The US avocado market stabilizes

After the “tremendous volatility” of Mexican imports of avocados in the United States in recent seasons, the market has become stable again. The difference has made the first half of the 2019/20 season particularly good, according to several importers. Peruvian avocado imports ended in mid-October, and Mexican avocados currently govern the US market.

“The first half of the season has been much more stable than the last few years. Volumes have increased significantly, ”said Index Fresh supply vice president Giovanni Cavaletto.

> Meanwhile, Steve Taft of Eco Farms said that "it has been more stable this year than other years."

Under normal conditions, price swings would balance in a relatively small range, from approximately USD 3 to USD 5. But the last two seasons have not represented a “traditional” market, Cavaletto explained.

The fluctuations in the market from May 2016 to June 2019 made it “volatile” where “market fluctuations of USD 30 occurred several times a year,” he explained. However, conditions have returned to normal this year, with prices that change only marginally.

Patrick Lucy of Del Rey Avocado Company said the main difference is that "there has been a constant harvest in Mexico."

Since there have been no interruptions in production or imports, something that has been common in previous years, the constant behavior of Mexican avocado imports has created favorable conditions for sellers. The result of this is that "prices will be quite the same in relation to what they are today" in the coming months, according to Taft.

Price developments

While total volumes increased, importers often expect November to be the slowest month for Mexican avocado imports. Three weeks ago, the harvest in Mexico slowed somewhat, with inventories at approximately 15%. However, the inventory would increase again by 8%, Cavaletto said.

This lower harvest was due to a couple of factors, explained Del Rey Avocados. The first was the Mexican holiday season, with the Day of the Dead in early November. The rainy weather also affected the speed of harvest.

Such a decrease and slightly smaller volumes make Mexican avocado prices favorable. With "slower conditions and limited volumes, prices have increased in recent weeks," Lucy said.

Cavaletto attributed this to the industry “identifying the floor and ceiling of the market. I think the slowdown was due to the fact that we identified the floor, ”he said.

Market conditions in the coming months

Now that importers have dealt with slow imports in November, the industry anticipates that prices will remain good.

"In the future, we believe that the market should be quite stable," Lucy added. With a firm faith in the popularity of avocados in the US market and knowledge of the power of the Mexican avocado industry, Index Fresh spoke about upcoming promotional efforts. "I learned a long time ago, don't bet against avocado," Cavaletto emphasized.

Since the industry expects Mexican avocado volumes to increase slightly in the coming months, prices are expected to remain the same. This is because demand generally increases during the holidays and the Super Bowl season, Lucy said.

> Winter is an especially popular time for Mexican avocados. Its higher volumes reach the market during the winter months and generally remain so until May.

As "there should be a good promotion" with the next vacation, "food service and retailers have many opportunities," explained Del Rey Avocados.

The Mexican avocado industry is expected to have great promotions throughout the winter. "Mexican avocados have a huge budget and will greatly promote the consumption of avocado throughout the winter and spring," said Cavaletto.

Source: Portalfrutícola.com