



2017

Country Profile: USA California

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Producer country file

The avocado in California

by Eric Imbert

One of the pioneers, the Californian avocado industry is packed into the frost-free coastal zones in the south-east of the State. The nearly all-Hass harvest, averaging 160 000 t though with marked alternate bearing, is nearly exclusively sold on the local market, highly dynamic thanks to the promotion system-marketing model implemented by the producers. The cultivation area, which has distinctly shrunk in recent years in particular because of increasing water stress, seems to be starting to stabilise.



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Avocado – California

Location

With a cultivated area of approximately 20 000 ha, California is by far the USA's main avocado production centre, accommodating practically all the Hass (approximately 2 750 ha mainly West Indian varieties in Florida, in Dade and Collier Counties, and less than 200 ha comprising mainly Guatemalan cultivars such as Sharwill on Hawaii). In terms of value, the avocado is one of the State's main horticultural products, behind the strawberry and lemon. Surface areas are mainly packed into the coastal strip and valleys of the south-east, where the temperate Mediterranean or warm oceanic climate safeguards against the high frost risks inland. Riverside and San Diego Counties alone encompass nearly half of surface areas in a main area situated between Temecula in the north and Escondido in the south, plus a few orchards to the east of San Diego city. Ventura County is the State's other main production centre, accommodating just over one third of surface areas. The orchards are mainly situated in the Santa Clara river valley (from Ventura to

Fillmore), in the neighbouring valley further south (from Oxnard plain to Simi Valley) and in Ojai valley. Ventura County comes in third position (approximately 10 % of surface areas), with its plantations mainly situated on the narrow coastal strip between the sea and the Santa Inez Mountains. The rest of the cultivation area is packed into San Luis Obispo County (Morro Bay and the Santa Maria River valley in particular).



Avocado – California

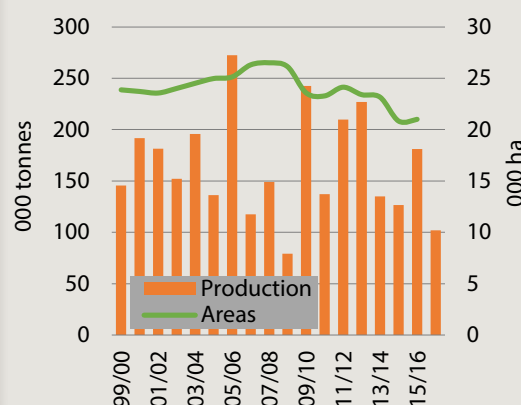
Production

California was among the trailblazing regions in developing a dedicated avocado industry. The first avocado trees were introduced in the mid-19th Century, with commercial orchards first planted from the very start of the 20th Century. The Californian industry was also the first to become organised, with the creation in 1915 of the California Avocado Association (which would become the California Avocado Society in 1941), responsible for representing and supporting producers in trading/marketing or technical matters, with the support of UC Riverside. After making gradual progress, avocado surface areas took off in the early 1970s, peaking at more than 30 000 ha in the late 1980s. The resulting production boom caused a steep fall in profitability, in a context of ebbing demand for oily foods and the arrival of Chilean competition. Surface areas declined, before stabilising at 25 000 ha between the mid-1990s and 2008-09. This downward trend in surface areas has resumed since then, with the cultivation area losing just over 5 000 ha between 2008-09 and 2015-16. Agricultural water, increasingly rare and expensive, has become a major constraint in recent years of intense drought, particularly in the south (San Diego area), where salinity is an additional problem. Similarly, the lack of agricultural labour, primarily of Mexican origin, is increasingly perceptible. In this context of very high production costs, only the most high-tech producers have good profitability. A good many smallholders, who until recently represented a significant production base (approximately one quarter of surface areas in 4 800 facilities of less than 6 ha according to the latest census dating from 2012) have had to withdraw from the industry in recent years. Production, within a wide range though on average 160 000 t since the beginning of the decade, could find stability in the coming years thanks to a stabilising cultivation area and research efforts made to increase productivity.



Avocado - California - Production

(source: CAC)



Avocado – California – Production costs

in USD/ha	San Diego	Riverside	Ventura/ Santa Barbara	San Luis Obispo
Direct costs excl. irrigation	4 565	4 565	4 429	4 429
Irrigation	10 882	6 107	2 180	1 409
Harvest	4 355	4 355	4 469	3 482
Total direct	19 802	15 027	11 078	9 320
Others	12 279	11 204	15 892	15 880
Total	32 081	26 231	26 970	25 200

Source: University of California Davis, 2011

Avocado – California

Varieties

Until the early 1970s, the varietal base was based mainly on Fuerte, given its name by Californian producers for being the only one to withstand the frosts of 1913. It was gradually superseded by Hass, a variety discovered locally by the postman and amateur horticulturalist of the same name, and patented in 1935. This variety currently occupies 95 % of the cultivation area, with Lamb representing the bulk of the remaining areas (2 % other varieties). The first volumes are generally sold in January (San Diego region), with production not really taking off until early March, before peaking in early May to late July. The campaign winds down in August, before finishing toward October / November with the last fruits from the Santa Barbara and San Luis Obispo zones.



Avocado – California Planted areas by variety

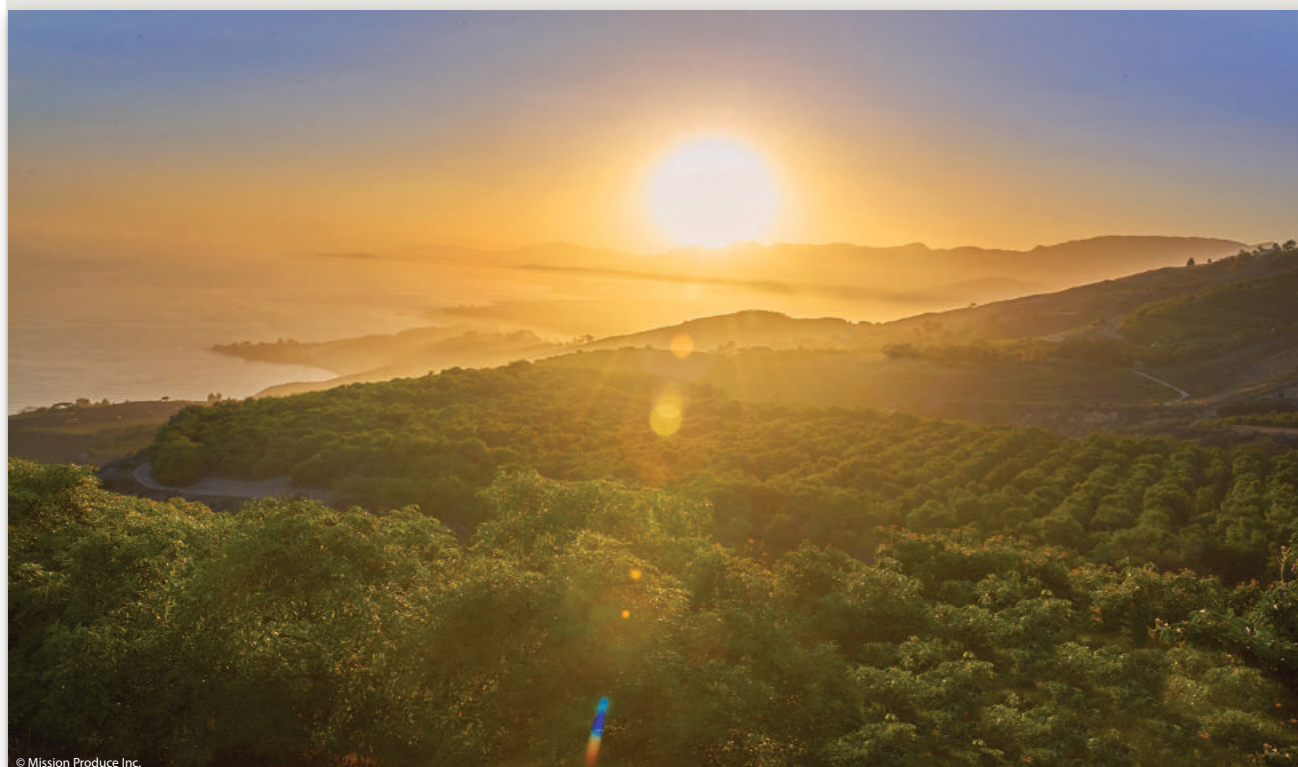
Varieties	Shares	Hectares (thousand)
Hass	95 %	48.5
Lamb	3 %	1.6
Others	2 %	0.8

Source: CAC

Avocado – California – Harvest calendar

	J	F	M	A	M	J	J	A	S	O	N	D
San Diego/Riverside												
Ventura/Santa Barbara												
San Luis Obispo /Monterey												

Source: CAC



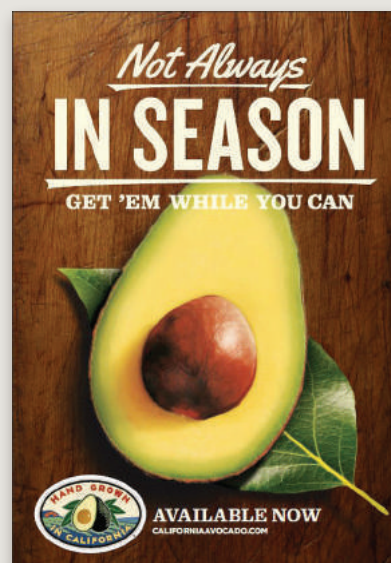
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Avocado – California

Outlets

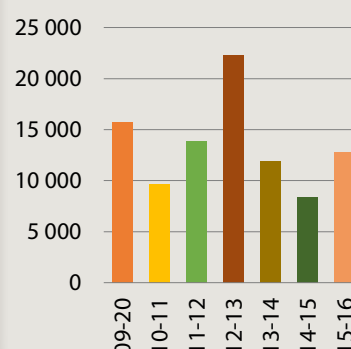
The local market absorbs more than 90 % of production, and is the industry's natural outlet. Californian producers, connected at a very early stage via the trans-continental rail network to the main markets of this highly populous but vast country, were aided in getting established by the import ban imposed on competing produce from Mexico and Central America from 1914 to 1997. After laying the foundations of a trading organisation in 1924 with the creation of a cooperative type entity (California Avocado Exchange, which became Calavo in 1927), the California Avocado Association also launched large-scale marketing actions at a very early stage, in 1961 setting up a funds collection system (Avocado Marketing Order) via its Promotion Committee, and then via the California Avocado Commission from 1978. The industry was able to convert into a market development opportunity the danger posed by the lifting of the import bans on Central and South American produce in 1997. By extending the Marketing Order to imported avocados by setting up the Hass Avocado Board in 2002, the US market practically expanded fivefold. True, the market share of the Californian industry fell to 15-20 %, but the volumes sold are similar and the economic returns higher. The bulk of volumes are traded by a dozen companies, with Calavo, Mission and Westpac among the leaders.

The fruits are primarily packed in two-row 25-pound lugs, i.e. 11.34 kg (there is also a 12.5-pound or 5.67-kg version). The sizing is indicated by number of fruits per 11.34-kg lug (generally 28 to 84, with 40 representing the equivalent of a size 14 in a 4-kg box).



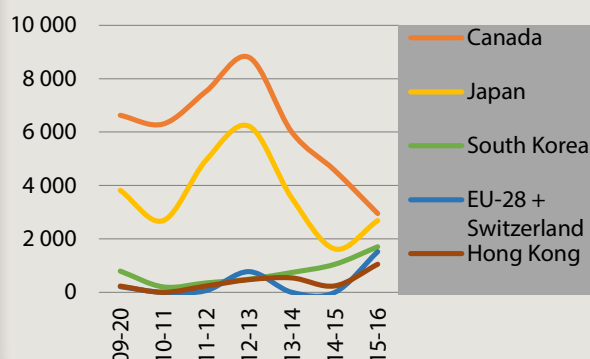
Avocado - USA - Exports

(in tonnes / source: US Customs)



Avocado - USA - Exports by destination

(in tonnes / source: US Customs)



Exports

Export volumes are minimal, at around 10 000 t per year (90 % of total US avocado exports, fluctuating from 9 000 to 15 000 t). The bulk of volumes are aimed at Canada (40 to 50 %) and at the Asian markets (Japan, South Korea and Hong Kong, totalling 35 to 45 %). Shipments to the EU-28 are very limited (0 to 1 500 t, depending on the season).