

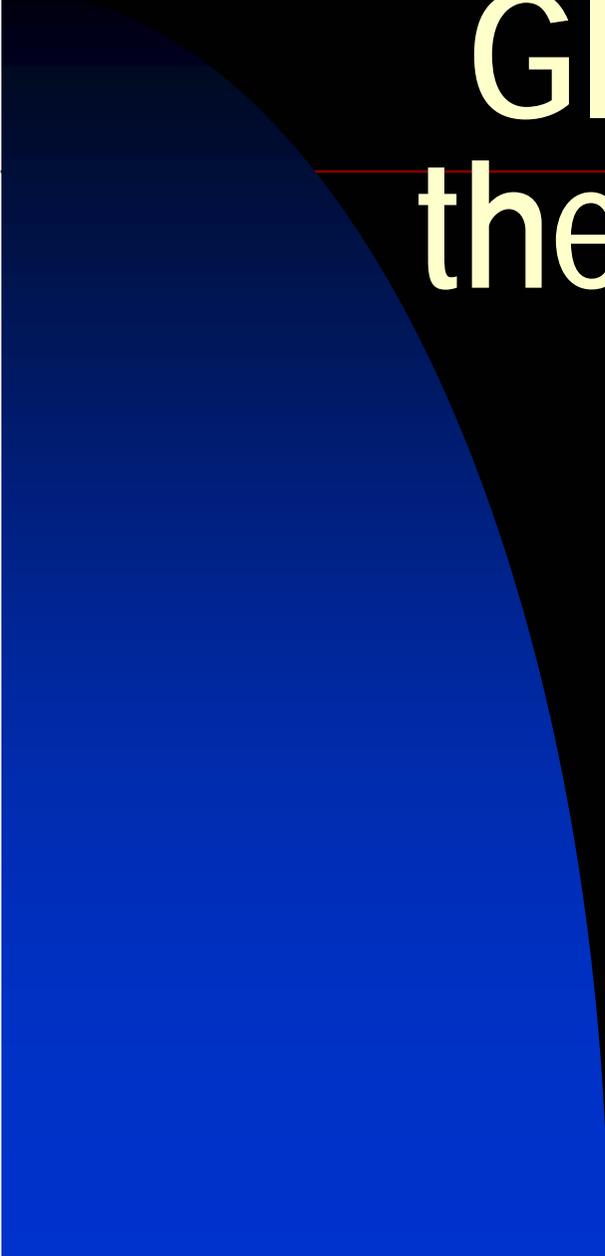


KIA ORA - WELCOME TO THE
CONFERENCE

SESSION ONE

Session One
Introduction and Welcome

New Zealand and Australia Avocado
Grower's Conference'05
20-22 September 2005
Tauranga, New Zealand



Globalization of the U.S. Avocado Market

Volume 2

Jim Donovan
Mission Produce, Inc.

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

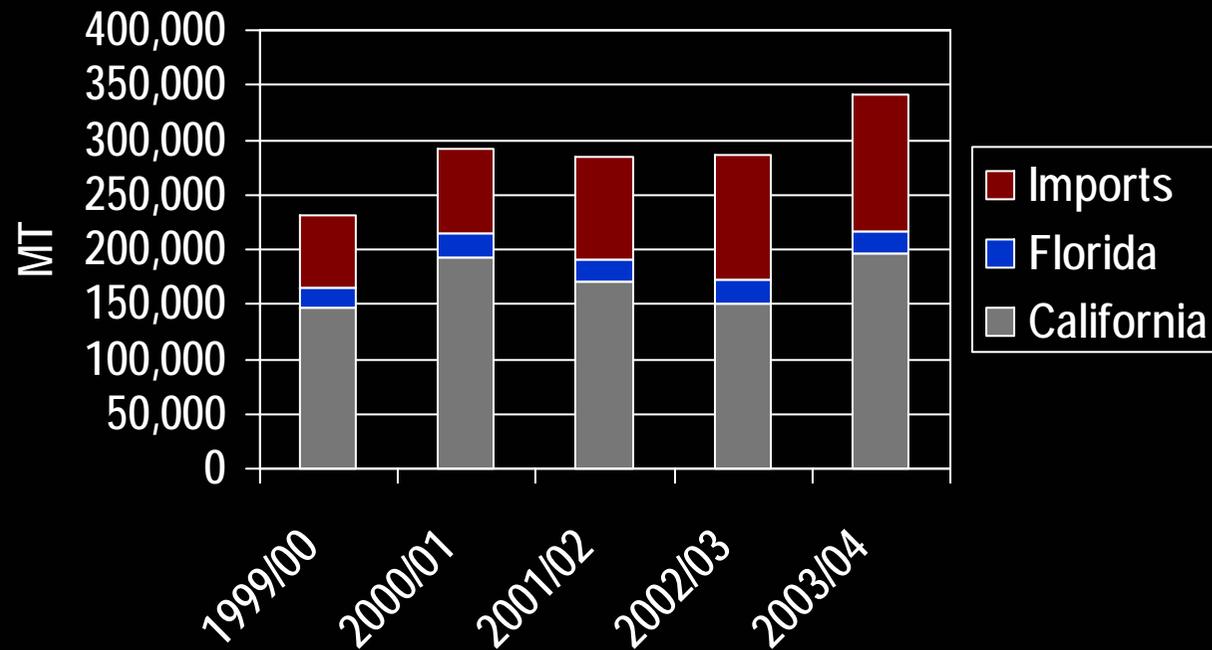
- From 1997 to 2000 we saw rapid increases in imports. Why?
 1. New Suppliers
 - ★ New Zealand
 - ★ Mexico
 2. Increased Chilean Volume
 3. Increased Processed Volume
 4. Decreased California Volume
 5. Increased Hass Demand

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



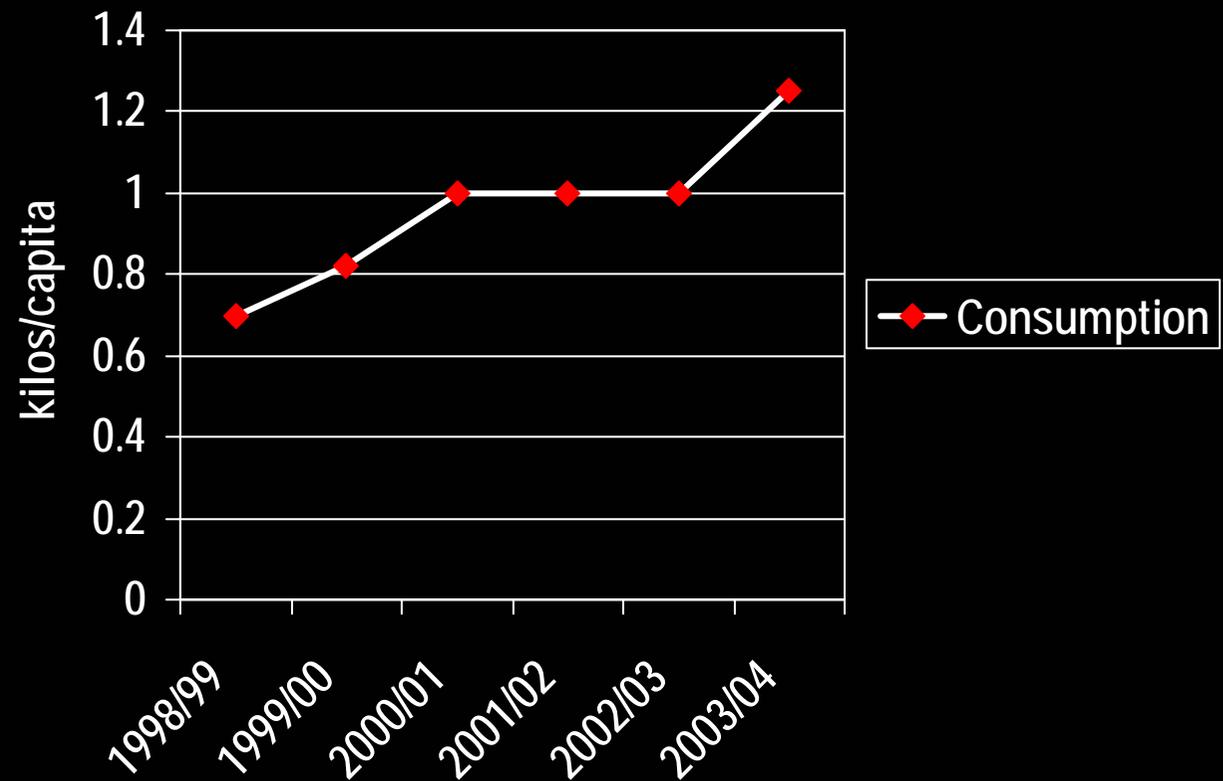
Days of Change Market Dynamics

- 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



Days of Change 2000-2004 Global Per Capita Consumption

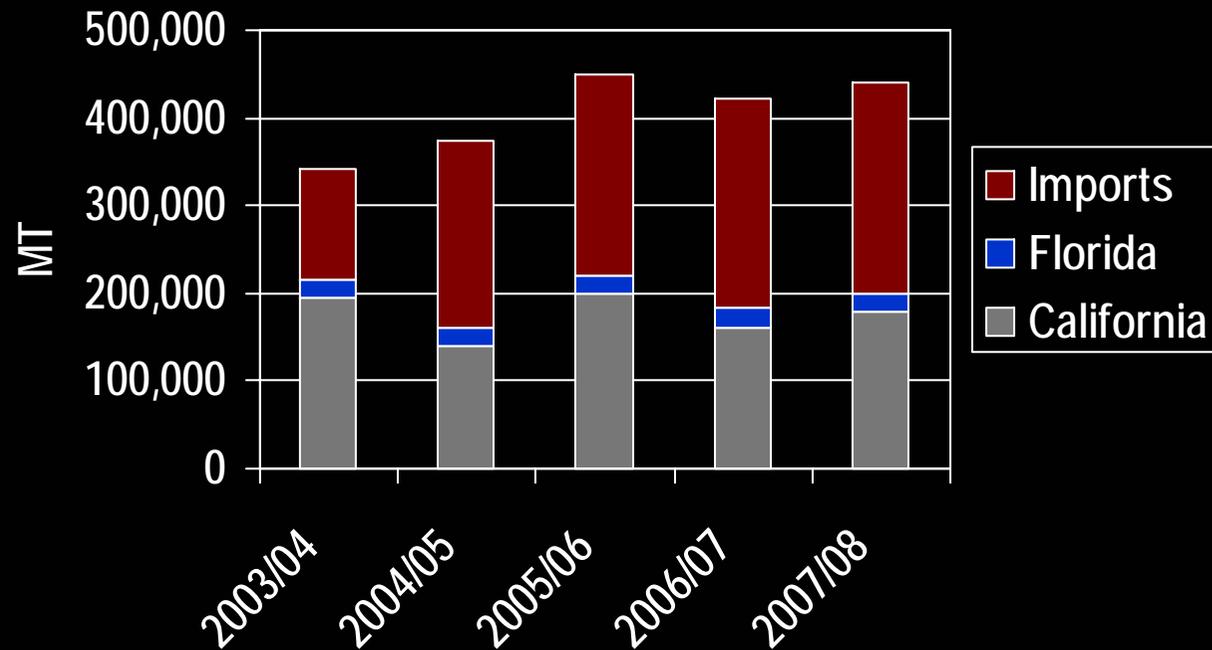
1.	Mexico	8.5 kg
2.	Israel	4.0 kg
3.	Chile	3.5 kg
4.	New Zealand	1.3 kg
5.	United States	1.3 kg
6.	South Africa	1.0 kg
7.	Spain	0.5 kg

The Glory Days

- Where are we going?
- Continued increase in global production

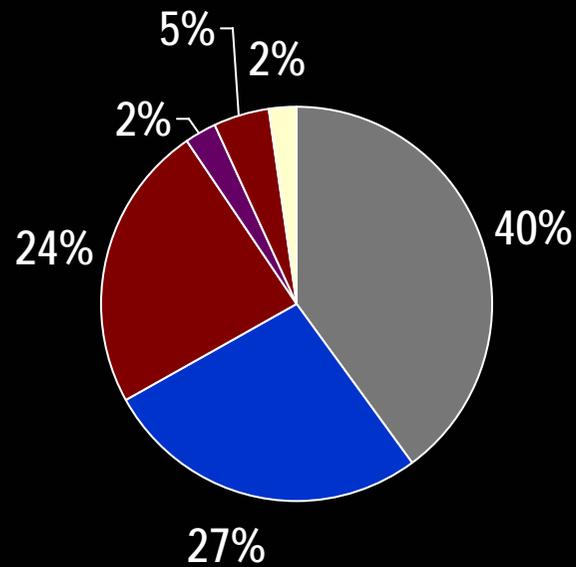
The Glory Days

U.S. Avocado Supplies



The Glory Days

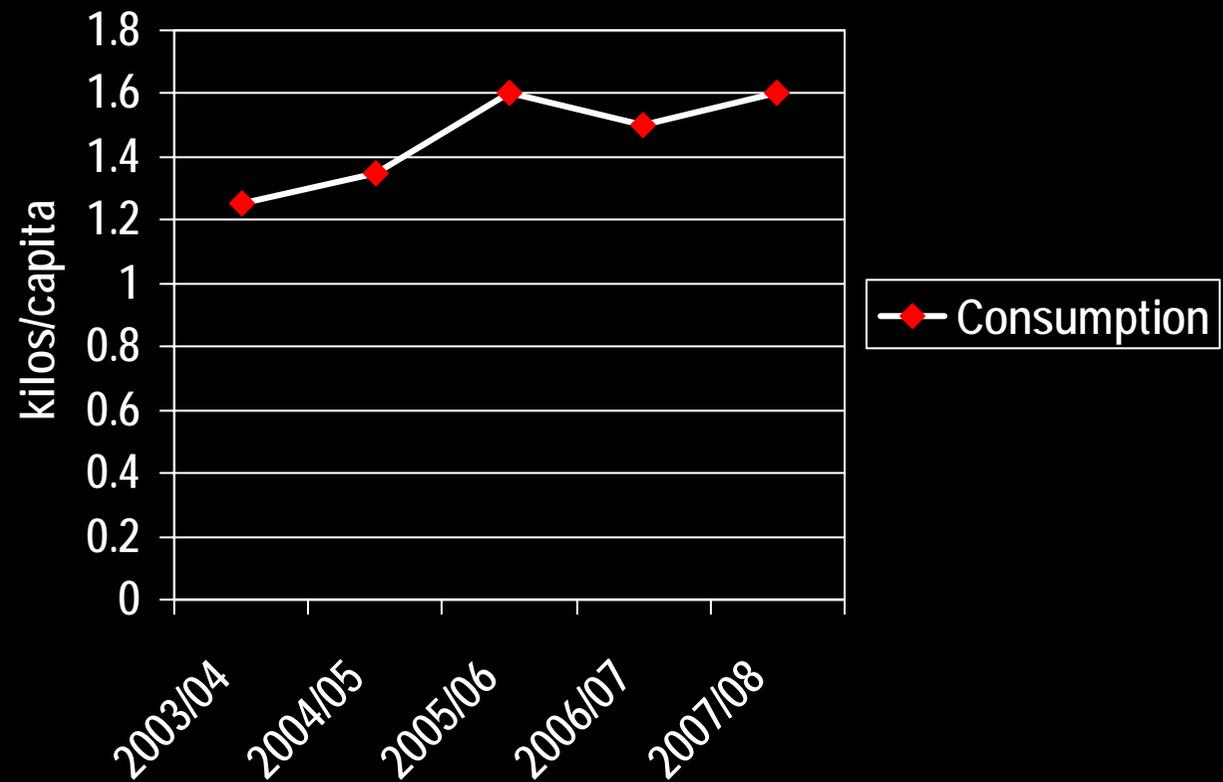
Imports 2005/06



The Glory Days

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

The Glory Days



What's The Message?

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

A large, solid blue curved shape, resembling a quarter-circle or a large arc, is positioned on the left side of the image. The background is solid black. The text "THANK YOU!" is centered in the upper right portion of the image.

THANK YOU!

