

## California Avocado Society 1989 Yearbook 73:137-139

### Field Notes from Abroad — Israel

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#### BACKGROUND

Israel is the largest exporter of avocados in the world. During the 1986-87 season, the Israeli avocado industry, through its marketing arm AGREXCO (Agriculture Export Company), sent over 200 million pounds to the European market.

France consumes around 65 % of Israel's annual crop, with a per capita consumption of four pounds. The English, Germans, and the Scandinavians continue to increase their per capita consumption.

In 1987-88, the Israeli avocado crop was short, due to alternate bearing: 70 million pounds. The 1988-89 crop, originally projected to be over 200 million pounds, was hit by a severe heat wave in May 1988, and the result was a 40 million pound crop. In February 1989, a severe cold spell hit Israel, lasting three nights. An estimated 30% of the trees were hit hard. The result will produce the third consecutive short crop in Israel.

The immediate result has been a significant change in the European avocado market. The demand, built up by Israel for 20 years, has been filled by other producing countries, including South Africa, Spain, Mexico, and California. When the acreage returns to normal production, Israel will face a much different market in the '90s.

The following is a summary of my field trip to Israel in June 1989.

#### EXPORT POTENTIAL

At the time of my visit, the preliminary estimate of the 1989-90 crop was:

<u>Variety</u>	<u>Pounds</u>
Ettinger	35,000,000
Fuerte	13,000,000
Hass	24,000,000
Others	10,000,000
Total	82,000,000

These estimates are from information provided by the Fruit Board of Israel and from my own figures during my field trip.

## **FREEZE DAMAGE**

The 1989 winter freeze caused much damage in Israel and disrupted their production and marketing plans. Many commodities suffered, but avocados were among the hardest hit. An evaluation of the damage follows, based on a survey by the Fruit Marketing Board of Israel.

Variety	Bearing Acreage	%	Freeze Damage	%	Producing FY89-90	Est. Lbs. Per Acre
Ettinger	5,366	24%	616	11%	4,750	7,368
Fuerte	7,817	35%	2,817	36%	5,000	2,600
Hass	6,103	27%	2,353	39%	3,750	6,400
Others	2,965	13%	1,590	54%	1,375	7,273
Total	22,251	100%	7,376	33%	14,875	5,513

While most of the acreage has the physiological ability to return to full production, economic factors are expected to reduce acreage by around 4,000 acres (18%).

## **ACREAGE**

Variety	Current Acreage	Projected Acreage	Average Yield Per Acre	Projected Average Crop (Lbs)
Ettinger	5,366	4,500	8,800	39,600,000
Fuerte	7,817	5,500	7,920	43,560,000
Hass	6,103	6,000	11,440	68,640,000
Others	2,965	2,000	9,680	19,360,000
Total	22,251	18,000	9,332	168,000,000

The above projected acreage figures were developed from analyzing the twelve major growing areas by yield, water availability, and growing/economic conditions. *They are not based on any official projections by the Israeli avocado industry.*

## **FUTURE**

### **Domestic Economy**

In general, Israel's agriculture is being adversely affected by the following factors:

- High interest rates
- Over-valued shekel
- Winter freeze
- Loss of West Bank/Arab market

The high interest rates are making it very difficult for growers to invest in new equipment, as well as to cover their operating costs. The over-valued shekel is a result of the government's desire to keep inflation down. The result has been the same for

agriculture and other industries: export has become less profitable. In addition, the winter freeze cost Israel agriculture the ability to market during the highest price period.

While having little direct impact on the avocado industry, the Arab boycott of all Israel agricultural produce has had a drastic effect on the market. The agriculture associations are weak. For example, the largest shipper of watermelon told me that 70% of his shipments are to the Arab market. The current season is a disaster, and the crop is rotting in the fields.

### **European Market**

The three consecutive low crop years have resulted in the European market being opened up to other producers, especially Mexico.

Israel will find it very difficult to remain competitive in this market. Growing costs in Israel are about even with California's, and Israeli growers have alternative crops to choose from, Israel's market share is projected to continue to decrease, but despite all these factors, Israel will remain a key player in the European avocado market and the world's largest avocado exporter through to the end of the century.