

Global trends in the main Avocado Markets

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First Avocado was presented in **Europe** around 50 years ago along with the development of plantations and export from Israel. The new item had introduced to the European population finding favorable attitude mainly in France. The market had been developed from its starting zero point to over than 270,000 tons on last year.

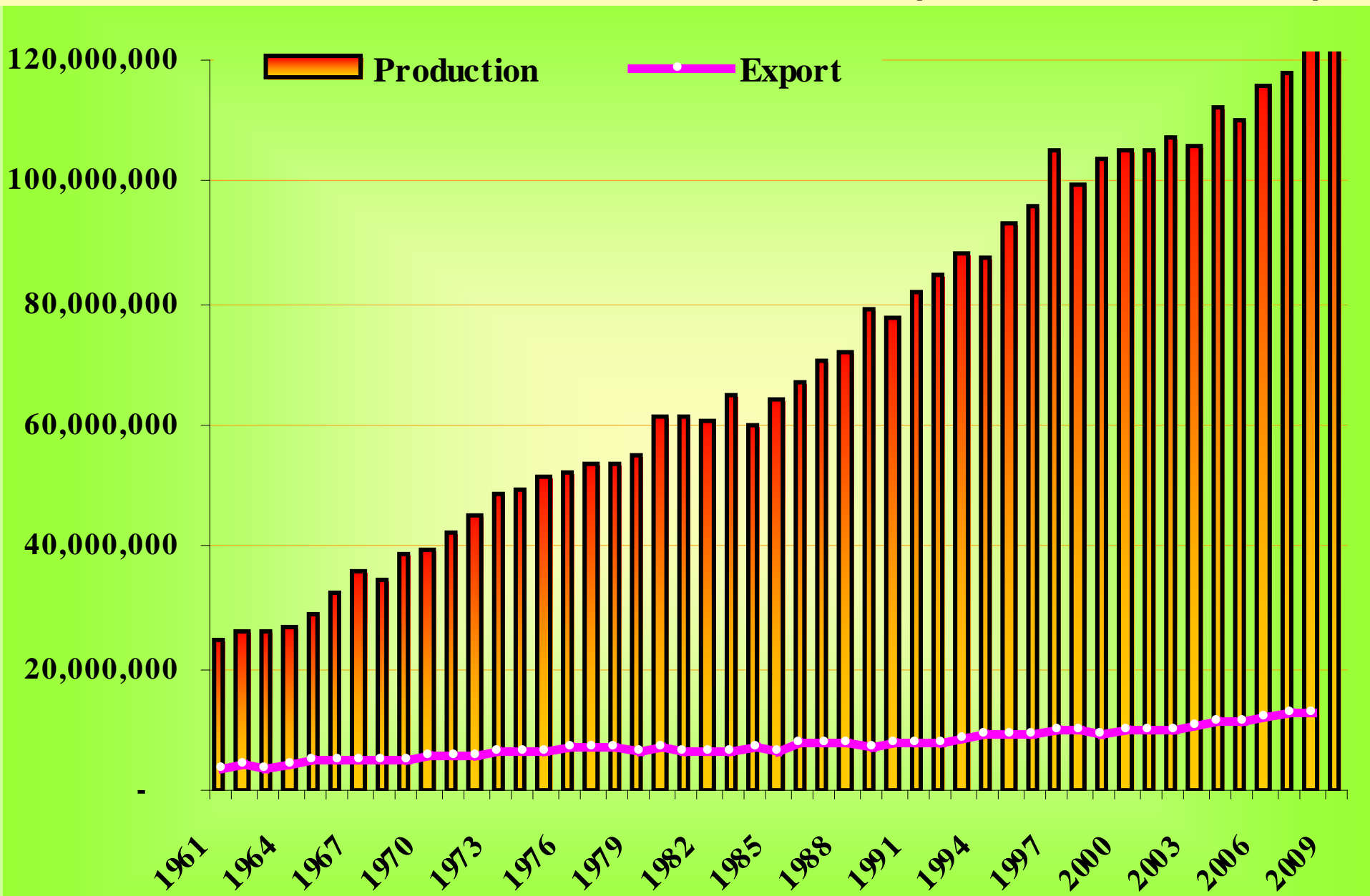
At older times, at the beginning of the 20^{ty} century, the Avocado made its first steps on the **US** market, and total consumption on last year was close to 600,000 tons.

By looking back to times of the last decade of the 20^{ty} century we may find that in both – **Europe** and **US** markets – total consumption was almost the same. Along the past 15 years, the **US** market more than tripled itself, whereas the consumption in **Europe** was more stable and had much lower growth. Many reasons may explain this difference. The main and most significant one is on the Supply end.

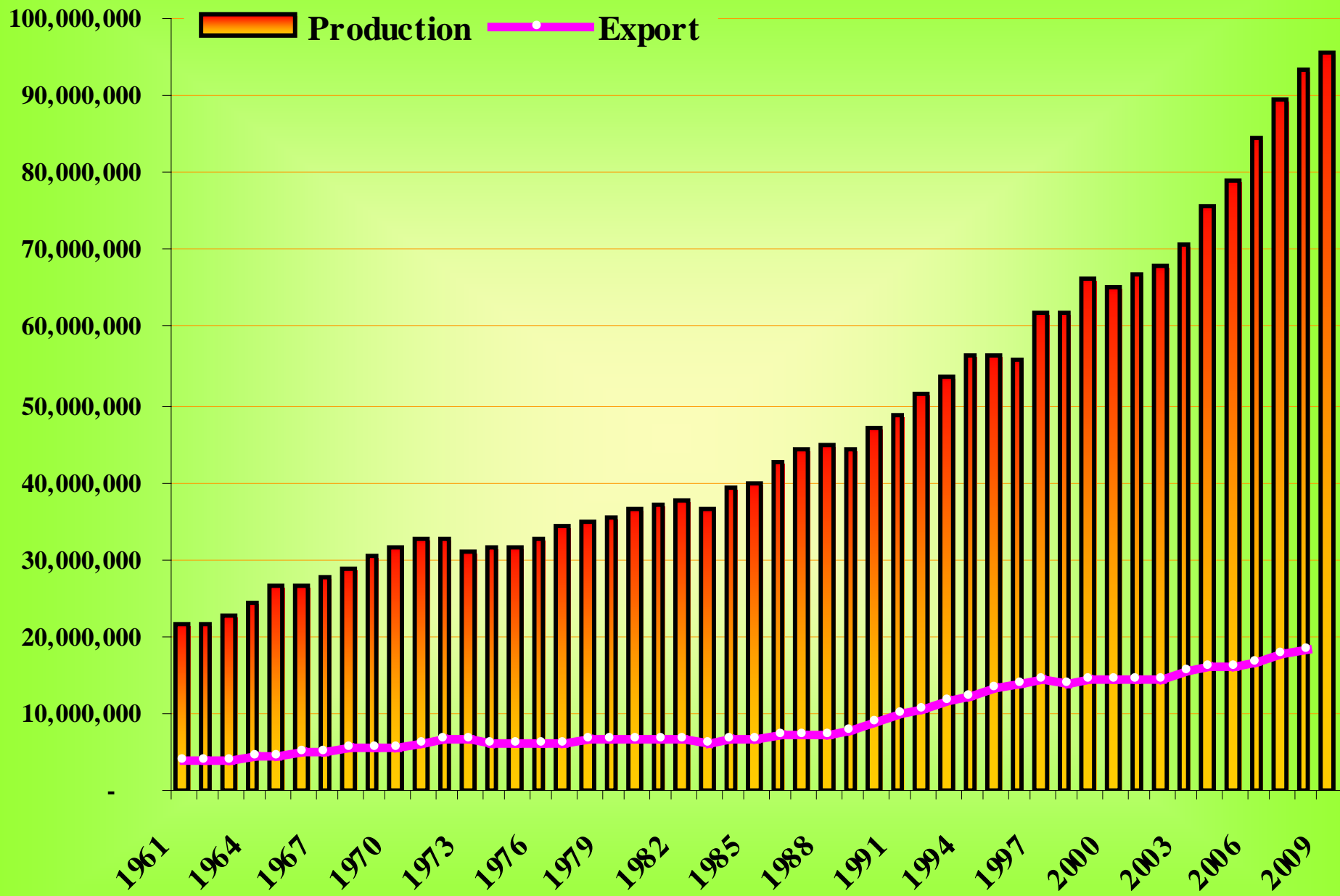
In **Europe** there was a decade of 'no growth' with up and down syndrome. Demands could not be acutely developed due to 'up and down supply' with no real sources for increase. Changes are identified only after more supplying sources were found. From 2-3 traditional suppliers in the far past, there are more than 10 supplying countries nowadays, mostly from South America.

By comparing the huge growth of the **American Market** with the uneven **European Markets**, we may analyze the potential for future growth & developments in **Europe**.

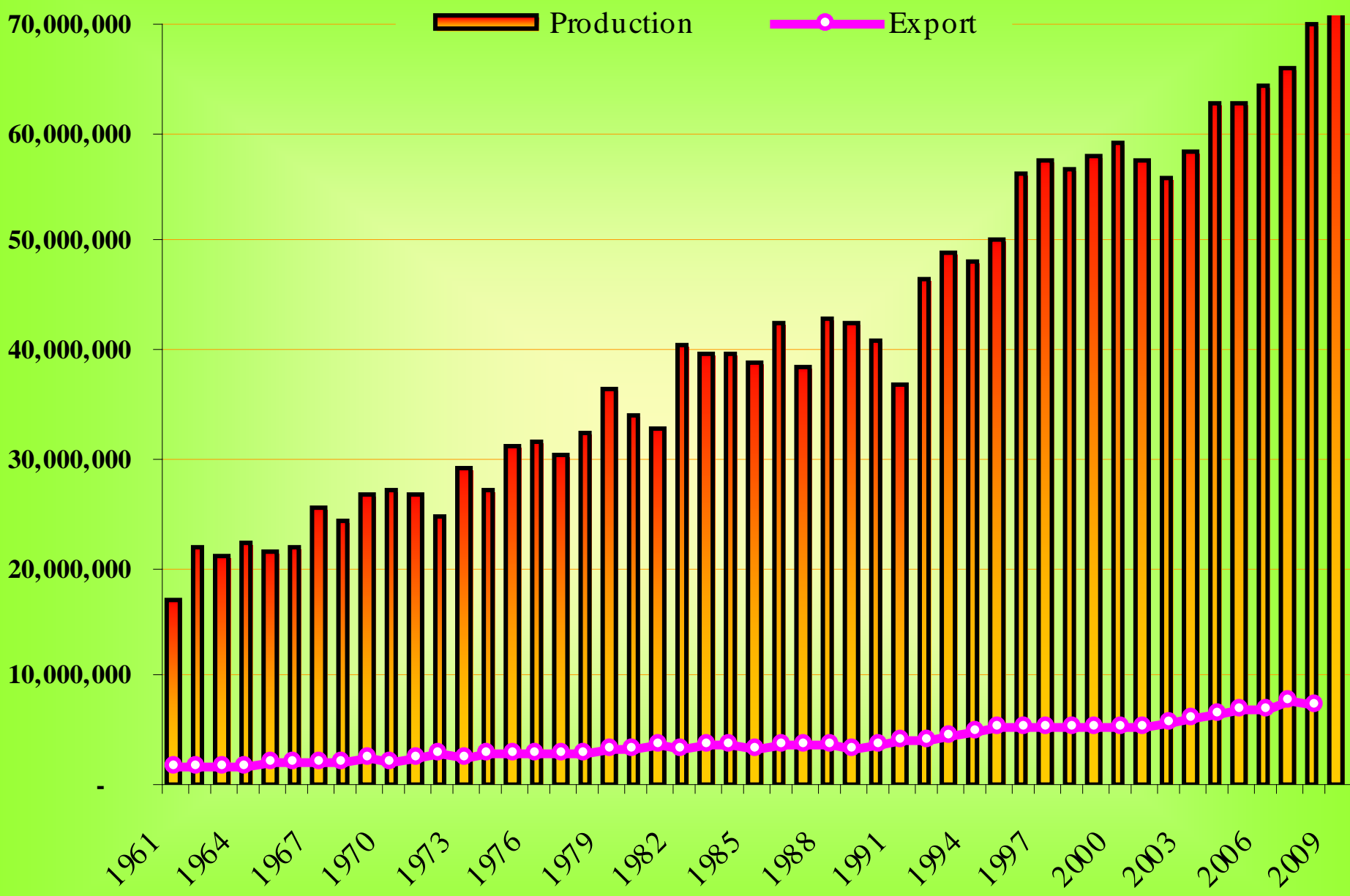
Citrus - World Production & Trade (Tons, 1961 – 2009)*



Bananas - World Production & Trade (Tons, 1961 – 2009)*

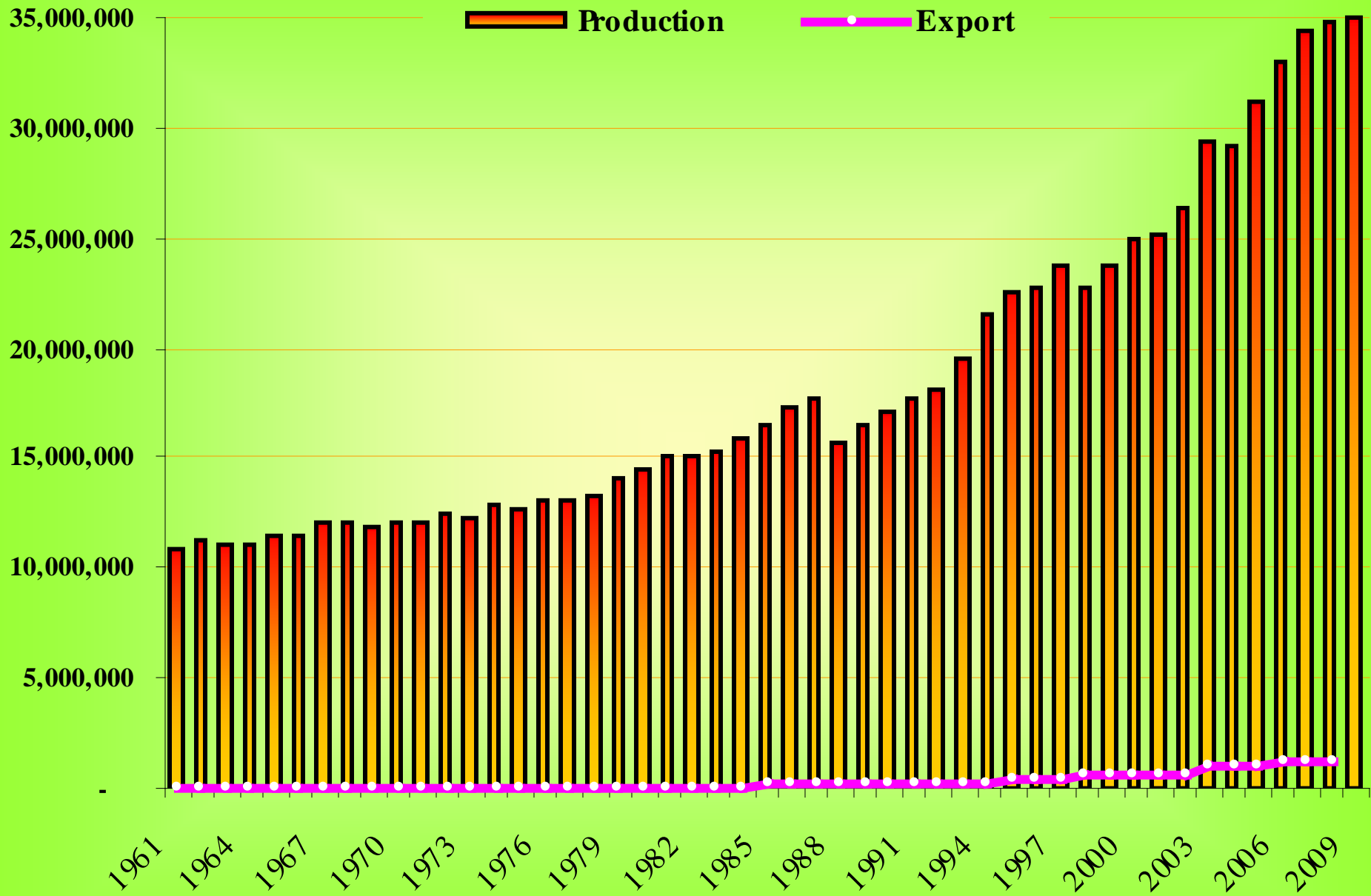


Apples - World Production & Trade (Tons, 1961 – 2009)*

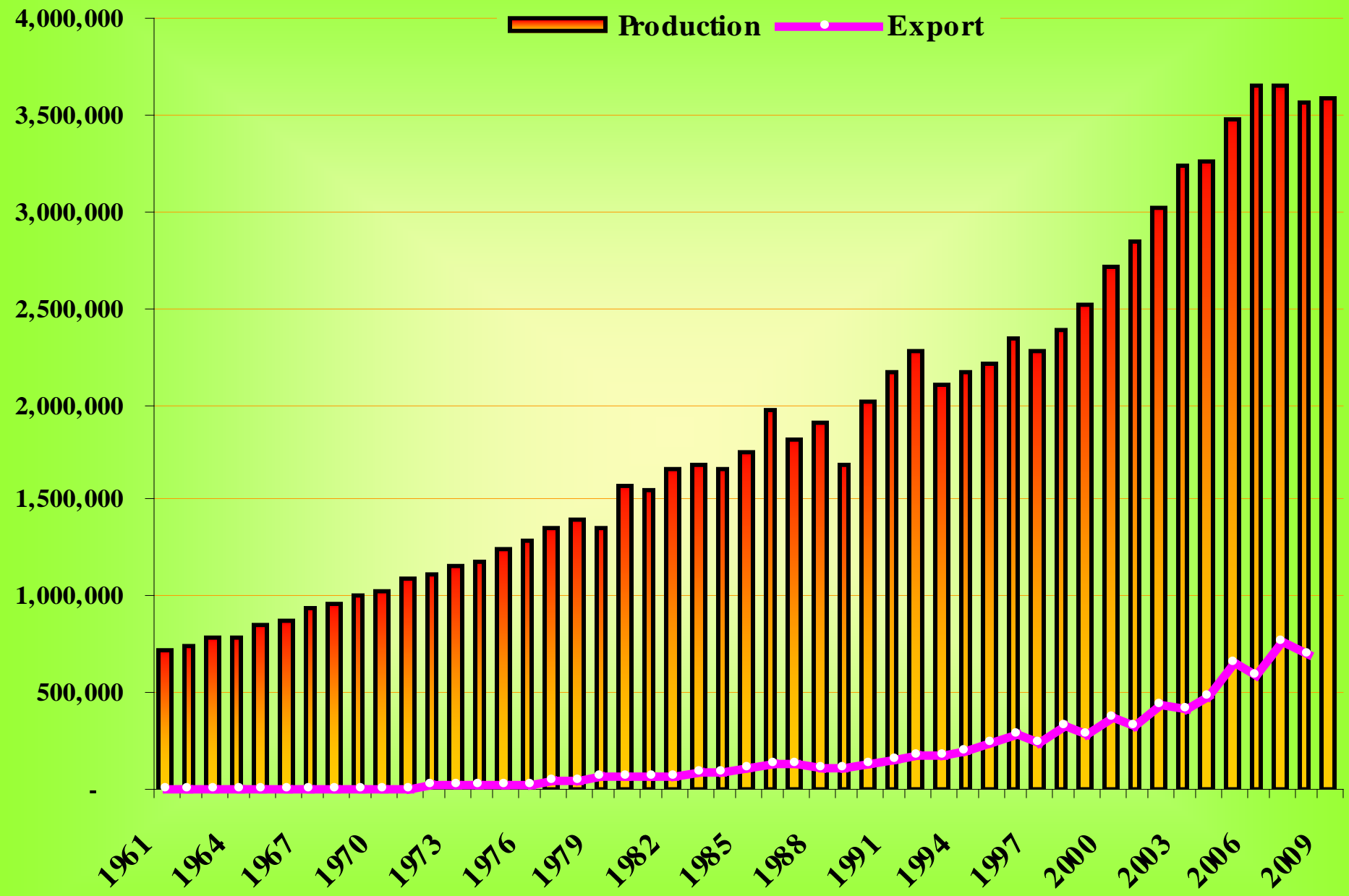


*FAOSTAT

Mangoes - World Production & Trade (Tons, 1961 – 2009)*

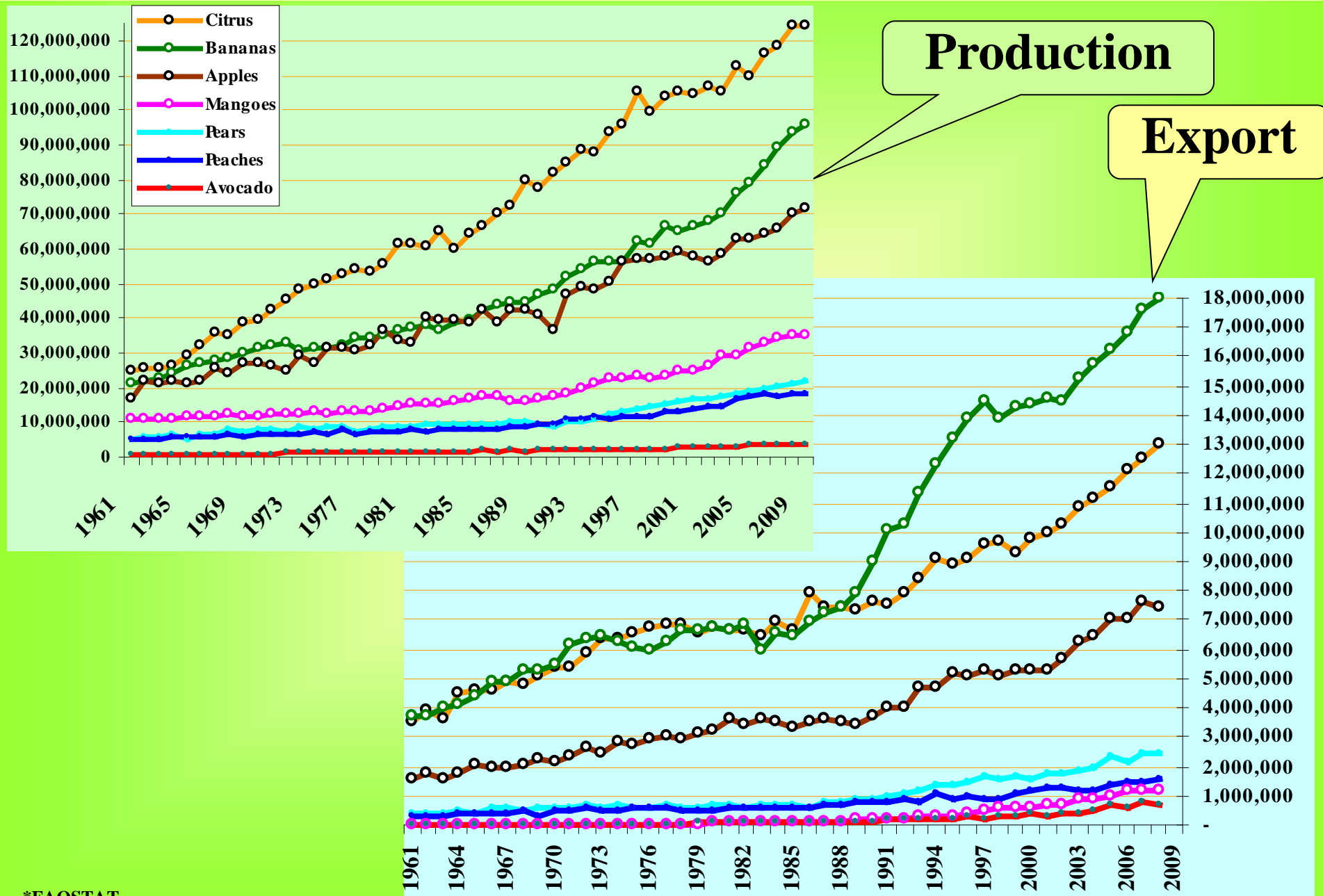


Avocado - World Production & Trade (Tons, 1961 – 2009)*



*FAOSTAT

Fruits - World Production & Trade (Tons, 1961 – 2009)*



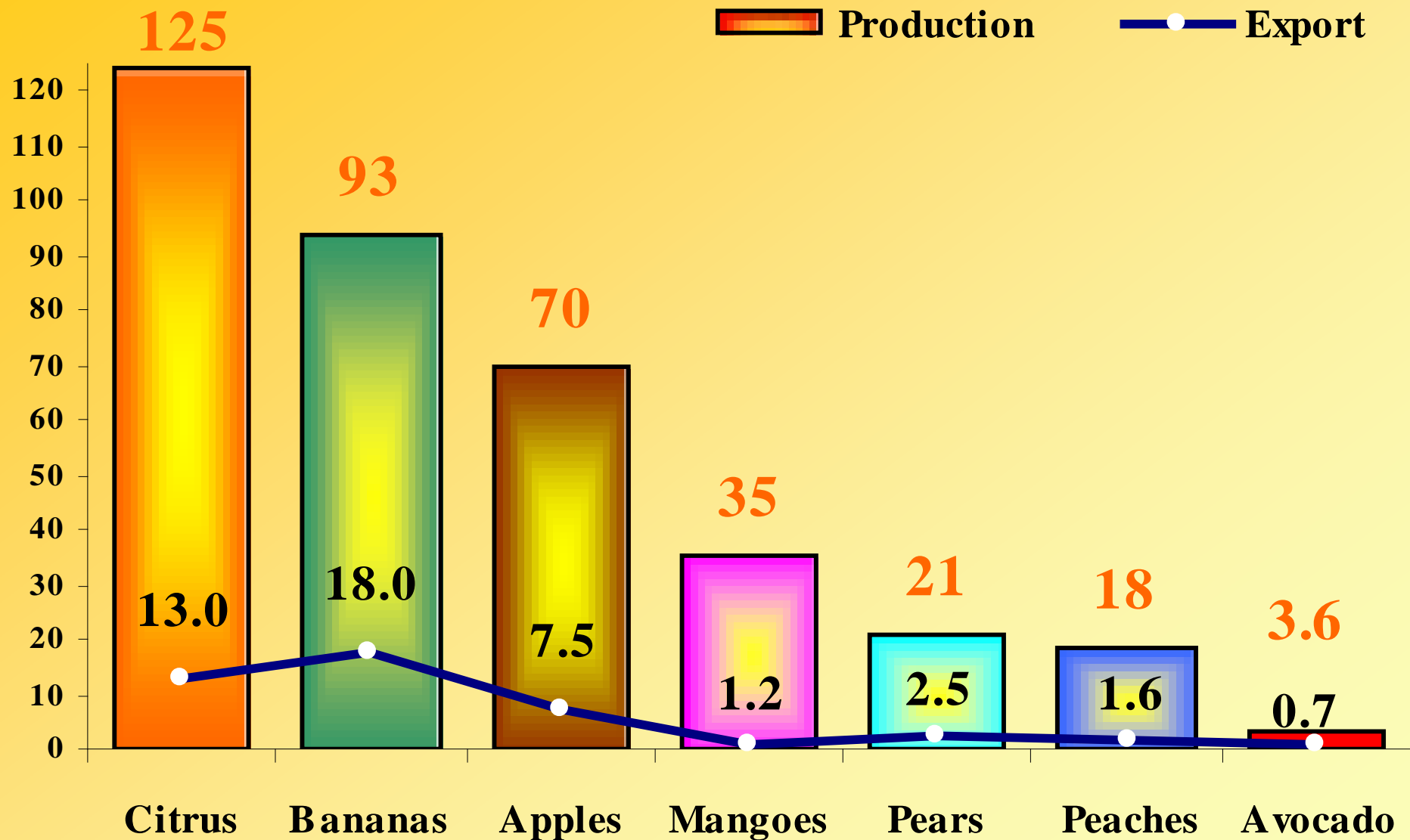
Production

Export

*FAOSTAT

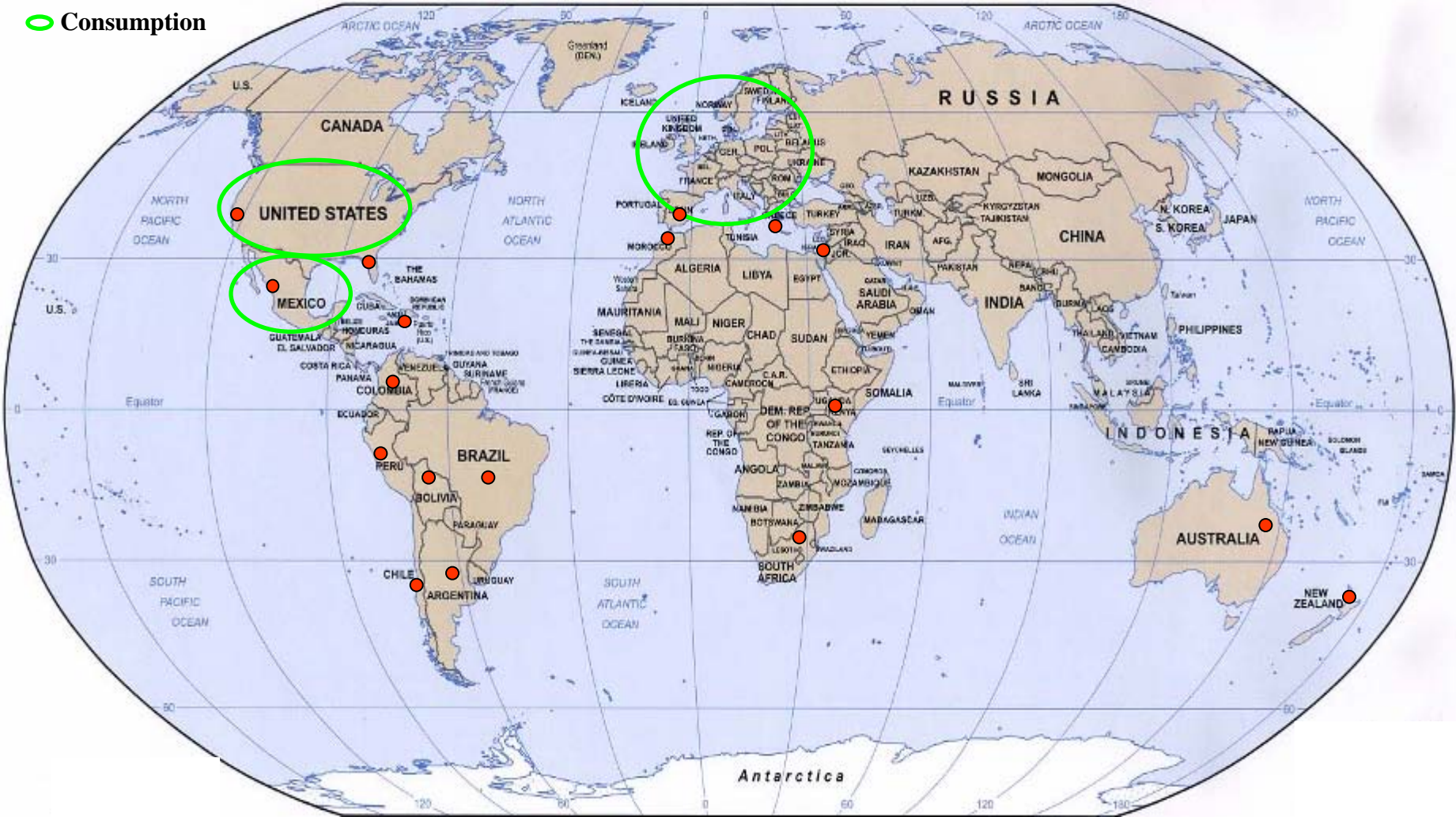
Various Fruits - World Production & Export

(000,000' Tons, 2008)*



Avocado - Production & Consumption Points

- Production
- Consumption

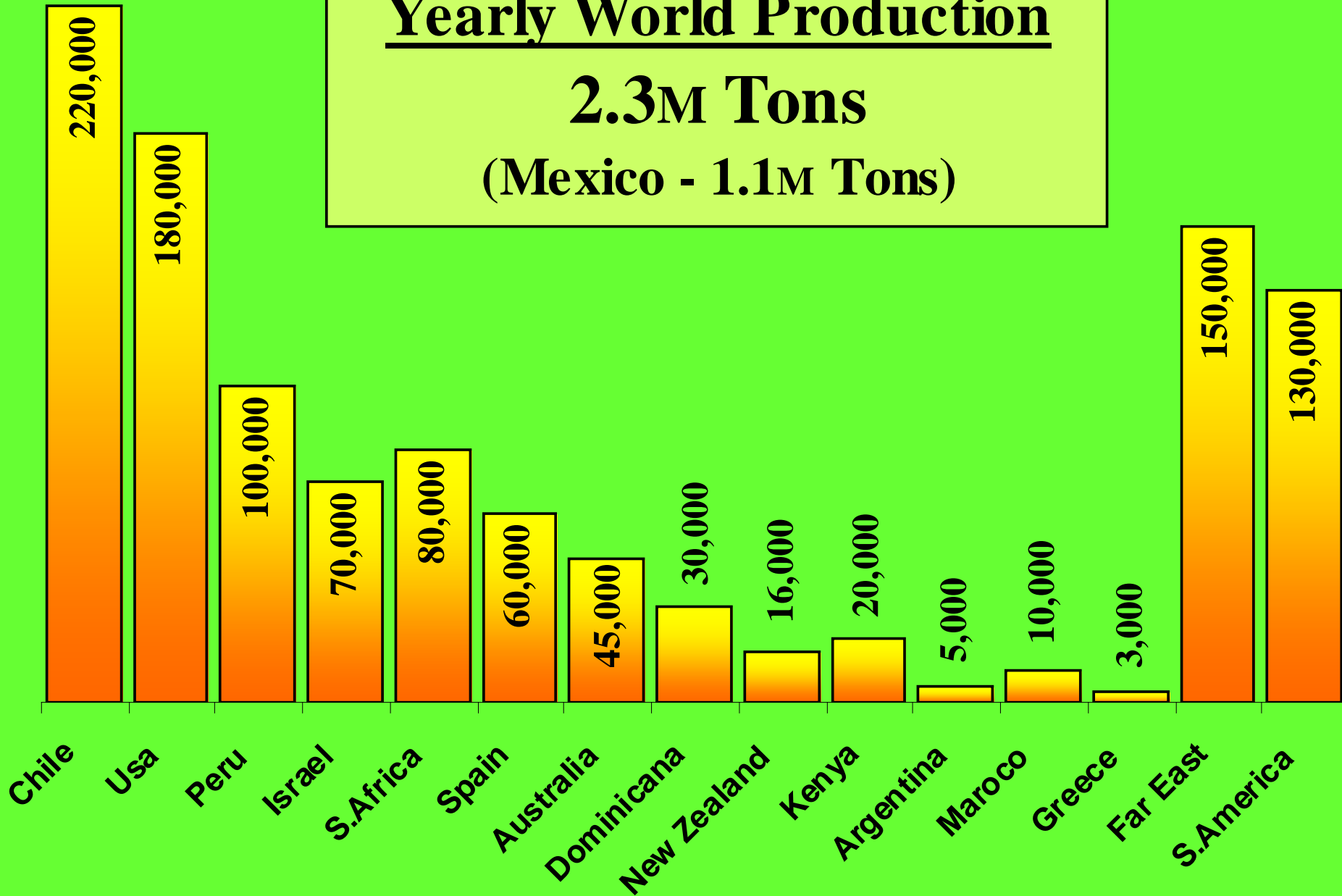


Avocado, World production (average year)

Yearly World Production

2.3M Tons

(Mexico - 1.1M Tons)

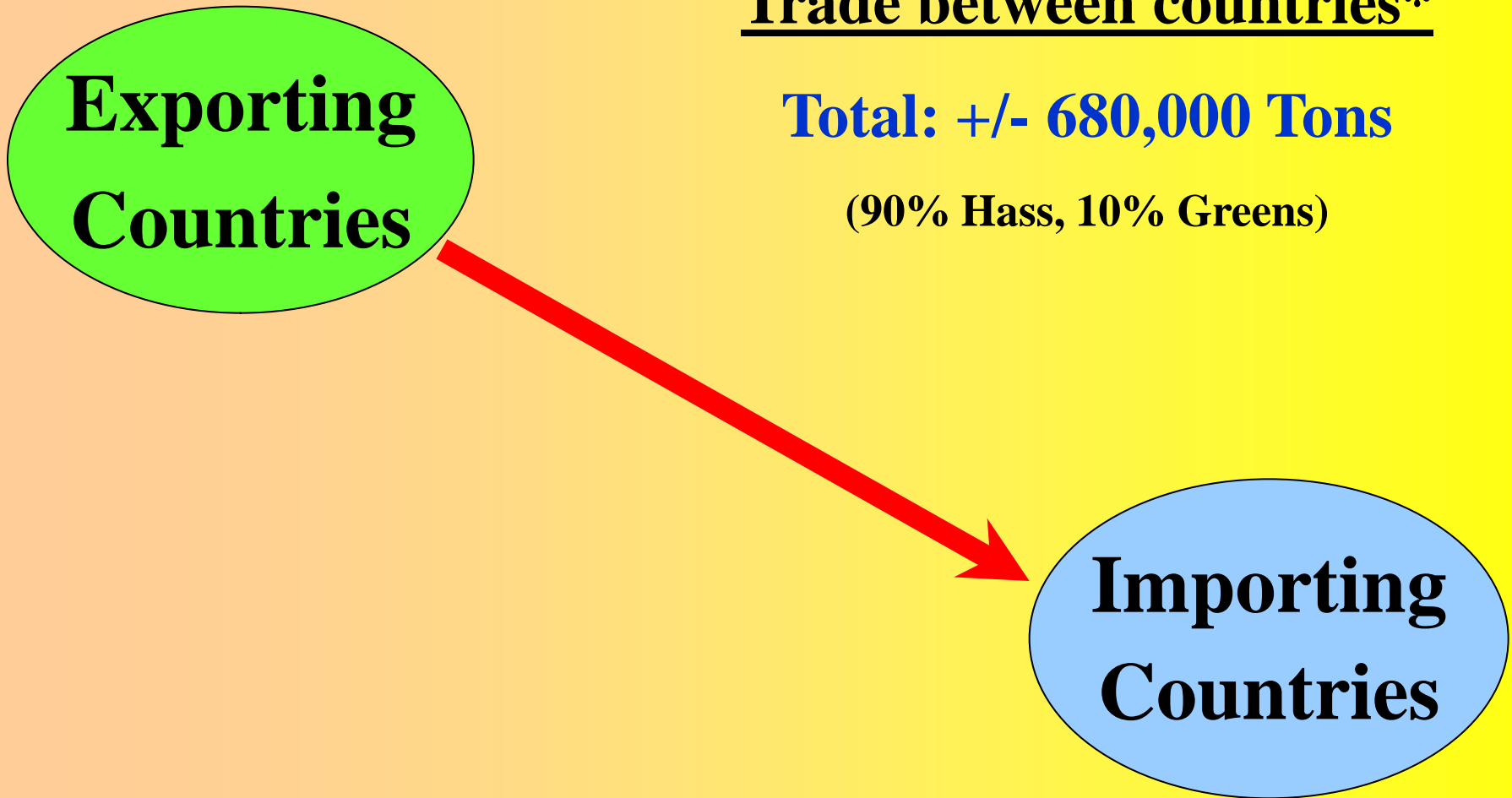


Avocado 2008/9 - World Trade (1)

Trade between countries*

Total: +/- 680,000 Tons

(90% Hass, 10% Greens)



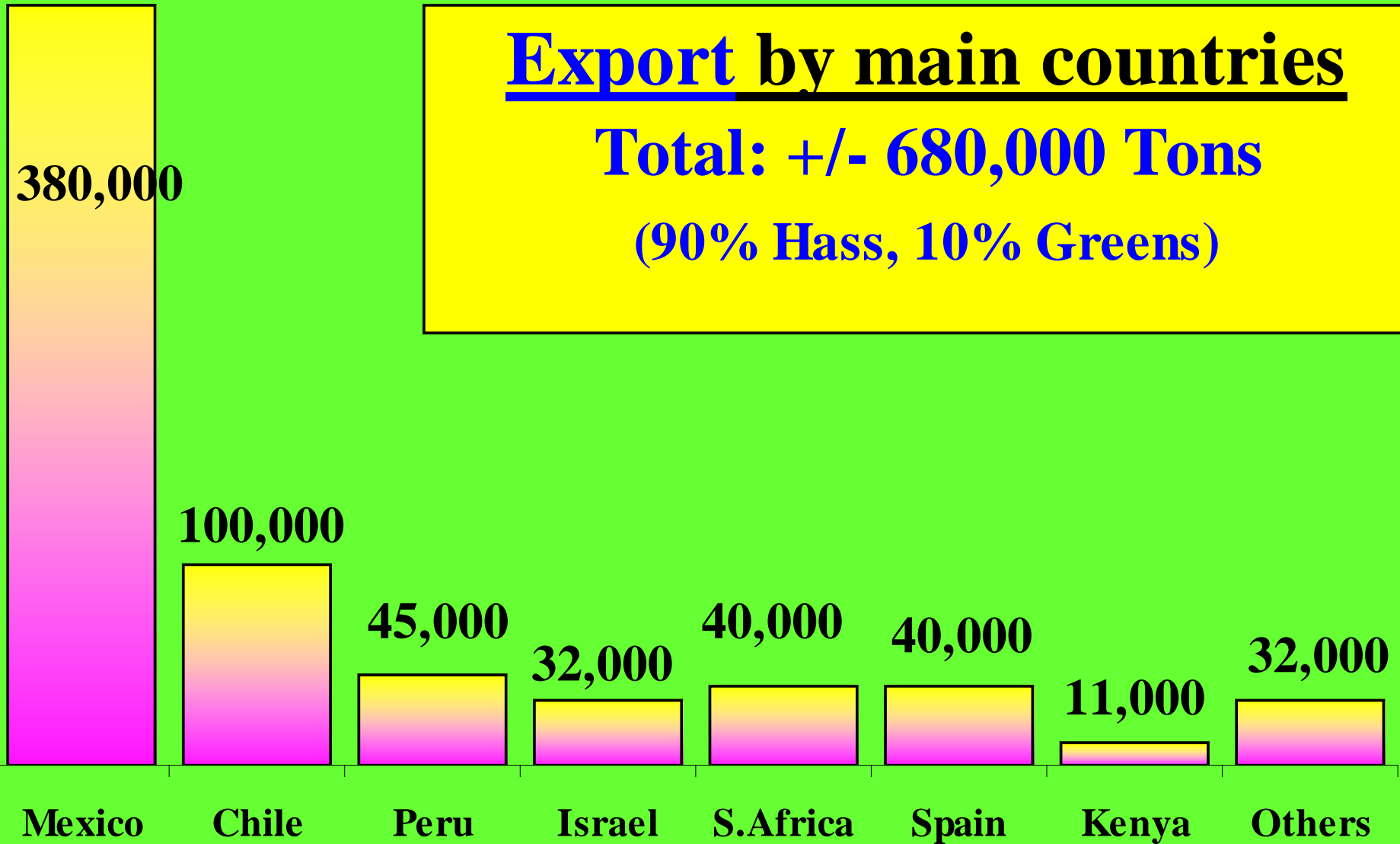
* Re-export is not included

Avocado 2008/9 - World Trade (2)

Export by main countries

Total: +/- 680,000 Tons

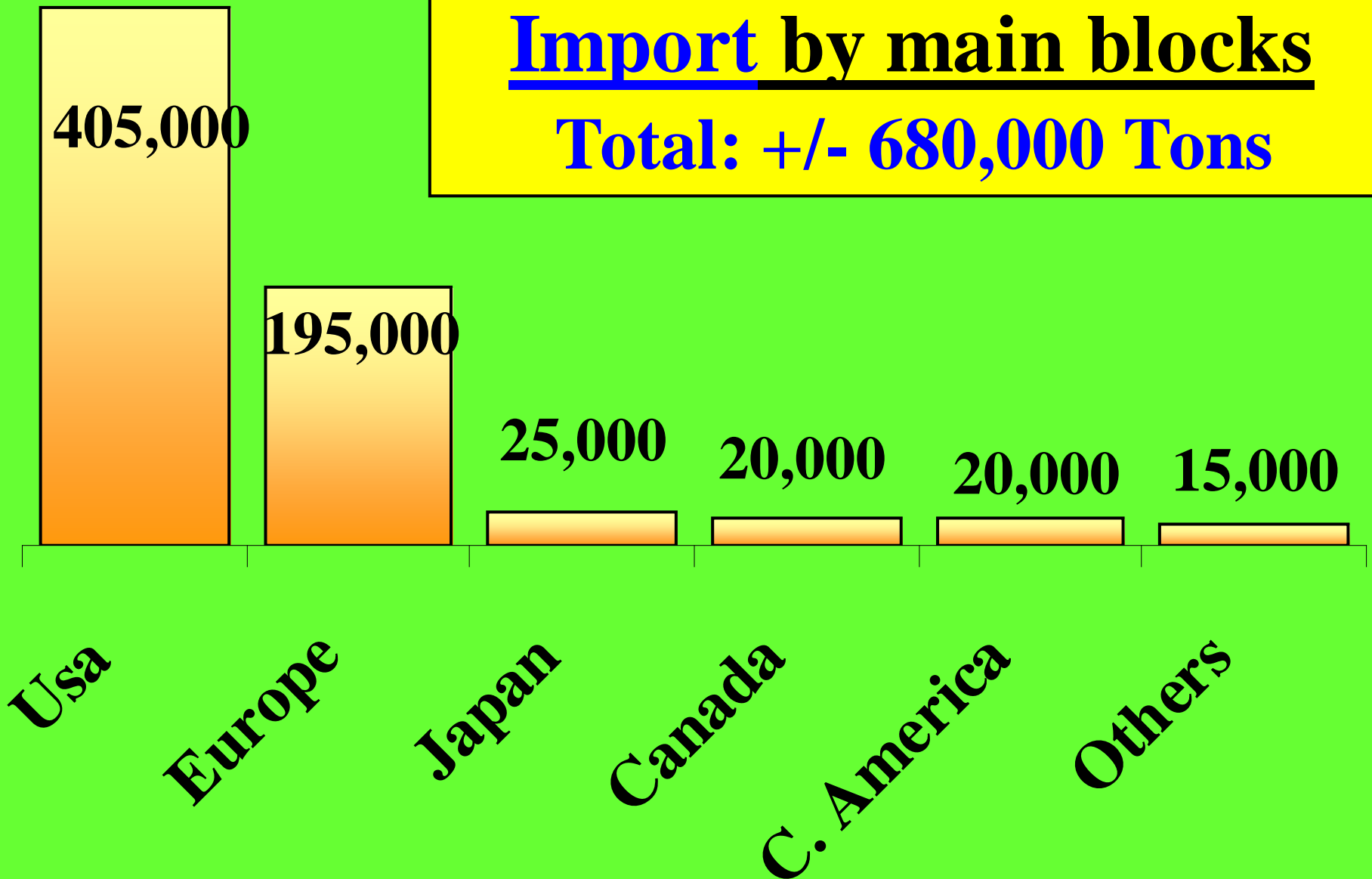
(90% Hass, 10% Greens)



Avocado 2008/9 - World Trade (3)

Import by main blocks

Total: +/- 680,000 Tons



USA & Europe

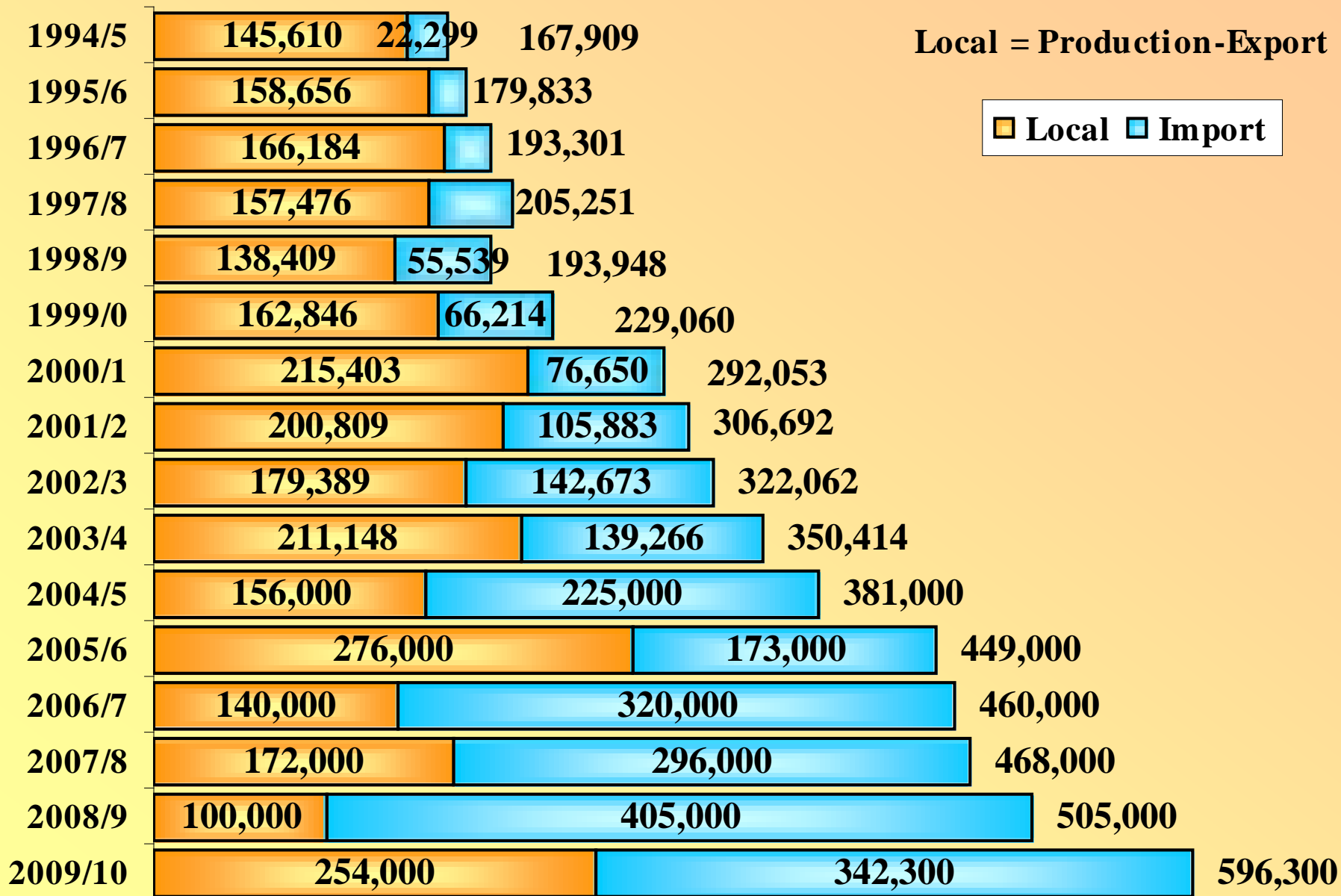
Points of Comparison

□ DEPENDENCY OR AREA OF SPECIAL AUTHORITY
◌ ISLAND / ISLAND GROUP
★ CAPITAL

Scale 1:11,000,000
Scale does not apply to Antarctica
Unsettled frontiers, UN and ILO

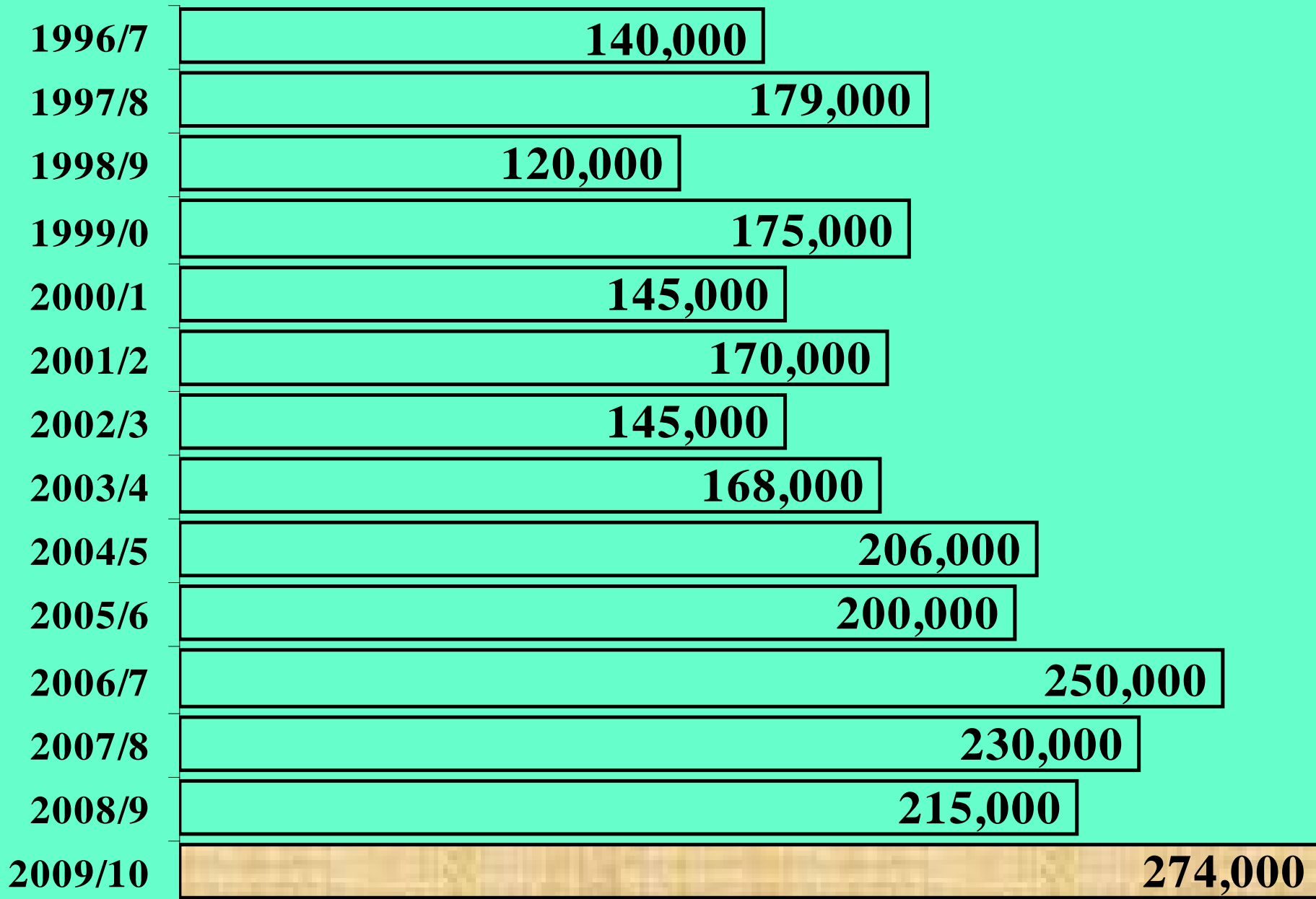


USA – Avocado Consumption (Tons)



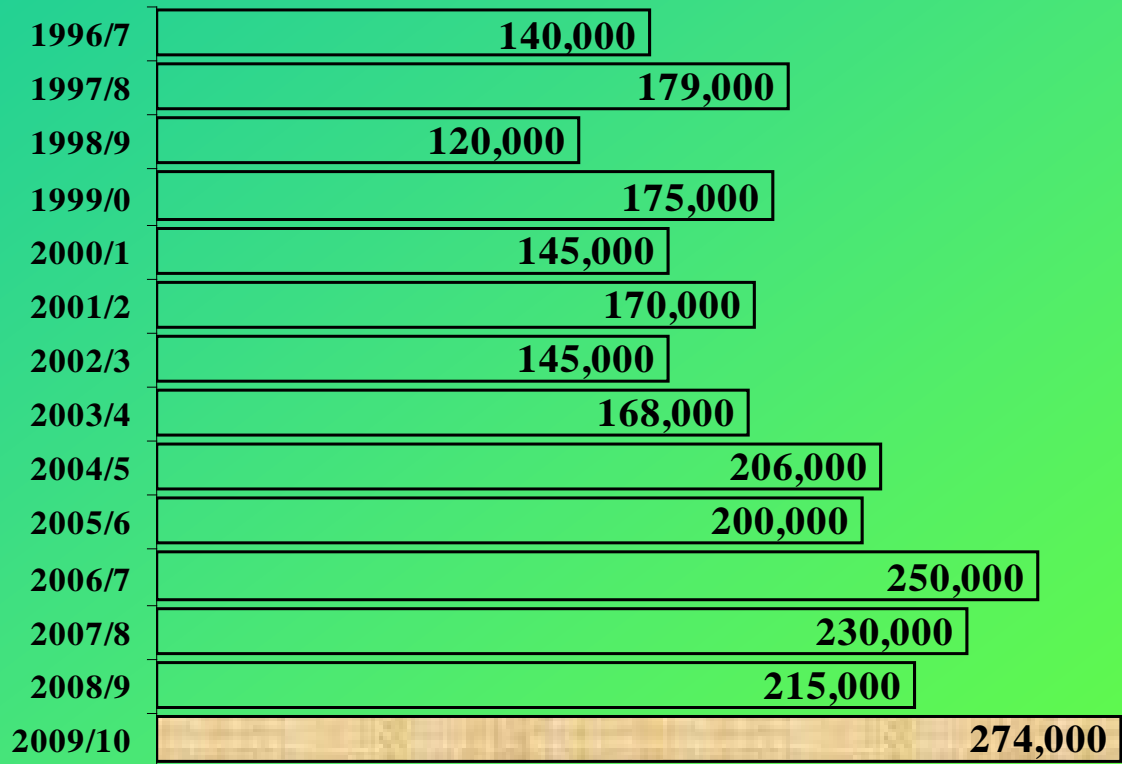
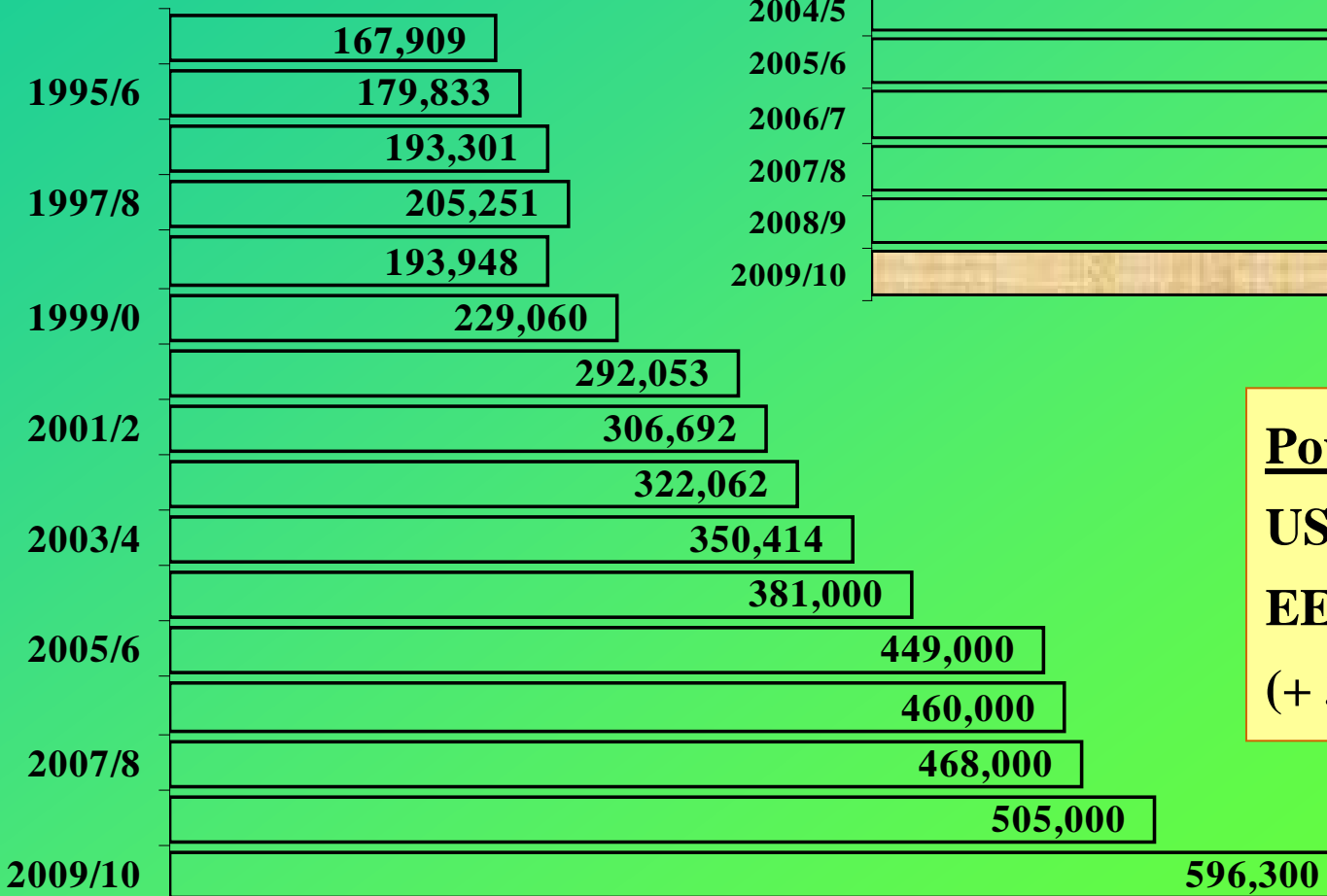
Avocado in Europe – Yearly volume (Tons)

(1.10 – 30.9)



USA & Europe along the years (tons)

Find the differences ???



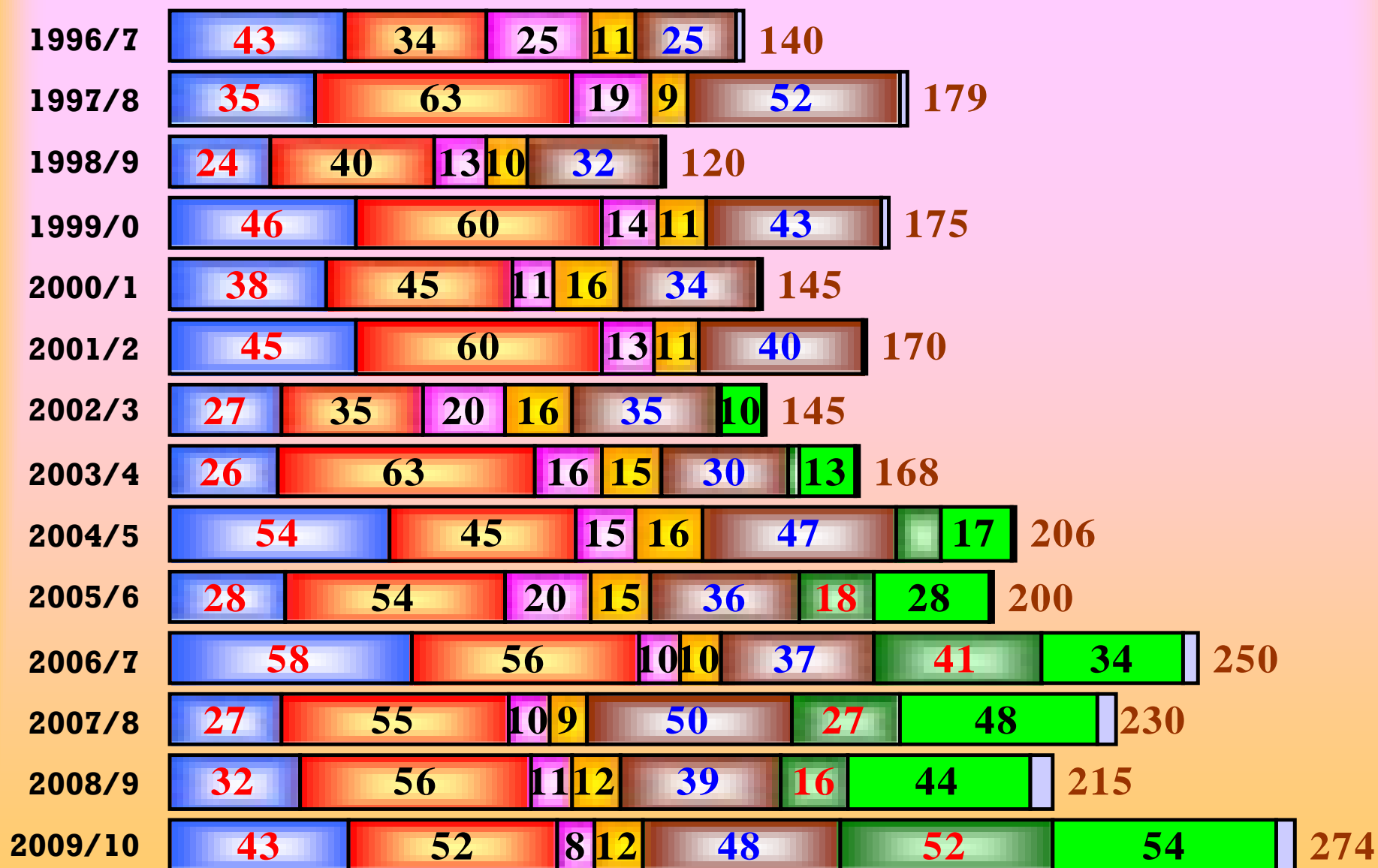
Population:
USA - 300 M
EEC - 500 M
(+ 300 M in East Europe)

Avocado in Europe

Potential Growth

Europe - yearly supply by producing countries

(000' Tons. 1.10 – 30.9)



■ Israel
 ■ Spain
 ■ Mexico
 ■ Kenya
 ■ S. Africa
 ■ Chile
 ■ Peru

Parameters for comparison – USA vs. Europe

	<u>Europe</u>	<u>USA</u>
Population (+/-)	500 M (Plus 300 M in former USSR)	300 M
Formal Languages	30+	1
Currencies	Several	One (US \$)
Consumption (2009/10)	270,000 Tons	600,000 Tons
Consumption Per Capita	540 Grams	2000 Grams
Domestic Production	60,000 Tons (Spain mainly)	240,000 Tons (California mainly)
Import Volume	210,000 Tons	360,000 Tons
Main Import's sources	Israel, S.Africa, Chile, Peru, Mexico, Kenya, Spain (to others in Europe)	Mexico, Chile
Yearly Growth	'Up and down' syndrome	permanently up
Common Varieties	65% Hass	95% Hass
Varieties' preferences	Hass in some countries Greens in most countries	Hass

Potential (Target) Population

+/- 500 Millions

in the EEC and Surrounding

+

Around 300 Millions

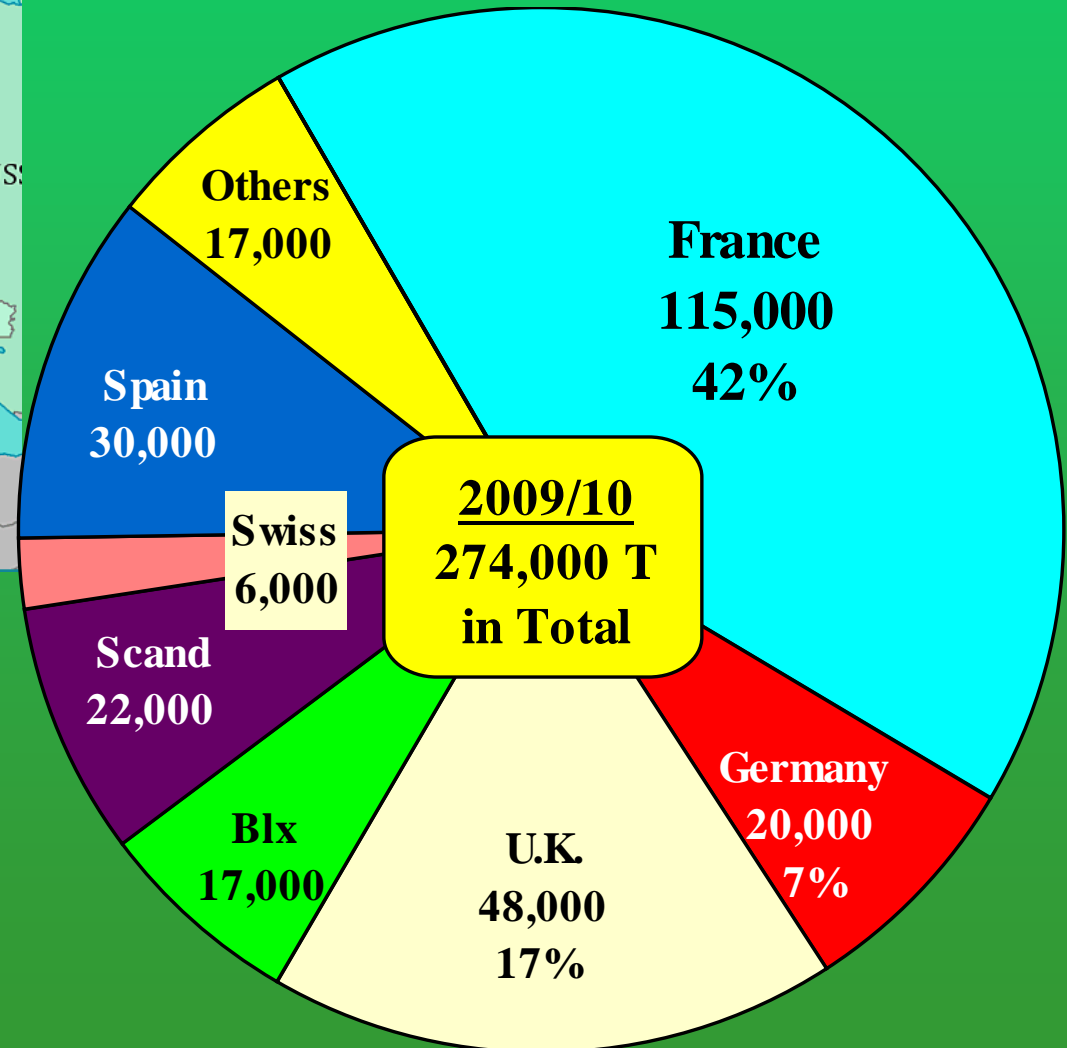
in former USSR & Yugoslavia

הגעות אבוקדו לאירופה (טון), 2009/10

Avocado arrivals to Europe (Tons)

2009/10	אוג' Aug	ספט' Sep	אוק' Oct	נוב' Nov	דצמ' Dec	ינואר Jan	פבר' Feb	מרץ Mar	אפריל Apr	מאי May	יוני Jun	יולי Jul	אוג' Aug	ספט' Sep	אוק' Oct
ישראל Israel			43,100												
מכסיקו Mexico			8,300												
ספרד Spain			51,500												
ד.אפריקה S.Africa									48,000						
קנייה Kenya								11,800							
פרו Peru								54,200							
צ'ילה Chile			52,200												
אחרים Others			4,900												
סה"כ Total			274,000												

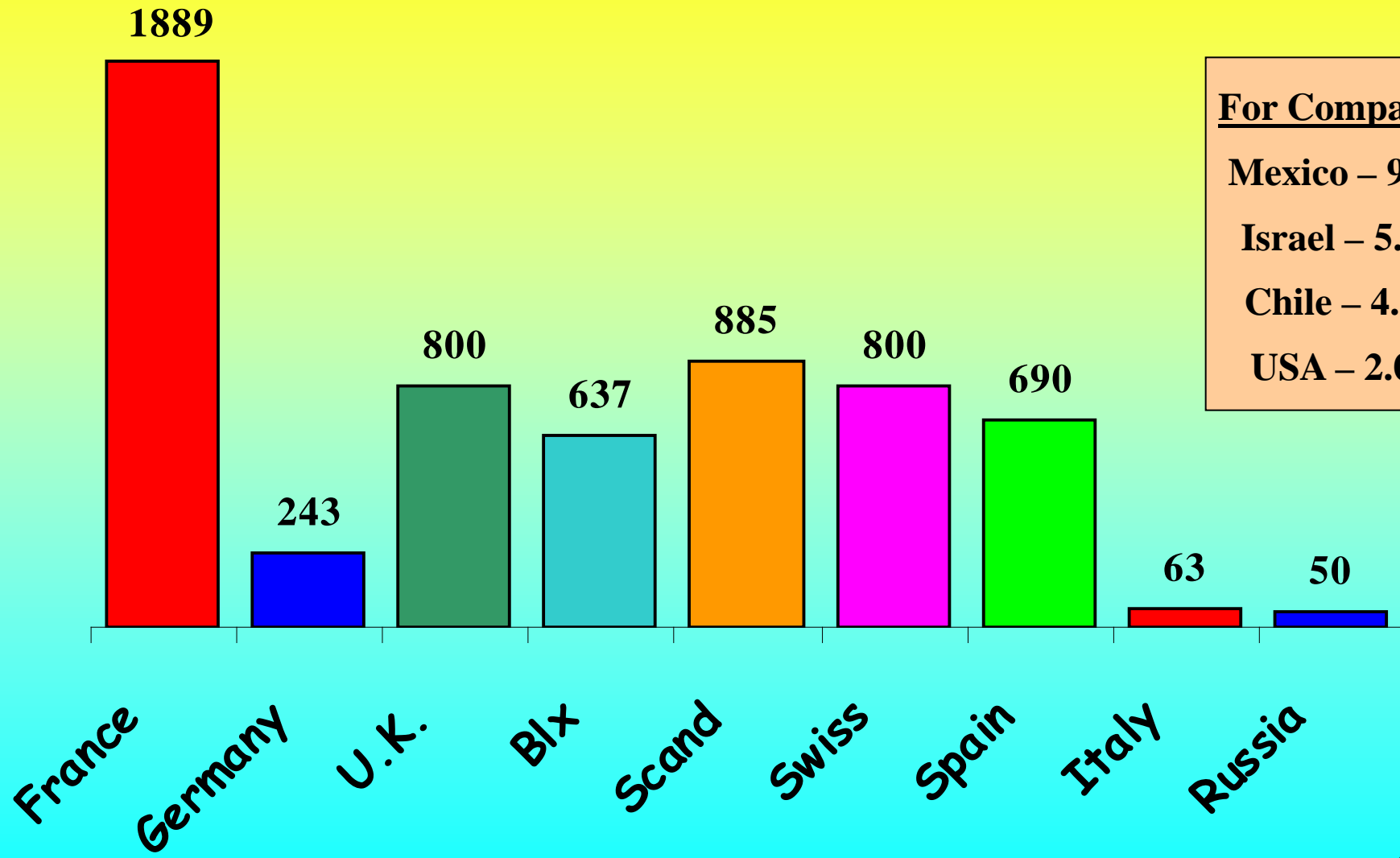
Europe - Estimated Consumption by Countries (Tons + %)



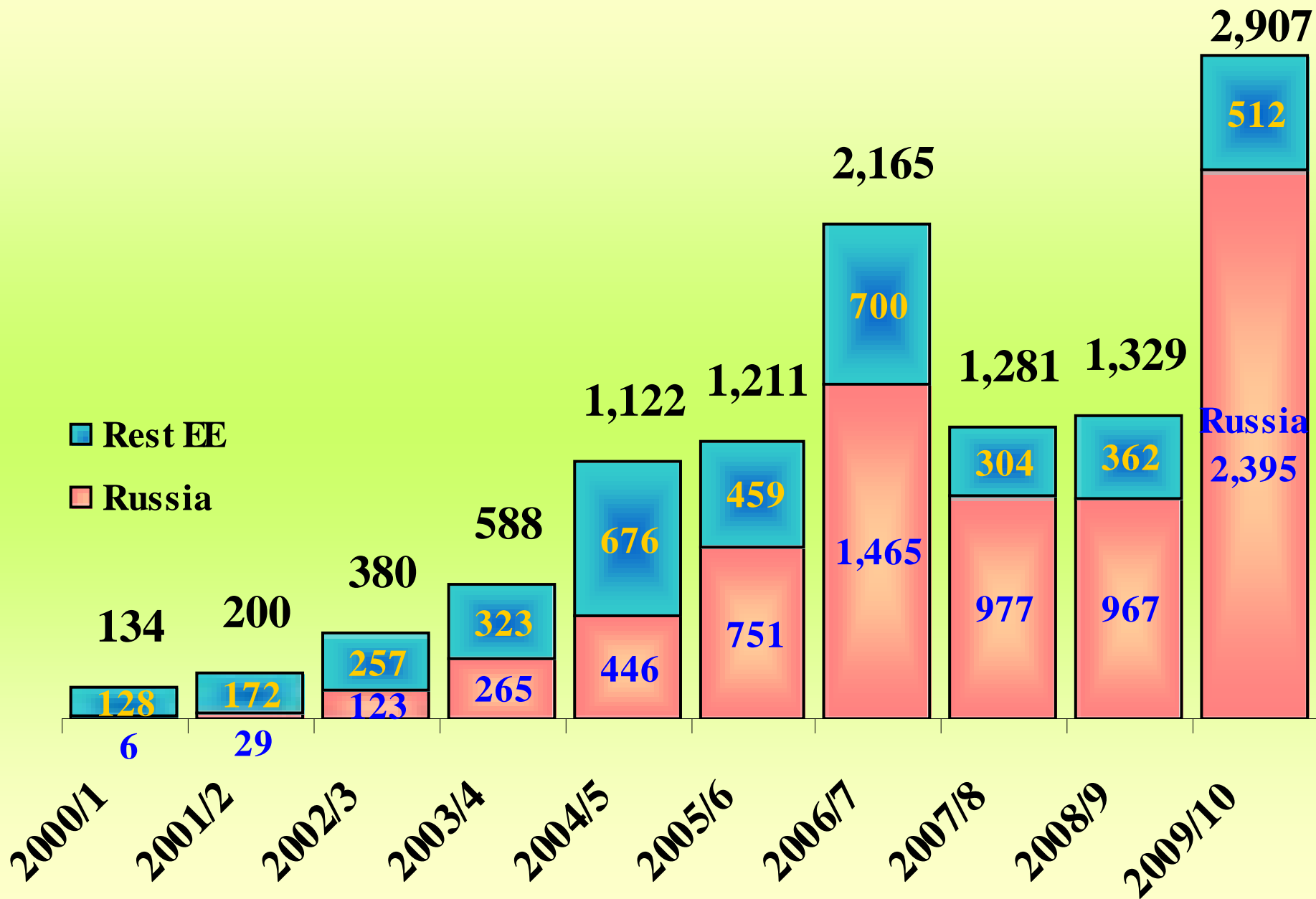
Consumption per Capita - main markets, in Grams

2009/10 - Consumption per Capita (Grams)

For Comparison:
Mexico – 9.0 Kg
Israel – 5.0 Kg
Chile – 4.5 Kg
USA – 2.0 Kg



- Sales of East European branch (tons)



Some conclusions (From “California Avocado Society 2007 year book”)

What can be learnt from this short and partial survey? What will the future be?

Optimistic views claim that there is still **shortage of avocado supply in our world.**

The “limiting factor” is the “supply” while the “demand” or “consumption” is far from being saturated.

Where there has been sufficient and increased supply, the consumption has followed and increased. Examples are abundant – Mexico, the United States, Japan and England, and in domestic markets throughout the producing countries. That was the situation in France in the 70's and 80's years. That's happening today in the developing markets in Eastern Europe where new consumers have learned to eat avocados.

However, supply to Europe as a whole has been stagnant for the last two decades and the real permanent “growth in consumption” is delayed for better future times. In historical terms, the avocado is still a “new baby” in most of the world, who is just taking its first commercial steps. As such, **it still has unlimited horizons for growth and development.**

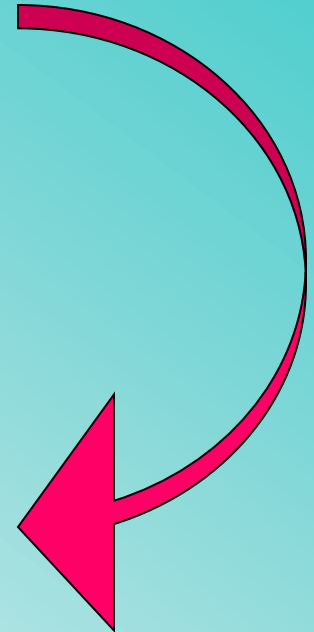
(Written by Gabi Naamani)

Avocado in Europe – Summary & Conclusions:

- Avocado is still a “new baby” in most of the world
- Avocado supply is relatively low compared to “old products”
- Consumption could not be developed in ‘lack of supply’
- Avocado is considered as ‘Good & Healthy’ product, existing all year around and has a tradition
- Imperative requirement - pedantic ‘qualities & standards’ with certainty regarding ‘inner quality’
- Matching varieties/sizes to different niches/consumers
Key factor - Prepared or “Ready-to-Eat” avocado
- Population is more experienced and ready for innovation
- Advanced co-operation between suppliers

**As far as supply
will grow up
steadily...**

**The sky is
the limit**



Thanks for
your
attention

