingly this year, but has identified Internet outlets like Pandora and Spotify as better advertising vehicles than traditional radio. Their ads this year are classically cool California and they will "speak" to the spenders.

Peru: Heavy rain in Peru, estimated at over 70 inches at a time when there is usually none, has devastated roads and bridges, delaying harvest deliveries. Luckily, the Peruvians have planned for these situations due to similar events in the past and have spare bridges in storage for quick repairs. Most sources say the crop will be delayed about a week or two.

Consumption: Consumption is down. Retail demand is slow due to high pricing at the retail level. This will not change and may have a dampening effect on Cinco de Mayo sales. Note that the USDA retail pricing shows an average of \$1.18 for conventional fruit, on par with 2016 prices.

Picking Decision: Sources say "Pick when you have the size." What is "the size"? Watch the inventories and the sell-through. Right now, 48s are in great shape, but that is subject to change. Pay attention to your handler price sheets, talk to your handlers, and keep reading the *Weekly Newsline* to best judge your

harvest schedule (see Inventories below.) Handler crystal balls are projecting that CA pricing will be steady through mid-May, then start to increase as Mexican shipments wane.

Mexico Holiday: Many Mexican harvesters and handlers take vacation or work shorter shifts during Holy Week which occurs this year from April 9-14 and culminates on Easter Sunday. This year's dates coincide with Cinco de Mayo harvesting and bears watching.

Cinco de Mayo Promotions: Cinco de Mayo is typically the 2nd or 3rd largest avocado sales week in the US. (Superbowl is first and 4th of July vies for 2nd or 3rd.) Handlers are discouraging retail outlets from doing Cinco de Mayo promotions due to higher prices which will likely not change. Some retailers are going ahead anyway. Hey, if avocado is the retail loss-leader for tequila or cerveza, well, ¡Arriba, abajo, al centro, pa' dentro! A condensed history of Cinco de Mayo from Wikipedia: "The holiday has been celebrated in California continuously since 1863. The holiday crossed over from California into the rest of the United States in the 1950s and 1960s but did not gain popularity until the 1980s when marketers, especially beer companies, capitalized on the celebratory nature of the day and began to promote it. It grew in popularity and evolved into a celebration of Mexican culture and heritage. On June 7, 2005, the United States Congress issued a concurrent resolution calling on the President of the United States to issue a proclamation calling upon the people of the United States to observe Cinco de Mayo with appropriate ceremonies and activities."

Inventories: Right now, inventories are at a comfortable level. Larger fruit was oversupplied in past weeks causing a soft market for 32s and 36s, with 14-day-old fruit in inventory. 40s are in good shape with a balanced sales stream. 48s are not as steady right now and may soon be oversupplied -- watch over the next few weeks as Mexico's harvest increases prior to Cinco de Mayo and California's harvest increases. 60s and 70s are back into balance and show an upward trend. Smaller fruit has a friend at Walmart – they like a steady price of \$.50 per fruit at the retail level. They will purchase the fruit size that allows them to offer their customers a consistent price point. Today, that is 84s. One source says a little less harvest volume would match better with retail demand.

GROWER NEWS

KNOW YOUR SOILS

You can see the soils in your area by going to the USDA-NRCS (Natural Resources Conservation Service) website -<https://tinyurl.com/j5subus> - and typing in the zip code to find the soil at a given site. Do this on a computer, not your tablet or phone. (Source: Ben Farber)

SHARK® USE IN AVOCADOS

Shark® (carfentrazone) has been currently labeled for use in California avocados. It can provide good and inexpensive top-burn of perennial weeds like field bindweed, but will not kill it. Take a look at the label and, if the grower's weed spectrum aligns with some of the labeled weeds, it's worth checking out. *Just be aware that it is grass-only and doesn't get all broadleaves equally.* Injury symptoms can occur within 1 to 2 hours after exposure, appearing first as water-soaked foliage, which is followed by browning (necrosis) of the tissue. Symptoms will appear most quickly with bright, sunny conditions at application. More at <https://tinyurl.com/k7hjse6> (Source: Sonia Rios)

MEETINGS & EVENTS

CAS SEMINARS: ROOTSTOCKS

- Tuesday, April 11, 2017, 1:00 p.m. to 3:00 p.m., UC CE Office Auditorium, 2156 Sierra Way, San Luis Obispo, CA 93401
- Wednesday, April 12, 2017, 9:00 a.m. to 11:00 a.m., UC CE Office Auditorium, 669 County Square Dr. Ventura, CA 93003
- Thursday, April 13, 2017, 1:00 p.m. to 3:00 p.m., Fallbrook Public Utility District Board Rm., 990 East Mission Rd. Fallbrook, CA 92028

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Wholesale and Retail Prices

HASS AVOCADO PRICES 3/29/2017

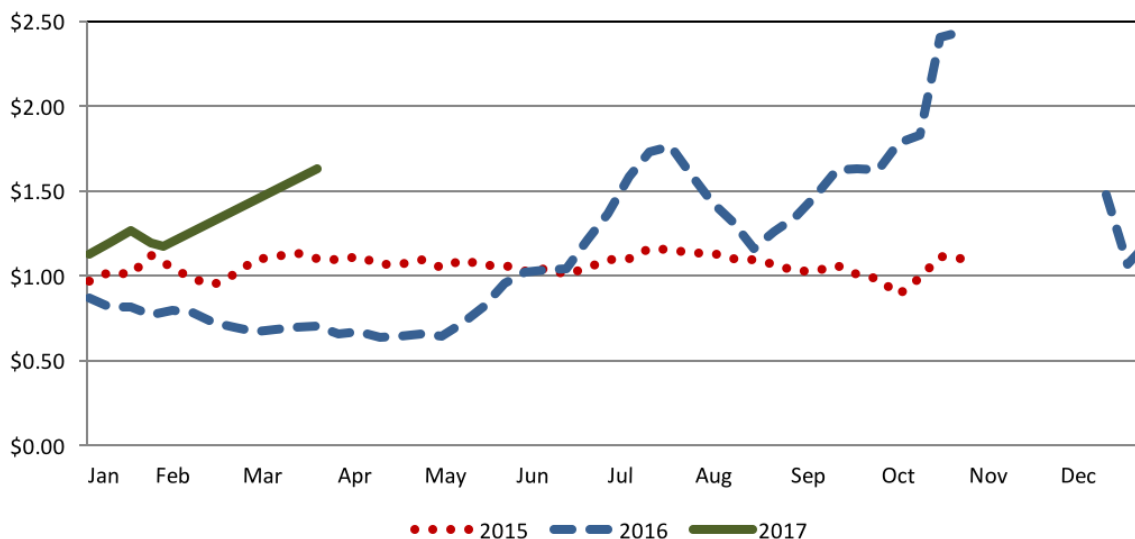
SIZE	ORGANIC #1 Field Price per Lb.	Conventional #1 Field Price per Lb.	Conventional #1 Carton Price
32 (12.5-14 oz)	\$1.80 - 1.92	\$1.74 - 1.84	\$48.75 - \$51.25
36 (11.5-12.5 oz)	\$1.80 - 1.92	\$1.74 - 1.84	\$48.75 - \$51.25
40 (9.5-11.5 oz)	\$1.80 - 1.92	\$1.74 - 1.84	\$48.75 - \$51.25
48 (7.5-9.5 oz)	\$1.98 - 2.08	\$1.74 - 1.84	\$48.75 - \$51.25
60 (6.25-7.5 oz)	\$1.78 - 2.00	\$1.56 - 1.70	\$44.25 - \$47.75
70 (4.75-6.25 oz)	\$1.44 - 1.54	\$1.16 - 1.26	\$34.25 - \$36.75
84 (3.75-4.75 oz)	\$0.65 - 0.76	\$0.64 - 0.76	\$19.33 - \$21.97

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.

RETAIL PRICING FOR WEEK OF 3/24/2017

VARIETY	# STORES	AVG PRICE	STORES LAST YEAR	PRICE LAST YEAR
HASS	3055	1.18	6239	1.17
ORGANIC	374	1.81	906	1.58

Average Weekly California Hass Field Price



Inventory

AMRIC California Summary for Friday March 24, 2017							
	Today	Yesterday	Last Week		Today	Yesterday	Last Week
HASS							
Inventory	7,607,135	8,395,868	7,933,070	Unpacked	1,032,035	1,395,568	977,695
Shipped	942,975	715,700	823,625	Packed	6,575,100	7,000,300	6,955,375
Avg Lug \$	\$45.44	\$47.50	\$45.61	PreSold	1,637,000	1,441,325	0
BACON							
Inventory	0	0	2,900	Unpacked	0	0	0
Shipped	0	0	0	Packed	0	0	2,900
Avg Lug \$	\$0.00	\$0.00	\$0.00	PreSold	0	0	0
PINKERTON							
Inventory	33,875	32,075	18,625	Unpacked	1,800	0	0
Shipped	6,875	2,200	0	Packed	32,075	32,075	18,625
Avg Lug \$	\$14.17	\$16.32	\$0.00	PreSold	0	0	0
TOTAL							
Inventory	7,641,010	8,427,943	7,954,595	Unpacked	1,033,835	1,395,568	977,695
Shipped	949,850	717,900	823,625	Packed	6,607,175	7,032,375	6,976,900
Avg Lug \$	\$45.18	\$47.38	\$45.61	PreSold	1,637,000	1,441,325	0

Pricing is for #1 conventional only

Inventory: 100% participation

Shipment: 100% participation

This is a one day snapshot.

Crop Weekly Harvest Summary and Projections

Weekly Volume Summary (pounds)

Week 21 ending 3/26/17

Shipped by AMRIC Handlers	CA Harvest + Import
28,297,431	37,592,112

March 2017 California Crop Weekly Harvest Projection Weekly Crop Movement vs. Distribution Projections All Varieties

Week	4Y Historical Forecast	AMRIC Handler Forecast	Harvest	Shipments
Mar 5	3,344,641	3,488,300	4,177,803	1,801,433
Mar 12	4,525,187	4,719,700	5,366,440	3,005,356
Mar 19	5,617,706	5,861,900	6,565,244	4,711,461
Mar 26	6,207,504	5,283,400	4,822,770	5,835,106

Editor's Note: I'm still working on data sources, trying to assess which are the most valuable for growers and their harvest decision-making. Please let me know your thoughts on data that is helpful for you. Send an email to Estrada.susan@gmail.com.

FOX WEATHER 30 DAY & SEASONAL OUTLOOK

30 DAY OUTLOOK FOR COAST and VALLEY AREAS OF CALIFORNIA and SEASONAL OUTLOOK
2330 PDT Mar 27, 2017

GENERAL SYNOPSIS FOR CALIFORNIA... Mar 30-Apr 20...

We start this period with a brief rain that ends quickly on the 30th, but with snow lingering in the Sierra NV thru the day. After a couple of warm days with morning freezes on April 1-2, showers return on 3rd, briefly. The next rainy periods are 5-7th, 8th, and 10-13th. The return of this wet scenario is consistent with the current sea surface temperature anomaly (SSTA) pattern for north-central and N Calif. The anomaly has slightly north, supporting a seasonal northward migration of the storm track during April.

WEEKS 1 AND 2: 30 Mar–13 Apr

S Calif Avocado Area...

Santa Barbara Co to San Diego Co

Most of the rain activity remains north of SOCAL. A little light rain or drizzle occurs in coast and valley areas on 30th and 5-11th. A few light showers occur in the Tehachapi Mountains on 30 Mar and again 5-11 Apr.

WEEKS 3 AND 4: Apr 14-28

Apr 14-28...(S Calif Avocado San Luis Obispo S)

The southern branch of westerlies may redevelop in late Apr, and induce development of cutoff lows or fronts. There are showery episodes which appear minor. For late Apr., below normal temperatures for southcentral Calif, and some of this could also affect S Calif.

SEASONAL OUTLOOK/ El Nino UPDATE...Apr 29 – June 1

Troughing is still possible to some extent, with some drizzly mornings during May. El Nino influence is minimal, but sea surface temperature anomaly pattern in the east Pacific off northern California continues to support troughing near the coast. Currently, we look for a better than average chance for some late season showers in N and central Calif and drizzle/light rains into San Diego Co in during at least the first half of May.

Eventually we develop warmer than normal conditions through SOCAL, but probably not occurring until the last 10-12 days of May.

Alan Fox...Fox Weather, LLC,

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