



2015

Country Profile: Colombia

Producer country profile produced by *CIRAD, The Centre De Cooperation International En Recherche Agronomique Pour Le Développement*.



The Colombian avocado sector

Appearances should never be trusted!



The still discreet position held by Colombia on the international avocado market does not reflect either the unrelenting, powerful increase in its cultivation area or the strengthening of the industry's structures. The country's export potential is now on the point of becoming available to the European market, at least for a time.

Large Hass surface areas, still seeing rapid growth

The Hass avocado remains a favoured investment for Colombian farmers. This is illustrated perfectly by a one-liner from the Chairman of the Board of Corpohass, the local governing body of the bulk of producers in the country: "If you had a million dollars, would you invest it in the avocado? No, I'd go to the bank and ask for another million dollars to invest in the avocado!" Hence the growth tempo of the cultivation area, around 1 000 ha per year between 2008 and 2012, has apparently remained very high for the past three seasons, although there are no figures available to confirm this. Planting has continued to gain momentum in the country's two main production centres, namely the department of Antioquia (Medellin region), which already accounted for more than one third of surface areas in 2013, and the "coffee zone" (departments of Quindio, Caldas and Risaraldra), on the strength of more than a quarter of the national cultivation area back in 2013. The professionals agree that surface areas are now in excess of 10 000 ha, and in the opinion of some even approaching 12 500 ha.



Avocado — Colombia Main production zones

Planted areas estimated from 10 000 to 12 000 ha in 2015

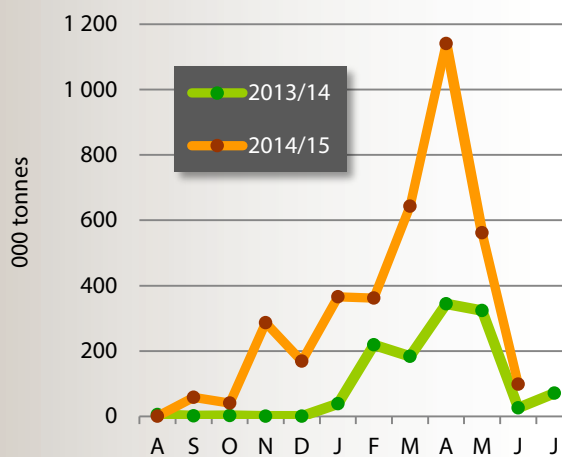
East Antioquia	2 200 ha
North Coffee zone*, South-West Antioquia	2 400 ha
North Tolima, East Caldas	2 600 ha
South Coffee zone*, North Valle, Popayan plateau (Cauca)	1 800 ha

*Coffee zone: Caldas, Risaraldra, Quindio counties /
Source: Consejo Nacional del Aguacate

Sector SWOT still on a high!

This trend, as powerful as it is discreet, is no surprise. The SWOT (Strengths-Weaknesses-Opportunities-Threats) grid, a fashionable arbiter in strategic analysis, would surely provide an extremely positive rating. The pedoclimatic conditions are highly suited to Hass cultivation in the belt of the Andes between 1 600 and 2 400 m. Water is fairly abundant and the restoration of a peaceful political situation has finally created a favourable climate for investment, as well as freeing up a large amount of land previously unexploited because of the presence of the guerrillas. Furthermore, the country enjoys a favourable geographic position allowing it to serve the United States very easily, as well as Europe reasonably readily (10 to 12 days by sea). Production costs are competitive, although they are above average because in particular of the high workforce required for plantations often situated on occasionally very steep slopes. Finally, the production calendar is a big advantage, in particular as it covers the high tension period on the European market. These numerous powerful assets easily make up for the structural weaknesses, occasionally significant, in terms of logistics. The public road network remains underdeveloped, occasionally making transport to the packing station difficult. The famous Willis jeeps, or mechanical mules, of the coffee zone are not yet fully part of the story. In addition, the omnipresent congestion of national highways slows transport to the ports and swells the costs. Furthermore, port transit costs are high, and container availability is low. The State has decided on a massive infrastructure improvement plan (0.8 % of GDP dedicated to transport between 2012 and 2020 according to the local press), though this will take time. Furthermore, the availability of quality plant stock remains limited. Finally, the average technical level of the young Colombian industry requires further strengthening.

Avocado - Colombia - Monthly exports



Source: DIAN



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Avocado — Colombia — Production calendar

	A	S	O	N	D	J	F	M	A	M	J	J
East Antioquia												
North Tolima												
Coffee zone												
South-West Antioquia												
Popayan												
North Valle												

Source: Consejo Nacional del Aguacate

Strengthening structures and quality level of supply

While this remains a big challenge, very notable progress has already been made, and the percentage of production of a quality level compliant with international standards, and certified production, is rising in line with the quantities harvested. Medium to large-sized production facilities, employing cutting-edge cultivation techniques, have proliferated since the beginning of the decade. They are gradually supplanting non-specialised small-holdings (45 % medium or big producers in 2014). Despite real efforts by the public institutions (especially at regional level), the rise in the technical and certification level is slower among small producers due to lack of financial resources, knowledge of international benchmarks or crop scientists able to provide specialised mentoring in Hass cultivation. This remains a problematic point, as growth in their numbers has been well off the pace of cultivation area growth.

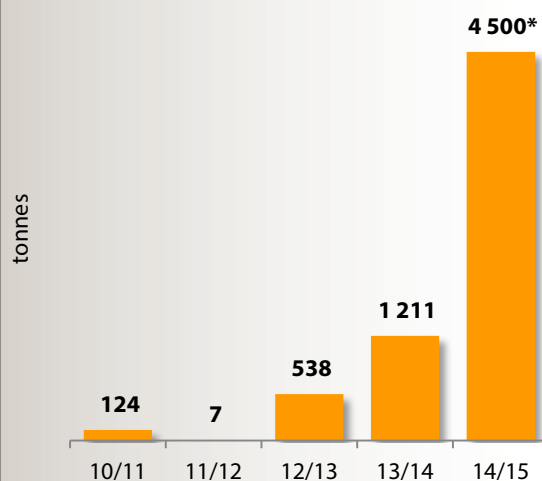
The main export operators play a role of structural mentoring, lending crack technical staff for the purposes of acquiring and securing volumes. Hence according to a 2014 study, 70 % of planted surface areas had permanent (50 %) or occasional (20 %) technical assistance. Furthermore, the sector has built up its post-harvest capabilities: there are five operational packing stations, one of which opened in September. This development is again due to the arrival of large-scale local or international investors. Westfalia, a world leader in the sector, owns the country's biggest packing station (in association with Subsole). Other South American companies (from Chile and Peru) or European companies are now in place.

Considerable progress in exports to be expected over the coming campaigns

The upscaling of the Colombian industry can be read implicitly in the export record of the 2014-15 campaign. For the first time, exports reached a significant level (of around 4 500 t, since the official Customs data are not yet



Hass avocado - Colombia - Exports



*estimate / Source: DIAN



complete enough to provide a more precise figure). The qualitative improvement in the supply has also been considerable, although an isolated operator — whose poor international reputation has been firmly established — has somewhat tarnished the source's brand image. The tempo of growth in export volumes should pick up rapidly. Some of the large and medium facilities built at the beginning of the decade, for purely export purposes, will start to enter production. Professional estimates are reckoning on approximately 6 500 t in 2015-16, possibly breaking the 10 000-t mark from the 2017-18 campaign.

Europe-bound... until 2017

Colombian Hass exports are at present aimed almost exclusively at the European market (with 70-80% via the Dutch ports). Only tens of tonnes per season are dispatched to other destinations (neighbouring countries, mainly Central

and South America). Nonetheless, it is clear that Colombia's natural market is somewhat further north, with the United States a five-day sea voyage away. The avocado might well be the 81st Colombian agricultural product to see the doors to this market open. The proceedings are underway, and the political will to move things along seems to be strong on both sides, as is attested by the visit of the US Ambassador for Colombia to the Colombia Hass packing station in early 2015. The monitoring process of the three quarantine insects (*Heilipus lairi bohemian*, *Heilipus triasciatus fabricius* and *Stenomoma catenifer*) is in place, as is region-by-region infestation measurement. The eligibility conditions will still need to be defined. The process could be completed in late 2016-early 2017. Unlocking the US market would provide a major fresh boost for the plantations, though it would unfortunately do only very little to resolve the problem of under-supply to the European winter market, which could become chronic ■

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Avocado — Colombia — Sector players

Exporters with packing

Hass Colombia	Packing in El Retiro (Antioquia)	2 lines	formerly cooperative Aproare, also provides custom packing
Westsole	Packing in Guarné (Antioquia)	6 lines	2014 - alliance of Westfalia (South Africa)/Prosol (Chile)
Wolf&Wolf	Packing in Armenia (Quindio)	1 line	
Cartama	Packing in Pereira (Risaraldra)		new local operator ready in September 2015
Las Lajas	Packing in Zarzal (valle del Cauca)	2 lines	2013 - local operator - 80 ha of orchards - custom packing

Exporters without packing

ColHass			Alliance with Agricom
VerdeFlor			