

## Avocado sales could more than double in China

China could eventually start producing enough avocados of its own to reduce imports, although experts say it is unlikely to happen soon.

Avocado sales to China are expected to more than double this year as the demand for the fruit from the country's growing middle class population continues to increase. "They seem to be doubling every year, from what we've seen," says Steve Barnard, president of Mission Produce, the world's largest avocado distributor, in an interview with CNBC. "They may more than double this year." And the growth rate shows no signs of slowing down.

A great beneficiary of this growing demand is Mexico, the world leader in avocado production. Even though the US market remains lucrative, avocado traders in the Mexican state of Jalisco recently organised a mission to China, hoping to take a share of the market that is now dominated by the neighbouring state of Michoacán.

The figures show great growth, but the totals remain modest compared to other markets, such as the US; however, the potential is huge. "It seems that avocados have become a trend-setting ingredient across the world, and especially in China."

Latin American countries shipped about 36 million kilos of avocados to China last season. There is a risk that, with all the avocados from Latin America going to China, one day the cost could increase for American consumers. Avocados grown in Mexico account for almost 80 percent of the volume sold in the US market.

Wholesale avocado prices in the United States doubled last autumn due to supply problems in Mexico. Mexico's supply was 20 percent lower than the average of the previous season and California's production halved compared to the usual figures.

It was a short harvest, because avocados tend to be more productive one year and less productive in the next. This year, the Mexican harvest has returned to normal and California expects a normal harvest, although they've had some problems with the recent forest fires.

Despite the higher prices compared to the previous year, demand did not fall, as US consumers seem to be willing to pay more for their avocados and guacamole. The demand for avocados in the United States is growing by between 10 and 12 percent per year.

There is also demand for avocados from other parts of Asia and Europe, along with countries like Argentina, which in the last two years has increased exports from Chile by 50 percent.

The per capita consumption of avocados in the United States stands at around 3.2 kilos per person, compared to 1.8 kilos in 2010. According to the US Department of Agriculture, China's current consumption is only a fraction of that amount, but if it was to approach the US levels, the demand would be approximately 10 times higher than the volume of fruit currently produced in the world.

This year, more avocados will be shipped to China and placed in ripening rooms in large distribution centres in order to allow the green fruit to be ready for consumption. A drawback for Chinese consumers before the setting up of ripening rooms was that they had to wait for the fruit to ripen before consuming it.

The market for ripe fruit is growing much faster than that of green fruit. There are already production companies that have set up distribution and ripening centres in China. Containers full of avocados are thus shipped from Mexico, Chile or Peru to China and then, upon request, the fruits are ripened and distributed to customers.

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