

## FORECASTING PROBABLE AVOCADO VOLUME IS A VALUABLE MARKETING TOOL

**Ralph Pinkerton**

*California Avocado Advisory Board*

Only a few California avocado growers are aware of how the total industry fruit volume moves seasonally on a month-by-month basis.

Most of those who are aware are members of the California Avocado Advisory Board, where they have the opportunity to review at the beginning of each season, as well as monthly from then on, a projection of the way fruit is likely to move based upon historic percentages.

The CAAB staff utilizes performance figures from past seasons and attempts to adjust them in consideration of such variables as a long crop following a short crop or vice versa, seasons with either a large or small Hass carryover, etc. Each of these factors affects movement dramatically. They also take into consideration the Florida crop, its size compared to California, and varietal breakouts.

All of this information is studied and then a 12-month projection is prepared in order for the Advisory Board to design an advertising plan to anticipate future marketing problems revealed by the projection. Here is an example: Growers are aware that during a large crop year the market tends to tumble rapidly during the November 1 through January 1 period. The accompanying chart graphically reveals the major reason for the opening declining market during large crop years. For November 1974 the prediction was for 13.5 million pounds for California and 9.7 million pounds for Florida. The projection indicated November would be only the *8th ranked* volume month for California. However, it was the *largest* volume month for Florida. Thus, the volume from both states created the *number one volume month and a requirement to market over 23 million pounds*.

For the first quarter of the 1974-75 marketing season the two states are forecasted to market 67.5 million pounds. This exceeds volume requirements of the February-March-April period by 6 million pounds. The impact of Florida fruit on California prices is by far the most intense during the November-December-January period.

The threat of frost and wind in California and the concern to pick fruit ahead of these risks further aggravates the fall marketing problem. Recognizing ahead that these are factors characteristic of a long California crop, matched with a long Florida crop, can assist not only the Advisory Board, but handlers and individual producers as well, in planning to market the crop for maximum returns.

The chart points out that California is forecasted to move 60.8 million pounds in the February-April period, but Florida indications are for only .8 million pounds in February

and nothing in March or April. Thus, a total volume is nearly 6 million pounds less than the first quarter and California controls 98 percent of it. This enables the California industry to move more volume and almost always on an improving or upward market.

A similar situation occurs in the third quarter when California is projected to move 50.9 million pounds, while Florida is expected to ship 1.7 million pounds for the May-July period. Again, California controls 97 percent of the volume and the opportunity for their marketing is favorable.

Looking at the final quarter, August through October, California is projected at only 31.5 million pounds, while Florida may ship 16.8 million pounds. California's complete control of the market is lost and must now be shared with Florida. Here is where the scheduling of a Hass carryover plays a predominant role. If California anticipates a short crop following, the Hass volume may be spread over an extra month or perhaps six weeks, easing the volume requirements during the summer. The need to do this will also depend on the size of the new Florida crop and their volume projections for the summer and fall.

In conclusion, the California Avocado Advisory Board has found that through making an effort to accomplish the most accurate crop estimate possible for both California and Florida by July 15 and making a monthly volume projection for the crop year ahead, we have a valuable tool to use in planning an advertising and promotion program to achieve the most favorable dollar returns.

PROJECTED CROP MOVEMENT CALIF. & FLORIDA FOR 1974-75  
CALIFORNIA AVOCADO ADVISORY BOARD

*California Crop* — 188,000,000 lbs.  
*Florida Crop* — 42,000,000 lbs.  
*Total* — 230,000,000 lbs.

Month	Millions of Lbs. of Calif.			Millions of Lbs. of Florida			Millions of Lbs. Combined		
	Calif.	% of Total	Rank	Florida	% of Total	Rank	Total	% of Total	Rank
Nov.	13.5	7.18	8	9.7	23	1	23.2	10.09	1
Dec.	13.2	7.03	19	8.0	19	2	21.2	9.21	4
Jan.	18.1	9.64	4	5.0	12	5	23.1	10.04	2
1st Qtr.	44.8	23.85	3	22.7	54	1	67.5	29.34	1
Feb.	17.6	9.33	5	.8	2	8	18.4	8.00	7
Mar.	22.2	11.81	1	0	0	0	22.2	9.66	3
Apr.	21.0	11.19	2	0	0	0	21.0	9.13	5
2nd Qtr.	60.8	32.33	1	.8	2	4	61.6	26.79	2
1st Half	105.6	56.13		23.5	56		129.1	56.13	
May	18.9	10.08	3	0	0	0	18.9	8.21	6
Jun.	17.2	9.14	6	0	0	0	17.2	7.48	9
Jul.	14.8	7.87	7	1.7	4	7	16.5	7.18	9
3rd Qtr.	50.9	27.09	2	1.7	4	3	52.6	22.87	3
Aug.	12.0	6.36	10	3.3	8	6	15.3	6.65	11
Sep.	9.9	5.28	11	5.9	14	4	15.8	6.87	10
Oct.	9.6	5.09	12	7.6	18	3	17.2	7.48	8
4th Qtr.	31.5	16.73	4	16.8	40	2	48.3	21.00	4
2nd Half	82.4	43.82		18.5	44		100.9	43.87	
Annual Total	188.0	100.00		42.0	100		230.0	100.00	