



2018

## Market Review: Europe

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

## European summer avocado market

### Forecasts for 2018: test campaign!



The sun is shining once more on the big producer countries! This vivid picture is a fairly good summary of the profile for this 2018 counter-season. The climate conditions finally seem to be favourable for the upstream segment after the 2016 and 2017 campaigns when the hail, drought or conversely torrential rains made a good many market suppliers suffer. The export potentials of practically all countries fuelling the world trade during the summer period are set for optimum levels. Will the European market still be smiling too, given the large volumes expected due to expanding surface areas seen across the board in recent years?

© Eric Imbert



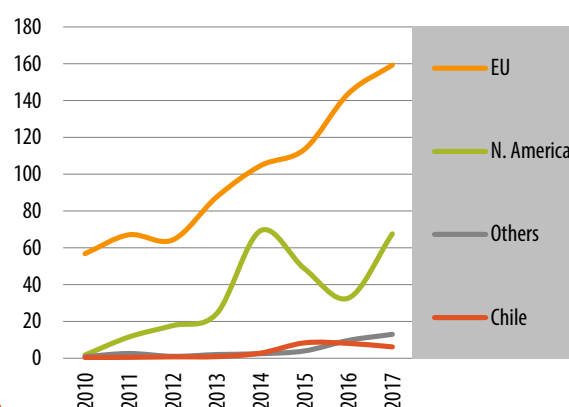
## Peru

### A new record potential

Peru is expecting another boom in export potential. Volumes bound for the international market could rise, just as in 2017, by approximately 50 000 tonnes to near the 300 000-tonnes mark across all varieties (of which just over 280 000 t of Hass). This should consolidate Peru's place as the world number two exporter, albeit a long way behind Mexico with its one million tonnes, yet this has been achieved in barely more than a decade (as a reminder, Peru exported less than 20 000 t in 2005). This new record year is no surprise; on the one hand, the weather has been rather clement, after the 2016 and 2017 seasons disrupted by El Niño or La Niña (torrential rains in 2017 which damaged the country's very infrastructures). Most of all, for the past two or three years the industry has seen massive surface area start to enter production, after an annual planting rate of around 2 500 ha in 2012 and 2013, 3 500 ha in 2014 and 3 000 ha in 2015. On top of that if we consider the exceptional yields of the "natural greenhouse" that is the Peruvian coastal zone, exporters have large additional volumes, and will continue to do so over the coming years. The sizing is set to be somewhat bigger than in 2017, though the fruits are maturing a bit later.

**Avocado - Peru - Exports by destination**

(in 000 tonnes / source: Sunat)

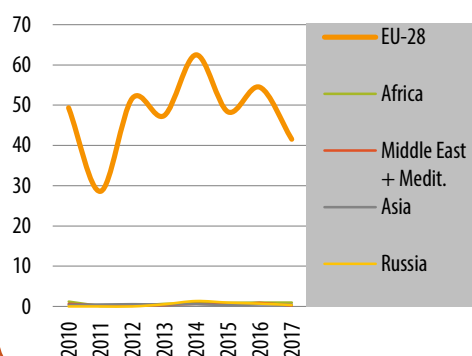


**Avocado (all varieties) – Peru – Exports**

in tonnes	2010	2011	2012	2013	2014	2015	2016	2017
European Union	56 750	67 050	64 270	87 609	104 650	113 514	143 852	159 326
North America	1 700	11 481	17 675	24 209	69 289	48 568	32 636	67 573
Chile	281	400	678	785	2 717	8 294	7 992	6 090
Others	790	2 500	953	1 941	2 388	3 901	9 618	12 908
<b>Total</b>	<b>59 521</b>	<b>81 431</b>	<b>83 576</b>	<b>114 544</b>	<b>179 044</b>	<b>174 277</b>	<b>194 098</b>	<b>245 897</b>

Source: Sunat

**Avocado - South Africa - Exports**  
by destination (in 000 tonnes / source: Comtrade)



## South Africa

### Positive alternate bearing phenomenon, with an expanding cultivation area

No two successive years are the same for South African professionals. After a year marked by a very wide shortfall in 2017, the number 2 supplier to the Community market will also have substantial export volumes. They should be close of those to the record 2014 season (i.e. approximately 65 000 t), thanks to a positive bearing phenomenon and expanding surface areas. The supply of green varieties, particularly meagre in 2017, will double but only regain an average level. Conversely, Hass volumes should reach a historic high. Although the severe drought affecting the Cape region has spared the large production centres in the north of the country, the sizing is set to be rather average because of the heavy load on the trees.

**Avocado – South Africa – Exports**

in tonnes	2010	2011	2012	2013	2014	2015	2016	2017
European Union	49 351	28 582	51 713	47 404	62 499	48 325	54 448	41 527
Africa	1 217	57	150	656	765	908	924	944
Middle East + Medit.	627	253	308	362	610	444	898	283
Asia	430	488	588	486	548	313	502	474
Russia	-	-	-	534	1 344	950	701	350
<b>Total</b>	<b>51 631</b>	<b>29 614</b>	<b>53 016</b>	<b>49 460</b>	<b>65 772</b>	<b>51 046</b>	<b>57 473</b>	<b>43 492</b>

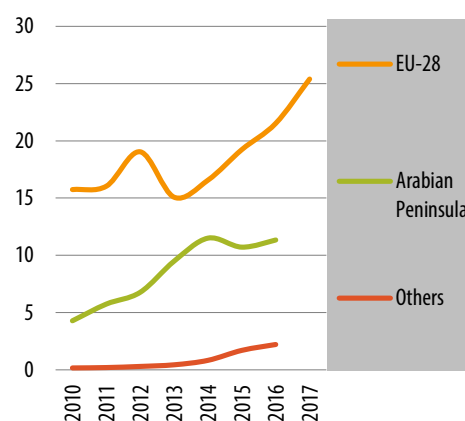
Source: Comtrade

## Kenya

### Better in every respect

After a long period practically flat-lining, Kenyan avocado exports rose by more than 20 000 t from 2013 to in excess of 46 000 t in 2017 (of which more than 25 000 t to the EU-28, with the Hass share going from 74 % to 94 %). The growth dynamic should continue in 2018. The climate conditions have been much less of a hindrance than in 2017, a year marked by a severe drought. In addition, surface areas are expanding, especially among the big producers. Logistics to Europe will be facilitated by the establishment of a new MSC line. This direct link will connect Mombasa to Le Havre in 17 to 19 days, with one sailing every week – though this rapidity does come at a high cost. Finally, the authorities seem to be attempting to enforce better quality control; it remains a problem for certain brands especially those marketing fruits from small producers with little or no supervision. Exports were prohibited in January to avoid sending immature fruits. While the measure had little effect at a time of such small production, it nonetheless marks an increase desire to tackle the problem. This gesture contributes toward better compliance during the peak of the season, with regulations on minimum dry matter for exports, which is set at 20 %.

**Avocado - Kenya - Exports by destination**  
(in 000 tonnes / sources: Customs, HCDA)



**Avocado – Kenya – Exports**

in tonnes	2010	2011	2012	2013	2014	2015	2016	2017
European Union	15 743	16 039	19 045	15 079	16 568	19 238	21 529	25 400
Arabian Peninsula	4 280	5 741	6 769	9 489	11 502	10 714	11 340	-
Others	160	194	292	434	824	1 696	2 208	-
<b>Total</b>	<b>20 183</b>	<b>21 974</b>	<b>26 106</b>	<b>25 002</b>	<b>28 894</b>	<b>31 648</b>	<b>35 077</b>	<b>46 600</b>

Sources: Customs, HCDA

## Brazil

### Todo bon!

In 2017, the marked surge in Brazilian Hass exports, which had gone from 3 000-4 000 t at the beginning of the decade to more than 7 000 t, was not just a cyclical phenomenon. It is symptomatic of significant growth in the cultivation area over recent years, and should continue in 2018. Jaguacy, the pioneer and number one Hass grower in the country, is predicting exports of approximately 350 containers on its own. So the overall volumes supplied by Brazil to its practically sole outlet, namely the Community market, should be between 9 000 and 10 000 t, if we add the supply of the country's other operators. The rise should make itself felt in the mid-season and late season. The high temperatures and summer drought had an adverse effect on production in the earliest zones. The rains are required to ensure that the promised volumes are achieved, in this country where the majority of plantations are not irrigated.

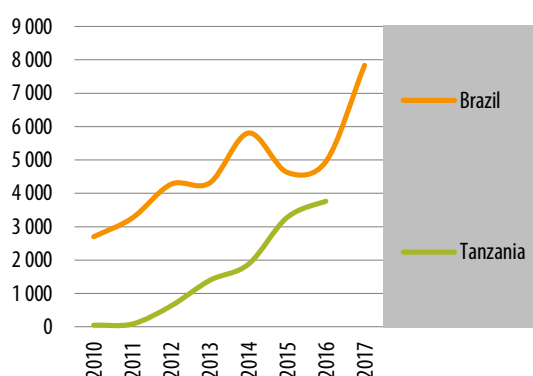


**Avocado (all varieties) – Brazil – Exports**

in tonnes	2010	2011	2012	2013	2014	2015	2016	2017
European Union	2 560	3 062	4 105	4 203	5 464	4 494	4 883	7 502
Others	140	202	168	110	343	135	68	333
<b>Total</b>	<b>2 700</b>	<b>3 263</b>	<b>4 273</b>	<b>4 313</b>	<b>5 807</b>	<b>4 628</b>	<b>4 951</b>	<b>7 835</b>

Source: Comtrade

**Avocado - Brazil and Tanzania - Exports**  
all destinations (in tonnes / source: Comtrade)



## Tanzania

### A rise expected, probably

Tanzanian exports have remained relatively stable since 2015: approximately 3 000 t to the EU-28 and development of a small flow to Kenya, itself ultimately aimed at the Community market. They should see more distinct progress in 2018 (probably 7 000 to 8 000 t). There is some prevailing uncertainty since the majority of fruits come from small producers (especially in the south), making forecasting difficult. The vast majority of volumes will continue to be exported via the port of Mombasa, whose freight supply is bigger than Dar Es Salam.

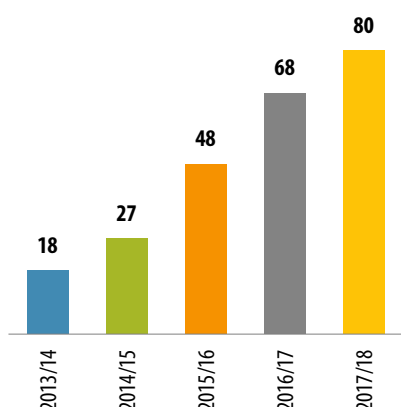
**Avocado (all varieties) – Tanzania – Exports**

in tonnes	2010	2011	2012	2013	2014	2015	2016	2017
European Union	1	-	17	1 260	1 757	3 178	3 162	3 000
Kenya	29	86	610	133	120	100	500	-
Others	20	-	1	-	-	1	102	-
<b>Total</b>	<b>50</b>	<b>86</b>	<b>628</b>	<b>1 393</b>	<b>1 877</b>	<b>3 279</b>	<b>3 764</b>	<b>-</b>

Sources: Comtrade, Eurostat



**Avocado - Jalisco - Exports estimate**  
(in 000 tonnes / professional sources)



## Jalisco

### A surprise guest in the second half of the summer season?

While Mexico since 2015-16 has become a key winter season supplier to the EU-28 once again, controlling approximately 20 % of the market, it had a barely perceptible presence hitherto during the summer season (a few hundred thousand boxes of "flor loca" from Michoacán in August, before a more distinct increase in shipments in September). Could the boom of the Hass industry in Jalisco change the hand? We should recall that this zone, where the avocado cultivation area has more than doubled since the beginning of the decade to in excess of 20 000 ha, has an early production calendar thanks to its climate and the use of the Mendez variety (approximately 35 to 40 % of production). Harvesting of this "Hass like" (also known as Carmen®) can start from mid-May, with volumes becoming substantial from July. With the US market still closed for the moment, exporters could turn to their traditional markets, which include the EU-28 (30 %

of shipments in 2016-17). According to the initial information collected, the 2018-19 harvest is set to be bigger than in 2016-17 (160 000 t, of which approximately 60 000 t of Mendez). While the very first shipments should be forwarded to Canada and Japan, Europe could start to be supplied with the burgeoning production in July, if market conditions are favourable.



**JALISCO :**  
**25 000 ha**  
**of orchards**  
**in 2017**  
**according to APEAJAL**

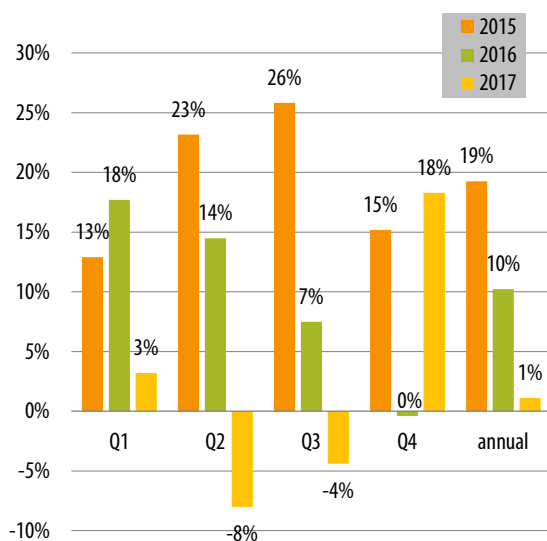
- Avocado zone
- from 3 000 to 4 000 m
- from 2 000 to 3 000 m
- from 1 000 to 2 000 m
- from 500 to 1 000 m
- from 200 to 500 m
- < 200 m



### Consumption in the United States: no change in 2017 due to lack of volumes

The market responded positively  
to the return of big volumes in Q4

**Avocado - USA - Evolution of consumption**  
(source: HAB)

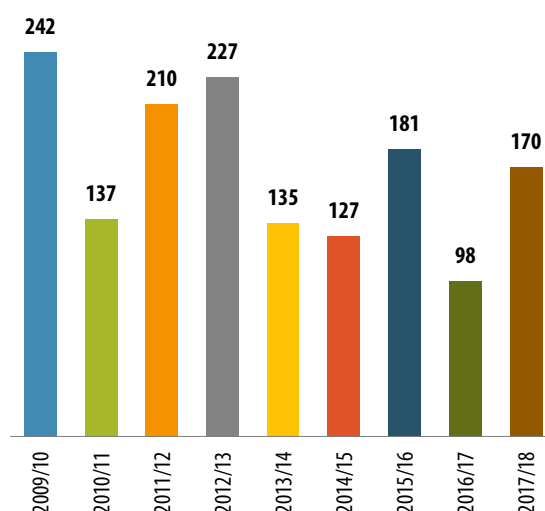


## Opening up of the US market: a key issue for Peru and for the balance of the European market

So export potentials are registering a high level for all origins. It remains to be seen which markets will receive these volumes. This is only really an issue for Peru, with the other suppliers having in the EU-28 practically their sole outlet. The main alternative market for this origin is of course the US market. The breakthrough made in 2017 may seem to augur well (65 000 t exported, a leveling equalling the record from 2014 and marking a rise of more than 30 000 t on 2016). However, the context in 2018 seems very different. On the one hand, the Californian harvest is back to a high level of 170 000 t, up by more than 70 000 t from 2017. While the fires which ravaged thousands of hectares in late 2017 had dramatic repercussions for certain producers, the consequences on a State-wide scale remained limited (loss of approximately 5 % of the potential). Furthermore, Michoacán production went from a distinct shortfall in 2016-17 to a record in 2017-18 (+ 15 % on the previous season). And a two-figure rise in the production of this giant is not without consequences in terms of volumes available, especially at the end of the season. The US market in particular may be rather inaccessible during the critical period from mid-May to mid-June, when Californian and Mexican volumes will remain very high and when Peruvian exports will be at their peak (+ 45 % for Mexican and Californian volumes compared to 2017 according to the HAB projection).

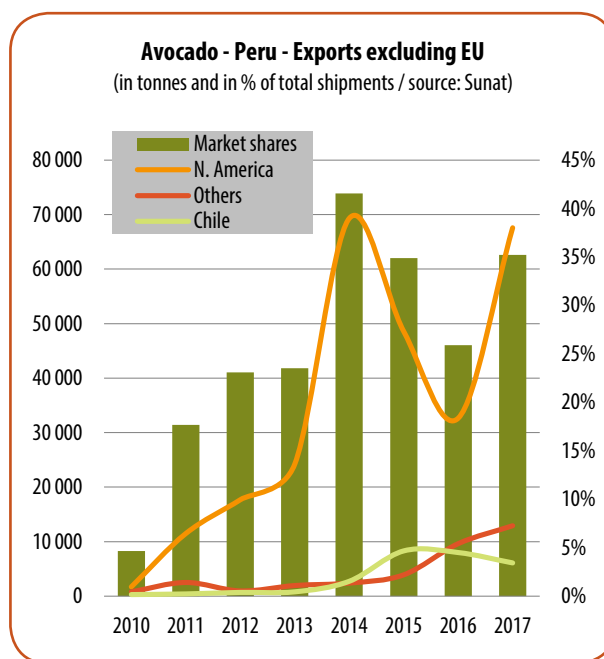


**Avocado - California - Production**  
(in 000 tonnes / source: CAC)

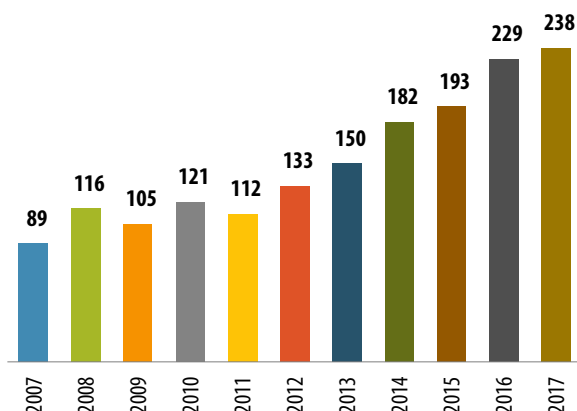


## What sort of Peruvian volumes will there be on the Asian diversification markets?

Bearing in mind the volumes to come, the Peruvian industry has largely worked on opening up diversification markets. There is a real surge in exports to Asia, with shipments doubling between 2016 and 2017, though volumes remain moderate at approximately 10 000 t. China and Hong Kong, to which Peru exported approximately 6 500 t in 2017, should continue to grow. The latest consumption figures are showing just as big an appetite (50 000 to 55 000 t imported in 2017 according to an initial estimate, i.e. + 25 % on 2016) - which augurs well! Will Peru repeat its fine performance from 2017 in Japan (exports going from less than 1 000 t to more than 3 000 t)? The question arises since, unlike for China, 2017 was a year synonymous with decline for the Japanese avocado market (imports down 20 % from 2016). Chile has also become an important outlet, though it has stagnated for several seasons at between 6 000 and 8 000 t.



**Avocado - EU-28 - Summer market**  
(in 000 tonnes / source: Eurostat)



## What will the supply to the EU-28 look like in 2018?

What availability will there be for the EU-28? True, this kind of projection is highly theoretical and usable only as a guide, though it is a worthwhile exercise to have a general idea of this campaign. Overall, even if we assume continuing growth in Peruvian shipments to the United States (75 000 to 80 000 t according to the HAB's projections, i.e. 10 000 t more than in 2017) and exports to Asia doubling again (20 000 t, i.e. 10 000 t more than in 2017), there would still be approximately an additional 30 000 t to place in the EU. So if we add the rise in South African volumes, Europe could receive approximately 50 000 t more than in 2017 from its two flagship suppliers, i.e. a rise in the overall supply of approximately 25 % from 2017.

**Avocado – EU-28 supply – Trend for 2018**

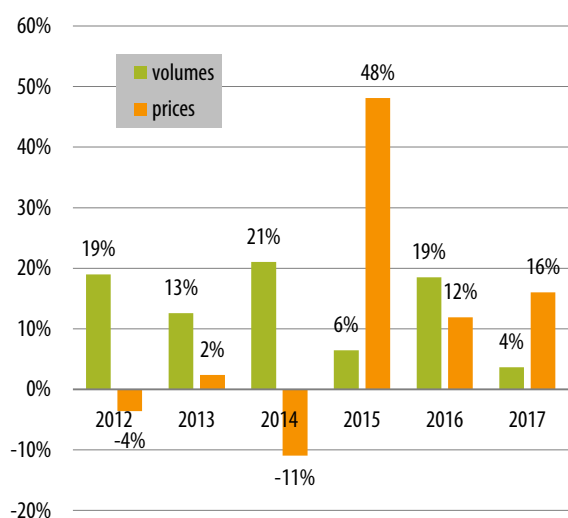
in tonnes	Volumes in 2017	Trend for 2018
Peru	157 744	+ 25 000 to 30 000
South Africa	43 984	+ 15 000 to 20 000
Kenya	25 425	+ 2 000 to 5 000
Brazil	7 189	+ 2 000 to 3 000
Tanzania	2 987	+2 000 to 3 000
Mozambique	280	= ↗
<b>Total</b>	<b>237 608</b>	<b>+ 45 000 to 60 000??</b>

Professional sources, Customs





**Avocado - EU-28 - Evolution of volumes and prices by comparison with previous season**  
(sources: Eurostat, CIRAD)



## Consumption still on a high in the EU-28

Should we fear such a level of growth in volumes? Past seasons can provide some indications. Supply increases of approximately 20 % are not unprecedented. Until 2014, they were accompanied by a big downturn in prices. Two years later, in 2016, the market was on a different scale, with Germany becoming a significant consumer to support the growth dynamic of France and the United Kingdom; and this same rise in volumes was accompanied by a big increase in prices. Furthermore, it must be highlighted that demand will be driven by WAO promotions (see FruiTrop 254, January/February 2018). While these two factors are rather reassuring, we should not forget two other important points. On the one hand, Scandinavia is no longer acting as a driving force. The 2017 figures confirm a stabilisation on these markets, the European champions in terms of consumption (nearly 2.1 kg/capita/year on average, and even between 2.3 and 2.5 kg in Denmark and Norway). On the other hand, supply peak periods will also need to be managed.

## Consumption: small movements confirming the big trends

There were no major changes in consumption on the big EU-28 markets during the 2017 summer season, with the available supply barely increasing. Nonetheless, they confirmed some well-established trends. The big French market has continued to grow, though at a fairly moderate rate. The same goes for the United Kingdom, although growth was a bit more marked. It was Germany which registered the biggest rise, with its dynamic showing little sign of flagging despite the lack of volumes available. Quantities consumed are still less than half the levels in France and the United Kingdom, despite a much bigger population. The Scandinavian markets have confirmed their arrival at maturity. All the countries in the zone are flat-lining (even Finland despite quite clearly under-consuming), with Denmark actually registering a second negative year. In any case, Scandinavia still has the best consumption per capita figures. We should note the boom in Italy, where volumes taken in during the summer period have quadrupled in five years, nearing 9 000 t.

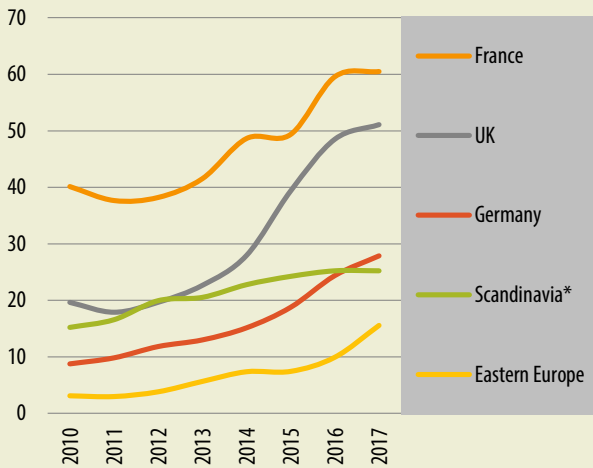
**Avocado – EU-28 – Apparent consumption in main markets (May to October\*)**

in tonnes	2010	2011	2012	2013	2014	2015	2016	2017	2017 compared to	
									2016	2010-11 average
Germany	8 748	9 816	11 819	12 989	15 129	18 767	24 377	27 869	+ 14 %	+ 200 %
Scandinavia**	15 204	16 568	19 937	20 520	22 766	24 240	25 220	25 222	0 %	+ 59 %
France	40 131	37 659	38 205	41 525	48 639	49 362	59 570	60 494	+ 2 %	+ 56 %
UK	19 631	17 889	19 654	22 647	27 940	39 364	48 514	51 093	+ 5 %	+ 172 %
Eastern Europe	3 097	2 965	3 808	5 644	7 358	7 421	9 924	15 556	+ 57 %	+ 413 %
<b>Total</b>	<b>86 812</b>	<b>84 897</b>	<b>93 422</b>	<b>103 325</b>	<b>121 832</b>	<b>139 154</b>	<b>167 605</b>	<b>180 234</b>	<b>+ 8 %</b>	<b>+ 110 %</b>

\* includes most Customs declarations of South African, Peruvian and Kenyan volumes / \*\* including Norway  
Sources: Eurostat, Bank of Norway

**Avocado - EU-28 - Apparent consumption in summer season**

(\* incl. Norway / in 000 tonnes / sources: Eurostat, Bank of Norway)



**Avocado – EU-28 – Consumption estimate**

	Population (millions)	Summer 2017 (g/capita)	2017 (g/capita)
<b>Scandinavia*</b>	<b>24.5</b>	<b>1 029</b>	<b>2 078</b>
Denmark	5.4	1 177	2 310
Sweden	9.1	1 007	2 092
Norway	4.7	1 301	2 436
Finland	5.3	677	1 499
<b>France</b>	<b>63.4</b>	<b>954</b>	<b>1 862</b>
<b>United Kingdom</b>	<b>60.8</b>	<b>840</b>	<b>1 526</b>
<b>Germany</b>	<b>82.3</b>	<b>339</b>	<b>709</b>
<b>Eastern Europe</b>	<b>102.2</b>	<b>145</b>	<b>347</b>

\* including Norway / Source: Eurostat



## European avocado market

### Summer 2017 review: much better than expected

The scenario for the 2017 summer campaign was extremely uncertain. The torrential rains which had battered Peru before the start of the season raised doubts over the available supply and the trading calendar, as well as over the quality of fruits from the origin, which on its own accounts for two-thirds of the supply to the Community market. We can say in hindsight that it all worked out – mainly. The supply was in place, with a slight rise (+ 4 %) which was rather unexpected given the initial uncertainties. As predicted, the South African supply registered a distinct shortfall (44 000 t for the EU-28, i.e. its lightest campaign since 2011). Peru had a strong presence, managing to export record volumes to the EU-28 of nearly 160 000 t, while regaining a more substantial level of shipments to

North America, and in particular seeing an increase to Asia. As for the outsiders, Kenya's small growth dynamic was confirmed (+ 2 000 t to reach 25 000 t), while Brazil achieved a more significant leap, while remaining one of the small suppliers (7 000 t up from barely 4 000 t). Contrary to the forecasts, Tanzanian volumes remained stable and very limited (3 000 t). We should note the emergence on the market of a new supplier, Mozambique, though still with anecdotal volumes. In the face of this overall supply, albeit bigger than forecast yet still well below expectations of a structurally increasing demand boosted by the WAO's first promotions, rates responded with an increase. Our average campaign price indicators was more than 13 euros/box upon import, an unprecedented level up 12 % on the

previous season. And the figures could have been even more favourable: while the still critical period of late May-early June went rather smoothly, the month of August was as difficult as it was atypical because of an unexpected surge in Peruvian volumes due to lower penetration than predicted in the USA.

**Avocado – EU-28 – Imports during summer season**

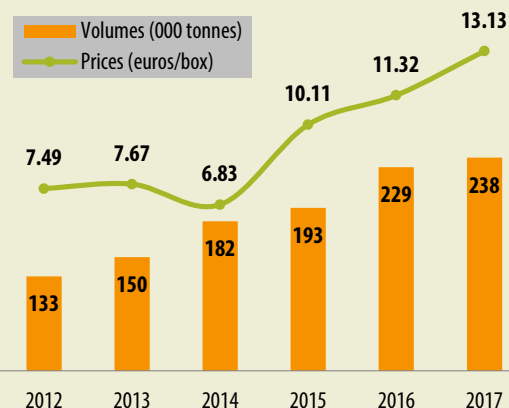
in tonnes	2012	2013	2014	2015	2016	2017
Peru	62 618	86 260	101 971	114 321	144 367	157 744
Southern Africa*	49 083	45 165	56 713	50 962	54 095	43 984
Kenya	17 078	13 313	15 604	20 728	23 444	25 425
Brazil	3 959	3 928	5 265	3 535	3 908	7 189
Tanzania	133	968	1 643	3 278	2 948	2 987
Others	306	300	447	497	337	280
Argentina	114	158	43	78	133	3
<b>Total</b>	<b>133 291</b>	<b>150 092</b>	<b>181 686</b>	<b>193 399</b>	<b>229 231</b>	<b>237 611</b>

\* South Africa + Zimbabwe + Zwaziland / Source: Eurostat



**Avocado - EU-28 - Supply and average import price in summer season**

(sources: Customs, CIRAD)





## Anticipating potential oversupply periods

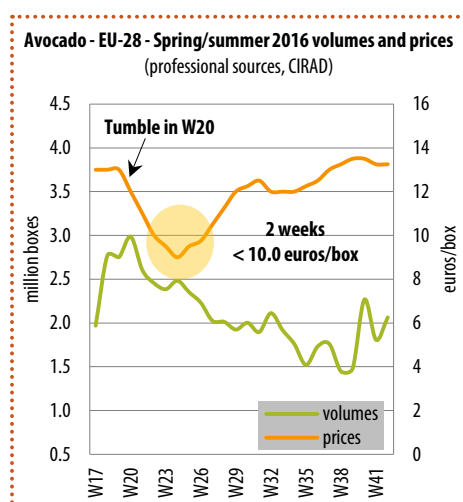
Late May-early June brings a well-known dangerous turning point. It results from the combined peak in Peruvian and South African production. It is particularly at risk this season since the US market is set to be heavily laden. You will recall that this period is one of the crucial factors determining the success of the season (see FruiTrop 240, April 2016). August has also become a fraught period, with the late Peruvian supply on the increase. This was demonstrated in 2017, when prices dropped to around 10 euros practically throughout the month. Again, the opening of the US market will be the point to keep an eye on. It will of course

depend on how much space Mexico leaves at the start of its 2018-19 campaign (size of the "flor loca" harvest). Yet the 2017 crisis has also shown that other parameters are in play. Will ripeners in the USA, accustomed to working with Mexican and Californian fruits practically "fresh-picked", be more disposed than in 2017 to open up their units to Peruvian Hass in the second part of the season, after a two-week voyage? Secondly, will the Peruvian spot supply be as large and disruptive as in 2017 across the Pond? There are many major questions for the Community market, over which European importers unfortunately have no control.

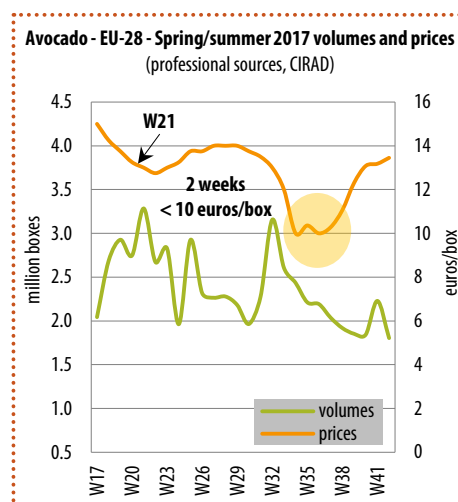
### Weeks 20/21: a key, make or break period!

..... For the last 2 years things have worked out .....

**2016: prices tumbling slightly for a while**

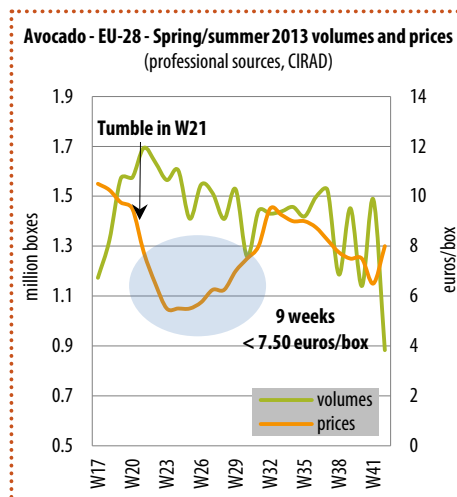


**2017: practically no movement in week 21, but a major tumble in late July**

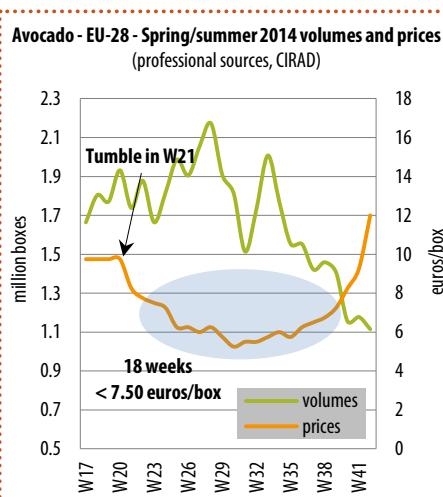


..... Between 2013 and 2015 things broke down .....

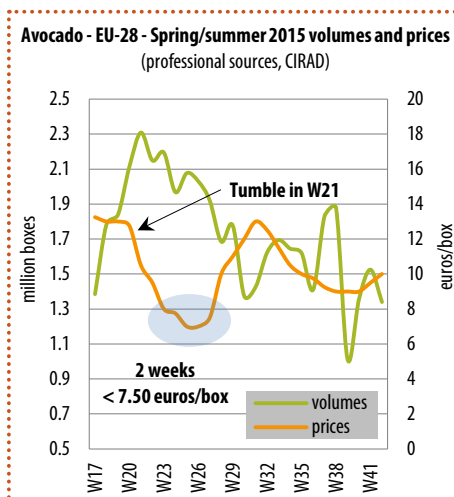
**2013: 9 weeks of major crisis**



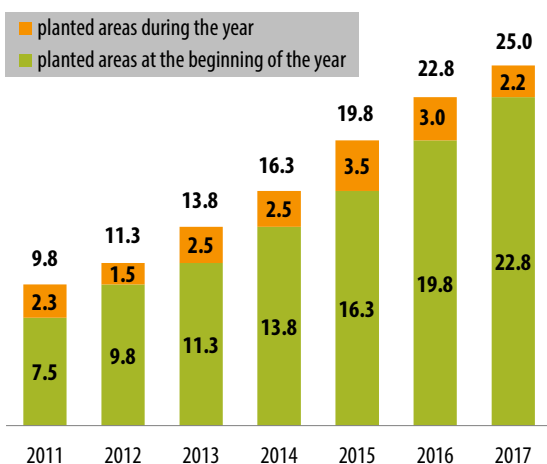
**2014: 18 weeks of major crisis**



**2015: 2 weeks of major crisis**



**Avocado - Peru - Evolution of planted areas**  
(in 000 hectares / professional sources)



## Peru: surface areas still seeing massive expansion, extending the season

What are the medium-term prospects for volumes? Growth in Peruvian production is not close to stopping. On the one hand, existing surface areas, evaluated at 28 000 ha in 2018, represent a potential harvest of more than 400 000 t (assuming an average yield of 15 t/ha, as in the Olmos and Chavomochic zones at present). On the other hand, the planting rate remains high, although it seems to be slowing down (2 200 ha between 2016 and 2017 as opposed to more than 3 000 to 3 500 ha in the previous two years). These new extensions are based on a rationale of production extension, harnessing the country's great climatic diversity. Two zones are seeing strong growth trends. Hence 4 700 ha of Hass have already been planted in the Olmos irrigated area, under large industrial projects.

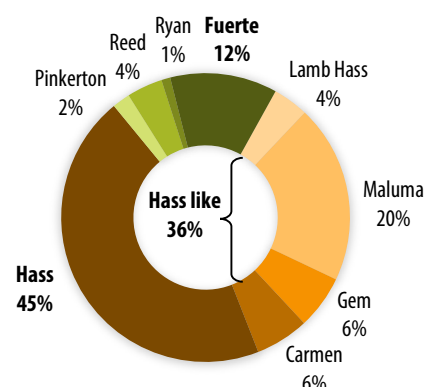
While the wind is sometimes a problem, the milder climate of this northern zone provides earlier availability and even more rapid tree growth than in other parts of the country. Conversely, irrigation and fertilisation requirements are greater. Surface areas should reach 7 000 ha by 2020. The other developing centre is more extensive, and situated in the Sierra zone (inter-Andean valleys generally above 1 200 m in altitude in the regions of Ancash, Ayacucho, Huancavelica, Apurímac, Cuzco, etc.). The production structures and systems are very different (lower-tech small producers, as are the pedoclimatic conditions (much cooler zones, and clayey non-sandy soils). These zones, which also have an asset in terms of earliness (harvest from February), represent approximately 3 400 ha. Marketing for these small facilities is generally provided by the country's big exporters, in addition to technical assistance.



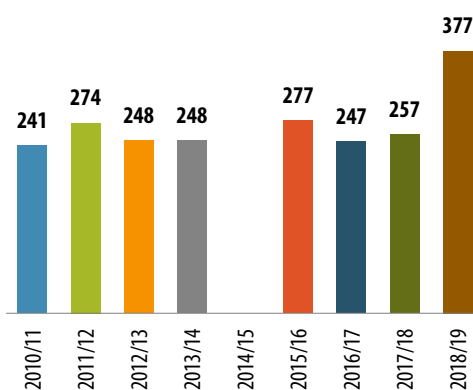
## South Africa shifting gear

South African producers are preparing to shift gear. Since the early 2010s, the planting rate has been around 250 000 to 280 000 trees per year, i.e. approximately 750 ha per year if we assume an average density of 300 to 400 trees/ha in the country. From 2018-19 it should reach more than 1 000 ha (380 000 trees per year), thanks to a big increase in plant production capacity (expansion of certain existing nurseries and appearance of new players). So the harvest should increase by approximately 9 000 to 10 000 t per year, if we assume an average yield of around 8.5 to 10 t/ha in the country. The production calendar should also evolve. The geographical centre of gravity of the cultivation area will see little movement. While all the production zones are developing, the vast majority of new planting is still being carried out in Limpopo (currently 60 % of the harvest, especially in the leading centre, Tzaneen). Conversely, the varietal range is not only tending toward "Hassification", but also toward an expanding market window. In 2017, Hass remained the most commonly planted cultivar (45 % of total plant sales). However, the share of "Hass like" climbed to 36 %, 26 % of which for the rather early Maluma and 10 % for the late varieties Lamb and Gem.

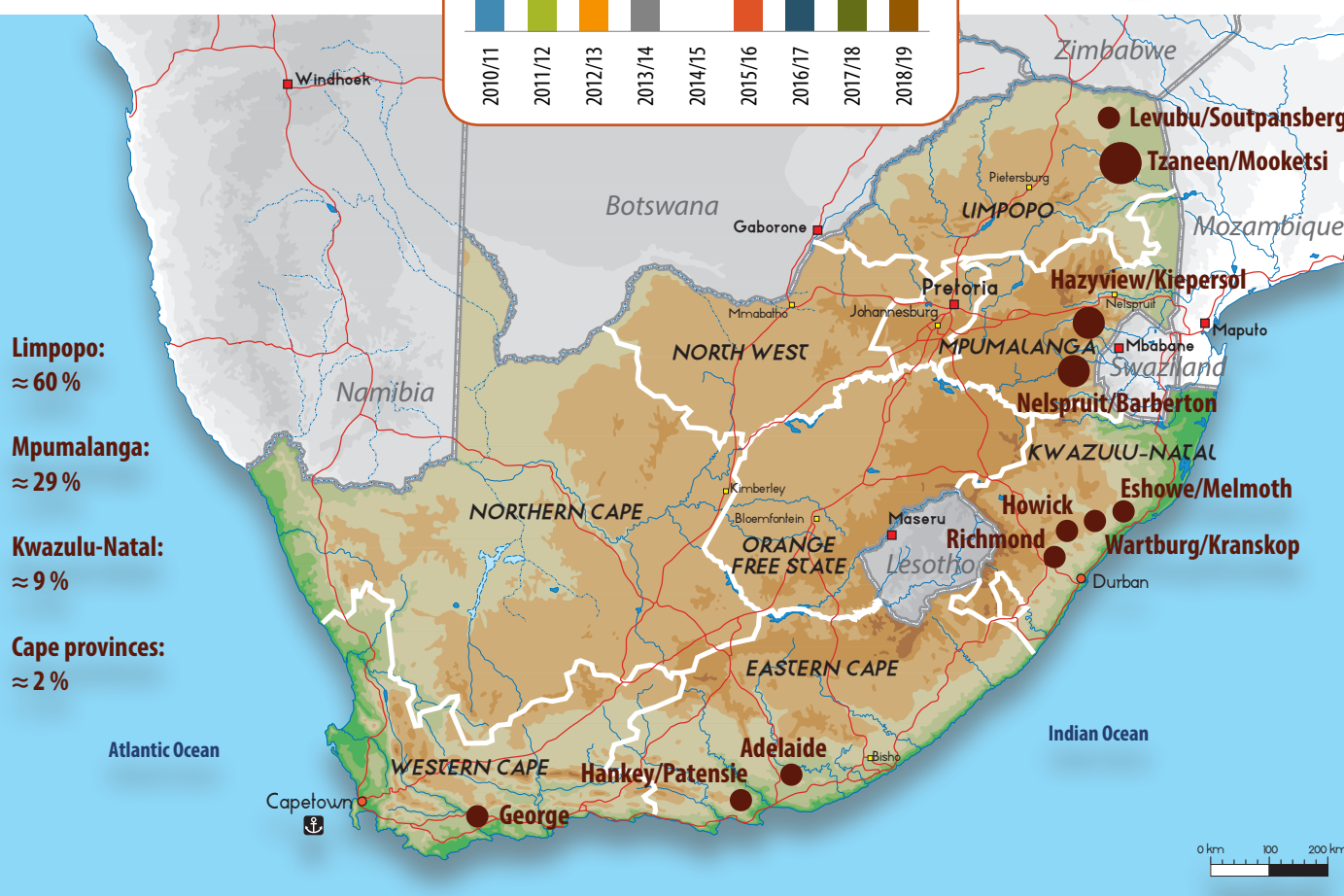
**Avocado - South Africa - Plant sales by variety in 2016-17** (source: SAAGA)



**Avocado - South Africa - Plant sales Projection for 2017/18 and 2018/19**  
(in 000 plants / source: SAAGA)



© Guy Beihner



0 km 100 200 km



## Kenya: growing interest and plant production capacity

Kenya is also seeing an accelerating trend in surface area expansion. Interest in the crop is increasingly marked. Historic producers are extending their production surface areas, like Kakuzi which had a planted area of just over 600 ha in late 2017 (as opposed to 485 ha in late 2015), and which is planning further extensions, especially by replacing its pineapple plantations with avocado. Other still, certain agribusiness groups which are currently non-producers, are starting to take an interest in the avocado as part of diversification pro-

grammes (Sasini group, a tea and coffee giant, recently established its first 80 hectares of avocado plantations). The big groups are in parallel promoting the avocado crop among small producers, whose produce they market. Finally, the plants supply has expanded considerably, with the establishment of the country's first certified plant nursery in 2016 (SoloPlant, a subsidiary of Amiran group), which currently has a production capacity of 120 000 plants (under development). Thanks to this new plant supply, growth in surface areas could reach a level of approximately 700 ha/year. As another point worthy of consideration, the development of this produce aimed mainly at "organised" medium or large-scale producers is contributing to boosting the origin's credibility.

**Avocado – EU-28 – Summer market supplier countries**

		Surface areas in 2017	Annual growth	Notes
<b>Main suppliers</b>	Peru	25 000	1 500-2 000	Average yield 15 t/ha (Chavimochic/Olmos)
	South Africa	17 500	1 000	Average yield 9.5 t/ha (national average)
	Kenya	na	500-700	Of which 400-500 ha/year commercial plantations
	Brazil	1 550	200-300	Average yield 15 t/ha
	<b>Total</b>	<b>43 550</b>	<b>3 200-4 000</b>	
<b>Other suppliers</b>	Tanzania	900-1 000*	?**	+ 200 to 300 ha for low-yield small producers in the north. What about the south?
	Mozambique	150	?	

\* commercial plantations, from 700 to 800 ha planted in 2017-18 / \*\* planting boom in 2017-18, what next? / Professional sources



Nearly  
1 500 ha  
of Hass  
in Brazil



## Brazil: all change in Sao Paulo, but also in Minas Gerais

The Brazilian cultivation area is continuing to see great growth. In the main centre of São Paulo, surface areas operated by Jaguacy have apparently reached 1 000 ha (own plantations and associated producers). They should continue to rise at a rate of approximately 200 ha per year, enabling Jaguacy to achieve a production of approximately 15 000 t by 2020. The plantations of other producers in this State, currently estimated at approximately 150 ha, are also reportedly expanding. Furthermore, certain citrus packing stations in the centre and north of the State are apparently looking into the possibility of developing services to avocado producers, since the demand is there. Moreover, it also appears that plantations are expanding rapidly in the cooler and later zone of Minas Gerais, not only for Tsugue (the zone leader, based in the centre), but also for other medium-sized producers situated in the south of the State. Surface areas reportedly increased by approximately 100 to 150 ha in 2017, up from 400 ha.





## Tanzania: planting resuming on a new model

After a period on standby relatively speaking, Tanzania apparently has a new planting trend underway. It is based on a development model more centred on medium or large industrial plantations than previously. This change is contributing to better production quality control, even among the smallest producers, which should obtain more advanced technical supervision. This is clearly the case in the north, in the foothills of Kilimanjaro. Africado has extended its own production surface areas, while another major project is being set up. The zone's cultivation area should soon be around 800 to 900 ha. The same can be said of the new production centre situated in the Southern Highlands (Iringa zone), where several medium-scale projects have been set up (approximately 200 ha). Conversely, the Mount Rungwe zone retains a more traditional system. Besides the Rungwe Avocado Company, which has a stable surface area of approximately 60 hectares, production for vast majority comes from very small producers whose planted areas are practically impossible to estimate. A large planting project could emerge, though at present it is only at the study stage. So Tanzanian production should evolve very gradually over the coming four or five years, before seeing a more marked growth trend with new medium and large orchards entering production in the north and the Highlands.

## WAO needs to be strengthened!

It is well known that nature abhors a vacuum, and the high economic returns seen for the past several campaigns have set the ball rolling. The planting dynamic remains strong or is tending to speed up in most producer countries supplying the summer market. Furthermore, while the big US market has an ever greater hunger for Hass, it is clear that now Michoacán and in future Jalisco, both far from static in terms of production capacity, will be the primary beneficiaries. So is there cause for alarm? No, since the whole world has an appetite for the avocado.

In Europe, although certain countries seem to be getting their fill (Scandinavia), there are still enormous untapped growth reservoirs (margins for manoeuvre in France, the United Kingdom and even more so in Germany). Asia has also clearly shown a desire for more avocado, although this potential is more difficult to harness for logistical reasons (a generally long voyage time for most suppliers) or because of dietary habits. However, whatever the market, work needs to be done to stimulate this demand. At present the World Avocado Organization has a budget of approximately 3 million USD to reach the 500 million inhabitants of the EU-28, and in future Asia. In the United States, the HAB can call on nearly 60 million USD to mobilise 330 million Americans. Strengthening the WAO is more than a good idea, it is a necessity given the world production dynamic during the summer period ■

**Eric Imbert**, CIRAD  
eric.imbert@cirad.fr



## European avocado market

### 2017-18 initial winter review: a very fine campaign, especially for Mexico

The campaign got off to a really bad start, with the winter market players taking over from a disappointing 2017 summer season (equally astonishing). However, the result turned out OK. The average guide price for the campaign calculated by our Market News Service found, just as in 2016-17, a really excellent level of 13.20 euros/box at the import stage. After a gloomy start, rates would only develop one way, from early October following the positive profile of the 2016-17 season practically to the nearest euro, and also finishing on a high of nearly 15 euros/box at the end of the period. However, the supply was less meagre than predicted. According to the initial figures available, to be confirmed by the Customs data, the cumulative incoming shipments from the main origins were up by approximately 4 %. Chile, still by far the number one supplier

to the Community market, seems to have had a slightly bigger presence than in 2016-17 (both in Europe and also the USA). The shipments calendar was slightly different, with trading starting ahead of schedule early in the season offset by shipments winding down early from late February. Unsurprisingly, the shortfall from the two main Mediterranean suppliers was confirmed, with Spanish and above all Israeli exports distinctly at a standstill compared to 2016-17. Colombia continued its rise to the fore, maintaining its flow focused almost entirely on the European market (for now few orchards are currently approved to export to the USA). The big winner of this campaign was Mexico. Exports from the world number one producer should reach 60 000 t (to be confirmed, though Mexican Customs had already registered exports of more than 47 000 t to the EU-28

between early July and late January). This is a record figure, up by more than 20 000 t from 2016-17, probably largely due to the big increase in production in Jalisco, which at present primarily serves Canada, Japan and Europe, given its lack of access across the border to the USA.

**Avocado – EU-28 – Imports during winter season (main origins\*)**

in tonnes	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Chile	41 074	62 968	42 797	78 244	90 138	95 000
Mexico	9 085	6 293	12 918	45 593	36 884	60 000
Spain	38 500	36 700	50 600	37 700	55 200	45 000
Israel	35 175	42 844	46 086	34 995	56 600	45 000
Colombia	486	1 142	3 740	11 189	24 024	28 000
<b>Total</b>	<b>124 320</b>	<b>149 947</b>	<b>156 141</b>	<b>207 721</b>	<b>262 846</b>	<b>273 000</b>

\* Morocco and the Dominican Republic missing / Source: Eurostat, estimate



**Avocado - EU-28 - Supply\***  
and average import price in winter season  
(\* main origins / sources: Customs, CIRAD)

