KIA ORA - WELCOME TO THE CONFERENCE
Session One
Introduction and Welcome

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Globalization of the U.S. Avocado Market

Volume 2

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Introduction

- Review the changes in the U.S. avocado market due to the increase of global production
Topics of Discussion

- Past “The Early Days”
  - 1986-1997
  - Exotic Product
- Present “Days of Change”
  - 1998-2004
  - Transition Product
- Future “The Glory Days”
  - 2005-2008
  - Mainstream Product
The Early Days

- Prior to 1986, 100% of U.S. supply came from California and Florida
  - 1985-150,000 MT
  - 1985-$115 Mill in Value
- 1986 saw the 1st commercial imports of Chilean avocados
  - 450 MT
- From 1986 to 1997 California held 70-90% production share
The Early Days
Market Dynamics

- Consumption was primarily in the West and Southwest of the U.S. for the Hass variety. Florida greenskin varieties held the East and Northeast.
- Value of production was relatively flat in the early 90’s
  - 1994/95 - 140,000 MT
  - 1994/95 - $227 Mill
- Seasonal crop, High off season pricing, Lack of excitement at
Days of Change 1997-2000

- From 1997 to 2000 we saw rapid increases in imports. Why?
  1. New Suppliers
     - New Zealand
     - Mexico
  2. Increased Chilean Volume
  3. Increased Processed Volume
  4. Decreased California Volume
  5. Increased Hass Demand
Days of Change 2000-2004

- Record crops!
  - California - 200,000 MT
  - Chile - 100,000 MT
  - Mexico - 900,000 MT

- 1999/00 to 2000/01 volume increase of 25%
Days of Change
2000-2004

U.S. Avocado Supplies

MT

1999/00  2000/01  2001/02  2002/03  2003/04

Imports  Florida  California

0  50,000  100,000  150,000  200,000  250,000  300,000  350,000  400,000
Days of Change
Market Dynamics

- Consumption of Hass is growing rapidly in the Eastern U.S., displacing Florida
- Value of production was increasing fast by the late 90’s
  - 1999/00 - 146,000 MT
  - 1999/00 - $340 Mill
- No longer a seasonal commodity, no high off season pricing
Days of Change
Market Dynamics

- “Ripe for Tonight”
- Retail Consolidation
- Discounters (Wal-Mart, Costco)
- Buyer/Consumer Confidence
- Food Safety
- Logistics
Days of Change
2000-2004

Consumption
Days of Change 2000-2004
Global Per Capita Consumption

1. Mexico                  8.5 kg
2. Israel                  4.0 kg
3. Chile                   3.5 kg
4. New Zealand             1.3 kg
5. United States           1.3 kg
6. South Africa            1.0 kg
7. Spain                   0.5 kg
The Glory Days

- Where are we going?
- Continued increase in global production
The Glory Days

U.S. Avocado Supplies

Year: 2003/04, 2004/05, 2005/06, 2006/07, 2007/08

MT

Imports
Florida
California

0 100,000 200,000 300,000 400,000 500,000

2003/04 2004/05 2005/06 2006/07 2007/08
The Glory Days

Imports 2005/06

- California: 40%
- Chile: 27%
- Mexico: 24%
- N.Z.: 5%
- Florida: 2%
- Others: 2%

Legend:
- California
- Chile
- Mexico
- N.Z.
- Florida
- Others
The Glory Days

- Where are we going?
- Continued increase in global production
- Increased consumption
The Glory Days

Consumption

kilos/capita

2003/04, 2004/05, 2005/06, 2006/07, 2007/08
What’s The Message?

- ATTACK!
- We Have The Greatest Commodity In The World.
THANK YOU!