



THE WEEKLY NEWSLINE

California Avocado Society

This week in avocados

June 29, 2023

The price is right

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
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- 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.

The avocado market might be a little crazy right now, but its not Loca enough! Bad puns aside, the abrupt drop-off of Mexico's normal crop has left the US market craving more avocado volume than its main supplier could provide. Last week's Mexican exports to the US amounted to just 25 million pounds, and these late season avocados are heavy on number twos and high in oil content—they don't last long in the grocery store.

Meanwhile, the Loca crop couldn't come to the rescue when harvest dropped precipitously, because it wasn't released for export to the US until this week. Jalisco's Mendez crop also was released for export this week. Both of these new crops will help patch in some needed supply, but they are young fruit that skew toward 60s and 70s rather than the market mainstay 48. Expectations range from a week to a few weeks for Mexico's supplies to return to the level of demand.

Why haven't Peru and California filled more of the gap created by Mexico recently? Peru is not an agile supply substitute. Fruit from Peru spends 10 days on the water making its way to the US, and 10 days is enough for major changes to occur in the avocado market. Still, Peru's acceleration into the US has begun, and we expect volumes to continue climbing.

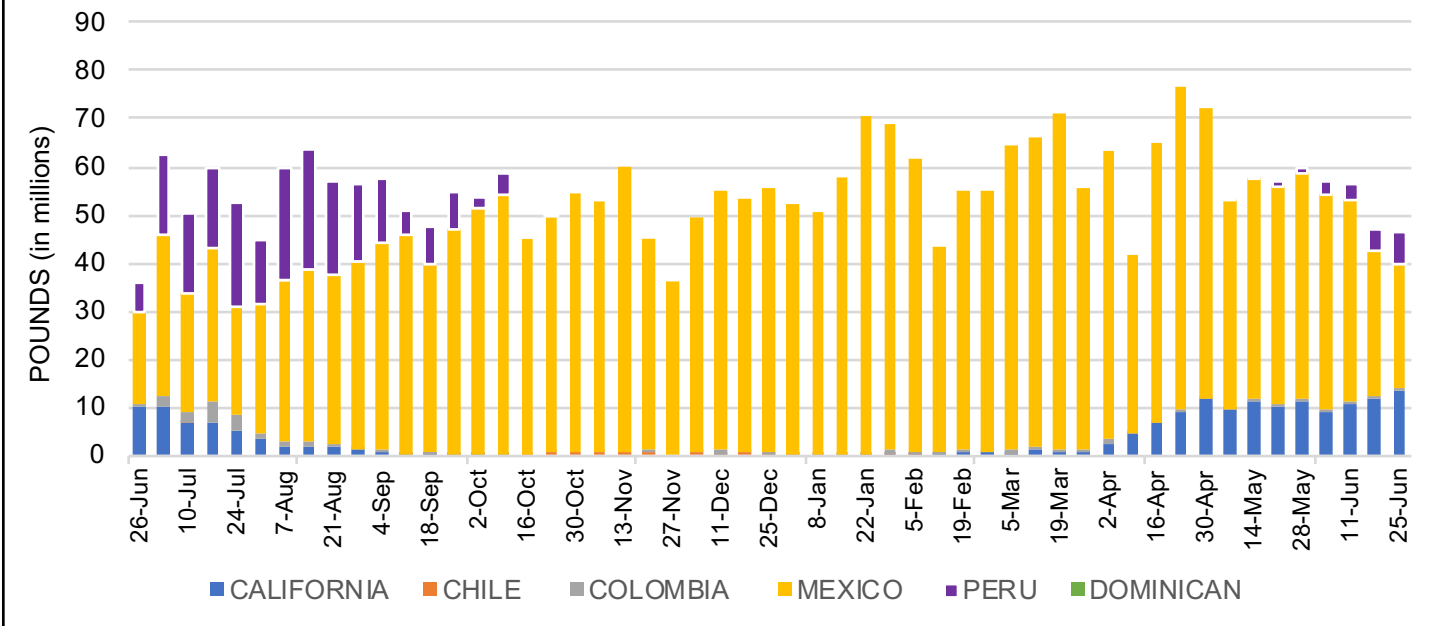
Then there's California. Last week California harvested 15% more fruit than it had the week prior as prices rose with falling inventories. But while California fruit is strongly influenced by trends in import pricing, it tends toward less dramatic field quote changes. Field quotes on California avocados have risen about 25% over the last two weeks, but FOB prices on Mexican avocados have more than doubled in the same period. The market's bread and butter is Mexican avocados, and California fruit can't fill that gap due to its premium pricing and its limited supply.

Source: AMRIC & HAB

US HASS VOLUMES (pounds) as of June 25, 2023			
Origin	Last Week's Volume	2023 Volume to Date	2022 Volume to Date
California	13,633,934	128,432,810	209,610,230
Total Imports	32,581,708	1,400,218,094	1,026,927,290
Chile	0	900,000	8,015,951
Mexico	25,521,708	1,367,328,094	962,201,339
Peru	6,600,000	21,420,000	39,780,000
Colombia	10,570,000	10,570,000	15,990,000
Dominican	0	0	940,000
Total Volume	46,215,642	1,528,650,904	1,236,537,520

By the Numbers

2022/23 HASS IMPORTS & CALIF. HARVEST VOLUMES



Source (chart above and below): AMRIC

Mexican avocado volumes into the US have shrunk notably over the last couple weeks—check the gold bars above. Volumes from California and Peru have grown, but not enough to fill the gap between supply and demand. The Fourth of July arrives next week, and inventories are low, below 50 million pounds. The imbalance in the market may require several weeks to right itself.

CALIFORNIA AVOCADO BIN COUNT
June 29, 2023

VARIETY	GROWING AREA	TYPE	TODAY	YESTERDAY	LAST WEEK	SEASON-TO-DATE
HASS	NORTH	Conventional	1,395,129	1,317,535	1,083,868	64,601,258
		Organic	174,714	126,098	150,792	4,512,234
	SOUTH	Conventional	865,723	916,142	721,823	54,124,902
		Organic	250,630	249,863	267,635	12,954,766
	TOTAL		2,686,196	2,609,638	2,224,118	136,193,160
LAMB	NORTH		82,716	33,818	34,765	537,909
	SOUTH		25,235	21,600	8,415	223,800
	TOTAL		107,951	55,418	43,180	761,709
GEM			28,140	12,880	0	4,413,458
BACON			0	0	0	70,840
FUERTE			0	0	0	39,360
PINKERTON			0	0	0	0
GWEN			0	0	27,600	238,369
OTHER			0	0	0	39,575
REED			0	0	0	0
ZUTANO			0	0	0	40,630
TOTAL			2,822,287	2,677,936	2,294,898	141,852,705

LEFT: California avocado field prices are the highest they've been all season, and growers are making hay while the sun shines. This week's bin counts indicate that we'll end with another 13-14 million pounds harvested. More of that volume is coming from the North. That's a product of the South harvesting more heavily before the threat of summer heat. It's also a product of the North simply having more producing acres than the South at this point in avocado history.

GEM has slowed as its season winds down. Lamb Hass is catching this good pricing window just as harvest ramps up.

Price Points

CONVENTIONAL HASS Field Quotes						
Size	Current Quotes June 26-28		Last Week June 20		Price Change	
	Low	High	Low	High	Low	High
32	\$1.10	\$1.20	\$1.00	\$1.10	\$0.10	\$0.10
36	\$1.10	\$1.24	\$1.00	\$1.10	\$0.10	\$0.14
40	\$1.16	\$1.24	\$1.04	\$1.16	\$0.12	\$0.08
48	\$1.22	\$1.30	\$1.10	\$1.20	\$0.12	\$0.10
60	\$1.06	\$1.14	\$0.94	\$1.04	\$0.12	\$0.10
70	\$0.60	\$0.80	\$0.50	\$0.68	\$0.10	\$0.12
84	\$0.42	\$0.64	\$0.42	\$0.54	-	\$0.10

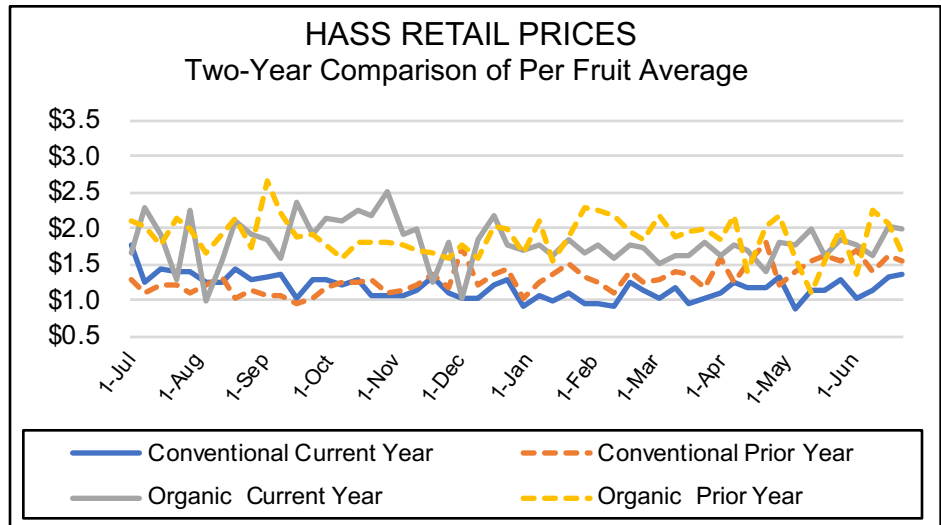
It's week two of big growth in field quotes on California avocados. Every size is experiencing price increases, but 48s enjoy the highest percentage hike, at 25-30 percent. Mexican fruit is either small (new crops in Michoacan and Jalisco) or large (what's left of the normal crop). The sweet spot (48) is scarce.

ORGANIC HASS Field Quotes						
Size	Current Quotes June 28		Last Week June 20		Price Change	
	Low	High	Low	High	Low	High
32	\$1.20	\$1.42	\$1.20	\$1.36	-	\$0.08
36	\$1.20	\$1.42	\$1.20	\$1.36	-	\$0.08
40	\$1.20	\$1.42	\$1.20	\$1.36	-	\$0.08
48	\$1.28	\$1.50	\$1.28	\$1.44	-	\$0.06
60	\$1.10	\$1.26	\$1.10	\$1.20	-	\$0.06
70	\$0.92	\$1.06	\$0.92	\$1.02	-	\$0.04
84	\$0.50	\$0.66	\$0.50	\$0.62	-	\$0.04

Organics continue to demonstrate a milder reaction to major market upheaval. Like conventionals, organics are scarce in the market, which is pushing field quotes higher, though less dramatically than conventionals. The high end prices on conventionals are starting to approach the low end prices on organics. Still the high end of the organic range enjoys a significant premium over conventionals.

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

USDA SHIPPING POINT* REPORT Mexico Crossings through Texas June 27, 2023		
Size	June 27 Mostly low - Mostly high	June 20 Mostly low - Mostly high
32	\$65.25-70.25	\$43.25-45.25
36	\$65.25-70.25	\$43.25-45.25
40	\$65.25-70.25	\$43.25-45.25
48	\$65.25-70.25	\$45.25-48.25
60	\$58.25-60.25	\$38.25-40.25
70	\$48.25-50.25	\$30.25-32.25
84	\$39.25-40.25	\$25.25-27.25



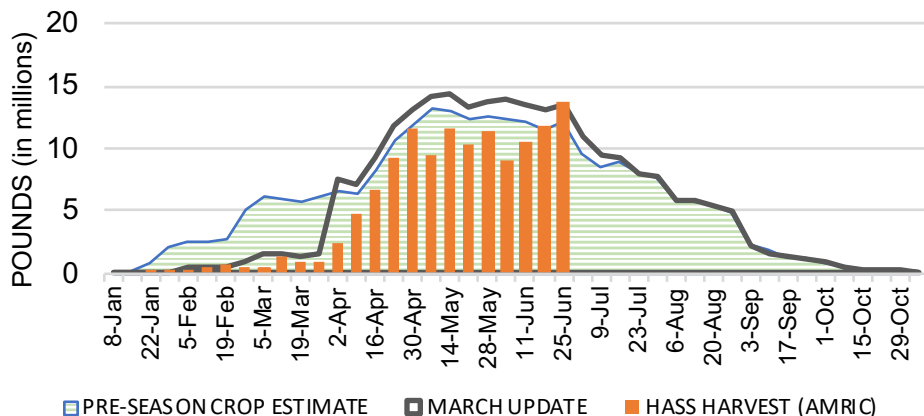
ABOVE: Retail prices climbed again between the last two weeks, but much less than field prices or FOB prices. Low inventories may challenge the ability of retailers to offer big Fourth of July promotions; we'll see how that plays out when we have those numbers in a couple weeks. Between the last two weeks, the average retail price of an avocado increased from \$1.31 to \$1.36. Meanwhile, organic avocado retail prices dropped by a small percentage, from \$2.03 to \$1.97 each.

ABOVE: FOB prices on avocados from Mexico doubled in the the last two weeks and rose by 50% over the last week. This rapid increase is a reflection of the steep drop in harvest of Mexican avocados. The normal crop is fast approaching its end, and the Loca crop has just been released for export to the US. Volumes are down, and demand is high with Independence Day early next week.

*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: A big bump in California harvest came with last week's rising prices. This week is likely to exceed projections for the first time all season. Growers are harvesting rapidly to catch the window of pricing opportunity presented by a shortage of Mexican avocados.

Hot Tips

Water is Precious & Pricey Don't Waste it!

It's a good time of the year to check your irrigation systems to make sure you are using your water in the most efficient way. Growers should 1) determine whether the dripper or sprinkler is delivering the amount of water it should, 2) check distribution uniformity, and 3) check the pressure in the system.



US AVOCADO VOLUME PROJECTIONS

in millions of pounds

Week Ending	Total	California	Mexico	Peru	Colombia	Chile
July 2	60.9	10.0	33.5	16.7	0.7	0.0
July 9	57.7	9.1	29.1	19.0	0.4	0.0
July 16	65.1	9.9	35.6	19.3	0.3	0.0
July 23	61.5	9.4	36.5	14.9	0.7	0.0

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

ABOVE: Mexican volumes are expected to increase from last week's low point of 25 million pounds. Because inventories are low and a major avo-eating holiday is just days away, it may take a few weeks of import volumes that are closer to projections for the market to find balance. Peru shipped 6.6 million pounds last week, but is still many millions of pounds away from its projections for this point in the season. Given market conditions, we expect it to pivot to higher volumes as soon as it can.

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

New BL516 variety gets official name, "Luna UCR"

In last week's Newsline we carried the UC Riverside announcement of a new promising avocado variety, BL516, and this week, Green Motion, which will license and promote the new variety around the world, announced its common name, Luna UCR. Scores of California avocado growers attended an event at UC Riverside this week to learn more about the new variety, which representatives of Eurosemillas, the plant innovation company that partnered with UC Riverside on developing the Luna, have said will complement Hass varieties by both extending the avocado season and acting as a pollinator for A-Flower type Hass trees. Luna is Hass-like but harvests later and has a B-Flower type. Hass and Luna's flowering will overlap, and Luna trees in the orchard should improve pollination and fruit set. Luna also has the advantage of being a more upright tree that can be planted more densely, while producing dark skin fruit that should appeal to Hass consumers. Source: Fruitnet

From avo pollination to picking, Israel applies agri-tech

Israel may not be as climatically inclined to avocado production as other regions of the globe, but what it lacks in weather it compensates for in advancing agricultural technology. A recent article at France 24 describes fully autonomous avocado harvest by drone and the use of large paddles to agitate trees enough to promote the spread of pollen. In Israel there are over 500 listed agri-tech companies working to create efficiency in the way farmers around the globe grow and harvest their products. Drone harvest is already in use in the U.S., Italy and Chile for fruit, including avocado, apples and stone fruit. Source: france24.com

Summer avocado Blizzard hits Dairy Queen

A flurry of fast food chains have ridden the rise of the avocado and featured dishes that demonstrate both the ubiquity and versatility of avocados. The latest brand to boast avo offerings is none other than Dairy Queen, which is featuring Avocado Fest as its Blizzard of the Month in select regions at its global restaurants. In addition to avocado oreo, mallow and graham Blizzards, DQ is offering avo ice cream cakes, shakes and parfaits, proving the accessibility of avocados beyond luxury toast and taco menus. The price on a large Blizzard is about \$5.50, and the avocado blizzard is only available in select locations. Source: Business World



This & That

AVOCADO IRRIGATION WORKSHOP

**Tuesday,
July 18
1 - 4 p.m.**

United Water Conservation District
1701 Lombard St Ste 200,
Oxnard, CA 93030

This UCANR training workshop aims to focus on water management related issues in avocados including drought and heat effects; challenges due to climate change; cost-effective irrigation management tools; strategies for managing salinity; water costs and planting density; and Ventura County RCD supporting programs.

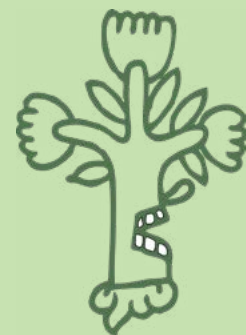
REGISTRATION

California Avocado Society, California Avocado Commission & UC Cooperative Extension present

JUNE GROWER SEMINAR

**Pollinizers, World Markets,
Alternative-Marketing:
Staying Profitable in the
Avocado Market**

VIEW RECORDING



Weather Outlook: 30-day and Seasonal

SEASONAL OUTLOOK FOR CALIFORNIA: JULY 1 - AUG. 1

- a) The dominant pattern is for cool troughing to remain near the coast or just west of California, resulting in normally sparse rain amounts in California with continued cool conditions on the coast, mild in the foothills and coastal valleys, and on the mild to seasonably warm for the San Joaquin and Sacramento Valleys.
- a) Precipitation Trend July 1-Aug. 1: Precipitation Dates for Northern and Central California: Showers and thunderstorms mainly mountain areas June 26-July 3. There still is some risk of coastal low clouds and drizzle, with a shower or two in the mountains. Warmups, as they occur, will either tend to be brief, or will wait until there is good solid high pressure aloft with sunny conditions.
- b) Precipitation trends in Southern and Western Mexico thru mid July: Tropical cyclone-type rains: July 1-3, July 4-11. Hot and mostly dry during July 12-20 in Western and NW Mexico.
- c) In California, hot spells occur July 1-3, cooler July 5-6. Hot dry windy SE-S wind conditions occur on the North Coast on July 7-9 and 10. A westerly storm track re-establishes on the Pacific Northwest coast most likely July 12-15th. Some of that cooler influence with deeper marine layer into Northern and Central California occurs July 13-17.
- d) Overall, a drier and warmer than normal pattern prevails in late July, August and September. Rains may become more likely in August and September per climatology, and occasional meanders of monsoonal moisture northward into SE California and Arizona.
- e) In the fall, we transition from a mostly dry autumn (October 2023) to a wet December 2023, as a strengthening El Nino finally gets going after mid December.

Northern California

- **NORCAL RAIN TREND:** June 30 (Northern areas and mtns), July 28-29
- **NORCAL WARM/HOT SPELLS:** July 1-7 and 12-26
- **NORCAL COOL SPELLS:** July 8-10 and 28-31

Central California

- **CENTRAL CALIF. RAIN:** Dry with rain unlikely
- **CENTRAL CALIF. WARM/HOT SPELLS:** July 1-Jul 8 and 11-26
- **CENTRAL CALIF. COOL SPELLS:** July 9-10 and 29-31

Southern California

- **SOCAL RAINS:** July 6-7 (coastal drizzle) and 12-14 (showers in eastern mtns)
- **SOCAL WARM TO HOT SPELLS:** July 1-5 and 8-27
- **SOCAL COOL SPELLS:** July 6-7 and 29-31

LONG RANGE OUTLOOK AUG. 1-31

Northern and Central California: It turns intermittently much warmer in late July-August as we head through midsummer with high pressure alternating with an occasional cool trough. Seasonal curing of grasses appears to be complete by July 30 for all but the high Sierras for the start of fire season still appears to lag behind schedule at the mid-July time. Speed of curing should quickly catch up to normal by late July-Aug 1.

For SoCal: After the cool and drizzly conditions of early summer, we transition to a more rapid warm-up reaching to the coastal zone by Aug 1. The warm-up occurs first in the inland valleys and foothills, then finally reaches the coastal zone by Aug 1. We note that the September precipitation outlook maps from CFSv2 and NMME are near or slightly below normal rainfall for SoCal/L.A. basin, for now.

Seasonal curing of fuels in the forests of NorCal and Sierras: The seasonal dry-off of these understory fuels occurs slowly in most Sierra areas (except below 5,500 feet west slope) from June 30 - July 12. Depending on elevation in the Sierras, we could launch quickly into a robust fire season starting about July 12 and continue onward into August with a few thunderstorms and lightning strikes on dry grasses. As curing progresses more quickly, and the atmosphere becomes more unstable while dry and hot at low elevations, lightning ignition risk will rise in late July through mid August.

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