

World Avocado Market: A Brief Review

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A brief review of the world avocado market, including worldwide production, export markets and shipping trends by both air and sea, follows. The worldwide production figures are from production yearbooks published by The Food and Agriculture Organization of the United Nations (FAO). These figures cover total annual production (both actual and FAO estimates) from the years 1987 through 1989. They are intended to offer insight into the scope of the global avocado industry. This information on each country should be considered directional in nature while providing a trend.

Table 1 summarizes global avocado production on a broad basis, organized by the major continental areas, with the figures in units of thousand metric tons. North and Central America are at the top of the list with well over 800,000 metric tons each year, or about 57% of the worldwide total. Included in this area are top producing countries such as Mexico and the United States. South America is the second largest producing area with 20% of the total, followed by Asia and Africa, each around 10%. Europe and Oceania produce lesser quantities of avocados, accounting for 3% of the world's production.

Table 1. Worldwide avocado production by continent.

Continent (Countries)	Year			1989 as % of total
	1987	1988	1989	
	(1,000 mt)			
North and Central America (15)	894	813	833	56.7
South America (9)	281	286	295	20.1
Asia (4)	214	124	151	10.3
Africa (8)	147	152	147	10.0
Europe (2)	33	29	28	1.9
Oceania (4)	14	14	14	1.0
Total	1,584	1,418	1,469	100.0
% change	—	-10.5	3.6	—

Source: FAO Production Yearbook, 1989

Worldwide production totals in excess of 1.4 million metric tons each year, but declined 10.5% between 1987 and 1988. Some of this decline was regained in 1989, which increased 3.6% over 1988. It is important to note that the proportion of volume represented by each area of the world in this table has changed very little, if at all, over time.

Table 2 provides more detail regarding the annual crop size in the major avocado producing countries. The major countries have been grouped into production levels; all figures are expressed in thousands of metric tons.

Table 2. Worldwide avocado production by production levels.

Country	Year		
	1987	1988	1989
(1,000 metric tons)			
<u>Over 50,000 metric tons</u>			
Mexico	387	335	336 ^z
USA	190	166	175
Dominican Republic	133 ^z	133 ^z	133 ^z
Brazil	115	110 ^z	113 ^z
Indonesia	57	66	66 ^z
Israel	135	36	60 ^z
Haiti	61 ^z	60 ^z	58 ^z
<u>Between 25,000 and 50,000 metric tons</u>			
Venezuela	42	46	46 ^z
Chile	32	28	39
El Salvador	35 ^z	36 ^z	37 ^z
Colombia	43	43 ^z	43 ^z
South Africa	38	41	34
Costa Rica	31 ^z	32 ^z	32 ^z
Spain	33	28 ^z	28 ^z
Cameroon	32 ^z	33 ^z	34 ^z
Zaire	28 ^z	28 ^z	28 ^z
Guatemala	26	18 ^y	30

Source: FAO Production Yearbook, 1989

^z FAO estimate

^y Unofficial figure

Three of the countries reporting in the Global Marketing section of the Symposium Volume produce more than 50,000 metric tons of avocados a year: Mexico, which produces in excess of 335,000 metric tons annually; the United States, with around 200,000 metric tons; and Israel, which the FAO estimated produced 60,000 metric tons in 1989. The four other countries in which the annual crop exceeds 50,000 metric tons include: the Dominican Republic, Brazil, Indonesia and Haiti.

There are a total of 10 countries producing between 25,000 and 50,000 metric tons of avocados each year, three of which, Chile, South Africa and Spain, also have reports in the Global Marketing section of the Symposium Volume. The annual production in the remaining avocado producing countries of the world, of which there are 25, fall below the 25,000 metric ton level.

With regard to export markets. Table 3 sets out the volume of avocado exports in 1989 (in thousands of metric tons). It is organized on the basis of the major destination markets: Europe, Asia and Canada, and details the primary countries from which the fruit was shipped. These figures are based on data collected by governmental agencies around the world and are offered as a partial view of the avocado export market.

Table 3 reveals that Europe is by far the leading importer of avocados, representing 81,000 metric tons or over 90% of the total export volume. France accounts for two-thirds of this European market. The primary exporters of avocados to Europe are South Africa, Israel, Mexico and Spain. The United States exports a small amount of fruit to Europe, about the same as to Canada, but the fruit the U.S. shipped to Canada constituted almost 90% of their 1989 market. Asia, especially Japan, is a developing export market for the avocado industry, and it accounted for a small portion of the 1989 export shipments from both the United States and Mexico.

Table 3. Landings of avocado shipments by major area in 1989. (Source: Various worldwide governmental agencies)

Exporting country	Destination markets			Total
	Europe	Canada	Asia	
	(1,000 metric tons)			
South Africa	29.9	-	-	29.9
Israel	18.3	-	-	18.3
Mexico	10.3	0.6	1.0	11.9
Spain	1.0	-	-	10.0
USA	4.4	4.7	1.7	10.8
Kenya	2.9	-	-	2.2
Canary Islands	2.2	-	-	2.9
Martinique	1.3	-	-	1.3
Other	1.6	-	-	1.6
Total	80.9	5.3	2.7	88.9

The last area covered is that of trends in shipping transport. There are few issues as critical to the success of the global avocado market as the problem-free arrival of fruit from one country to the next, whether it be by sea or by air. The information included here was provided by Jim Donovan of the Mission Produce Company, Oxnard, California, and Mr. Dana Thomas from Calavo Growers, Tustin, California. I would like to thank both of them for their significant contributions.

Air transport provides the shipper with the benefit of quick transit times of one to, at most, three days. Delivering the fruit more quickly means that it arrives at its destination in generally better and fresher condition, resulting in longer "shelf life" for the retailer and consumer. However, the availability of cargo space for air transport has been rather limited due to competition with higher value cargo whose shippers are willing to pay high costs. It has primarily been used for specialty markets and to fill market voids caused by irregularities in ocean shipping and production.

Another factor limiting the use of air transport is that it is very costly, from \$9 to \$12 U.S. per 5.7 kg flat (12.5 lbs), depending on space availability. This is as much as 5 to 6 times the cost of ocean transportation, often making air transport an unrealistic option. Greenskin avocados are the varieties most commonly shipped by air, as they are usually more readily bruised in sea transit and need more careful handling to ensure a suitable quality and shelf life at their destination. For example, all of Florida's exports to Europe are sent by air. With the constant increase in fuel costs and continual improvements in ocean transport, the forecast is that use of air shipments of avocados will remain relatively uncommon and perhaps even decline. The high costs make it unlikely that any innovations will make air a more feasible option.

When it comes to ocean transport, the primary benefit is cost, which runs about \$2.50 U.S. per 5.7 kg flat (12.5 lbs) or \$0.42 cents per kg outbound from the U.S. and \$0.36 cents from Chile to the U.S., for example. In fact, sea is the least expensive international transportation option, and the significant difference in cost far outweighs the longer transit times involved. The time required for sea transport varies greatly, depending on the loading and unloading ports. In general, it takes from 10 to 21 days at sea. For example, Chile to California takes 12 days. Total transportation time is even longer, as the time required for inland transportation from the packing areas to the port must also be considered and can be lengthy.

While the availability of ocean transportation for avocados on a worldwide basis is generally good, containerized transport is limited, especially from less developed countries. Bulk shipments can also be used, which some think feature better air flow than containers.

Ocean transportation provides an avocado shipper with innovations to ensure proper handling of the fruit in transit. Containers with computer-controlled atmosphere and refrigeration capabilities are the latest breakthrough, enabling exporters to send their fruit for greater distances and to extend the shipping season. The disadvantage of this technology is that it currently means an additional \$1,000 U.S. or more per container to the standard ocean freight costs. Another innovation seen in the area of sea transport is the development of faster ships. Many of the larger steamship companies are currently working on ways to speed up their ships and reduce transit times. Due to the extended transit times involved, 'Hass' avocados are the variety shipped by ocean on a regular basis. Greenskins are shipped in this manner when the distances are shorter and more controllable.