

## Some Economic Aspects of the Avocado Industry in California and Florida

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Ladies and Gentlemen:

I really have no apology to offer for being on this program. I think I am here because some of my friends like to give me an opportunity to report that I have made another trip to Florida. It is a very nice thing to spend part of one's winter in Florida and for four seasons in succession now I have been able, in close juxtaposition so to speak, with respect to time at least, to look over the Florida Avocado industry and compare it or contrast it with the California avocado industry.

Naturally as a result of these opportunities certain impressions have become more definite and specific in my mind, and the picture that I have been able to draw of these two avocado industries have become, to me at least, more meaningful. In advance permit me to emphasize that what I am about to say represents my own personal conclusions. They may be wrong or they may be right. At any rate from the point of view of a horticulturist and one interested in the California avocado industry I have made an effort to size up these industries with respect to both contrast and comparison. It is my task to answer inquiries directed to the College of Agriculture in reference to the commercial possibilities of the avocado industry and I propose therefore to outline for you a rather more than ordinarily complete answer to one of these inquiries.

The acreage in the Florida avocado industry at the present time in my opinion is approximately 1,000. It should be stated, however, that the past five or six years have witnessed most kaleidoscopic changes in the Florida avocado industry. In 1923 there were certainly not less than 3,000 or 3,500 acres planted to avocados in Florida. The acreage has decreased, expanded, and again decreased under the influence of a variety of calamities,—climatic, financial, and psychological, and hence there have been some remarkable changes in the industry there. In contrast our avocado industry has constantly grown and expanded until today it is much larger than that of Florida, larger even than it has ever been in Florida. It should be stated, however, that their industry is now on the increase once more.

Of the 1,000 acres approximately 750 acres are of young trees. The 1926 hurricane and subdivision destroyed most of the old seedlings and budded orchards in South Florida. The only reason there isn't more young acreage is that no avocado nursery stock was available until last year. At the present time there are not enough trees to plant anything like the acreage the growers and developers would like to plant.

At the time I was there, in February, a four-thousand acre avocado development was

getting under way with the first thousand acres unit being cleared and the land prepared for planting. It was expected that two or three hundred acres would be planted this season. The people behind this development have ample capital and are experienced avocado growers and would plant considerably more acreage this season if trees were available. The avocado nursery business is expanding rapidly in South Florida and it is my opinion that there will be another avocado boom in Florida in the near future.

Commercial avocado acreage in Florida is, I think, limited mainly to parts of Dade County, the southern-most county on the East Coast, and to small areas in Palm Beach County. The commercial industry will unquestionably be located mainly in Dade County, the county seat of which is Miami, for the reason that there occur soil and climatic conditions unusually favorable for avocado culture—much more so than is any other part of Florida.

Another section which now has 150 acres or so of bearing trees and which has commercial possibilities lies in Highlands County, of which the County Seat is Sebring. Both of these sections are in South Florida proper.

Avocados can be grown from one end of Florida to the other. The trees grow and produce some fruit almost everywhere. Every few years, however, they are frozen back to the ground and a good deal more often they are cut back severely by frost. Commercially I doubt very much whether the industry will ever develop excepting in South Florida.

In Dade County there are probably over twenty thousand acres of good avocado land. This represents the consensus of opinion of the best informed people there. If this is true and my analysis of conditions there anywhere near accurate, the Florida avocado industry can never exceed 20,000 to 25,000 acres. It will be many years before such a condition will exist, however, because of this 20,000 acres much is already planted to citrus fruits. The avocado will have to be distinctly more profitable than the citrus fruits before it will displace them on this acreage. Thus far in Florida they have not been more profitable than the citrus fruits. There is, therefore, not much incentive for growers to pull out citrus fruits and put in avocados. It will be a long time before Florida will have a large avocado industry.

I don't know what the potential future of the avocado industry is in California. I am sure many people are much too optimistic about it. The avocado in my opinion in California will never exceed the present lemon acreage. Indeed on the basis of the varieties we now have and our present knowledge of how to make them produce satisfactory crops I don't think it is likely to equal the lemon industry in size. In my opinion the avocado is more restricted in California with reference to suitable climatic conditions than is the lemon. I know there are many who will disagree with me very properly pointing out that avocados can be grown almost from one end of this state to the other. However, I don't believe the commercial industry can ever exceed 40,000 acres and I am sure it will be many years before it reaches any such size for the reason that by the time production is three or four times as great as it is now there is little likelihood that avocados will be so much more profitable than lemons or oranges as to displace any large acreage of these fruits. And that is what will have to occur if the avocado industry in this state is ever to expand to the size indicated.

With special reference to the problem for the coming season the reports I have indicate that the Florida production this year will be back to about as large a crop as has ever been produced, which is between 750,000 and 1,000,000 lbs. The avocado crop in both Florida and California is going to increase rapidly because in both states the percentage of full or heavily-bearing acreage at the present time is comparatively small. On the basis of the present acreage in California the production is certain to increase many hundred-fold. The same situation exists in Florida but to a lesser degree because of the small amount of planting done in recent years. Extension of the industry in Florida in recent years has been prevented in large measure by the boom conditions which boosted avocado lands to prices from \$3,500 to \$5,000 an acre for subdivision purposes. These lands are now back to \$75.00 to \$150.00 an acre, a valuation which permits of their use for agricultural purposes where growing avocados will probably be as profitable a use as any they can be put to for many years to come.

Having had the opportunity of repeated sampling and comparing and contrasting the avocados grown in California and Florida I am impressed more than ever with the feeling that avocados in the two states, even of the same varieties, are two different products. I know that is true of the citrus fruits. This has been recognized by the California Fruit Growers Exchange for many years, and that organization has based its sales program *largely* on these differences. Until I had the opportunity of studying citrus fruits in Florida I never fully appreciated the adroitness with which the Exchange has sold California oranges to the consuming public. For years it has featured in its advertising uses to which the Florida fruit does not lend itself. In its advertising you see always the fruit peeled in the hands, and eaten out of hand. You can't do that with the Florida orange, at least with any degree of safety. They show the fruit segmented. Again you can't do that with the Florida orange. And they show the fruit sliced. You can't do that with the Florida orange and have anything left but a bowl of juice. Other uses are featured which are possible only for the California fruit.

I am convinced that exactly the same situation exists with reference to the avocado. Of course there is no question about the West Indian avocado being different. The bulk of the production in Florida is West Indian and will continue to be for years to come, though in their efforts to expand the marketing season the Guatemalan hybrids which exhibit most of the best Guatemalan characteristics are certain to be more and more planted. With reference to the West Indian and Guatemalan fruits there is, of course, no comparison—there is nothing but contrast.

In my opinion, in the absence of any experience whatever with the marketing of avocados, I fail to see any real reason for competition between our Guatemalan and their West Indian if the differences in the two fruits are stressed. They are different products and should be sold on the basis of their inherent values. Of course, in invading a market with one in an attempt to displace the other there may temporarily be competition.

However, I am thoroughly convinced that the Guatemalan avocado, as grown in Florida, even of the same variety differs in eating quality and attractiveness from the fruit that we grow. The fact is that the more I have studied the avocado industry in Florida and contrasted it with the California industry the greater the similarity appears to be between the citrus industries of the two states. Their fruit in general is much less attractive than

ours owing primarily to the disease factor. We thus have an opportunity to sell our fruits on the basis of superior appearance. Moreover the flavor is also different. I have tried Florida Guatemalan avocados for four years in succession and each year I have been impressed in exactly the same way. A Fuerte avocado grown in Florida is by no means of the same eating quality as the Fuerte avocado grown in California. The flavor is not a very desirable one in my opinion. It is strong, rather pronounced, and in marked contrast to our very mild and pleasant flavored fruit.

To sum up these rambling remarks, it may be said that in both states the production of avocados will increase rapidly for some years to come. Price levels cannot but be depressed somewhat, at least temporarily. In my opinion this will not be altogether a bad thing because it will exert a strong influence in broadening the market outlet. While it may cause temporary distress to some growers, from the point of view of the industry it will be probably beneficial.

As the avocado industry becomes stabilized in the two states, in my opinion, the markets will set a price differential on the fruit from the two states in a similar way to that which now exists with reference to the citrus industries of the two states. The California citrus grower regularly gets an average price differential of 500 or more per box because of the California reputation. That means more than just "California" fruit—it means the best graded, best standardized fruit there is. There is no reason why this will not hold equally true with avocados. In my opinion this is the way in which the industries will develop in the two states. The California grower will be more than able to hold his own in meeting the competition which may develop because his product is different and will be in the most uniform and attractive condition to the "*great*" American consumer.