

Situation and Outlook for Avocados

Production increases in the world's top avocado-producing countries will raise world avocado supplies to 1.6 million metric tons in 2001/02, up 8 percent from last year. The United States, the world's second-largest producer, showed the greatest increase in production this year, reaching 212,572 tons, up 22 percent from last year. This increase was offset by decreases in production by Israel, Spain and South Africa. Mexican avocado exports increased by 134 percent in 2000/01, due to an unexpectedly large crop. World avocado exports in 2001/02 are forecast to increase by 22 percent, due to the export orientation of producers in Mexico, Chile, Israel, Spain, and South Africa. While U.S. exports remain small, they are forecast to increase slightly to 3,500 tons in 2001/02, due to larger supplies.

Commodity Profile

World production of avocados was 2.4 million tons in calendar year (CY) 2001, an increase of less than one percent from the previous year. Mexico led the world by producing 940,000 tons, 40 percent of the world total. The United States was the second largest producer with 164,500 tons. Other countries in the top five included Indonesia (130,000 tons), Chile (120,000 tons) and Peru (89,800 tons).

Total exports of avocados in 2000 reached 310,671 tons, up 13 percent from 1999 and 15 percent from 1998. The top exporters in 2000 were Mexico (29 percent), Chile (18 percent), South Africa (16 percent), Israel (14 percent) and Spain (14 percent). Other key exporters included France and the Netherlands.

In 2000, France led the world by importing 105,249 tons of avocados, 31.2 percent of total world imports of avocados that year. Key exporters to the French market include Israel, Spain and South Africa, comprising 35, 24 and 15 percent of the market, respectively. The United States imported 78,533 tons, the second largest amount in 2000. Other key importers included the Netherlands, United Kingdom, Japan and Canada.

Mexico

USDA's Animal and Plant Health Inspection Service (APHIS) administers an export inspection program which allows Mexican avocados to be exported to selected states in the United States. On November 1, 2001, USDA/APHIS published in the U.S. Federal Register the "Mexican Avocado Import Program Final Rule," which increased the number of states where Mexican Hass avocados could be distributed and lengthened the shipping season. Under the final rule, approximately 11,897 hectares were deemed eligible to export to 31 U.S. states (up from 19 states in 2000/01). However, on December 18, 2001, the

California Avocado Commission filed a lawsuit in federal court against USDA. The suit asks that the USDA rule be declared invalid and seeks an injunction against its continued implementation.

Although Mexico is by far the world's largest avocado producer, only 6 percent of production is exported. U.S. imports from Mexico in 2000/01 totaled 11,285 tons, down 16 percent from 1999/2000. However, the United States became Mexico's largest export market in 2000/01, edging out El Salvador, which fell to second. Total Mexican avocado exports in 2000/01 reached 52,475 tons, an increase of 134 percent from the 1999/2000 season, attributable to an unexpectedly large crop, which allowed producers to meet both domestic and foreign demand. If the expanded access is allowed to stand, exports to the United States are expected to double. Total Mexican avocado exports are forecast to reach 70,000 tons in 2001/02. Imports of fresh avocados into Mexico are negligible, reflecting its status as the world's largest producer and strict phytosanitary import conditions.

United States

In 2000/01, production was exceptionally high, increasing by 22 percent from the previous year. Production for 2001/02 is forecast at 210,000 tons. The official 2001/02 estimate of U.S. avocado production will not be available from USDA's National Agricultural Statistics Service (NASS) until July 2002.

U.S. exports of avocados continued their downward trend in 2000/01, falling 50 percent below the previous year's level, due to high domestic consumption. Exports are forecast to rebound slightly to 3,500 tons in 2001/02, due to larger supplies. On the other side of the trade picture, U.S. fresh avocado imports rose 16 percent from 1999/2000 to 76,650 tons in 2000/01, as imports from Chile rose 10 percent. Chile now accounts for 68 percent of total U.S. imports, up 10 percent from the previous year. Mexico and the Dominican Republic are the other primary suppliers of fresh avocados to the U.S. market, accounting for 15 and 12 percent of the imports, respectively. U.S. processed avocado imports are overwhelmingly of Mexican origin. Imports of processed avocados decreased 9 percent in 2000/01, but are likely to increase slightly in 2001/02, due to expected increases in Mexican shipments.

The Agriculture Marketing Service (AMS) is currently conducting formal rule-making to establish the Hass Avocado Promotion, Research, and Information Program, which was authorized by the Hass Avocado Promotion, Research, and Information Act of 2000. The purpose of the program is to increase consumption of Hass avocados in the United States. The Act authorizes assessments on fresh domestic Hass avocados and fresh and processed Hass avocado imports. Exports of domestic Hass avocados would be exempt from the assessment. An increase in domestic demand for Hass avocados would benefit U.S. producers and exporters as well as foreign suppliers such as Chile, Mexico and New Zealand.

South Africa

Production in 2001/02 is forecast at 100,000 tons, up 25 percent from 2000/01, which was an “off” year. Exports for 2001/02 are forecast at 54,000 tons, up 33 percent from last season. Approximately 45 percent of the South African crop is exported, with more than 80 percent going to France, Belgium and the United Kingdom. The South African Avocado Grower’s Association plans to increase exports to the United Kingdom to take advantage of growing demand in that market. They will face major competition from Spanish avocados, which held 96 percent of the market in 2000/01.

Chile

Production for 2001/02 is forecast to continue its upward trend, increasing 12 percent from 2000/01, due to new orchards reaching production. Future expansion in production will come mainly from Hass varieties which were planted in the last few years and targeted for exports. Hass avocados represent 75 percent of total production. Chilean avocado producers have initiated a large- scale promotion to increase domestic consumption. Consequently, consumption is forecast to increase by 10 percent in 2001/02.

Exports are expected to increase 14 percent in 2001/02 to 60,000 tons, due to larger supplies and increased promotion efforts. Chile’s exporters are still overwhelmingly dependent on the U.S. market, with approximately 93 percent of total 2001 exports shipped to the United States. Chilean avocados held 68 percent of the U.S. market in 2000/01. That market share will be challenged in 2001/02 with increasing opportunities for Mexican avocados. Chile imported negligible quantities of avocados in 2000/01, primarily from Peru.

Spain

Avocado production in 2001/02 is forecast at 60,000 tons, up 28 percent from last year’s revised estimate, due mainly to favorable climate conditions and new orchards beginning to yield. Domestic consumption is estimated to increase by 40 percent in 2001/02 because of high production and lower prices. Other factors influencing the increase in consumption are a shift in consumer preferences and a change in the demographics of the population. Exports are forecast to increase 14 percent from last year to 45,000 tons. The EU continues to be Spain’s primary market for avocados, with France accounting for 63 percent of the total. During MY 2001, Spain imported 5,000 tons, an increase of 11 percent from 2000. France and Peru continue to be the primary providers to the Spanish avocado market. However, a potential Free Trade Agreement between the EU and Mexico could open the door for significant imports of Mexican avocados.

Israel

Production for 2001/02 is forecast to increase by 11 percent following a year (2000/01) when production was down by 18 percent; this is consistent with cyclical nature of the Israeli crop. Despite significant investment in research and development to improve crop yields, the national average is increasing very

slowly. Major reasons for low yields are deterioration of water quality and sub-optimal climate and soil conditions in groves in marginal areas.

Exports in 2001/02 are forecast at 44,000 tons, up 17 percent from last year and consistent with the production trend. Consumption is expected to remain the same as last year. Almost all of Israel's avocados are shipped to Europe, with over 50 percent going to France. The primary exporter to France is Cote d'Ivoire, with 46 percent of the market, Israel is the second largest, representing 12 percent of the market. Israel does not import avocados due to phytosanitary restrictions.

(The FAS Attache Report search engine contains reports on the avocado industry for 5 countries, including Mexico, South Africa, Chile, Israel and Spain. For information on production and trade, contact Edwin Lewis at 202-720-5028. For information on marketing contact Steve Shnitzler at 202-720-8495).

Avocados: Production, Supply and Distribution in Selected Countries
Marketing Years 1997/98 - 2001/02
(Metric Tons)

| Country/ Marketing Year 1/ | Production | Imports | Total Supply | Exports | Fresh Domestic Consumption | Total Distribution |
|---------------------------------------|-------------------|----------------|-------------------------|----------------|---------------------------------------|-------------------------------|
| Chile | | | | | | |
| 1997/98 | 86,500 | 0 | 86,500 | 44,514 | 41,986 | 86,500 |
| 1998/99 | 80,550 | 0 | 80,550 | 34,787 | 45,763 | 80,550 |
| 1999/00 | 95,000 | 0 | 95,000 | 52,049 | 42,951 | 95,000 |
| 2000/01 | 98,000 | 0 | 98,000 | 52,500 | 45,500 | 98,000 |
| 2001/02 F | 110,000 | 0 | 110,000 | 60,000 | 50,000 | 110,000 |
| Israel | | | | | | |
| 1997/98 | 64,000 | 0 | 64,000 | 35,000 | 26,000 | 64,000 |
| 1998/99 | 46,000 | 0 | 46,000 | 26,000 | 18,000 | 46,000 |
| 1999/00 | 77,000 | 0 | 77,000 | 45,900 | 29,100 | 77,000 |
| 2000/01 | 63,000 | 0 | 63,000 | 38,000 | 23,000 | 63,000 |
| 2001/02 F | 70,000 | 0 | 70,000 | 44,000 | 24,000 | 70,000 |
| Mexico | | | | | | |
| 1997/98 | 762,336 | 0 | 762,336 | 34,117 | 714,486 | 762,336 |
| 1998/99 | 550,000 | 0 | 550,000 | 38,571 | 493,429 | 550,000 |
| 1999/00 | 876,623 | 0 | 876,623 | 22,415 | 809,208 | 876,623 |
| 2000/01 | 898,168 | 0 | 898,168 | 52,475 | 800,693 | 898,168 |
| 2001/02 F | 970,000 | 0 | 970,000 | 70,000 | 855,000 | 970,000 |
| South Africa | | | | | | |
| 1997/98 | 100,000 | 0 | 100,000 | 52,000 | 38,000 | 100,000 |
| 1998/99 | 65,000 | 0 | 65,000 | 33,000 | 24,000 | 65,000 |
| 1999/00 | 104,000 | 0 | 104,000 | 54,000 | 38,000 | 104,000 |
| 2000/01 | 80,000 | 0 | 80,000 | 36,000 | 35,200 | 80,000 |
| 2001/02 F | 100,000 | 0 | 100,000 | 45,000 | 46,000 | 100,000 |
| Spain | | | | | | |
| 1997/98 | 60,000 | 3,560 | 63,560 | 54,878 | 8,682 | 63,560 |
| 1998/99 | 73,000 | 2,650 | 75,650 | 44,900 | 30,750 | 75,650 |
| 1999/00 | 58,000 | 3,600 | 61,600 | 46,300 | 15,300 | 61,600 |
| 2000/01 | 47,000 | 4,500 | 51,500 | 39,400 | 12,100 | 51,500 |
| 2001/02 F | 60,000 | 5,000 | 65,000 | 45,000 | 20,000 | 65,000 |
| United States 2/ | | | | | | |
| 1997/98 | 161,706 | 47,775 | 209,481 | 4,230 | 205,251 | 209,481 |
| 1998/99 | 144,469 | 55,539 | 200,008 | 6,060 | 193,948 | 200,008 |
| 1999/00 | 166,287 | 66,214 | 232,501 | 3,454 | 229,047 | 232,501 |
| 2000/01 | 212,572 | 76,650 | 289,222 | 1,712 | 287,510 | 289,222 |
| 2001/02 F | 210,000 | 75,000 | 285,000 | 3,500 | 281,500 | 285,000 |
| Total | | | | | | |
| 1997/98 | 1,234,542 | 51,335 | 1,285,877 | 224,739 | 1,034,405 | 1,285,877 |
| 1998/99 | 959,019 | 58,189 | 1,017,208 | 183,318 | 805,890 | 1,017,208 |
| 1999/00 | 1,376,910 | 69,814 | 1,446,724 | 224,118 | 1,163,606 | 1,446,724 |
| 2000/01 | 1,398,740 | 81,150 | 1,479,890 | 220,087 | 1,204,003 | 1,479,890 |
| 2001/02 F | 1,520,000 | 80,000 | 1,600,000 | 267,500 | 1,276,500 | 1,600,000 |

1/ Marketing Years: Israel - September/October; Chile and South Africa - calendar year of the second year shown; Mexico - August/July; Spain - July/June; United States - November/October.

2/ Import and export data from Census Bureau, Department of Commerce

F = Forecast

Sources: Reports from USDA/Foreign Agricultural Service (FAS) attache reports, USDA/NASS estimates, and U.S. Department of Commerce.

U.S. Exports of Fresh Avocados
Marketing Years (November/October): 1996/97 - 2000/2001
Metric Tons

| Destination | 1996/97 | 1997/98 | 1998/99 | 1999/2000 | 2000/2001 |
|------------------------|----------------|----------------|----------------|------------------|------------------|
| European Union | | | | | |
| Belgium-Luxembourg | 15 | 0 | 0 | 0 | 0 |
| France | 104 | 0 | 3 | 36 | 20 |
| Germany | 21 | 19 | 0 | 0 | 3 |
| Netherlands | 1,151 | 1,691 | 2,713 | 384 | 0 |
| Spain | 20 | 98 | 444 | 94 | 0 |
| Sweden | 39 | 0 | 0 | 0 | 0 |
| United Kingdom | 346 | 377 | 755 | 497 | 10 |
| Other Countries | 19 | 0 | 21 | 0 | 1 |
| Subtotal | 1,715 | 2,185 | 3,936 | 1,011 | 34 |
| North America | | | | | |
| Canada | 1,304 | 1,091 | 934 | 915 | 998 |
| Mexico | 10 | 5 | 210 | 34 | 121 |
| Subtotal | 1,314 | 1,096 | 1,144 | 949 | 1,119 |
| Asia | | | | | |
| China/Hong Kong | 80 | 45 | 2 | 1 | 5 |
| Japan | 1,784 | 750 | 838 | 1,236 | 407 |
| Korea; Republic of | 88 | 40 | 46 | 77 | 116 |
| Subtotal | 1,952 | 835 | 886 | 1,314 | 528 |
| Total | 4,981 | 4,116 | 5,966 | 3,274 | 1,681 |
| Other Countries | 21 | 114 | 94 | 180 | 31 |
| Grand Total | 5,002 | 4,230 | 6,060 | 3,454 | 1,712 |

Source: U.S. Bureau of the Census

U.S. Imports of Fresh Avocados
Marketing Years (November/October): 1996/97 - 2000/2001
Metric Tons

| Origin | 1996/97 | 1997/98 | 1998/99 | 1999/2000 | 2000/2001 |
|--------------------|----------------|----------------|----------------|------------------|------------------|
| Bahamas; The | 688 | 189 | 211 | 137 | 224 |
| Belize | 0 | 14 | 0 | 0 | 0 |
| Chile | 17,451 | 32,903 | 36,666 | 38,758 | 52,145 |
| Costa Rica | 0 | 4 | 38 | 0 | 0 |
| Dominican Republic | 6,860 | 6,509 | 6,395 | 9,928 | 9,317 |
| Ecuador | 0 | 0 | 0 | 0 | 0 |
| Honduras | 0 | 0 | 0 | 0 | 0 |
| Jamaica & Dep | 0 | 0 | 0 | 0 | 3 |
| Mexico | 1,909 | 7,655 | 10,537 | 13,444 | 11,285 |
| New Zealand | 192 | 483 | 1,688 | 3,940 | 3,672 |
| Other Countries | 17 | 18 | 4 | 7 | 4 |
| Grand Total | 27,117 | 47,775 | 55,539 | 66,214 | 76,650 |

Source U.S. Bureau of the Census

U.S. Imports of Prepared Avocados
Marketing Years (November/October): 1996/97 - 2000/2001
Metric Tons

| Origin | 1996/97 | 1997/98 | 1998/99 | 1999/2000 | 1999/2000 |
|---------------------------|----------------|----------------|----------------|------------------|------------------|
| Costa Rica | 0 | 0 | 0 | 0 | 0 |
| France | 0 | 3 | 0 | 0 | 0 |
| Japan | 0 | 0 | 1 | 0 | 0 |
| Mexico | 13,016 | 15,734 | 17,224 | 23,145 | 21,048 |
| New Zealand | 0 | 0 | 0 | 3 | 0 |
| Philippines | 18 | 5 | 4 | 13 | 8 |
| South Africa; Republic of | 0 | 0 | 159 | 494 | 74 |
| Grand Total | 13,034 | 15,742 | 17,388 | 23,655 | 21,130 |

Source U.S. Bureau of the Census