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Developments in the Avocado World

Recent estimates of the annual world avocado production vary between 2.0 to 4.1 million metric tons (4.4 - 9 billion lbs). The different assessments relate to several countries in Asia (China, Indonesia), South America (Colombia, Brazil), Africa (Ethiopia, Congo) and other producing countries where reliable production information is not readily available. In many cases there are no commercial orchards, but rather small growers with a few trees. Another aspect is the 'on and off' production from year to year, which makes comparison of statistics difficult.

This lack of definitive information, however, is not crucial for understanding the global avocado market. It is much more important to calculate the volume in those countries that are involved in the world trade either by export, import, or both. In this respect, the statistics are much more accurate. The global volume is estimated to be somewhere around 600,000 metric tons per year.

This article does not aim to provide a complete review of all markets but to highlight some of them with their unique characteristics.

World Production of Avocado

An approximate view of the world's yearly production (metric tons/year) is provided in Table 1 and Figure 1 (average crop in each country, considering "on and off" years). Mexico is both the largest producer of avocados in the world and the largest market as well; far above all other countries. Chile now ranks as the second largest producer following several decades of rapid industry growth.

Import Markets for Avocado

While observing the imports around the world we may define two large blocs – the United States at the one end and Europe at the other end – and to a much smaller extent, Japan. These two blocs, which are responsible for more than 90% of the world imports are completely different in many aspects, as we may learn from Table 2.

Observing the progress – relating to variables in Table 2 – during the short history may teach us that while avocado consumption in the U.S. market increased rapidly, the European market has remained behind and could not keep up a similar pace (see Figures 2 and 3). The main reason for growth in the U.S. market is the expansion of the domestic market associated with imports from Chile and Mexico.

This is not the case in the "old continent". On top of all the difficulties in Europe – many countries, many languages, several currencies, different preferences, *etc*. – the main reason for rather poor growth has been the "lack of consistent supply." Dominant traditional suppliers such as Israel, Spain, and South Africa, have suffered from "on and off" production years that prevented continuously increasing supply. In recent years, with Chile and Peru joining the list of suppliers, signs of growth can be seen but still with the "up and down" syndrome (Figure 2). Most of the European countries could not enjoy these new supply sources due to a very simple reason – they use traditionally greenskin varieties – while the imports from these two countries are mainly of the Hass variety.

Analyzing the situation and potential of the European bloc, with its multi-nations and cultural diversity, is a story which should be discussed separately. Just a clue for illustration – while the "average consumption per capita" is 500 grams (1.1 lb) in the whole of Europe – at the one extreme, France consumes a record of 1,800 grams per capita (3.96 lb), while at the other extreme, Germany consumes only 230 grams (0.51 lb), and in some Eastern European countries, the consumption is even much lower. Another clue is the extreme growth in consumption in England in the last dozen years, where volumes more than doubled.

Domestic markets in producing countries

It is rather interesting to examine the historical progress of the avocado industry of each producing country. We identify two basic orientations among the producing countries, which have developed from two opposite concepts:

1. Where most of the production was initially focused on the local market.

2. Where the whole industry was initially built for export, like in Israel, South Africa, Spain and Chile.

Mexico is a good example of the former, where more than 70% of its avocado production is geared for local consumption, creating the largest market in the world. The same is true for Peru, which also uses 60%-70% of its production in the domestic market (green varieties mainly for the domestic market, while Hass is exported). In both cases, the industry's basis is the local consumption while the export started and developed at a later stage.

In countries where the export market aims to be the core business, the domestic markets were meant to deal with surpluses and/or second quality fruit. However, through the years, while extending and improving the export industry, the domestic markets had grown alongside, pulling larger and larger volumes. Huge domestic markets have been created, and "consumption per capita" greatly increased. Furthermore, avocado importation into the producing countries has started in order to maintain adequate domestic supply for all 12 months of the year.

This is the case in South Africa. While export volume is around 38,000 tons a year, a similar volume (or even greater one) is left behind for the local market, and imports are complementing the demand during the off-season of the domestic production. This is the case in Chile, where the domestic market demand exceeded 60,000 tons, bringing the "consumption per capita" to a level of 4,000 grams per year (8.81 lb). This is also the case in Israel, where the local market absorbs around 35%-40% of the entire production, and "consumption per capita" has amazingly climbed to reach 4,500 – 5,000 grams per year (9.92 – 11.02 lb).

The only extraordinary case among the producing countries is Spain, which, up to a few years ago, had a rather modest domestic market with only 300 grams per capita (0.66 lb) consumption. However, great change has occurred in the last few years. Coupled with an increase in fruit imports, the per capita consumption has doubled.

Some conclusions

What can be learnt from this short and partial survey? What will the future be?

Optimistic views claim that there is still a shortage of world avocado supplies.

The "limiting factor" is the "supply" while the "demand" or "consumption" is far from being saturated. Where there has been an increasing supply, the consumption has followed by increasing. Examples are abundant – Mexico, the United States, Japan, and England – and in domestic markets throughout the producing countries. That was the situation in France in the 1970's and 1980's. This is happening today in the developing markets in eastern Europe where new consumers have learned to eat avocados.

However, supply to Europe as a whole has been stagnant for the last two decades, and the real permanent "growth in consumption" is delayed for better future times. In historical terms, the avocado is still a "new baby" in most of the world produce markets and is just taking its first commercial steps. As such, it still has unlimited horizons for growth and development.

Table 1. Approximate annual production of avocado (metric tons/year) for major producers.

Mexico	1,000,000
Chile	220,000
USA	180,000
Peru	100,000
South Africa	80,000
Israel	70,000
Spain	60,000
Australia	40,000
Dominican Rep.	30,000
Kenya	20,000
New Zealand	16,000
Morocco	10,000
Argentina	5,000
Greece	3,000
Far East (Asia)	150,000
South America (Others than above)	130,000
Total (+/-)	2,100,000

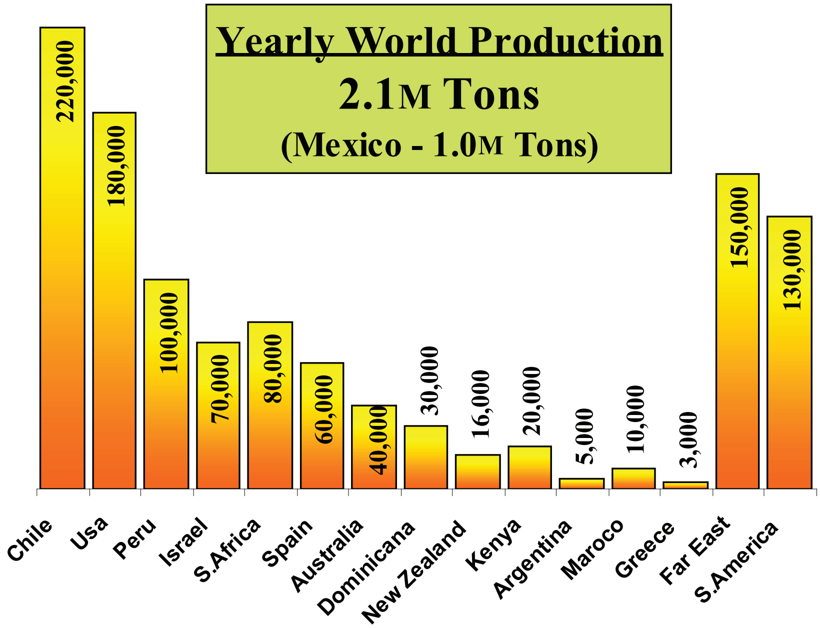

Table 2. Market characteristics for Europe and the USA.

	Europe	USA
Population (+/-)	500 M (Plus 300 M in the former USSR)	290 M
Formal Languages	30+	1
Currencies	Several	1 (US $)
Consumption (2006/7)	250,000 Tons	460,000 Tons
Consumption per Capita	500 Grams	1600 Grams
Domestic Production	60,000 Tons (mainly Spain)	140,000 Tons (mainly California)
Imports Volume	190,000 Tons	320,000 Tons
Main Import Sources	Israel, S. Africa, Chile, Peru, Mexico, Kenya, Spain (to others in Europe)	Mexico, Chile
Yearly Growth	“Up and down” syndrome	Permanently up
Primary Imported Variety	65% Hass	Over 95% Hass
Variety preferences	Hass in some countries; Greenskins in most countries	Hass

Figure 2. Avocado consumption in Europe (metric tons).

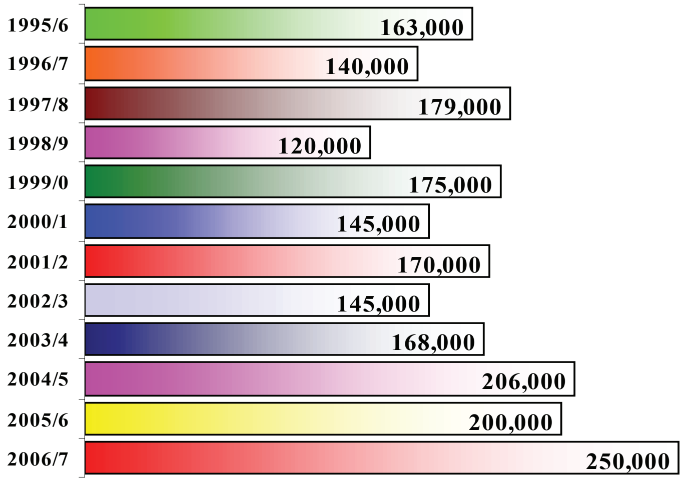

Figure 3. Avocado consumption in USA (metric tons)