



THE WEEKLY NEWSLINE

California Avocado Society

This week in avocados

July 30, 2020

CALIFORNIA AVOCADO SOCIETY PATRON MEMBERS

- Agricola Pampa Baja SAC
- B & M Avocados, LLC
- Brokaw Nursery, LLC
- CA Avocado Commission
- Cal Flavor
- Calavo Growers, Inc.
- Camposol Fresh USA Inc.
- Castle Smith Enterprises, LLC
- Chandler Ranch Company
- Del Monte Fresh Produce N.A., Inc.
- Del Rey Avocado Company
- ECO Farms Trading Operations, LLC
- Ever-Bloom, Inc.
- Fallbrook Ag Lab
- Farm Credit West
- Fresh Directions International
- Freska Produce International, LLC
- Fruit Growers Supply Company
- Giumarra Companies
- Gooding Ranch LLC
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- Henry Avocado Corporation
- Hidden Valley Pump Systems, Inc.
- Hidden Valley Ranch
- Index Fresh Inc.
- Keyes Packaging Group
- Leavens Ranch LLC
- Le Chi Lan
- Leavens Ranches LLC
- Limoneira Company
- McDaniel Fruit Company
- Mission Produce
- Peruvian Avocado Commission
- Rincon Farms
- S&S Grove Mgmt. Serv., Inc.
- Sierra Pacific Farms, Inc.
- Simpatica
- Stonehill Produce Inc.
- Viru S.A.
- West Pak Avocado, Inc.
- Westfalia Fruit Americas
- Wollam GroveMgmt., Inc.

A tale of two markets

There are dual realities in the avocado market right now. One reality is that handlers are paying significantly higher prices for fruit from Mexico and California. If you turn to page 2, you'll see gains across all sizes on field quotes for California avocados. And the FOB price chart on page 3 demonstrates major increases on medium to large Mexican fruit.

The second reality is that Peruvian fruit continues to flow into the US faster than it can be sold and has caused drag on the spot market. The Peruvian avocados that aren't programmed are selling at low prices. As a result, one portion of the market is dealing with high priced fruit while another is working with low priced fruit. And, as we've pointed out before, Peru can't adjust quickly to a changing market when its avocados board ships weeks before they hit the US market.

Cont. on page 2

US HASS VOLUMES (Week ending July 26)			
Origin	Last week's volume	2020 Volume to Date	2019 Volume to Date
California	8,263,474	274,556,547	181,180,005
Total Imports	50,956,105	1,342,827,368	1,375,861,618
Chile	0	668,265	5,794,846
Mexico	36,789,983	1,213,205,529	1,223,000,334
Peru	14,116,122	127,773,574	146,666,438
Colombia	50,000	1,180,000	400,000
Total Volume	59,219,579	1,617,383,915	1,557,041,623

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What's to come next year? 307-352 million pounds!

This is California's 2020/21 early crop estimate range. CAC based this range on an average of survey responses from grove managers and handlers with the outliers discarded.

Cont. from page 1

Inventories remain relatively high, in the mid-60 million pounds, which makes rising field prices something of an anomaly. Smaller fruit is facing oversupply on the market and beginning to experience price instability. Mexico has predominantly shifted into its Loca crop, which has led to an abundance of small fruit and less stable pricing on that end of the size spectrum. Since California's in its late season and most fruit has sized up, the limited volumes of larger fruit from Mexico will benefit the CA growers still in harvest mode.

Volumes coming into the US are expected to decline from 59 million pounds last week to 54 million this week. The Hass Avocado Board projects 58 million pounds next week, then a slide downward to between 40 and 50 million pounds weekly for late August into early October.

Price Points

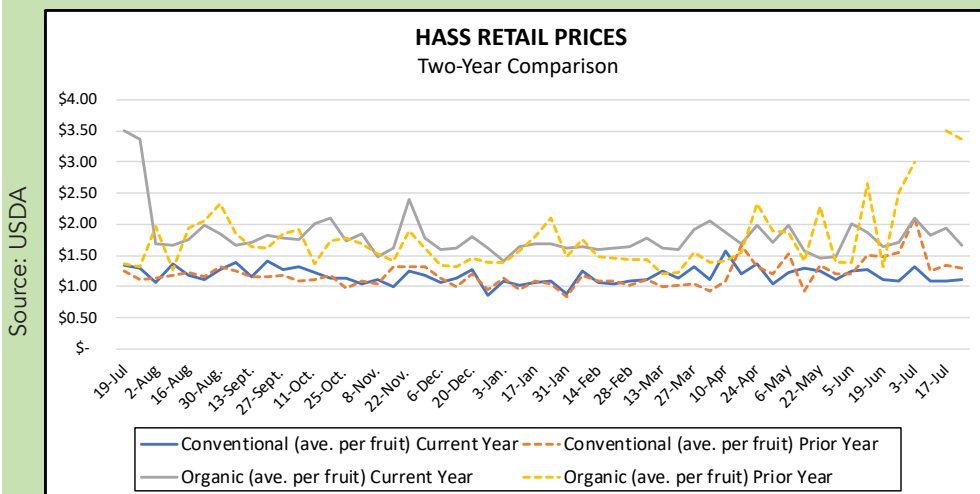
CONVENTIONAL HASS Field Quotes						
Size	July 29		Last Week (July 22)		Price Change	
	Low	High	Low	High	Low	High
32	\$1.12	\$1.26	\$1.00	\$1.15	\$0.12	\$0.11
36	\$1.12	\$1.26	\$1.00	\$1.15	\$0.12	\$0.11
40	\$1.12	\$1.24	\$1.04	\$1.16	\$0.08	\$0.08
48	\$1.12	\$1.24	\$1.04	\$1.16	\$0.08	\$0.08
60	\$0.96	\$1.10	\$0.92	\$0.98	\$0.04	\$0.12
70	\$0.64	\$0.74	\$0.58	\$0.70	\$0.06	\$0.04
84	\$0.46	\$0.56	\$0.40	\$0.50	\$0.06	\$0.06

ORGANIC HASS Field Quotes						
Size	July 29		Last Week (July 22)		Price Change	
	Low	High	Low	High	Low	High
32	\$1.50	\$1.58	\$1.50	\$1.58	\$-	\$-
36	\$1.50	\$1.58	\$1.50	\$1.58	\$-	\$-
40	\$1.50	\$1.72	\$1.50	\$1.72	\$-	\$-
48	\$1.94	\$2.10	\$1.94	\$2.10	\$-	\$-
60	\$1.68	\$1.74	\$1.64	\$1.74	\$0.04	\$-
70	\$1.20	\$1.38	\$1.20	\$1.38	\$-	\$-
84	\$0.52	\$0.68	\$0.46	\$0.68	\$0.06	\$-

Source: Handler Range

A good explanation for these increases remains elusive, but who's going to argue with rising prices? No one who's harvesting now, that's for sure. Every size 48 and above has gained at least 20 cents a pound in the last two weeks. The increases are slimmer for small fruit thanks to Mexico's size curve skewing heavily (bad word choice) in that direction.

You're tired of us writing it, and we're tired of stating it, but organic field prices have been the avocado market's Rock of Gibraltar this season. At the close of the season we'll graph the average field quotes for conventionals and organics, and while conventionals bob up and down, the organics will be flat as a board. That's your Newsline teaser.



The flatlining of conventional avocado retail prices continues, with last week's average landing at \$1.12. That's just a 2-cent rise from the week prior. A comparison of this year to last (blue line compared to dashed orange) shows that avocados have cost consistently less in the stores this summer compared to last. It's hard to miss the wild peak of the yellow dashed line. That's a reflection of the crazy spike organic avocados underwent at this point last year.

By the Numbers

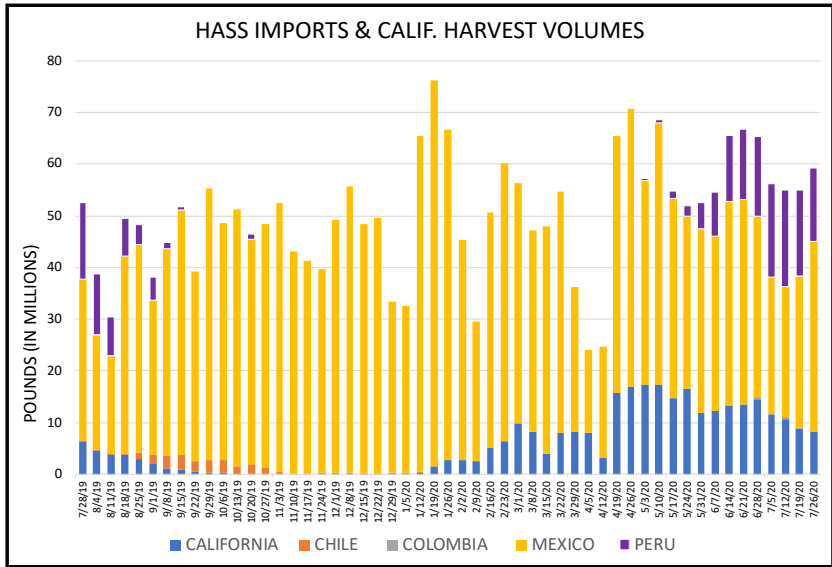
USDA SHIPPING POINT* REPORT

Mexico Crossings through Texas
July 29, 2020

Size	This week Mostly low - Mostly high	Last Week Mostly low - Mostly high
32	\$38.25-40.25	\$32.25-34.25
36	\$38.25-40.25	\$32.25-34.25
40	\$36.25-38.25	\$32.25-33.25
48	\$35.25-36.25	\$32.25-33.25
60	\$29.25-30.25	\$28.25-29.25
70	\$27.25-28.25	\$25.25-26.25
84	\$22.25-23.25	\$20.25-21.25

There was some concern that the flow of avocados from Mexico would be interrupted by Hurricane Hanna, but the fruit continues to arrive at its regular pace. Price gains that would seem to indicate a tightening market really don't. There's a lot of fruit from Mexico in the US now, but that hasn't stopped FOB prices from trending up nicely. Even small sizes are fetching higher prices, though most of our sources say there's too much small fruit coming in to keep these prices aloft. Large fruit is enjoying the kinds of FOB prices we saw before Fourth of July slump.

*Shipping point: Prices represent open (spot) market sales by first handlers on product of generally good quality and condition unless otherwise stated and may include promotional allowances or other incentives. No consideration is given to after-sale adjustments unless otherwise stated. Brokerage fees paid by the shipper are included in the price reported.



Source (this chart and below): AMRIC & HAB

Three consecutive weeks receiving volumes in the mid-50 million pounds has helped the US avocado market perk up from its Fourth of July hangover. It will be interesting to see how it reacts to last week's climb back to nearly 60 million. Inventories are hovering in the mid-60 million pounds. That's a lot of fruit sitting around, but the fact that it's not climbing means that the equation is balanced for now.

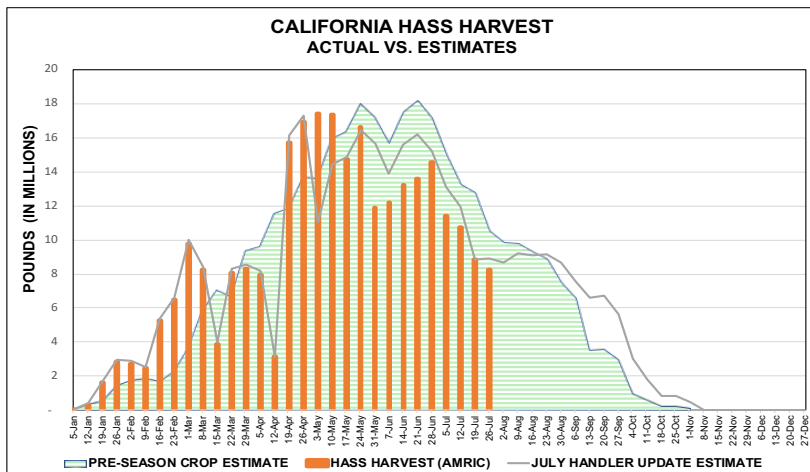
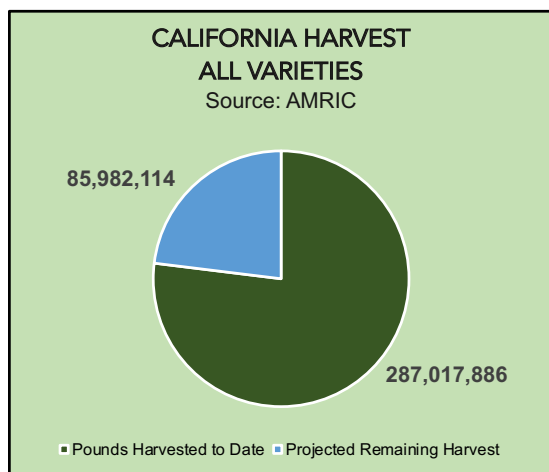
BIN COUNT (pounds)				
Variety	Today 7/30	Yesterday 7/29	Last Week 7/23	Season to Date
Hass (North)	770,372	825,852	877,734	157,239,514
Hass (South)	594,867	582,731	626,050	121,663,396
Hass Total	1,365,239	1,408,583	1,503,784	278,902,910
Lamb (North)	206,554	228,069	87,860	3,291,467
Lamb (South)	40,647	86,473	154,364	2,059,073
Lamb Total	247,201	314,542	242,224	5,350,540
Bacon	0	0	0	430,469
Fuerte	0	0	0	141,370
Gem	0	0	0	1,450,285
Gwen	0	0	0	50,132
Pinkerton	0	0	0	106,490
Reed	0	916	0	293,641
Zutano	0	0	0	258,045
Other	0	0	0	34,004
Grand Total	1,612,440	1,724,041	1,746,008	287,017,886
Hass Organic (North)	53,834	27,854	32,186	8,858,935
Hass Organic (South)	114,742	143,016	149,708	22,235,789
Hass Organic - Total	168,576	170,870	181,894	31,094,724

The Lamb season has surpassed 5 million pounds and doesn't show any sign of slowing down. The price perk we're seeing now should be good news to anyone with Hass or Lambs that can extend into the late season.

The Hass harvest numbers this week are slightly lower than last. Rising field prices could hasten harvest plans for some and result in an uptick in volumes arriving at the packhouses.

Organic fruit is still coming out of the South more heavily than the North, despite the reverse trend in conventionals. The organic acreage skews strongly toward the South, which has thus far produced 3:1 compared to the North.

Projections



Let's focus on the graph to the right this week, where we have new numbers from the California Avocado Commission to report. In July, CAC collected estimates from handlers for the remainder of the season and found that most agreed with the prior season estimate of 373 million pounds for all varieties. About half of the respondents agreed with prior harvest expectations, while half did not. CAC balanced the input and developed projections for the final months of the season, which are now incorporated into the graph above. The new expectation is that harvest rates will increase in August for a late season peak that's really more of a hill.

World Avocado News

Peru's exports keep climbing

This year Peru has exported 15 percent more avocados at a 9 percent greater value than over the same period in 2019. Big gains in Quarter One 2020 — a 59 percent increase in volume over 2019 — account for the growth in exports to 265,260 tons so far this year, according to Agraria. About 70 percent of all fruit was shipped to Europe. However, April exports fell by 24 percent due to the pandemic. The month of June saw a recovery to 102,894 tons, a record volume, but at the same time, prices dropped by 15 percent from June 2019 to \$2.14 per kilogram. June also saw the beginning of greater shipments to the U.S. where about 1/3 of exports landed.

Avocados from Peru donates 40,000 pounds to Feeding America

Avocados from Peru announced a partnership with grocer Giant Food that saw over 40,000 pounds of fruit gifted to Feeding America. The avocados will be distributed through foodbanks in the Washington, D.C., and Baltimore, Md., areas. The deliveries are expected to take place on National Avocado Day, July 31, and signal both the status of Peruvian avocados in the U.S. and the mainstream popularity of avocados. According to a press release issued by Avocados from Peru, the around 120,000 avocados will be distributed to combat food insecurity exacerbated by the pandemic.

Avo-market forecast predicts 6 percent annual growth through 2024

Market reports released by Technavio indicate the global avocado market's trend line will continue upward with a further 6% in annual growth predicted from now through 2024. Global growth will be driven both by the popularity of the fruit for its recognized nutritional benefits and by technological advancements in the supply chain. The analysis accounts for the current market, latest trends and drivers, and overall market environment. North America is expected to represent the greatest market share, and growth in organic avocados is expected to outpace conventionals.

Free Guac on National Avocado Day

National Avocado Day on July 31 is not yet a recognized national holiday, but has gained steam with marketers looking to entice customers to their brands by hitching a ride on the popularity of avocados. Among other restaurants recognizing the day, Chipotle will provide free guacamole to its Rewards Members. Look for avocado perks and mentions by influencers across a variety of sectors this week.

Notices

Laurel Wilt Disease Update

The Laurel Wilt-Ambrosia Beetle Grower's and Advisory Panel met on July 23 to provide an update and discuss research and extension programs supported by the USDA research grant. The Univ. of Florida/IFAS created a panel consisting of local commercial avocado growers and handlers and scientists for the USDA grant on laurel wilt and ambrosia beetles. The purpose of the meeting was for researchers to update avocado growers and the advisory panel on the progress of research on this grant and to discuss future research and extension plans.

[VIEW RECORDING HERE](#)

SAVE THE DATE

California Avocado Society **Avocado Grower Webinar**

Wednesday, Aug. 12
9 a.m. to noon

In partnership with the California Avocado Commission and UC Cooperative Extension

TOPICS

Weed ID, Weed Control Measures and Weed Chemical Alternative Selection

Speaker: Sonia Rios, UCCE Farm Advisor, Riverside/San Diego Counties Subtropical Horticulture

How to identify different weeds and the various methods that can be used to control them. And if glyphosate is lost, what chemical alternatives are available and how would they be used. A look at new products.

Biostimulants

Speaker: Ben Faber, Subtropical Crops Advisor, Ventura/Santa Barbara Counties

What are they? How might they work? How to assess whether they work?

There are many different new products brought on to market every year that purport to improve plant growth and yield, often with lavish claims. Can some of those claims be backed up with solid data? Some can and some cant. How does one decide what is worth trying?

Information on how to register for the webinar will be provided in upcoming editions of the Weekly Newsline and emails to CAS members.

To learn more about sponsoring the program, contact Lea Boyd at lea.californiaavocadosociety.org.

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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**Got avo news? Opinions?
Comments?**

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Weather Outlook: 30-day and Seasonal

GENERAL SYNOPSIS FOR CALIFORNIA: AUG. 5-31

- a) Large Scale Pattern:** A west-east oriented storm track continues across the Pacific along 40-45N from 140W out to the Dateline. Current sea surface based influences maintain this pattern well west of California. Alternation of high pressure aloft, and weak lows or fronts continue in California during the first half of August.
- b)** High pressure aloft and hot conditions are indicated for SoCal and central-S Sierras and interior central coast of California intermittently during Aug. 8-15. This means the chance for more hot weather in SoCal Aug. 8-15 after a period of cool troughing during Aug. 4-7. Trough periods will produce deep marine layer in SoCal.
- c)** Tropical cyclones from the eastern N Pacific continue to head westward as Hurricane Douglas did on 25-27 July. Moisture from both monsoonal and tropical cyclone influences will continue below normal for SoCal and Sierras.
- d)** Our latest CFSv2 daily guidance is suggesting a good shot of thunderstorms through N and E Arizona again intermittently on Aug. 20-26. On Aug. 29-31, CFS shows some more support for showers and possible thunderstorms in NorCal, particularly the Siskiyou's Yolla Bollys, N and Central Sierras and NE Plateau (Lassen-Modoc Co's. Some other showery rains are currently suggested for the Sept. 4-8, mostly occurring in the central and S Sierra.

AUG. 5- 19: San Luis Ob/Edna

Precipitation: none of significance outside of marine drizzle. **Hot/Cool spells:** mild-deep coastal marine layer mild Aug. 5-9 coast. Otherwise seasonably warm or hot Paso Robles and San Benito Co. inland valleys. Warm 8/11-14, 8/18-19, mild or cool 8/21-26, mild 8/28-30, hot 8/31-9/3.

S California Citrus/Avocado Area: Santa Barbara, Ventura to San Diego Co.

Precipitation: none of significance outside of marine drizzle or infrequent mountain thunderstorms. **Hot/Cool spells:** mild-deep coastal marine layer. Mild 8/5-9 on the coast otherwise seasonably hot inland valleys. Warm 8/11-14, 8/18-19, mild or cool 8/21-26, mild 8/28-30, hot 8/31-9/3.

San Diego/Orange: Rainfall: 7/26-27. **Hot/Cool spells:** mild-deep coastal marine layer 8/5-9 on the coast otherwise mostly seasonable warm or hot inland valleys. Warm 8/11-14, 8/18-19, mild or cool 8/21-26, mild 8/28-30, hot 8/31-9/3 possibly 110-115 Inland Empire region, and 105-109 Escondido this period.

AUG. 20 - SEPT. 10

San Luis Obispo Co: Usual pattern of marine low clouds and drizzle, warm to hot inland: Hot/cool spells: mild or cool 8/21-26, mild 8/28-30, hot 8/31-9/3.

Southern California: Santa Barbara, Ventura counties to San Diego Co:

Rain unlikely. Hot/cool periods: mild or cool 8/21-26, mild 8/28-30, hot 8/31-9/3, possibly 98-105 inland Ventura Co. this period.

SEPT. 11 - OCT. 15: SEASONAL OUTLOOK SUMMARY

Southern California: San Luis Obispo Co, Santa Barbara Co, Ventura to San Diego Counties east through Los Angeles to San Bernardino, Riverside and Imperial Counties.

Weak troughs and upper lows will intermittently develop and deepen the marine layer as is normal for late summer. Tropical cyclones off central or S Baja may induce hot interruptions to the normal marine layer, and local showers/TSTMs to the mountains and deserts.

For SoCal: Looking further ahead into late Sept. - Nov.: Dry and recurrently warmer than normal conditions develop during Sept., and in the frequently windy November Santa Ana periods. Upper lows may contribute a few mountain showers or thunderstorms alternating with some east wind events in late September and October. The best chance for east winds in October would be in NorCal bad news for the currently dry Fire Weather season. November also appears dry and warmer than normal. Latest guidance from Cfsv2 suggests dry through the winter months.

In November and December, watch for some possible strong Santa Anas. Latest CFSv2 outlook for Nov shows warmer than normal, and much drier than normal in November for the usual Santa Ana regions, including Ventura Co.

For a heads-up in Dec, and Jan 2021: The North-American Multi-Model Ensemble forecast is suggesting well below normal rainfall and near normal temperatures for December and January. This has been consistent over the past two monthly runs of the NMME. Indicators suggest well below normal rainfall for California, at least in the north half, with a chance for sparse or inconsistent rainfall in SoCal.

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