

World Avocado Situation and Outlook

Total U.S. production of avocados during the 2001-2002 season was down 12 percent from last year for a total of 191,700 metric tons, valued at \$296 million. California accounted for 89 percent of this production. Imports continue to increase while exports of domestic avocados decline.

United States

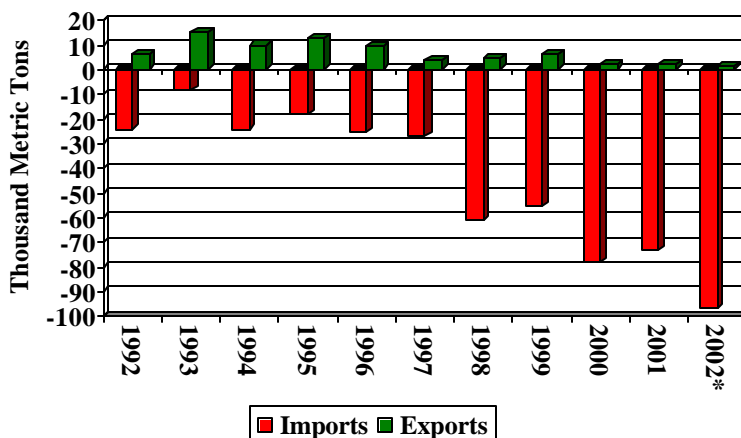
According to USDA's National Agricultural Statistics Service (NASS), total U.S. production of avocados during the 2001-2002 season was 191,700 metric tons, most of which was utilized fresh production. The value of the 2001-2002 season was \$296 million. Production in 2001-2002 was down 12 percent from the previous year's total of 217,100 tons, valued at \$331 million. In 2001-2002, California accounted for 89 percent of U.S. production, followed by Florida (about 11 percent), and Hawaii (less than 1 percent). NASS will publish the estimates for 2002-2003 on May 12, 2003 in their Crop Production report.

The total import value for fresh and processed avocados during MY (November-October) 2001/02 was about \$123 million, up about \$30 million from MY 2000/01. The upward trend in imports has been consistent for the last several years and is expected to continue. In terms of import quantities, Chile accounted for 62 percent, Mexico 25 percent, Dominican Republic 11 percent, and New Zealand 2 percent. The United States ranks eighth in the world import market. The Netherlands, the United Kingdom, and France are the leading import markets for avocados.

On September 6, 2002 the final rule that establishes the Hass Avocado Promotion, Research, and Information Order was published in the Federal Register. This final rule establishes that under the Order, producers and importers will pay, beginning in January 2003, an initial assessment of 2.5 cents per pound (5 cents per kg.) on fresh Hass avocados produced in or imported into the United States for consumption in the United States. For more information on the research and promotion program for avocados go to

<http://www.ams.usda.gov/fv/rpavocado.html>

US Trade Balance in Avocados



*January - November
Source: U.S. Department of Commerce, Bureau of the Census

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U.S. exports during MY 2001/02 totaled only 1,765 tons, destined to Canada (52 percent), Japan (33 percent), Korea (5 percent), Mexico (5 percent) and the Dominican Republic (2 percent). On June 3, after long negotiations, the Animal Plant Health Inspection Service (APHIS) - Mexico City Regional Office received an official notification from the Mexican Plant Health Office (DGSV) accepting the additional declaration (AD) in phytosanitary certificate for California avocados imported into Mexico. The AD will only mention avocado seed weevil (*Heilipus lauri*) and will read as follows: "This shipment originated in the state of California and was inspected and found free of *Heilipus lauri* (seed weevil)". California shippers can now begin shipping avocados to the cities of Mexicali and Tijuana, state of Baja California.

FAS has not funded an avocado export program since 1999, when the industry decided to focus primarily on import and domestic consumption issues. However, many avocado concerns maintain active export programs around the world.

Mexico

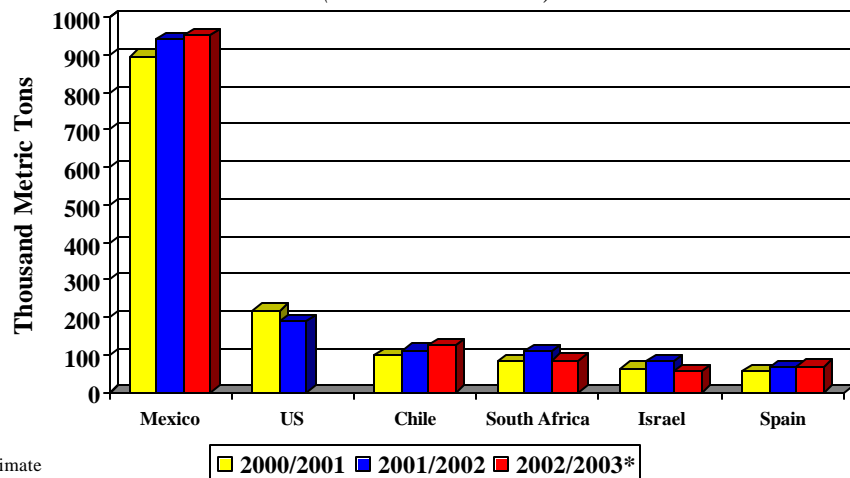
Mexico's avocado production this year is expected to be up about one percent, with slightly more trees coming into production. Last year's production, MY 2001/2002, was revised down 3 percent, due to lower-than-expected actual production. Mexico exports only about 8 percent of production, consuming most production.

Annual per capita consumption in Mexico is

about 10 kg. compared to the world average of 3 to 5 kg.

Mexico holds about 22 percent (calendar year 2001) of the world's export market. Half of Mexico's avocado exports are shipped to the United States in the form of processed product. The number of States to which Mexico can ship was increased last year to 31. Exports to the United States could increase 12 percent this year, which, in turn, could bolster future production levels. Conversely, these levels could also be tempered with aggressive exports from other countries, adding downward pressure to overall world prices.

World Avocado Production (Select Countries)



•Estimate
Source: FAS Attaché Reports
US Production figures to be released May 12, 2003

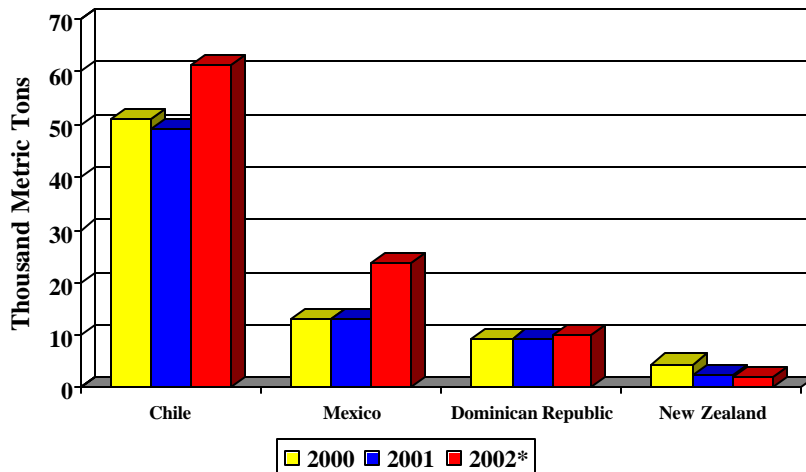
Chile

Avocado production is expected to increase 12 percent this coming year as growth in export markets has encouraged increased area planted to avocados. However, this growth could be tempered by expectations

for downward pressure on prices and the added expense of marketing to the United States (due to the new marketing order). The United States is by far Chile's largest market.

For an avocado-producing country, consumption is considered to be low, and for this reason, abundant supplies of both export and non-export varieties are plentiful on the domestic market.

US Avocado Imports



*January – November

Source: U.S. Department of Commerce, Bureau of the Census

Chile controls about 17 percent of the export market (calendar year 2001) and continues to be very aggressive in developing overseas markets, particularly expanding to the United States. Chile will again contribute \$1 million this year to a joint promotional campaign with the California Avocado Commission.

South Africa

The Republic of South Africa is expected to have an increase in production of 33 percent during 2002 over the previous off-year of 2001. Next year's production will be down cyclically again by 24 percent. South African growers compete with both Spain and Israel in European markets until about the end of July. South Africa's third largest export market is the United Kingdom, where South African Grower's Association (SAAGA's) generic program is helping to promote product. The program has reportedly been very successful in increasing demand. The budget allocation for SAAGA is about \$67,000. South Africa is planning to expand its market to the United States. Currently, trade with South Africa in avocados is minimal, and according to the Global Trade Atlas, the United States imported only 230 tons during 2001. In 2001, South Africa held about 10 percent of the world export market.

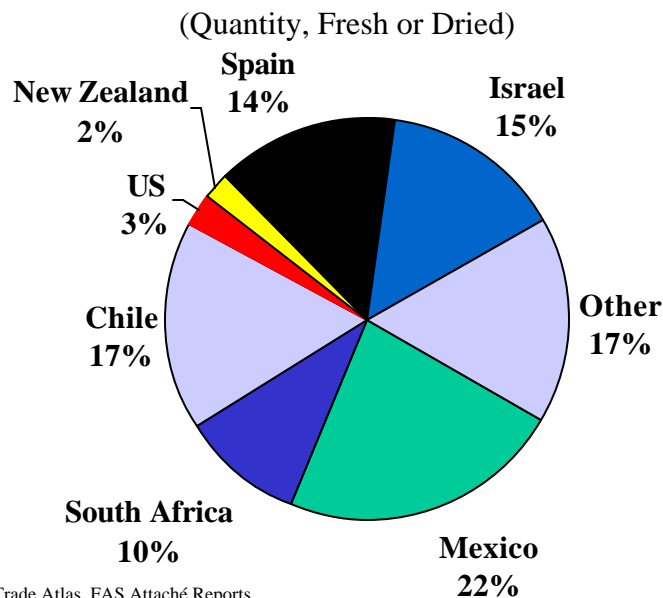
Spain

Spanish avocado production for MY 2001/02 (July-June) is estimated to be up 18 percent from the previous year due to previously-planted acreage coming into production. It is forecast that production next year will increase 4 percent. The Spanish consume less than half the amount that is exported but hold 14 percent of the world export market. Consumption in Spain is expected to increase, with the increase in the South American immigration population and more ethnic avocado dishes being introduced or featured by restaurants. Israel and South Africa are competitors in the European market, with France being the largest destination for Spanish avocados.

Israel

Israeli avocado production for MY 2001/02 (September-August) is estimated to be up 31 percent from the previous year due to good weather conditions. The forecast for 2002/03 posts a 35-percent decline, based on the large amount of precipitation followed by a heat wave during 2002. Consumption of avocados is highly elastic and generally lower production combined with aggressive exporting will create a dearth of product on the domestic market. France is Israel's largest market followed by Benelux and the United Kingdom. Israel has about 15 percent of the global export market (calendar year 2001). Phytosanitary restrictions prohibit trade between the United States and Israel.

Avocado Export Market Share 2001



Avocados							
PSD Official Statistics (MT)							
	Production	Imports	Total Supply	Exports	Fresh Dom. Consumption	Processing Consumption	Total Distribution
Chile							
1999/2000	95,000	0	95,000	52,049	42,951	0	95,000
2000/2001	98,000	0	98,000	52,491	45,509	0	98,000
2001/2002	112,000	0	112,000	62,000	50,000	0	112,000
2002/2003	125,500	0	125,500	71,500	54,000	0	125,500
Israel							
1999/2000	77,000	0	77,000	45,900	29,100	2,000	77,000
2000/2001	63,490	0	63,490	38,545	23,900	1,045	63,490
2001/2002	83,000	0	83,000	46,000	35,000	2,000	83,000
2002/2003	55,000	0	55,000	32,000	20,500	2,500	55,000
Mexico							
1999/2000	876,623	0	876,623	22,415	809,208	45,000	876,623
2000/2001	898,168	0	898,168	52,475	800,693	45,000	898,168
2001/2002	941,408	0	941,408	71,621	829,787	40,000	941,408
2002/2003	952,000	0	952,000	80,000	832,000	40,000	952,000
South Africa; Republic of							
1999/2000	104,000	0	104,000	54,000	38,000	12,000	104,000
2000/2001	83,000	0	83,000	34,000	36,000	13,000	83,000
2001/2002	110,000	0	110,000	42,000	40,000	28,000	110,000
2002/2003	84,000	0	84,000	34,000	32,000	18,000	84,000
Spain							
1999/2000	58,000	3,600	61,600	46,300	15,300	0	61,600
2000/2001	55,500	3,690	59,190	42,190	17,000	0	59,190
2001/2002	65,300	4,690	69,990	48,550	21,440	0	69,990
2002/2003	68,000	4,000	72,000	50,000	22,000	0	72,000
United States							
1999/2000	166,300	66,214	232,514	3,454	229,060	0	232,514
2000/2001	217,100	76,650	293,750	1,697	292,053	0	293,750
2001/2002*	191,700	105,883	297,583	1,765	295,818	0	297,583
2002/2003**							

Sources: This information was prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of Agricultural Attachés and Counselors, results of office research, FAS/USDA estimates, and related information. U.S. production numbers are generally from the National Agricultural Statistics Service (NASS). U.S. trade numbers

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are generally from the U.S. Department of Commerce, Bureau of Census.

* U.S. Trade Statistics beginning MY 2001/2002 are broken out into 3 categories; Avocados,fr,dr, Avoc-Hass-Hslike, and Other.

** NASS will publish the estimates for 2002-2003 on May 12, 2003 in their Crop Production report.

(The FAS Attaché Report search engine contains up-to-date reports on Avocados for 5 countries, Chile, Israel, Mexico, South Africa, and Spain. Also, check out our web page at: www.fas.usda.gov/htp/horticulture/avocado.html)