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California Avocado Industry Looks to European Market in Wake of 1988 Israeli Crop Disaster

Avi Crane—

Industry Affairs Manager, California Avocado Commission.

This article was written with the assistance of Ilan Eshel, California Avocado Society director-at-large and subtropical farm advisor, Jordan Valley, Israel.

Increasing among all U.S. agricultural commodity groups, there is a growing awareness of the significance world events have on the fortunes of domestic growers. The California avocado industry is no exception, and no stronger indication of that took place in 1988 than when the virtual overnight wiping out of the Israeli avocado crop sent shock waves throughout the European market and the world's other major producing nations.

Three straight days of strong, sand-laden desert winds combined with scorching temperatures as high as 110 degrees, between May 14-16, stripped an estimated 80 percent of Israel's 1989 avocado crop off the trees. At 10,000 pounds per acre, for a total of 200 million plus pounds, that crop had been tentatively estimated to be one of Israel's biggest ever.

When the damage was assessed, following the disaster, it became clear that no more than 40 million pounds would be harvested. Further, some trees may take as long as two years to recover before returning to production, and between 3,000 and 5,000 acres of groves *may* be abandoned permanently. Clearly, it was Israel's worst avocado crop failure ever. But it served to reinforce the interdependence of the world's major producing nations. Almost immediately, a spirit of cooperation arose like a Phoenix from the ashes of those wind-burned trees. Short term, that cooperation could result in 1989 in as much as 50 million pounds of California avocados going into the European market which the Israelis have worked so hard to develop. Looking further into the future, representatives of both industries are interested in discussing possibilities for working together on research, production, and market building efforts.

At the request of the California Avocado Commission board of directors, I journeyed to Israel in June, barely a month after the disaster, to spend a week in meetings with Israeli officials and touring the devastated groves for a first hand assessment. On my return trip, I stopped in Paris to discuss with French importers ways in which California growers could fill the void expected this year in Israeli fruit.



Co-author Ilan Eshel, CAS director-at-large, with fully-set Pinkerton avocado tree near Sea of Galilee, June 1988.



Coastal avocado grove of Hass and Nabal varieties, severely damaged by May 1988 heat and wind.

Although born and raised in the Los Angeles area, I have a thorough working knowledge of the Israeli avocado industry that aided my on-the-scene assessments. After attending Tel Aviv University and Ruppen Agricultural College, I managed a 60-acre kibbutz grove along the Mediterranean Sea, expanding it to 200 acres before

returning to the U.S. In 1985, I joined the CAC staff. During the time I worked in Israel, I was a grower representative to the Fruit Board of Israel, a board member of the local packinghouse and national avocado advisory boards.

I arrived in Israel on June 22, not totally prepared for the magnitude of the crop failure I saw. For the three days in May that the winds blew in off the desert, the temperatures never dropped below 105-110 degrees and the humidity plunged to 10 percent. Winds during that time of year are not uncommon, and conditions like that have existed in the past, but never before has 80 percent of the avocado crop been destroyed. The last time weather conditions were that severe was 1944, well before the avocado industry got a foothold in Israel.

Many of the trees I saw were in very bad shape. The heat and winds hit during a very sensitive time for the crop, when leaf coverage for the new fruit was minimal. Tree leaves were severely burned; and in many groves, the trees themselves were burned badly. Although most groves had been constantly irrigated for the three days of the storm, the evaporation rate was so high that water couldn't get into the trees fast enough to replace the moisture evaporating.

For two days, I traveled with the official team touring groves to assess damage. The Israelis were quite open in allowing me to go wherever I wanted. I also spent a whole day at the grove I had managed. All the outside trees there were burned from the constant winds, and the tops of all the trees were in pretty bad shape. Even knowing where the good trees and the bad trees were in the grove, I had trouble finding much fruit on the whole 200 acres. In a good season, that grove should have produced two million pounds.

In many other groves, the fruit was so sparse officials felt it would be uneconomical to harvest. The Fruit Board of Israel planned to open just 4 of its 10 packinghouses to handle the remainder of the crop.

I observed a great resiliency on the part of Israeli growers, though. It was less than a month since the disaster — one day they all thought they had a bumper crop and literally three days later it was gone — but it definitely was an industry still alive. They were using it as an opportunity to thin, where they hadn't wanted to thin before because of crop size, and to start grafting trees.

During meetings I attended with officials from AGREXCO (the 50 percent grower- 50 percent government-owned marketing arm for all Israeli non-citrus agricultural products), the need for California exporters to step in and keep European avocado pipelines open while the Israeli supply was low was stressed. The Israelis believe cooperation among four great avocado producing areas — Israel, California, Spain, and South Africa — would profit growers in each of those countries; and they are actively taking the lead in encouraging it in the wake of their own recent disaster.



Veteran avocado grower teaching new generation the art of grafting, Kibbutz Haogen, Israel.



Meir Livne, director of the Israel Fruit Growers Association, in damaged avocado grove, June 1988.

Israel has spent as much as \$5 million a year advertising its avocados to European consumers. Over the past 25 years, the size of the European market has doubled, with France, the United Kingdom, Germany, and the Scandinavian nations now among the highest per capita consumers of avocados in the world. With their own crop obviously

way down this year, the Israelis need the other producing nations to keep open the distribution channels they have worked so hard to build in order to fill the strong customer demand. They would prefer that the demand be filled by California, Spain, and South Africa rather than having smaller producing nations send in a couple of boatloads and hurt the market price.

Allowing for the supplies from Israel, Spain, and South Africa, there still is room for the California industry to ship 100 millions pounds, if there is enough Californian production after the U.S. market has been supplied. That may not be just a short term windfall for California growers. AGREXCO has worked out long term projections of demand over a 10 year period, and it realizes that Israel can't fill that demand by itself. Even when Israeli trees come back into full production, AGREXCO acknowledges the need for avocado supplies from other countries to keep the European market fully stocked.

After leaving Israel, I went to Paris to speak with French importers. They were surprised and impressed that the California industry would send a representative to size up the situation. They do not believe that California growers are export minded, and think we send fruit to Europe only when domestic market is oversupplied. I told them that was no longer the case because of our own economy and foreign exchange rates.

The European market is not nearly as strongly Hass oriented as the U.S. market is. In normal years, Israel sends a large supply of Fuertes and Ettingers to Europe. Of the remaining 40 million pounds of Israel fruit for 1989, 12 million pounds is estimated to be Hass, with Fuertes estimated at 11 million pounds, Ettingers 5 million, and Nabals and Reeds rounding out the total. That means the possibility exists for shipping several different California-grown varieties to Europe during the year.

The Israelis are talking about coming back next year with a huge crop, but I don't believe that will happen unless the unaffected trees set in the neighborhood of 20,000 pounds per acre, which would be extremely high.

But the Israeli industry will rebound, even if there is some contraction in total acreage due to the severe winds and heat. It is a very strong and well organized industry. I believe cooperation between California and Israel could be of mutual benefit. The Israelis seem to have made a decision from top to bottom to cooperate more fully. One case in point: As I was leaving Israel, I was given a copy of a new research report only two weeks off the press on their work with salt resistant rootstocks.

Addendum: Damaging cold weather was experienced in Israel in the night of January 11, 1989. The "Jerusalem Post" reported, "Millions of dollars worth of agricultural damage occurred in many parts of the country...." The impact of the cold weather on the avocado plantings was not known in time to be reported in this paper.