



# THE WEEKLY NEWSLINE

## California Avocado Society

This week in avocados

July 13, 2023

### Prices are hot and weather will be, too

#### CALIFORNIA AVOCADO SOCIETY PATRON MEMBERS

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- Peruvian Avocado Commission
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- Sierra Pacific Farms, Inc.
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- West Pak Avocado, Inc.
- Westfalia Fruit Americas
- Yara North America, Inc.

Increased shipments of Mexico's Loca crop have raised US avocado inventories to a more comfortable level (mid-50 million pounds) and improved stability in the market. Now the issue isn't overall volume but volume within sizes. While the early Loca fruit skews small and is more readily available than larger fruit, the market is hungry for larger fruit and sated on small sizes.

That's the big picture. Now let's apply the California filter. Mexico's late-June volume drop raised avocado prices across the all sizes, adding 30% to the price of 48s in a matter of a couple weeks. Now, even though overall avocado volumes have resumed a steady flow, California fruit is hanging tight to its elevated field prices. Just like we have for the last couple weeks, we're seeing 48s fetch between \$1.21 and \$1.30 a pound. And even though smaller sizes are particularly abundant from Mexico, smaller California fruit has thus far retained its value.

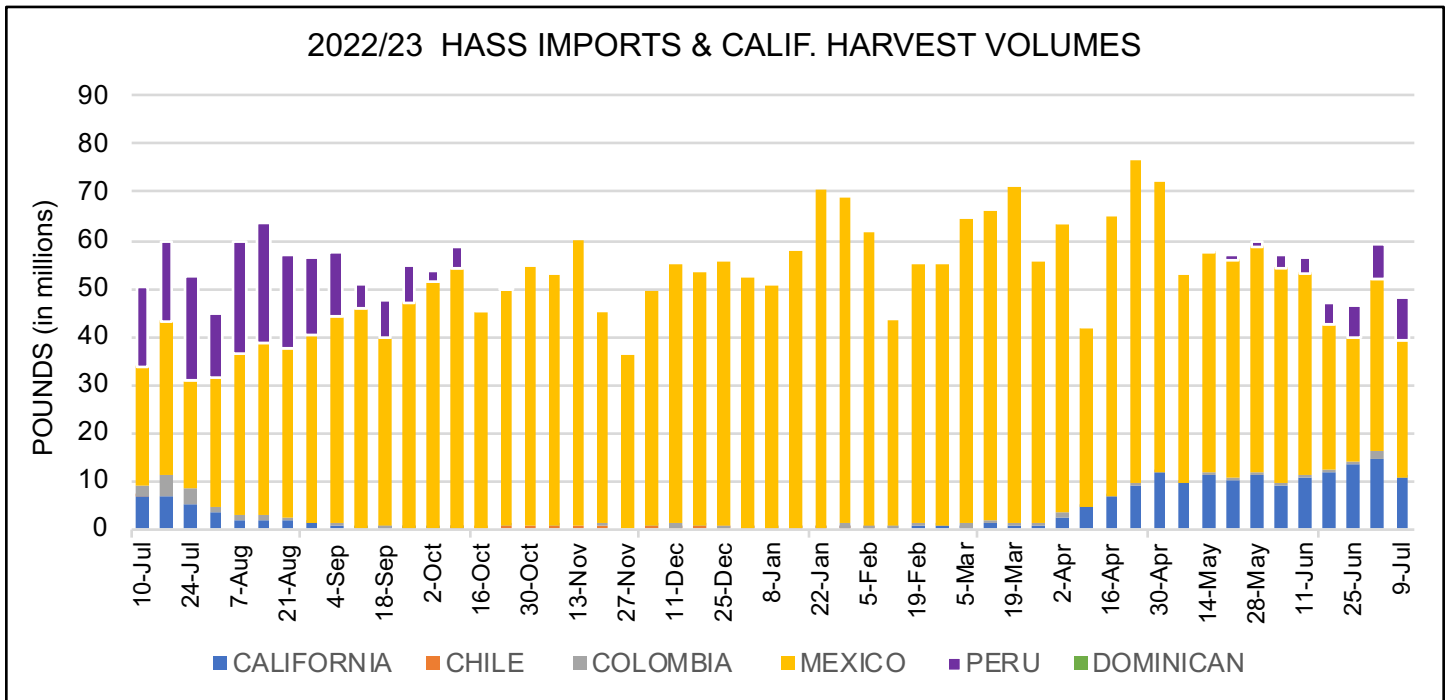
You're right, California growers, these field prices aren't buying new trucks or motivating housing developers to switch to avocado farming. Prices rose from dismal to mediocre, but it's still worth celebrating a 30% rise. And growers are jumping to harvest before this window closes. Last week's harvest volumes remained over 10 million pounds despite the mid-week holiday. The week prior marked the heaviest California harvest, 14.6 million pounds, since the start of the season. This week will end on another high point.

Peru, the only other real player in our market, has increased its shipments to the US steadily week over week but is still nowhere near what was projected. Europe and Asia are receiving the bulk of Peru's avocados, but the US is expected to continue receiving a steady supply through August.

Source: AMRIC & HAB

US HASS VOLUMES (pounds) as of July 9, 2023			
Origin	Last Week's Volume	2023 Volume to Date	2022 Volume to Date
<b>California</b>	10,593,721	153,612,043	226,909,707
<b>Total Imports</b>	<b>37,494,105</b>	<b>1,482,427,888</b>	<b>1,122,678,068</b>
<b>Chile</b>	0	900,000	8,065,951
<b>Mexico</b>	28,284,105	1,431,187,888	1,020,282,117
<b>Peru</b>	8,870,000	37,700,000	73,270,000
<b>Colombia</b>	340,000	12,640,000	20,120,000
<b>Dominican</b>	0	0	940,000
<b>Total Volume</b>	<b>48,087,826</b>	<b>1,636,039,931</b>	<b>1,349,587,775</b>

# By the Numbers



Source (chart above and below): AMRIC

Two weeks ago, the US got a bigger gulp of Mexican avocados than it had for a couple weeks prior. That helped stabilize the market by raising the total for the week to nearly 60 million pounds. Last week, the total volume between Mexico, California and Peru came back down to under 50 million pounds, but the flow of the new Mexican crop should keep the market happy, certainly on small fruit.

CALIFORNIA AVOCADO BIN COUNT						
July 13, 2023						
VARIETY	GROWING AREA	TYPE	TODAY	YESTERDAY	LAST WEEK	SEASON-TO-DATE
HASS	NORTH	Conventional	1,552,159	1,115,960	1,659,103	78,737,590
		Organic	102,003	77,000	138,398	5,710,848
	SOUTH	Conventional	607,307	543,115	952,373	61,885,378
		Organic	188,700	158,660	330,204	15,455,474
	<b>TOTAL</b>		<b>2,450,169</b>	<b>1,894,735</b>	<b>3,080,078</b>	<b>161,789,290</b>
LAMB	NORTH		157,183	178,155	234,096	2,512,309
	SOUTH		107,515	73,250	24,745	721,513
	<b>TOTAL</b>		<b>264,698</b>	<b>251,405</b>	<b>258,841</b>	<b>3,233,822</b>
GEM			42,075	2,775	0	4,508,960
BACON			0	0	0	70,840
FUERTE			0	0	0	39,360
PINKERTON			0	0	0	0
GWEN			0	0	0	238,369
OTHER			0	0	0	39,575
REED			13,875	0	14,025	83,825
ZUTANO			0	0	0	40,630
<b>TOTAL</b>			<b>2,770,817</b>	<b>2,148,915</b>	<b>3,352,944</b>	<b>170,095,775</b>

**LEFT:** The numbers indicate that California's southern avocado growing region is winding down harvest for the season. With heat in the forecast, growers in vulnerable areas (which make up a higher percentage of the southern region) are looking to call it a wrap. Harvest is heavy in the North, where trucks hauling avocado bins along the 101 is now a frequent sight. To date, the South has harvested 77% of the North's conventional harvest, but 271% of the North's organic harvest. The organic game is strong in the South. Lots of lamb hass are coming off trees now, with the season eclipsing 3 million pounds this week.

# Price Points

CONVENTIONAL HASS Field Quotes						
Size	Current Quotes July 12		Last Week July 5		Price Change	
	Low	High	Low	High	Low	High
32	\$1.14	\$1.22	\$1.14	\$1.20	-	\$0.02
36	\$1.14	\$1.22	\$1.14	\$1.24	-	\$(0.02)
40	\$1.16	\$1.24	\$1.16	\$1.24	-	-
48	\$1.20	\$1.31	\$1.22	\$1.31	\$(0.02)	-
60	\$1.06	\$1.14	\$1.04	\$1.14	\$0.02	-
70	\$0.64	\$0.74	\$0.64	\$0.72	-	\$(0.02)
84	\$0.54	\$0.62	\$0.52	\$0.62	\$0.02	-

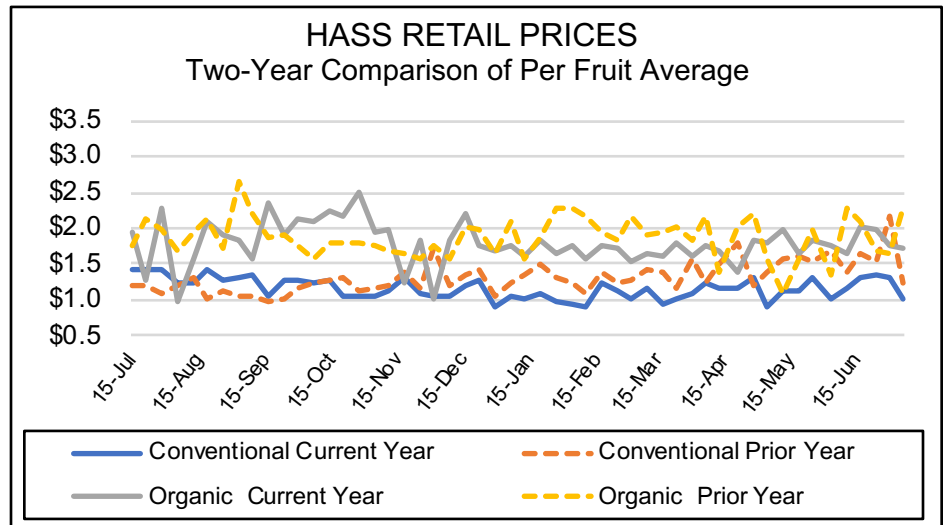
Source: Handler Range (four conventional, three organic handlers quoted)

ORGANIC HASS Field Quotes						
Size	Current Quotes July 12		Last Week July 5		Price Change	
	Low	High	Low	High	Low	High
32	\$1.30	\$1.42	\$1.30	\$1.36	-	\$0.06
36	\$1.30	\$1.52	\$1.30	\$1.36	-	\$0.16
40	\$1.34	\$1.52	\$1.34	\$1.40	-	\$0.12
48	\$1.44	\$1.56	\$1.44	\$1.50	-	\$0.06
60	\$1.24	\$1.38	\$1.24	\$1.30	-	\$0.08
70	\$1.08	\$1.18	\$1.08	\$1.12	-	\$0.06
84	\$0.66	\$0.78	\$0.66	\$0.70	-	\$0.08

Most sizes are shifting 2 cents up or 2 cents down, but the shift isn't significant. The real message in these field quotes is impressive stability despite a market that's no longer desperate for fruit. Perhaps at the end of the season, we'll see the brief Mexican shortfall as the springboard that boosted California fruit to a value closer to normal.

The high end of organics rose by anywhere from 6 to 16 cents over the last week, with the largest gains in the 36s and 40s. Overall supply of organic avocados is low, which is buoying the price of California fruit, as well as organic fruit from other countries of origin.

USDA SHIPPING POINT* REPORT Mexico Crossings through Texas July 12, 2023		
Size	July 12 Mostly low - Mostly high	July 5 Mostly low - Mostly high
32	\$58.25-60.25	\$57.25-60.25
36	\$58.25-60.25	\$57.25-60.25
40	\$58.25-60.25	\$57.25-60.25
48	\$58.25-60.25	\$57.25-60.25
60	\$40.25-42.25	\$51.25-54.25
70	\$33.25-33.25	\$39.25-42.25
84	\$24.25-26.25	\$31.25-34.25



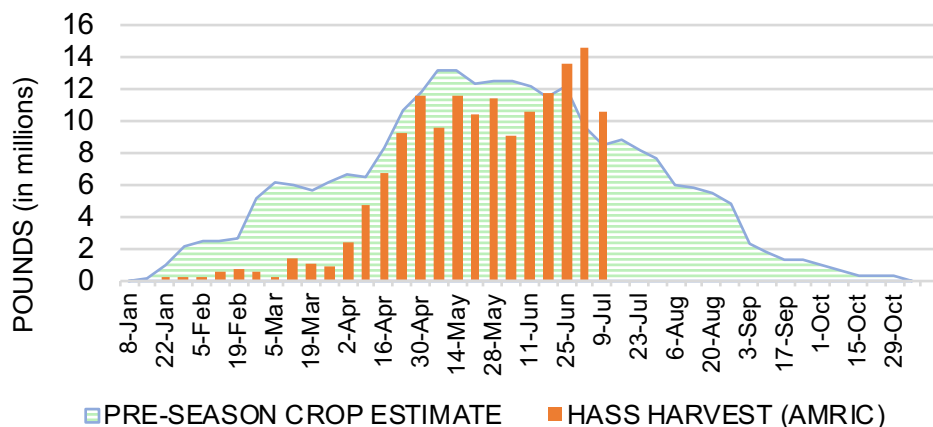
**ABOVE:** Most of the static we see in recent weeks in the graph above is from the dashed lines depicting last year's retail prices. Retail prices this year are less volatile, though between the last two weeks, the price of an avocado dropped from \$1.30 to \$1.03 thanks to Fourth of July promotions. Meanwhile, organic avocado retail prices dropped by just a couple pennies, from \$1.75 to \$1.73 each.

**ABOVE:** It's this chart that directly reflects the abundance of small fruit and scarcity of large fruit out of Mexico. Sizes 48-32 gained a small amount of value over the last week, while 60s, 70s and 84s lost 20-25% of theirs. There's very little large fruit in the Loca crop and very little of the normal crop left to fill in the gap.

\*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 PRE-SEASON ESTIMATES & ACTUAL



**LEFT:** We knew California's fruit had to come off the tree sometime. Here we get a strong visual of how improved pricing has motivated growers to harvest in recent weeks. There are other factors, too, like July's threat of dangerous heat. But even with harvest volumes exceeding projections, California still has a lot of catching up to do.

## Hot Tips

### Beat the heat!

According to this weekend's forecast, inland avocado growing regions could see temps crest 100 degrees. How can you help your trees beat the heat? Irrigation should be your first line of defense. Now is a good time to give your tree extra water ahead of the stressful heat. CAS Boardmember Greg Alder recently wrote about how to keep trees happy in heat in a [BLOG POST](#). Also, take a peek at UCCE Farm Advisor Sonia Rios' article from the CAS summer 2020 [AVOCADO QUARTERLY](#).

## US AVOCADO VOLUME PROJECTIONS

in millions of pounds

Week Ending	Total	California	Mexico	Peru	Colombia	Chile
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
July 30	53.9	8.6	29.9	15.0	0.5	0.0
Aug. 6	56.0	6.7	32.3	16.9	0.2	0.0

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

**ABOVE:** Even with California coming in over projections and Mexico tapping into its *Loca* crop, it's hard to imagine that this week will end close to the 65 million pounds projected above. Peru's massive crop has simply failed to materialize in large volumes on this continent. And it's not hard to see that Peru's decision to reroute to Europe and Asia has saved the market from disastrous oversupply. Of course, the frenzy for fruit a couple weeks ago also could have been avoided if Peru had shipped its projected volumes. But, really, Mexico drives, and California and Peru simply try to find seats on the bus.

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.

California Avocado Society, Inc.  
Organized in 1915

[www.californiaavocadosociety.org](http://www.californiaavocadosociety.org)

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### Got avo news? Opinions? Comments?

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## World News

### Data shows 86 percent of Mexican avo exports land in US

We are all well aware that Mexico has the gravitational pull of the sun when it comes to the US avocado market, and California is a mere orbiting asteroid. Raw numbers just released showed that this reality is strengthening. Mexico exported \$3.495 billion worth of avocado in 2022, and 86.1 percent of the revenue came from across the border in the U.S. for \$3.008 billion of the overall sales pie. Globally, Mexico produces 47.5 percent of all Hass avocados, but prefers to keep them in North America, with Canada coming in second at \$287 million in Mexican avocado imports. They are followed by Japan (\$87 million), Spain (\$41 million), El Salvador (\$26 million) and Honduras (\$11 million). Source: Produce Blue Book

### Westfalia Fruit wins "Waste Not Want Not" award

Highlighting grocery and consumer trends toward reducing food waste, The Grocer, a British publication, recently issued annual awards including its "Waste Not Want Not" award given to a food industry business that saves food from landfills in ingenious ways. Westfalia gained the recognition for its efforts to use all parts of the avocado, including most recently bringing to market a skin exfoliator using avocado seeds (stones in the King's English). Seed fragments replace plastic microbeads, which are more commonly used as exfoliators in skincare products. Other efforts include using parts of the avocado as coloring agents and finding outlets for the 8-10 percent of avocados that are unsuitable for sale as whole fruits. Source: The Grocer

### Peru's avocado production could suffer El Niño's wrath

Peru's National Meteorological and Hydrological Service issued El Niño related warnings for severe weather that could have negative impacts on the avocado crop. High temps and heavy rains in the north could spell trouble for ripening, and fruit quality may suffer in the central region and southern coast along with El Niño broadly creating conditions for a nation-wide pest infestation. Peru's avocado industry group, Prohass, said larger producers have already taken measures like installing better drainage and agricultural management systems to combat bad weather. Across Peru's varied microclimates, issues could run the gamut from flooding in the north to drought in the south. Source: Fresh Plaza

### Chipotle introduces "Autocado" the guac-bot

As reported before in The Weekly Newsliner, avocados, and specifically their pricing, play an outsized role in the profit margins of Chipotle Mexican Grill. Looking to create efficiency in its service of avocados, Chipotle will streamline its guacamole production process through automation and the introduction of the Autocado, a specialized machine for peeling, slicing and deseeding avocados. Chipotle calculates the time it takes to make a batch of its guacamole as 50 minutes of person power. With Autocado, people only need to load the avocados into the machine then hand mash and mix the flesh into guac. Innovation company Vebu developed Autocado and will continue to tweak the technology to increase its speed. According to Chipotle, the new machine will free up more employees for core customer service tasks. A video of Autocado in action is viewable [HERE](#). Source: USA Today

## This & That

### Save the Date!

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

### AUGUST GROWER SEMINAR

#### Field Workshop at Cal Poly SLO

Wednesday,  
Aug. 2  
9 a.m - 1 p.m.

#### Topics

- Organic Certification
- Irrigation/Fertilizer Injectors  
Pruning Produce
- IPM/Pests
- Healthy Soils
- UCR advanced rootstock selection trial at Cal Poly

Stay tuned: Workshop registration and other details coming soon.

### 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 14 - AUG. 14

- a) Overall, the longwave pattern is so dry that precipitation trends, as such, are not well indicated by the CFSv2 model.
- b) Precipitation Trend: Precipitation Dates for Northern and Central California: Isolated shower or thunderstorm about July 27-30 and Aug. 10 and 13. The sea surface temperature anomaly maps from about July 8 have been showing a robust El Nino pattern along the Peru-Ecuador coast and along the equator westward to 155W. The warm SSTA pattern normally associated with El Nino is expected to expand westward to the dateline by about the first week of August.
- c) In California, hot spells occur July 21-25 as strong upper high pressure develops. Some cooler influence with deeper marine layer into Northern and Central California occurs 14-18. Few light showers occur during July 26-29 and also Aug. 10 and 13 in mountain areas mainly central and Northern California, mainly Sierras.
- 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.
- e) In the fall, we transition from a mostly dry autumn (October 2023) to a wetter trend in November and a wet December 2023. This is in response to a strengthening El Nino pattern this upcoming November and December.

### Northern California:

- **NORCAL PRECIPITATION:** July 26-28 (NE Plateau), Aug. 10,13.
- **NORCAL WARM/HOT SPELLS:** July 14-15, 20-25, 30-Aug. 1, 4-9.
- **NORCAL COOL SPELLS:** July 17-18, 26-28, and Aug. 10, 13.

### Central California:

- **CENTRAL CALIF. PRECIPITATION:** Isolated showers July 26-29th Sierras, otherwise dry.
- **CENTRAL CALIF. WARM/HOT SPELLS:** July 14-16, 20-25, 28-Aug. 2, 4-9.
- **CENTRAL CALIF. COOL SPELLS:** July 17-18, 26-29, and Aug. 10, 13.

### Southern California:

- **SOCAL RAINS:** July 26-29 (SE areas)
- **SOCAL WARM TO HOT SPELLS:** July 14-17, 19-26, 29 - Aug. 15
- **SOCAL COOL SPELLS:** July 27-28

### Southern California Deserts Outlook for July 14-Aug 14:

**Highlights:** Below normal rainfall from monsoonal influences in most areas but near normal rainfall (showers) through the Sierras. Tropical cyclone influences remain well to the south in Baja up to mid August.

### LONGER RANGE OUTLOOK AUG. 15 - SEPT. 15

**Western Mexico including all of Baja California:** Above normal rainfall for the period approximately Aug. 20 through late September.

**Southern California Coast through mountains:** Seasonably hot with near normal rainfall consisting of mountain thunderstorms.

**Southern California Deserts through central and east San Bernardino Co:** Seasonably hot with near normal rainfall consisting of desert thunderstorms.

**Northern and Central California:** It is dry and more persistently warm than normal as we head through Aug. 15 - about Sept. 15. High pressure will tend to alternate with a troughing, and cooler, dry and breezy conditions. A good descriptive expression to aid fire readiness over Aug. 15-Sept. 30: "hot-dry-breezy" with some hot NE-E wind events.

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