



THE WEEKLY NEWSLINE

California Avocado Society

This week in avocados

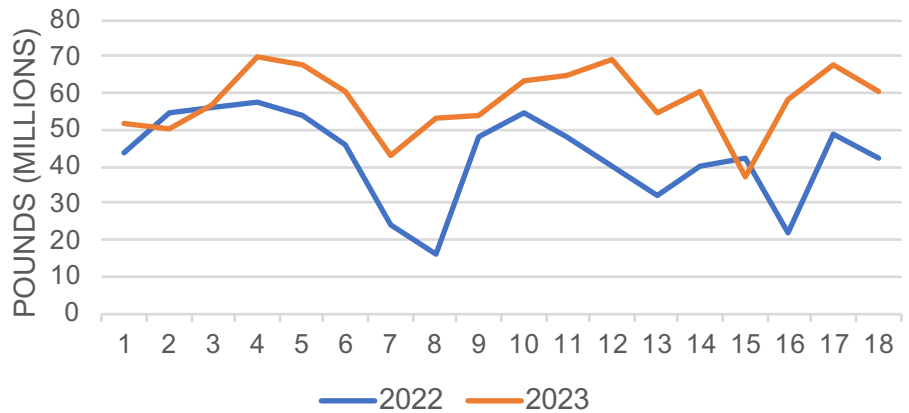
May 4, 2023

May the Fourth be with You

CALIFORNIA AVOCADO SOCIETY PATRON MEMBERS

- Ag Land Services
- Agricola Pampa Baja
- AgWest Farm Credit
- B & M Avocados, LLC
- Benjamin Gonzalez Tellez
- Brokaw Nursery, LLC
- CA Avocado Commission
- Calavo Growers, Inc.
- Camlam Farms, Inc.
- Cynthia Schoustra
- Del Monte Fresh Produce N.A., Inc.
- Del Rey Avocado Company
- ECO Farms Trading Operations, LLC
- Final Frontier Farms Freska Produce International, LLC
- Giumarra Companies
- Grangetto's Ag Supply
- Henry Avocado Corporation
- Index Fresh Inc.
- Jackson Ranch, LLC
- Keyes Packaging Group
- Leavens Ranch LLC
- Limoneira Company
- McDaniel Fruit Company
- Mission Produce
- Peruvian Avocado Commission
- Rincon Farms
- S&S Grove Mgmt. Serv., Inc.
- Sierra Pacific Farms, Inc.
- Simpatica
- Sociedad Agricola Drokasa SA Viru
- West Pak Avocado, Inc.
- Westfalia Fruit Americas
- Yara North America, Inc.

MEXICAN HASS IMPORTS INTO US BY WEEK
2022 VS 2023



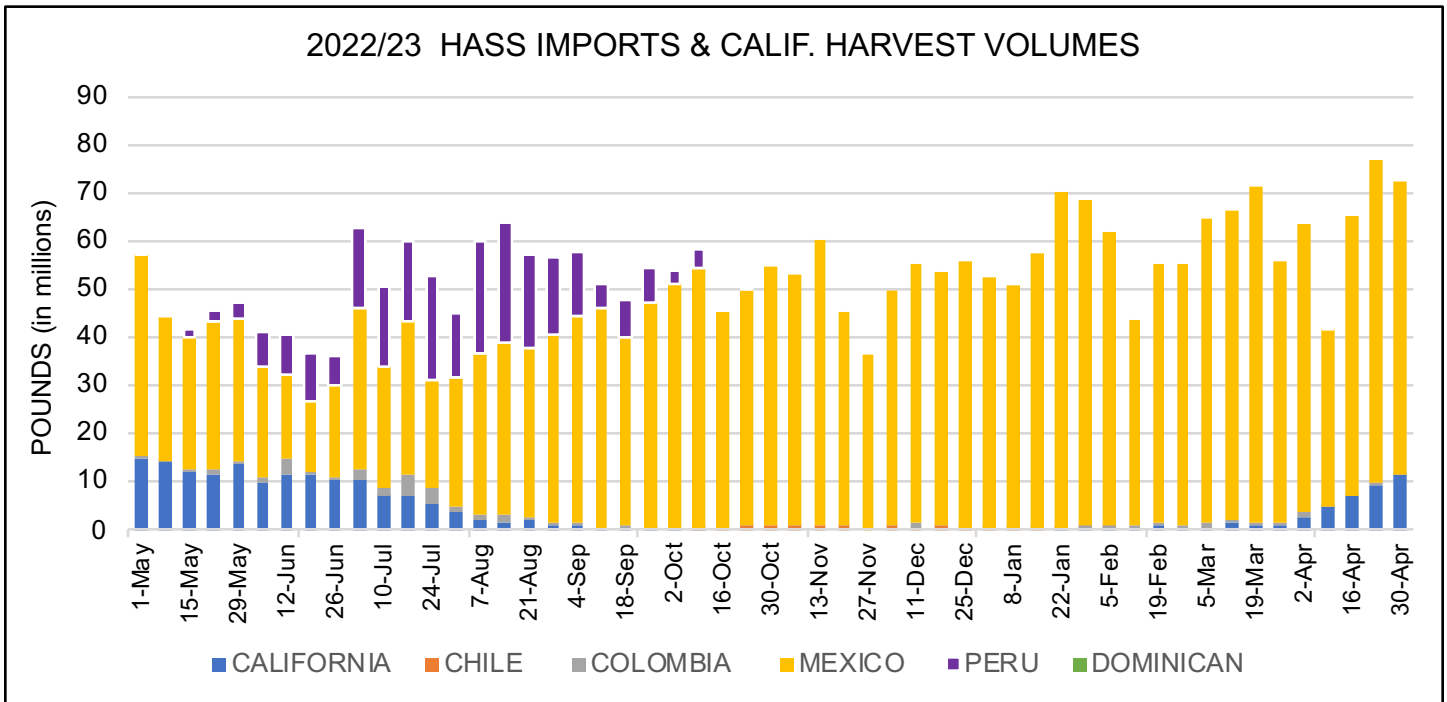
To date in 2023, the US has received 1.04 billion pounds of Mexican Hass avocados. Last year at this time, that volume was .77 billion pounds. That's 35% more fruit year over year. The difference that extra volume has made on grower field quotes is magnified. At this time last year, 48s were fetching \$2.28 a pound (on the low end of quotes) and this year its \$1.00 a pound. A 35% increase in volume out of Mexico has spurred a 66% decrease in price for California growers. Of course, correlation isn't always causation, but in this case, we know that Mexico plays a major role in setting the California price. Last year that worked to California growers' advantage. The 2023 normal crop from Mexico is winding down, and maybe we'll catch a break on volume and pricing soon.

US HASS VOLUMES (pounds)
as of April 23, 2023

Origin	Last Week's Volume	2023 Volume to Date	2022 Volume to Date
California	11,625,693	40,530,028	116,097,327
Total Imports	61,064,017	1,052,683,232	787,393,136
Chile	0	900,000	8,015,951
Mexico	60,794,017	1,043,213,232	769,677,185
Peru	230,000	990,000	1,080,000
Colombia	40,000	7,580,000	7,680,000
Dominican	0	0	940,000
Total Volume	72,689,710	1,093,213,260	903,490,463

Source: AMRIC & HAB

By the Numbers



Source (chart above and below): AMRIC

Packers anticipated this as a week of declining inventories with Cinco de Mayo avocado sales ramping up, but inventories are still sky high. Last week Mexico projected 48 million pounds of avocados into the US, but actually supplied 60 million. Typically, that would be a time to pump the breaks after a holiday build up. Prices are dipping due to the inventory climb.

CALIFORNIA AVOCADO BIN COUNT						
May 4, 2023						
VARIETY	GROWING AREA	TYPE	TODAY	YESTERDAY	LAST WEEK	SEASON-TO-DATE
HASS	NORTH	Conventional	1,027,873	997,024	1,084,125	22,584,502
		Organic	67,240	77,340	47,460	1,124,785
	SOUTH	Conventional	916,367	772,141	823,431	19,565,393
		Organic	163,723	147,490	190,353	3,563,415
	TOTAL		2,175,203	1,993,995	2,145,369	46,838,095
LAMB	NORTH		0	0	0	0
	SOUTH		0	0	0	900
	TOTAL		0	0	0	900
GEM			59,876	112,584	148,761	1,828,664
BACON			0	0	0	70,840
FUERTE			0	0	0	31,260
PINKERTON			0	0	0	0
GWEN			0	0	0	114,109
OTHER			0	0	0	36,800
REED			0	0	0	0
ZUTANO			0	0	0	40,630
TOTAL			2,235,079	2,106,579	2,294,130	48,961,298

LEFT: Soggy prices haven't done much to deter California's harvest rate. Today's bin count recorded over 2.1 million pounds, and the week is heading toward the 10+ million pound range. Organics are approaching 5 million pounds total.

GEM harvest continues in full swing and has nearly reached 2 million pounds for the season.

Price Points

CONVENTIONAL HASS Field Quotes						
Size	Current Quotes May 3/4		Last Week April 25/26		Price Change	
	Low	High	Low	High	Low	High
32	\$0.96	\$1.04	\$0.96	\$1.10	-	(\$0.06)
36	\$0.96	\$1.04	\$0.96	\$1.10	-	(\$0.06)
40	\$0.96	\$1.04	\$0.96	\$1.10	-	(\$0.06)
48	\$1.00	\$1.08	\$1.04	\$1.14	(\$0.04)	(\$0.06)
60	\$0.88	\$1.00	\$0.92	\$1.06	-	(\$0.06)
70	\$0.62	\$0.74	\$0.68	\$0.78	(\$0.06)	(\$0.04)
84	\$0.50	\$0.58	\$0.54	\$0.64	(\$0.04)	(\$0.06)

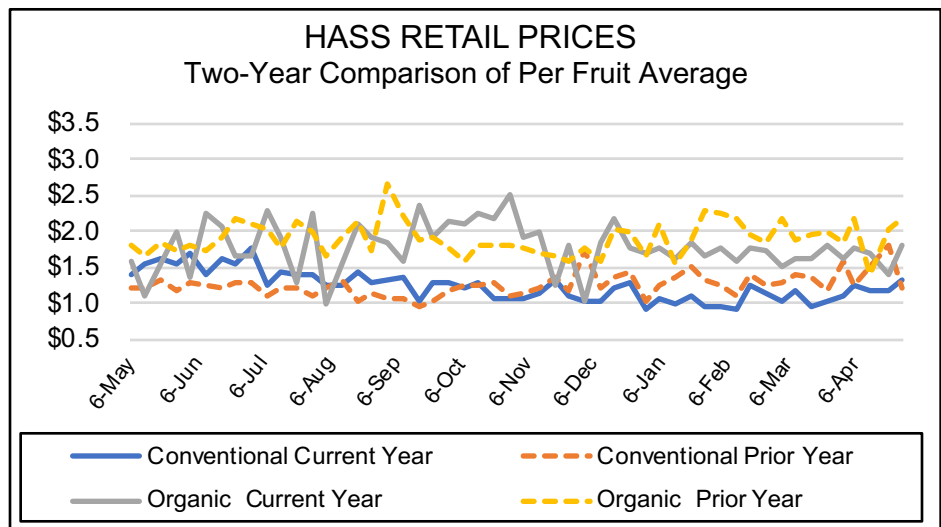
Source: Handler Range (four conventional, three organic handlers quoted)

ORGANIC HASS Field Quotes						
Size	Current Quotes May 3/4		Current Quotes April 25/26		Price Change	
	Low	High	Low	High	Low	High
32	\$1.16	\$1.30	\$1.16	\$1.40	-	(\$0.10)
36	\$1.16	\$1.30	\$1.16	\$1.40	-	(\$0.10)
40	\$1.16	\$1.32	\$1.16	\$1.40	-	(\$0.08)
48	\$1.32	\$1.38	\$1.32	\$1.44	-	(\$0.06)
60	\$1.14	\$1.20	\$1.16	\$1.24	-	(\$0.04)
70	\$0.92	\$1.02	\$0.92	\$1.06	-	(\$0.04)
84	\$0.64	\$0.72	\$0.64	\$0.80	-	(\$0.08)

It's another week of price slumps as the market continues to struggle under the weight of heavy supply. The high end of the price quote range came down consistently, and 48s, 70s and 84s took a dip on the low end of the range as well.

The high end of organic quotes fell this week on all sizes, with the largest fruit taking the biggest hit. The premium over conventional fruit continues to be significant—even when the total price is less than organic growers have come to rely upon. The market's favorite size, 48, still enjoys a 30+ percent premium over conventionals.

USDA SHIPPING POINT* REPORT Mexico Crossings through Texas May 3, 2023		
Size	May 3 Mostly low - Mostly high	April 25 Mostly low - Mostly high
32	\$27.25-28.25	\$28.25-30.25
36	\$27.25-28.25	\$28.25-30.25
40	\$27.25-28.25	\$28.25-30.25
48	\$28.25-30.25	\$29.25-30.25
60	\$29.25-31.25	\$31.25-32.25
70	\$25.25-27.25	\$26.25-28.25
84	\$18.25-19.25	\$18.25-20.25



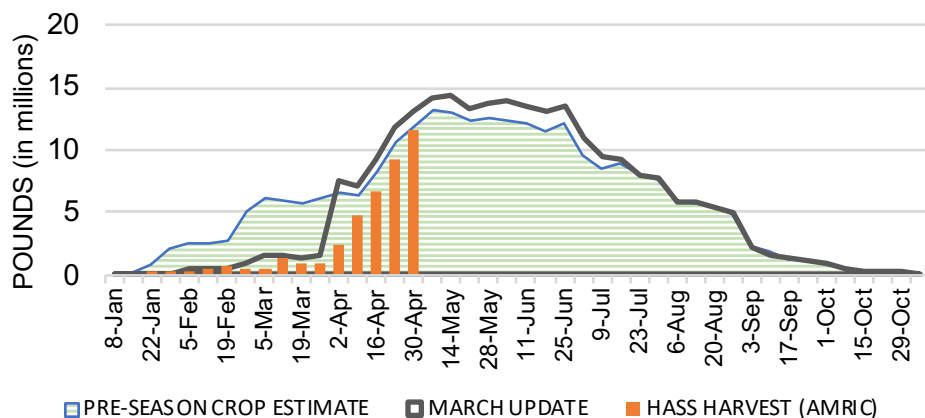
ABOVE: While avocado grower prices have been falling, conventional avocado retail prices were rising. Between the last two weeks, the retail average climbed from \$1.16 to \$1.32. Organic avocado prices rose even more steeply between the last two weeks, from \$1.39 to \$1.82 each.

ABOVE: FOB prices on Mexican avocados have dropped \$1-2 per carton on all sizes except 84s. A softer market indicates too much fruit. With Mexico approaching the end of its normal crop, it may not have the luxury of holding fruit for later in the season.

*Shipping point: Prices represent open (spot) market sales by first handlers on product of generally good quality and condition and may include promotional allowances or other incentives. Brokerage fees paid by the shipper are included in the price reported.

Projections

2023 CALIFORNIA HASS HARVEST ESTIMATES & ACTUAL



LEFT: California’s harvest has been closely aligned with pre-season estimates for the last couple weeks, but still falling short of projections updated in March. Growers are harvesting at a steady clip, but not filling in the gap created by the slow, slow start to the season.

Hot Tips



Avocado feeding time

Growers should start fertilizing their orchards in spring. It is strongly suggested that they write down the amount of fertilizers they plan to apply per month as well as the actual amount applied. This is a dynamic exercise, and the plan should be reviewed by going out to the grove and looking at the trees and performing lab analyses. This is a helpful tool for budgeting your fertilizer expenses for the season.

US AVOCADO VOLUME PROJECTIONS

in millions of pounds

Week Ending	Total	California	Mexico	Peru	Colombia	Chile
May 7	54.5	14.0	39.4	1.2	0.0	0.0
May 14	59.9	13.7	44.1	2.1	0.0	0.0
May 21	63.0	12.8	46.7	3.4	0.0	0.0
May 28	59.3	13.0	40.4	5.8	0.1	0.0

Source: CAC, Comite de Paltas, Corpohass, APEAM and ProHass as reported by the Hass Avocado Board.

ABOVE: Last week Mexico sent about 25% more avocado volume than projected. The market saturation has trickled into lower grower prices. This week Mexico is projected to send just 39 million pounds, which would offer some critical relief to the market. It’s too soon to know where the volume for this week will land, but restraint may be key.

If you have received this copy of The Weekly Newsline and have not paid for it, please consider becoming a member of the California Avocado Society.

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Organized in 1915

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Got avo news? Opinions? Comments?

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World News

Peru sees room to double its avocado exports to the U.S.

Peru exported 270 million pounds of Hass avocado into the U.S. market in 2022, good for a growth clip of 47 percent over 2021. The level of growth year-over-year may not persist, but according to the Peruvian Avocado Commission, export volume to the U.S. could expand to 500 million pounds of an over 4 billion pound Peruvian avocado crop by 2028. Increasing exports to the U.S. will depend on Mexico's crop size, according to PAC, and the light Mexican crop of 2022 is what led to Peru's spike in exports to the U.S. The Peruvian April-to-October avocado harvest aligns both with California's harvest and Mexico's slow-season, complicating the supply puzzle and putting Peru in competition with California for late spring and summer consumers. Peru is emphasizing the need for its industry to unite behind strict quality and dry matter standards in order to provide consistency for the Peruvian avocado brand in export markets. PAC has announced a marketing partnership with the Atlanta Braves and Kroger grocery stores which will launch this June, in addition to a partnership with Tesla electric cars and Lidl supermarkets that promotes the fruit alongside messages of environmental sustainability. *Source: Fresh Fruit Portal*

Chipotle earnings ride wave of lower avocado pricing

Chipotle Mexican Grill's bottom line has an inverse relationship to avocado pricing. When avocado prices are low, Chipotle's profit margins are high. In a Wall Street Journal article, the restaurant chain reported hitting new records for its stock pricing amid earnings reports that reflect what a difference a year makes in avocado pricing. Chipotle is one of the largest, if not the largest, consumer of avocados in the U.S. restaurant sector, making the chain a great customer and also highly dependent on commodity pricing to turn a profit. In the summary of how good business currently is, Chipotle also tips its hat to successful customer interaction through TikTok, whereby influential social media users experimented with Chipotle menu to create the "fajita quesadilla." The menu option was such a hit Chipotle made it permanent and saw huge fajita quesadilla sales days driven by influencers making the meal viral. *Source: Wall Street Journal*

Avocado mattresses opens Portland "Experience Center"

Avocado Green Mattress, the brand built on the aura of the avocado, recently announced it has opened an Experience Center in Portland, Oregon, where it will showcase and sell its products, including eco-luxury mattresses and furniture, loungewear, sustainable sleepwear and Clean Skin + Body products. All tables and interior furnishing for Portland's Avocado Green Mattress store at the Washington Mall will be hand-fashioned with upcycled materials at the company's Los Angeles wood shop, and other store decor was purchased at Portland thrift shops to infuse the space with a hometown vibe. Organic avocado mattresses do not contain organic avocados; however, the branding is a case study in the power of the avocado as a marketing tool and iconic fruit associated with nature. California store locations include Los Angeles, San Francisco, Orange County and Palo Alto.

Meetings

CAC welcomes stakeholders to annual meetings

The California Avocado Commission will hold three annual meetings between May 8 and May 10, one each in San Luis Obispo, Ventura and Temecula. Members of CAC's new leadership team will speak at the sessions to inform the industry of its marketing, research and industry affairs operations. Speakers include: Jeff Oberman, CAC president; Ken Melban, CAC vice president for industry affairs and operations; Terry Splane, CAC vice president for marketing; and Tim Spann, a consultant with Spann Ag Research & Consulting. Attendees do not need to register in advance. The meetings are scheduled as follows:

Monday, May 8, 1-3 p.m.

SLO Farm Bureau
4875 Morabito Place
San Luis Obispo, 93401

Tuesday, May 9, 9-11 a.m.

Museum of Ventura County
100 E. Main St.
Ventura, 93001

Wednesday, May 10, 9-11 a.m.

South Coast Winery
34843 Rancho California Road
Temecula, 92591

Weather Outlook: 30-day and Seasonal

SEASONAL OUTLOOK FOR CALIFORNIA: MAY 4 - JUNE 4

- a) We note that the sea surface temperature anomalies and IVTinit, there is support for a tendency for occasional troughing near the coast of Central and Northern California. This includes San Luis Obispo Co. from Pt. Arguello north.
- b) There continues support for troughs and upper lows to develop near Pt. Arguello-Morro Bay. These maintain cool onshore flow with coastal drizzle alternating with showers. There may be a frost in coastal valleys of the central coast/Monterey/San Benito counties in May on multiple dates.
- c) The sea surface temperature anomaly pattern (SSTA) suggests a continuation of troughing near the California coast, and the cool or briefly cold conditions continuing through May and even into the first week or two of June. There continue the active cold fronts arriving from the Northern Pacific/off the Washington coast. Occasional frosts could reappear a few times into Northern and Northcentral California areas to interfere with spring bloom.
- e) Seasonal longer term trend. Both NOAA/Climate Prediction Center, and Australian Bureau of Meteorology have “El Nino Watch” status for next winter season in the Northern Hemisphere. This means: for the upcoming rainy season of late 2023 through spring 2024, and possibly next wet season of 2024-2025, we may be looking again at a wetter than normal rainy seasons for California, as well as NW Mexico and Arizona.

Northern California

- **NORCAL Precipitation Trend:** May 2-6, 7-11, 15 off-on until May 30
- **NORCAL MILD SPELLS:** May 12-14, 17-18 and June 1-4
- **NORCAL COLD/COOL SPELLS:** May 2-5, 15-16 and 20-29
- **NORCAL FROSTS/FREEZES:** May 6 and 8 (Mid to upper 30s)

Forecast for Central California

- **CENTRAL CALIF. RAINS:** May 3-5, 22, 25 and 28
- **CENTRAL CALIF. MILD SPELLS:** May 11-15, 18-20 and June 1-5
- **CENTRAL CALIF. COLD/COOL SPELLS:** May 3-6, 15-17 and 22-28.
- **CENTRAL CALIF. DRY COLD WINDS:** May 6 and 17

Southern California

- **SOCAL RAINS:** May 3-5
- **SOCAL MILD TO WARM SPELLS:** May 11-14, 18-21, 26-28 and May 30-June 5
- **SOCAL COOL OR COLD SPELLS:** May 3-9, 16 and 23-24
- **SOCAL FROSTS: Unlikely.**

LONG RANGE OUTLOOK JUNE 5 - JULY 5

Northern and Central California: In general, during this period, CFSv2 continues to show cool and showery conditions in the North and Central Sierras, Siskiyou/Cascades, and cold, showery conditions in the NE Plateau. After some cool and showery periods in early to mid May (per NMME), we finally emerge to a very brief warm or hot day for interior Northern and Central California. There is a continued risk of abnormal cool periods with showers and a thunderstorm central Sierras early to mid June, then turning warmer in the last week of June to the first part of July with seasonable showers.

Southern California: This period currently appears to turn cool in May due to intermittent showery events, and a deep marine layer on the coast and coastal valleys. This is forced by currently below normal sea surface temperatures and a tendency for troughing with cooler than normal air masses aloft. Interior valleys may have a better chance to recover to near normal warmth for a brief period by late May, but then turn breezy and cool or cold again in June due to abnormally strong upper lows or troughs.

For SoCal coast and valley areas: Watch for below normal temperatures in May and through mid June—cool days with drizzly coastal eddy conditions on the windward slopes, but about normal nighttime temperatures in SoCal from coastal marine clouds in May through mid June. Turning warmer by the end of June, with a transition to warmer conditions but still breezy, more typical of May. To follow the wet winter and spring, we should consider the possibility of a robust late May through June growth of fuels, i.e. dry brush understory in the forests. As the subsequent seasonal dry-off of these understory fuels occurs in late June-July, we could launch quickly into a robust fire season about late July or August.