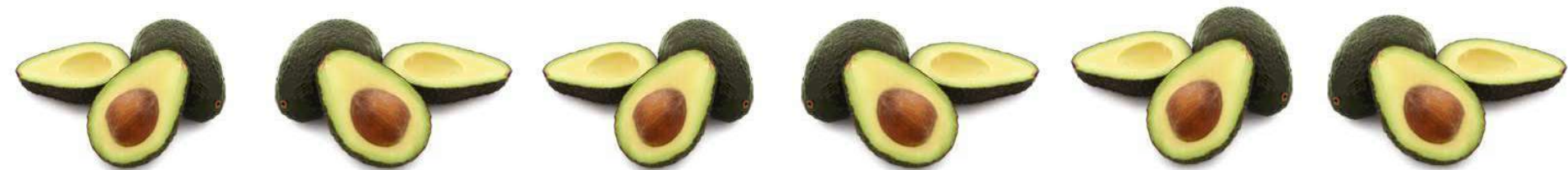




# Avocado: A global dynamic production, trade and consumption trends at a crossroad?

Philippe Binard  
Freshfel Europe





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# Dynamic production, trade and consumption trends at a crossroad?

## Global Avocado Market to Reach US\$ 23 Bn by 2027



### The Rise of the Avocado Market

The demand for avocado has never been higher. Since its introduction to the commercial market in the 90's, the fruit that was once called "exotic" has now become the one of the most highly demanded fruit in the world.

### **Mr Avocado grows in China**

Mr Avocado believes a domestic supply will drive a new wave of consumption growth in China

MÉXICO

### **Producción de aguacate en México tiene cifra histórica**



### **Avocado volumes in South Korea skyrocket**



Following the start of the Californian season, avocado imports to South Korea are increasing dramatically

### Last Summer's EU Avocado Price Dip Was Not a One-Off



While northern Europe will remember the summer of 2018 as dry and hot, avocado prices weren't hot at all, as the EU market had some difficulties absorbing the huge spike in volumes supplied. This was the start of a new era for EU avocado prices: although the market still has potential to grow, periods of market irregularities will become more common.

# Overview of the presentation



World production trend



World export trend



World import trend



World consumption trend



USA market



EU market



Challenges and opportunities

**Most of the graphs in the presentation to be read from right to left!**

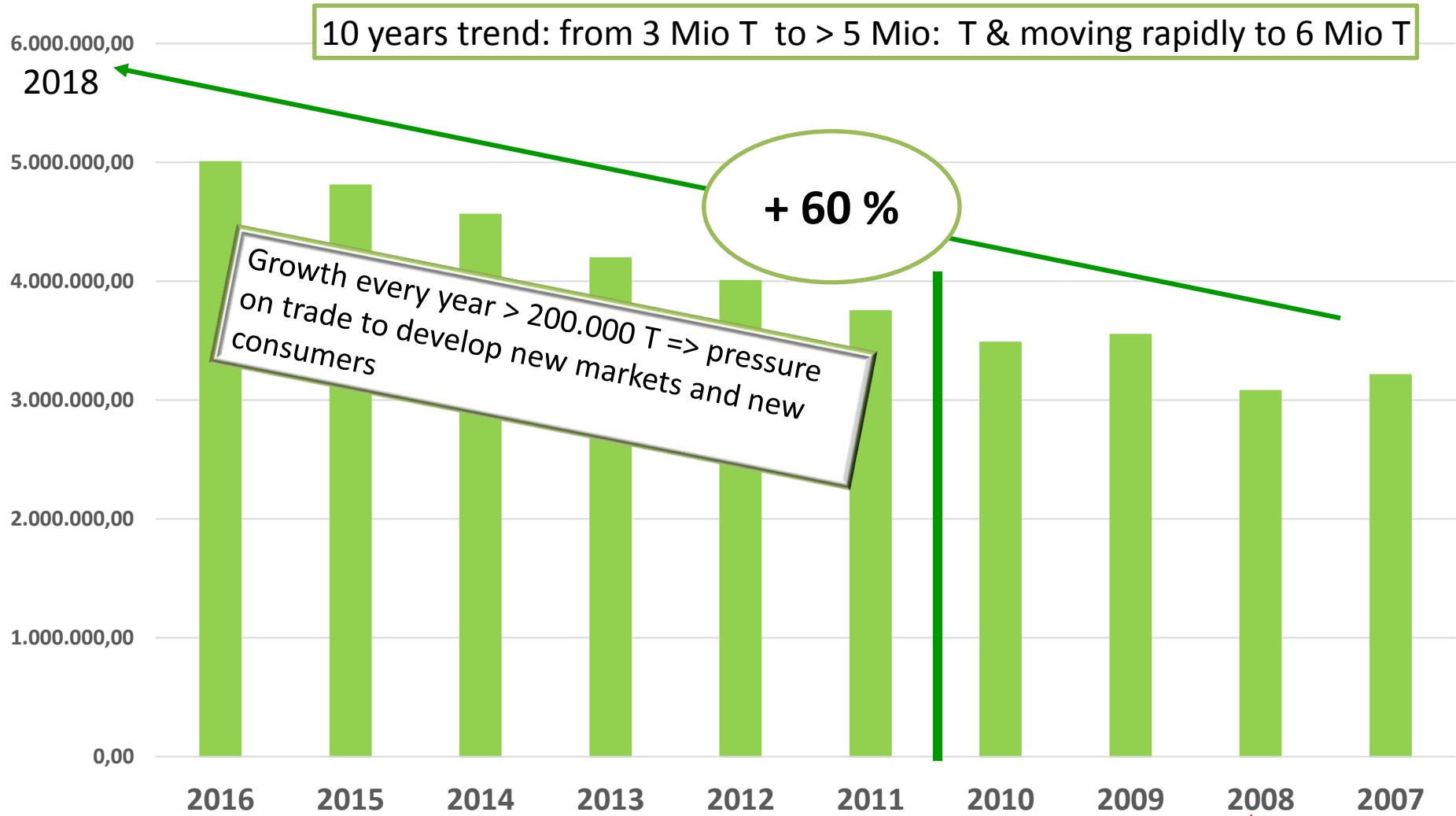


# World production trends

Data: FAOSTAT, EUROSTAT, COMTRADE, Qlickfresh Freshfel



# World avocado production

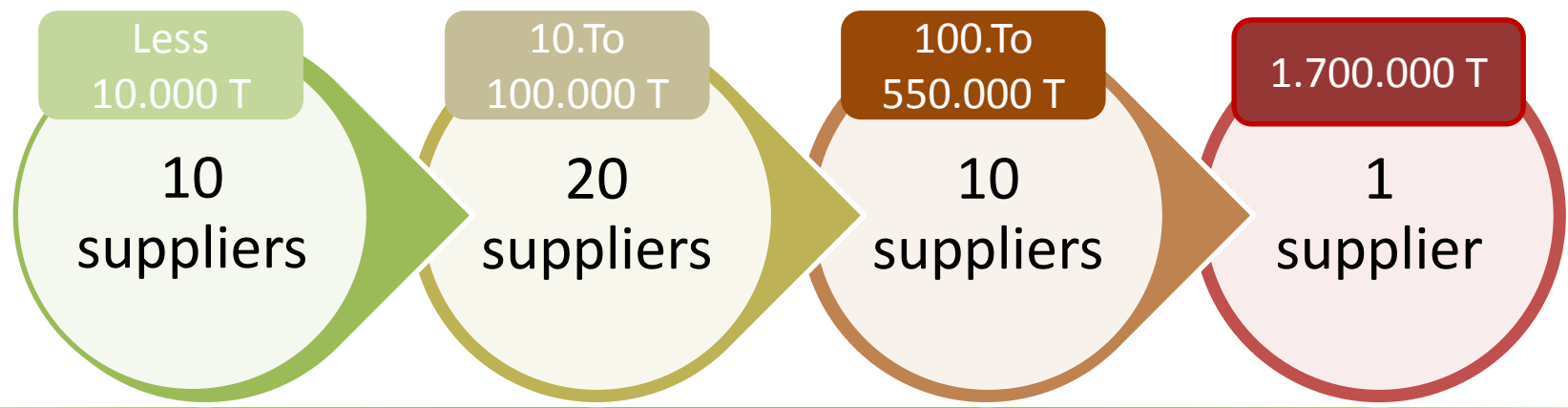




# Main world avocado producers



	2016	2015	2014	2013	2012	Var 2012-2016
Mexico	1.700.419	1.479.803	1.368.626	1.321.053	1.184.494	44%
Dominican Rep	541.214	473.794	385.471	348.791	261.010	107%
Peru	409.855	330.399	314.385	259.548	241.673	70%
Colombia	278.488	278.867	259.865	265.497	229.676	21%
Indonesia	274.444	344.277	276.593	260.911	264.780	4%
Brazil	175.943	162.587	141.029	141.734	143.913	22%
Kenya	158.441	122.778	196.823	160.019	150.253	5%
United States	155.367	182.888	161.212	149.495	214.646	-28%
Chile*	185.000	131.584	144.000	148.500	144.000	28%
China	110.648	106.144	104.400	100.800	97.200	14%
Guatemala	109.966	103.589	97.393	93.328	85.145	29%
Israel	91.350	83.700	81.932	72.000	69.750	31%
Haiti	83.881	88.859	87.370	79.428	72.207	16%
Venezuela	81.176	115.741	109.418	101.403	105.268	-23%
Spain	79.210	77.972	69.661	62.460	68.703	15%





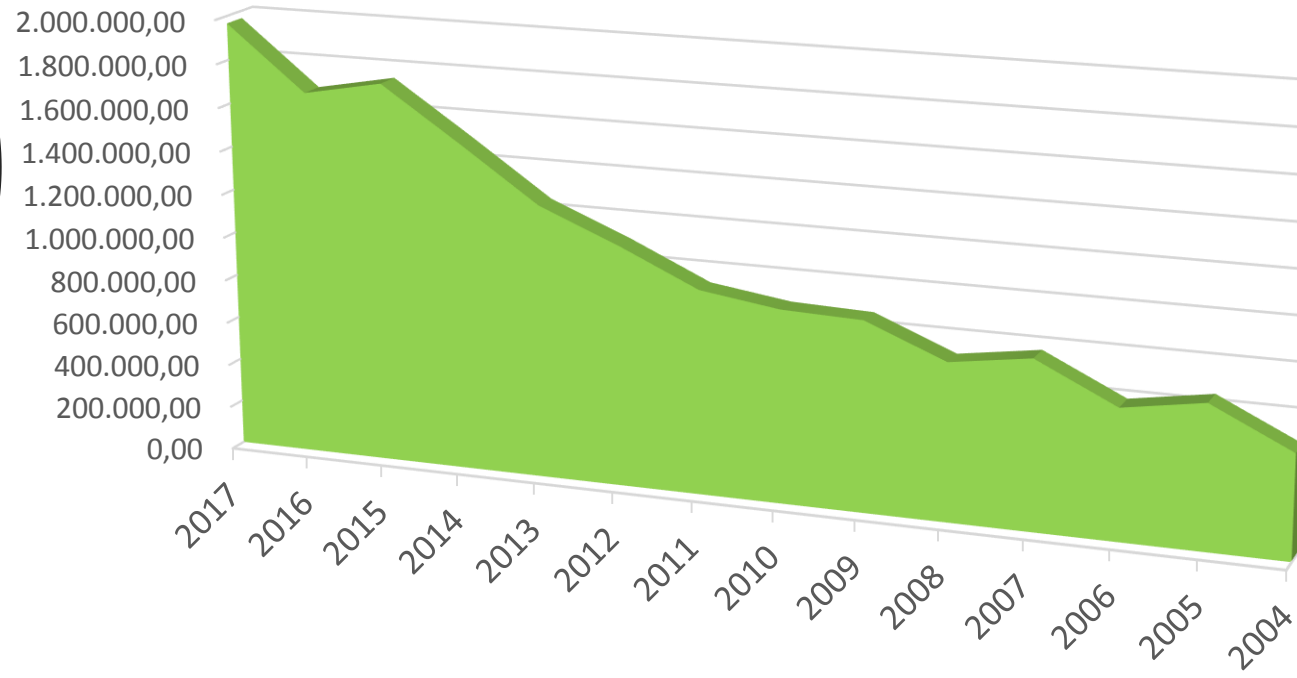
# World export trends

Data: FAOSTAT, EUROSTAT, COMTRADE, Qlickfresh Freshfel



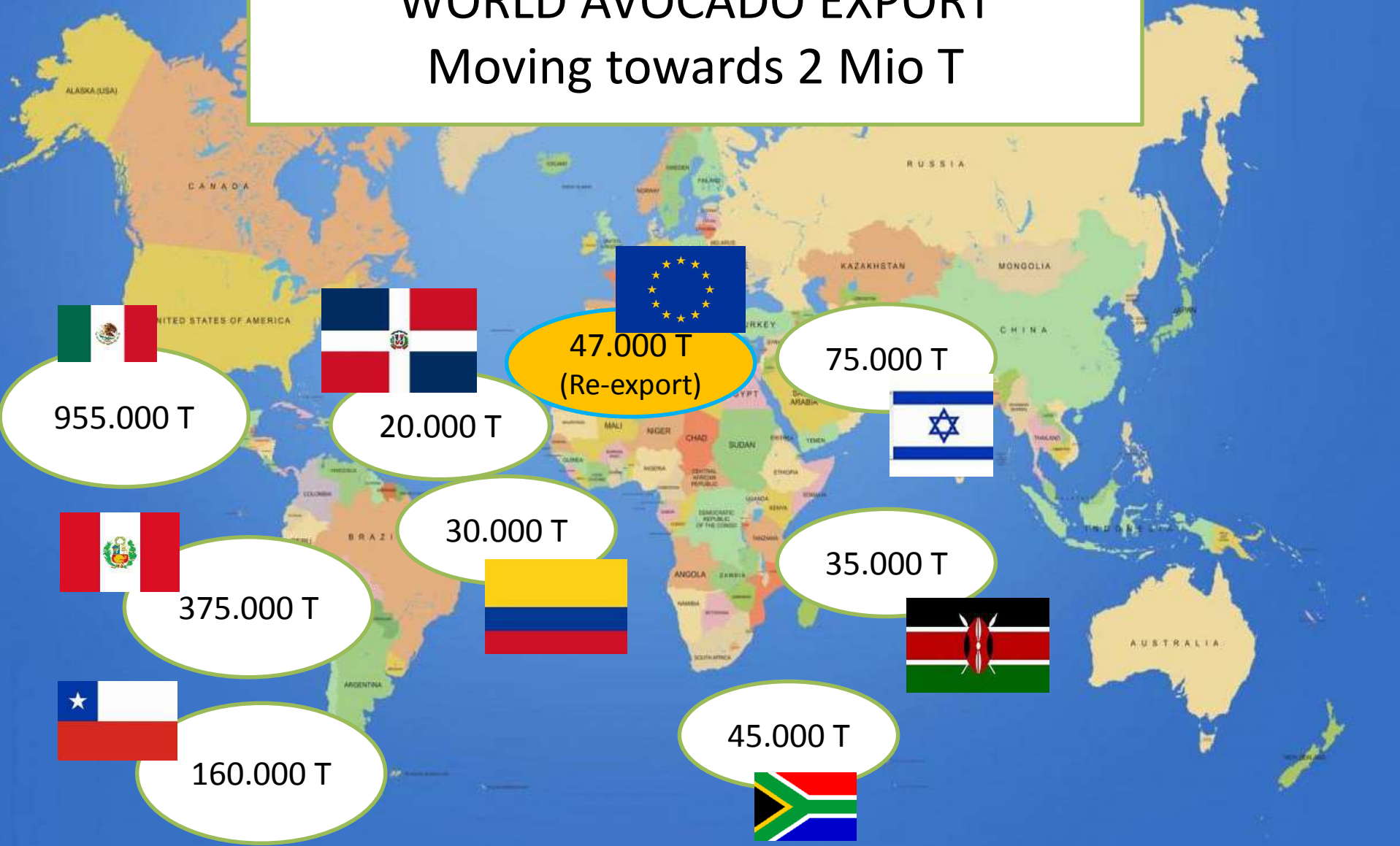
## World avocado exports in T

World trade value in 2017: More than 2 Mio T worth 6 bln USD



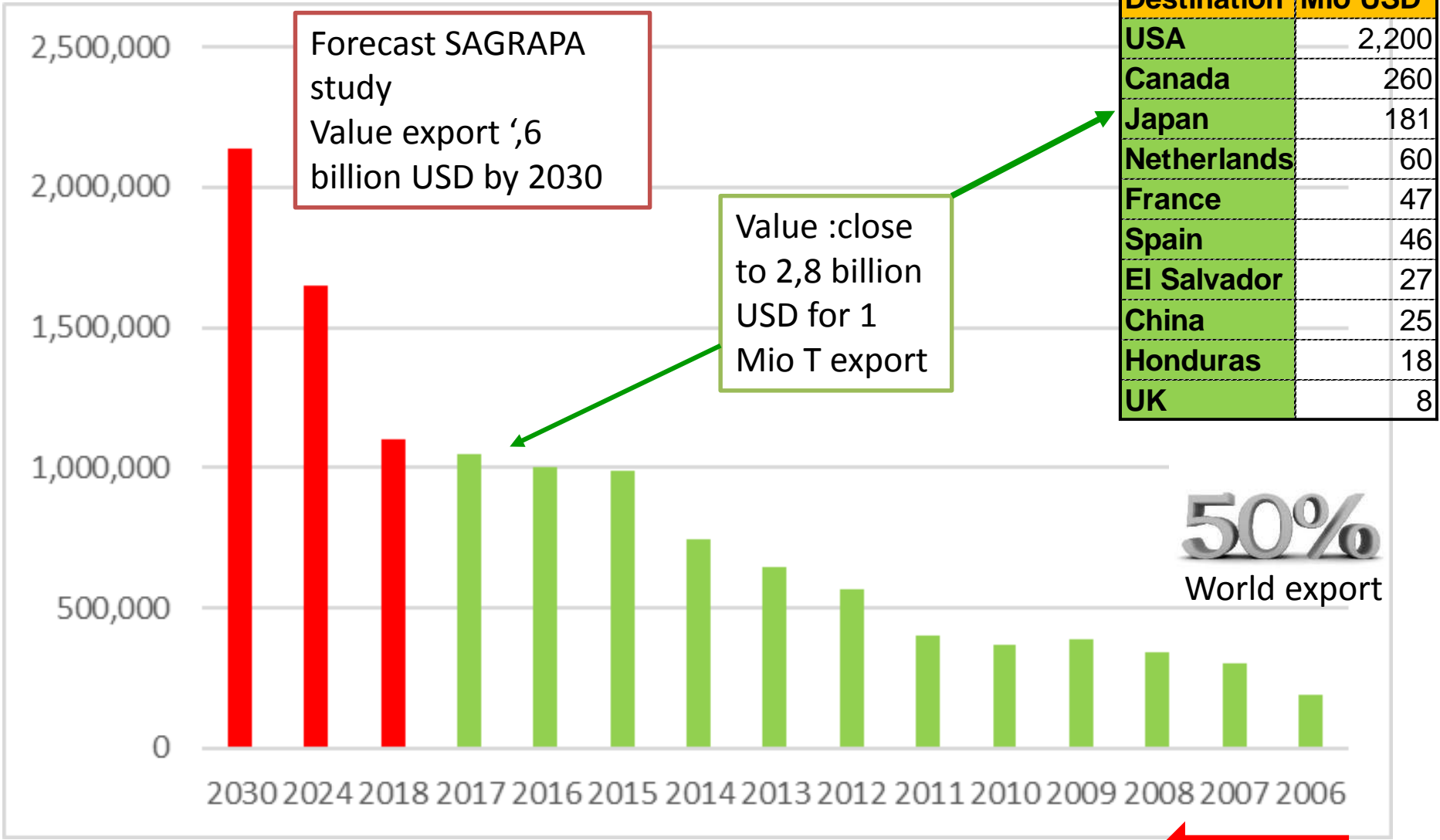
# WORLD AVOCADO EXPORT

## Moving towards 2 Mio T





# Growth export Mexico ( in T )



### Peru



- Production of 405.000 T & 355.000 T exported in 2018, compared to 246.000 T in 2017 +> value 738 Mio USD
- Main destination in value:
  - The Netherlands ( 283 Mio USD)
  - United States ( 172 Mio USD)
  - Spain (114 Mio USD)
  - UK ( 66 Mio USD)
  - Chile ( 34 Mio USD)
  - China ( 30 Mio USD)
  - Japan ( 14 Mio USD)

### Chile



- Production 225.000 T, out of which 60.000 T for domestic market and 165.000 T exported
- Main destination in T
  - EU :97.000 T
  - USA: 30.000 T
  - Lat Am: 19.000 T
  - Asia: 14.000 T



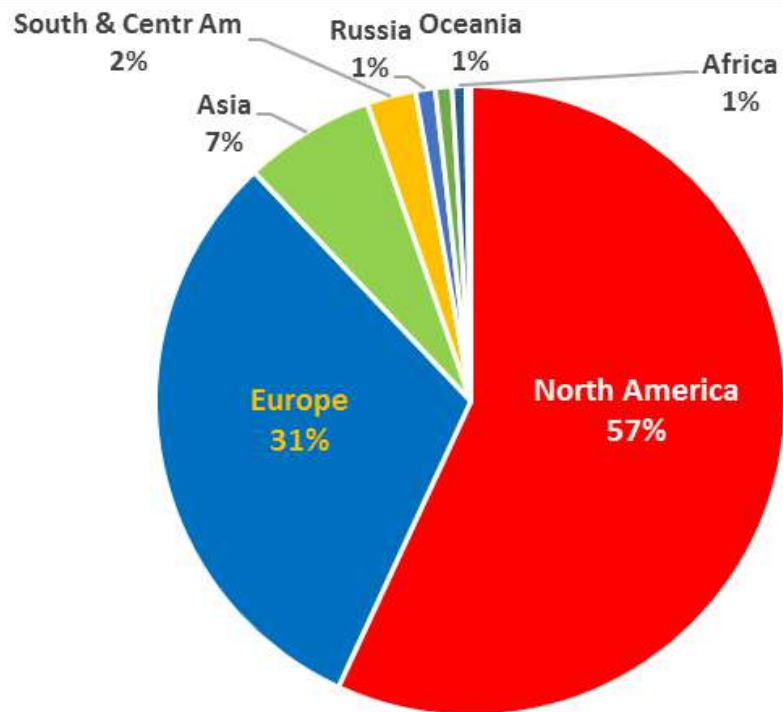


# World import trends

Data: FAOSTAT, EUROSTAT, COMTRADE, Qlickfresh Freshfel

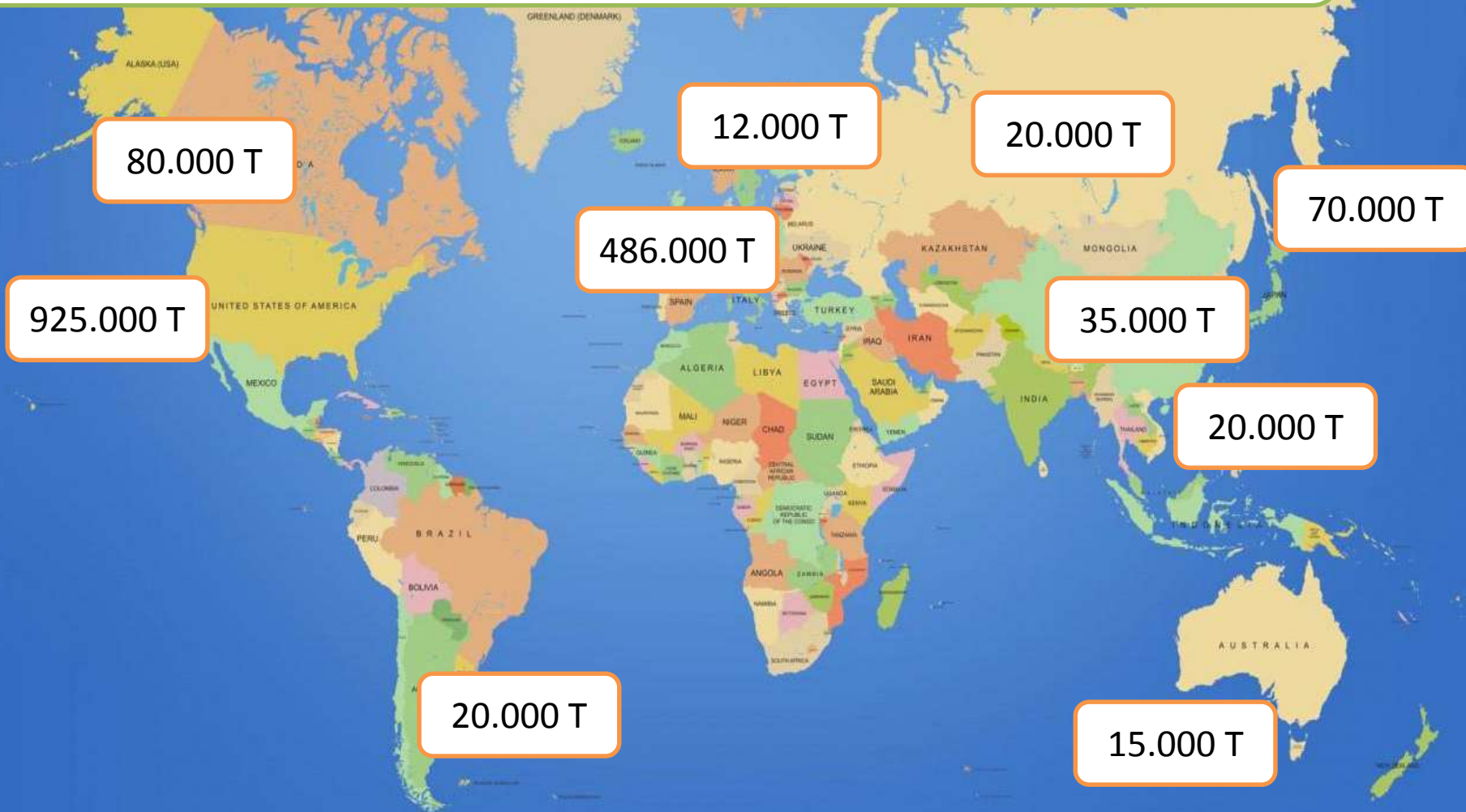
## World import by regions

Regions	Vol in T
North America	1,100,000
Europe	600,000
Asia	130,000
South & Centr America	48,500
Russia	19,500
Oceania	16,500
Africa	14,000
Middle East	4,500



88%

# Main avocado import markets

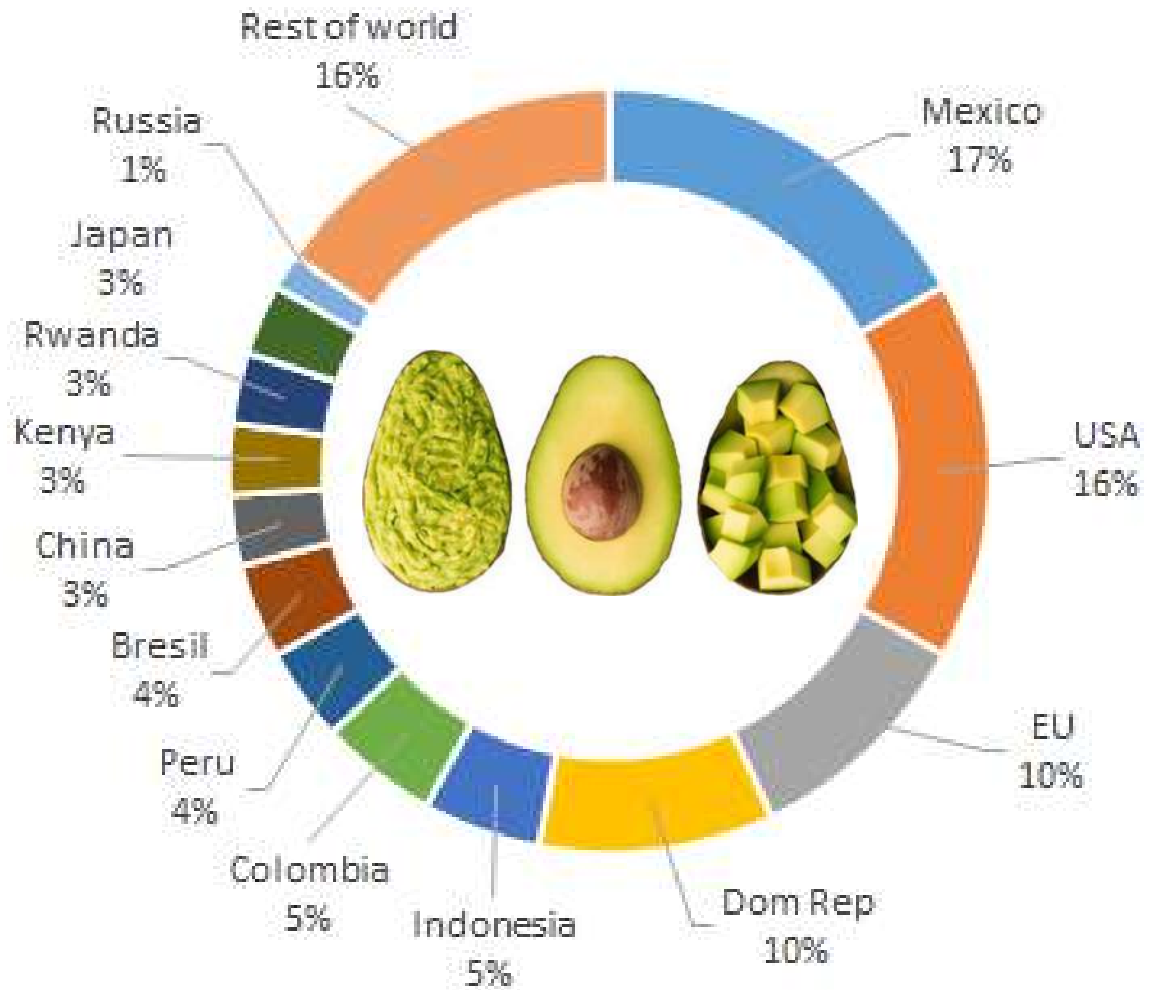




# World consumption trends

Data: FAOSTAT, EUROSTAT, COMTRADE, Qlickfresh Freshfel

Leading world consuming countries



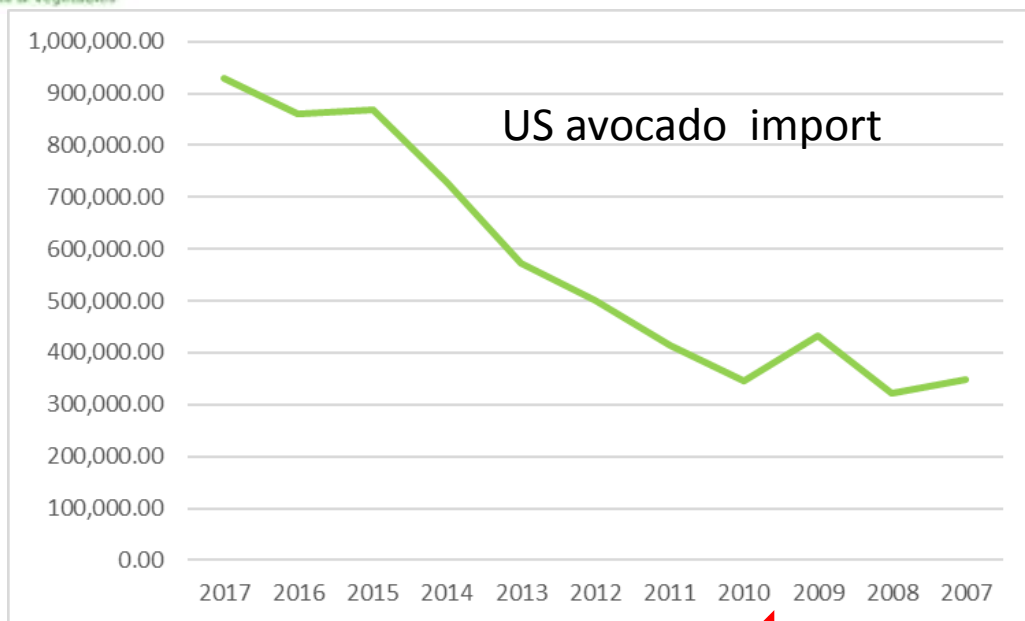
Breakdown of consumption in % of world production



# USA market trends

Data: FAOSTAT, EUROSTAT, COMTRADE, Qlickfresh Freshfel

# USA : market – still growing



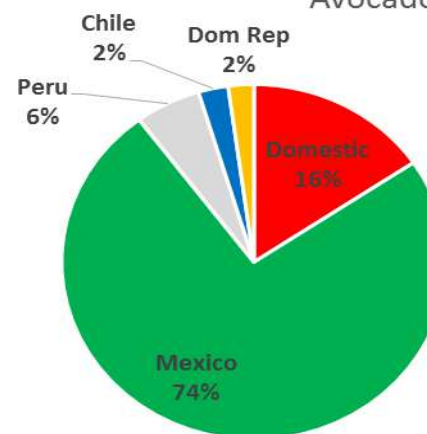
**Avocado: third category of US f&v import, after:**

- bananas (4,5 Mio T)
- pinapples (1 Mio T)

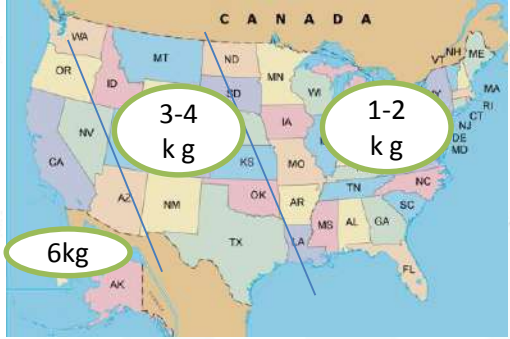


- Domestic production : 155.000 T
- Imports: 925.000 T in 2017 and estimated at ca 980,000 in 2018
- In total only 5 “origins” on the market : Local, Mexico , Peru, Chile and Dominican Republic

Avocado market availability

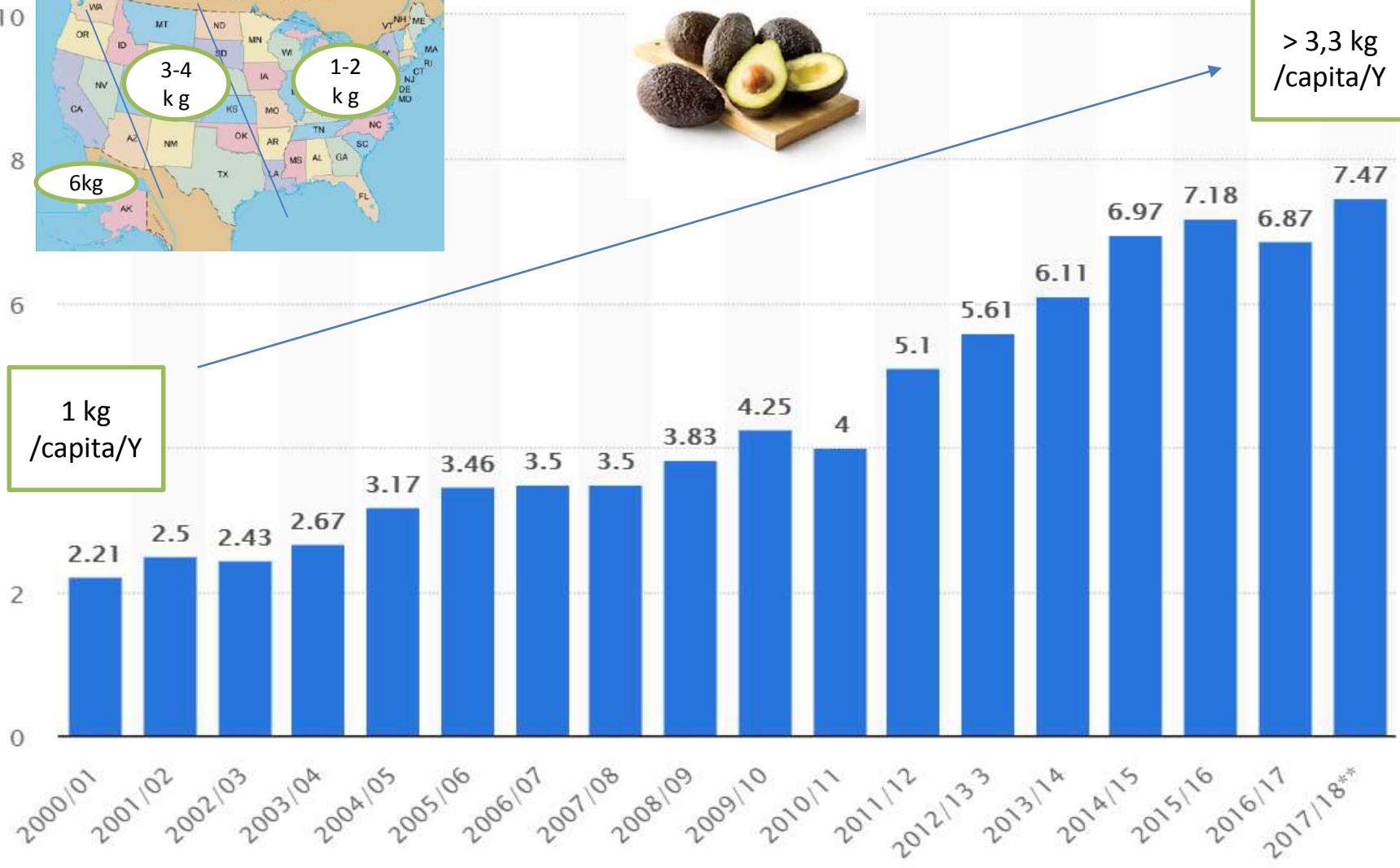


# Consumption trends USA



> 3,3 kg /capita/Y

Per capita consumption in pounds



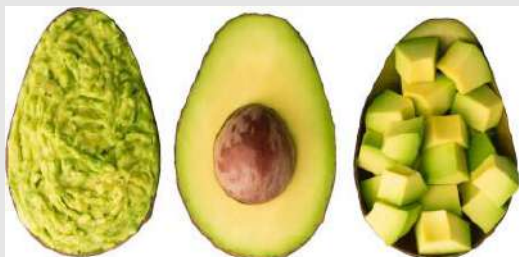


# EU market trends

Data: FAOSTAT, EUROSTAT, COMTRADE, Qlickfresh Freshfel



Avocado import in perspective of other imported fresh produce

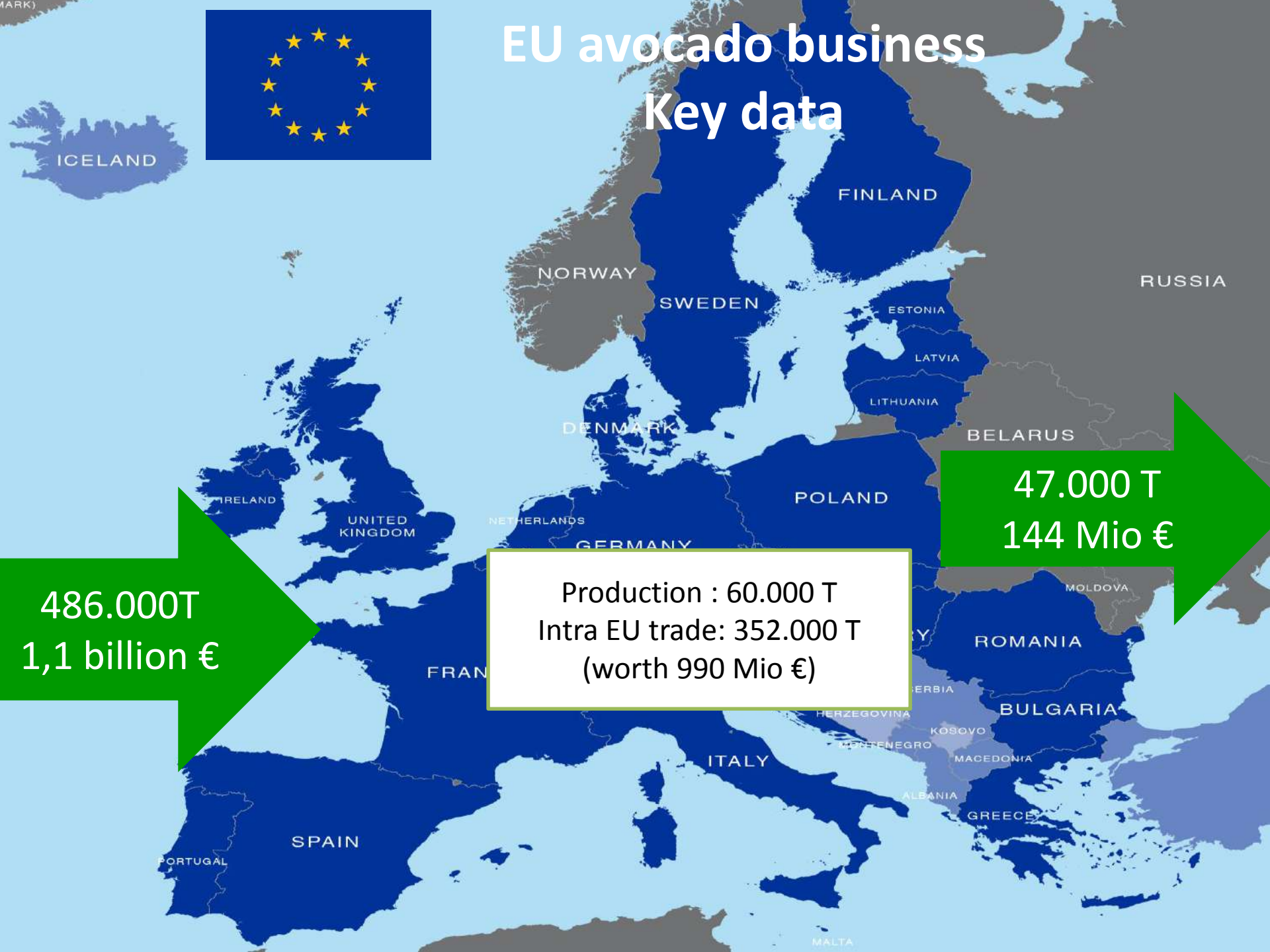


Import ranking	Product	Current import	10 Y variation
1	Bananas	5,801,953.10	17%
2	Oranges	1,051,403.80	1%
3	Pinapples	941,799.40	1%
4	Table grapes	665,597.20	1%
5	Lemons	501,445.10	-3%
6	<b>Avocadoes</b>	<b>486,053.30</b>	<b>176%</b>
7	Apples	448,296.60	-45%
8	Melons	411,140.20	14%
9	Mangoes	338,600.80	46%
10	Watermelons	335,000.00	54%

Product imported	Kg	€	€/kg
<b>Avocadoes</b>	<b>486,053,000</b>	<b>1,172,004,000</b>	<b>2.41</b>
Table grapes	665,597,000	1,316,437,000	1.98
Mangoes	338,600,000	538,226,000	1.59
Apples	448,296,000	498,084,000	1.11
Lemons	501,445,000	531,341,000	1.06
Melons	411,140,000	362,716,000	0.88
Pineapples	941,799,000	706,024,000	0.75
Bananas	5,801,953,000	3,854,177,000	0.66
Oranges	1,051,403,000	698,080,000	0.66
Watermelons	334,999,000	191,646,000	0.57

# EU avocado business

## Key data



486.000T  
1,1 billion €

Production : 60.000 T  
Intra EU trade: 352.000 T  
(worth 990 Mio €)

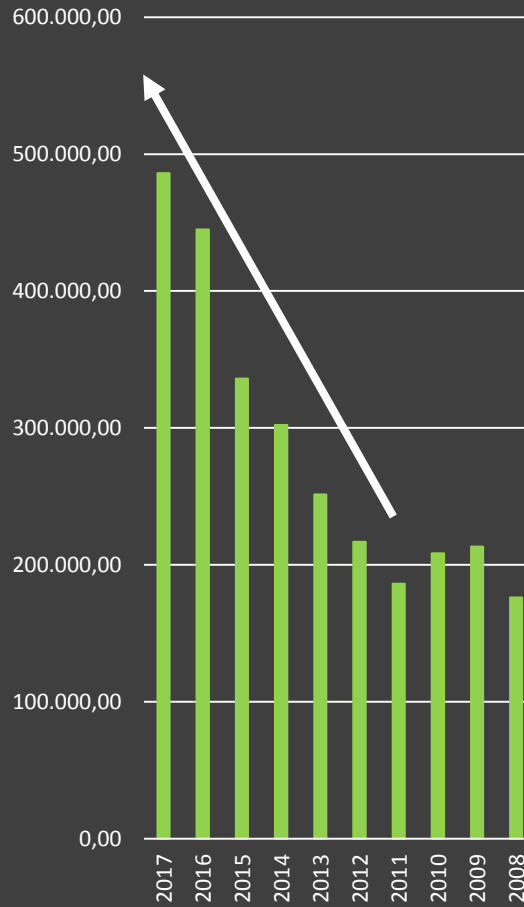
47.000 T  
144 Mio €



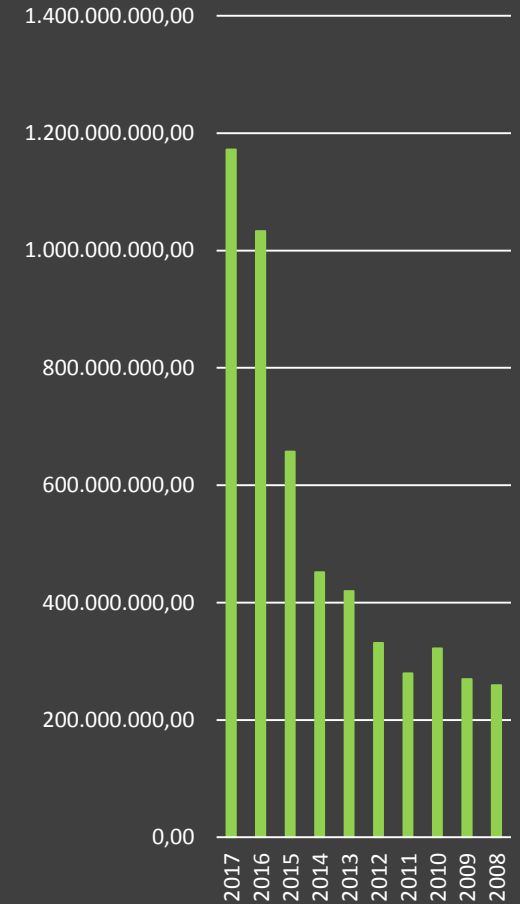
# EU avocado import



### EU import in T



### EU import value in €



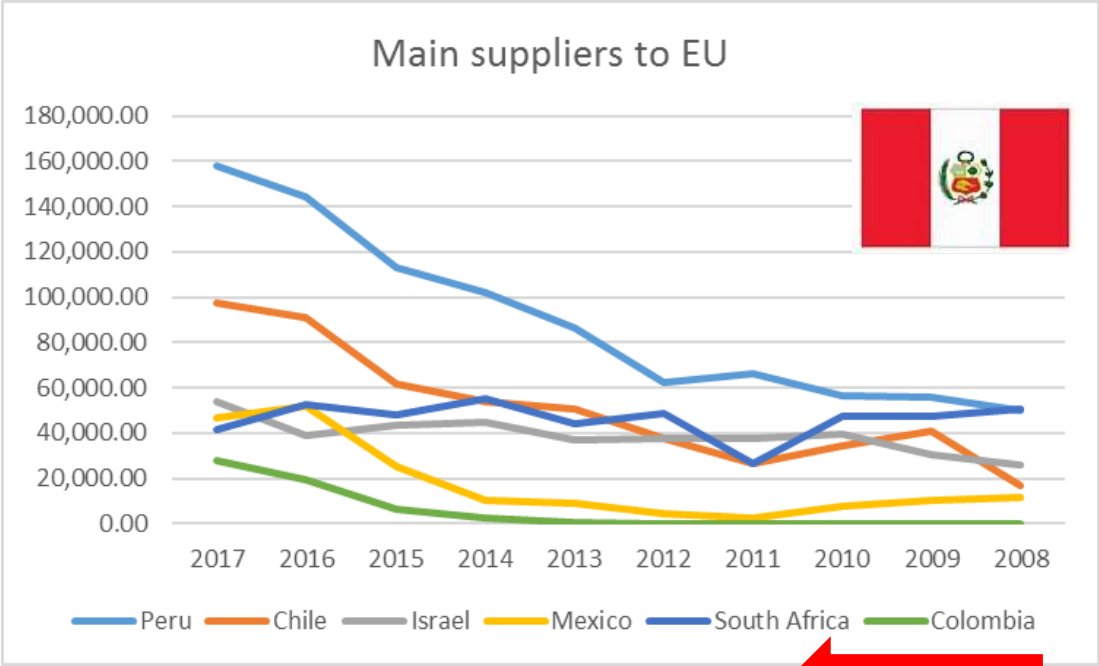


**EU import 486.000 T (2017)**

Points of entry	Vol in T
NL	238,216
ES	85,846
UK	73,465
FR	71,041
BE	7,236
SLO	3,008
DE	2,927
IT	1,441
PT	1,169
Other MS	1,705

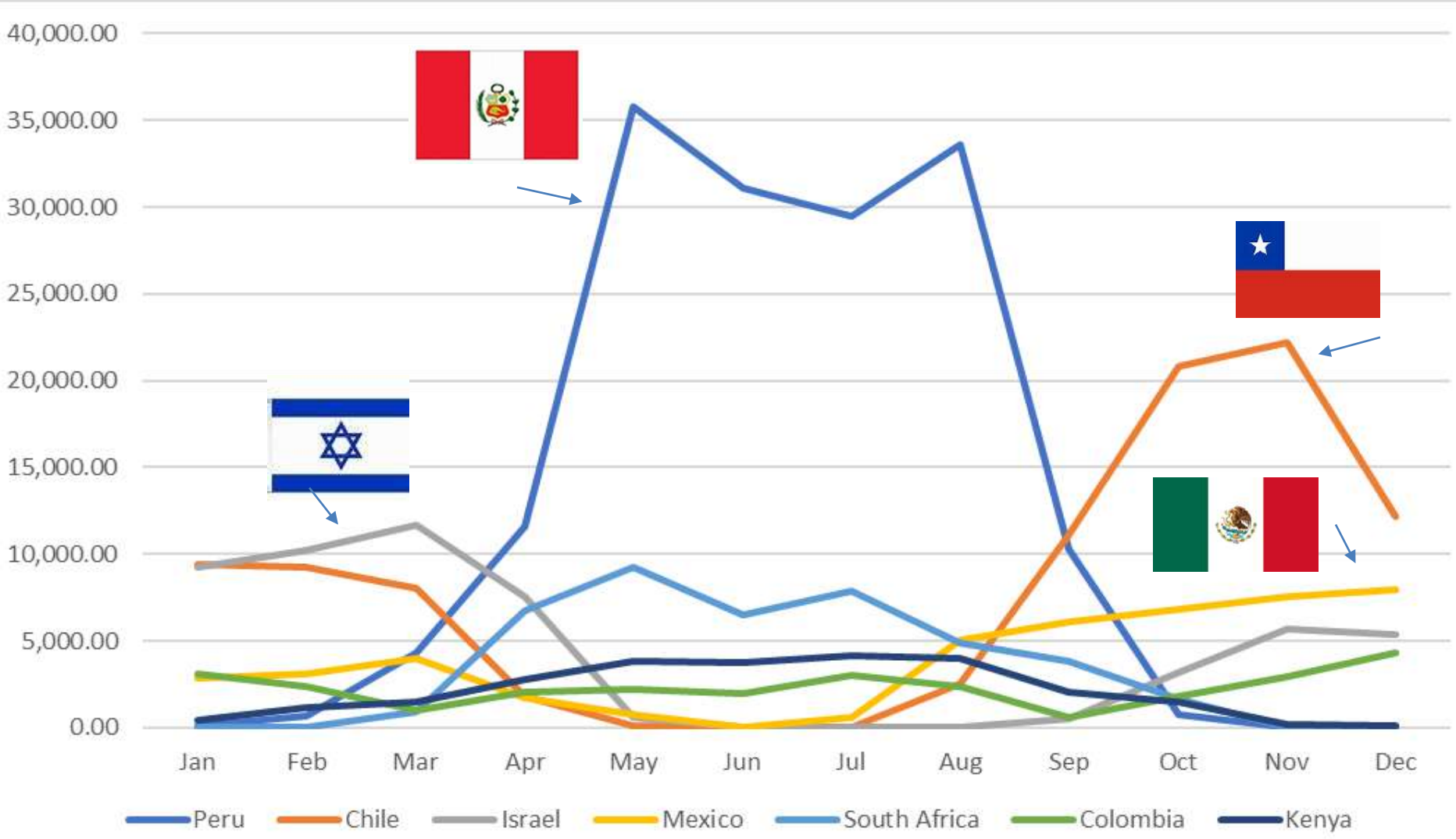


**EU import 2018: est. 580.000 T !!**



Partner	vol in T (2017)	var last 10 Y
Peru	157,744.10	181%
Chile	97,518.20	138%
Israel	54,078.50	76%
Mexico	46,665.40	343%
South Africa	41,671.20	-12%
Colombia	27,806.00	110241%
Kenya	25,425.00	51%
Morocco	13,852.50	579%
Brazil	7,188.80	132%
Tanzania	2,986.50	54200%

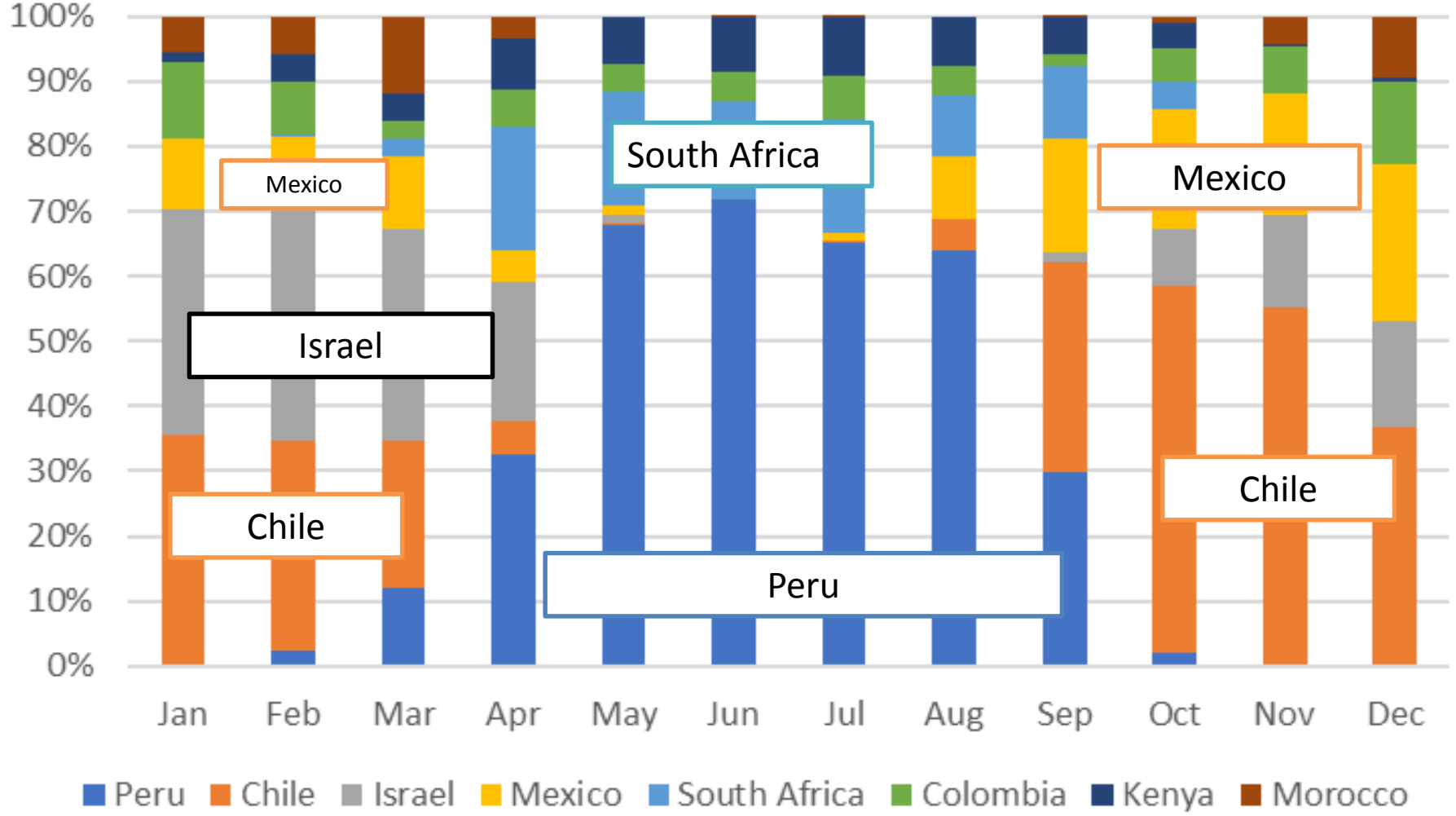
# Monthly EU avocado import





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Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
27,269.60	29,053.00	36,339.60	38,108.50	55,966.00	44,910.70	47,058.40	54,774.80	36,556.80	38,731.00	42,601.20	34,683.70





# In search of new balance to continue the growth...

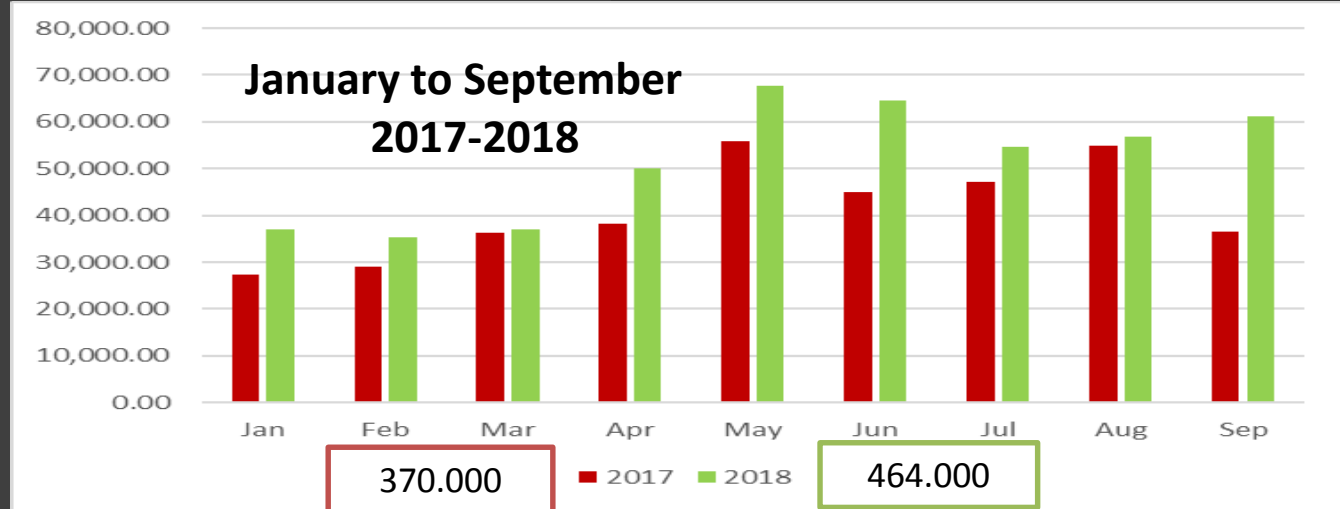


- Drop of prices due to increase supply of Peru and South Africa in the summer months of 2018
- New balance to be found through additional promotion and growth on some markets ( East EU, Central to reach Scandinavian levels)
- EU market potential to reach the US market size?



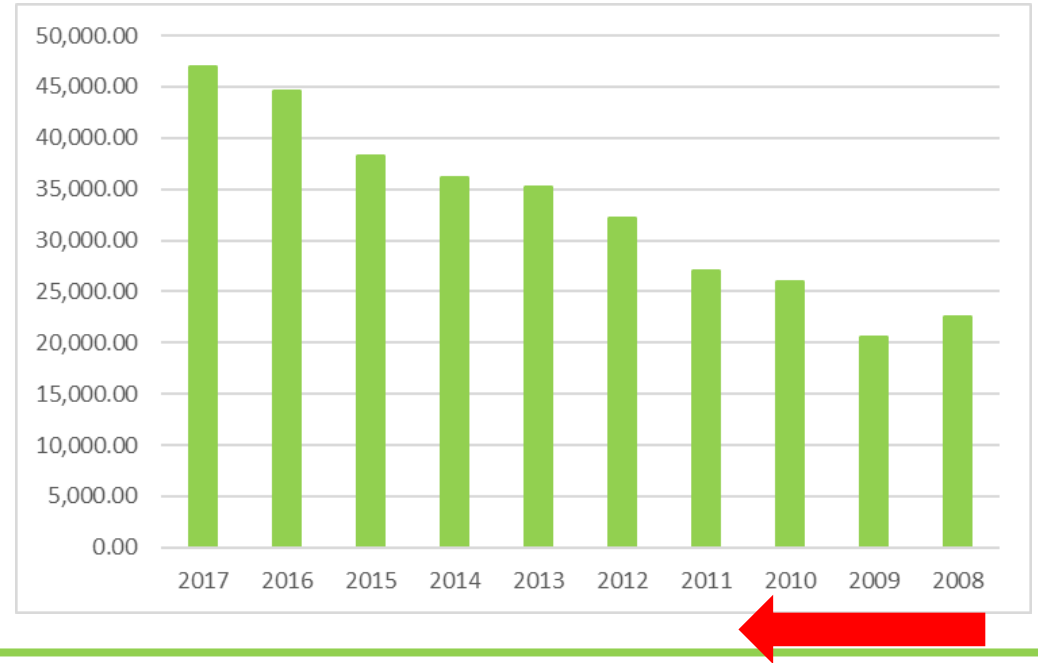
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct-Dec	Total
2017	27,270	29,053	36,340	38,109	55,966	44,911	47,058	54,775	36,557	116,015	486,052
2018	37,058	35,387	36,979	50,161	67,636	64,646	54,705	56,843	61,184	120,000	584,597
Diff	9,788	6,334	639	12,052	11,670	19,735	7,647	2,069	24,627	3,985	98,545

	Difference:	2018	2017
Peru	54,742	212,486	157,744
South Africa	30,482	72,153	41,671



# EU (re) export

EU (re)export	vol in T
Switzerland	13,000.00
Norway	12,500.00
Morocco	4,500.00
Russian Federation	3,000.00
Ukraine	1,900.00
South Africa	1,800.00
United Arab Emirates	1,750.00
Turkey	1,150.00
Iceland	950.00
Belarus	800.00



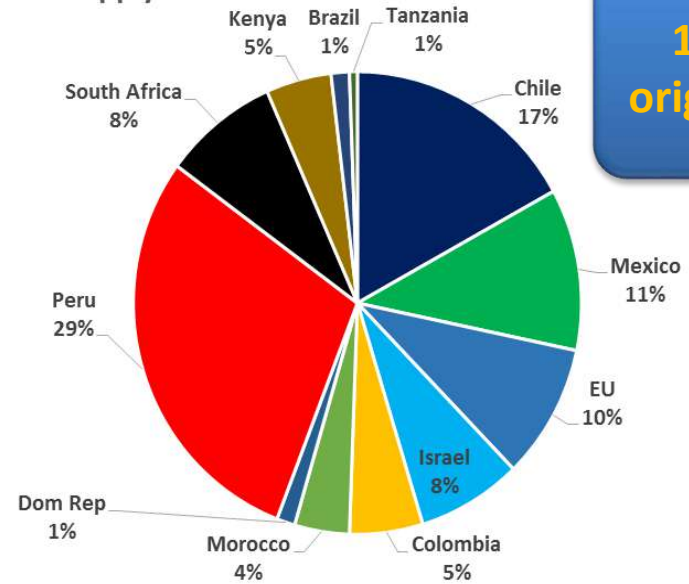
EU avocados (re)export  
47.000 T ( only around 3,500 T from EU origin)  
145 Mio €



# INTRA EU TRADE



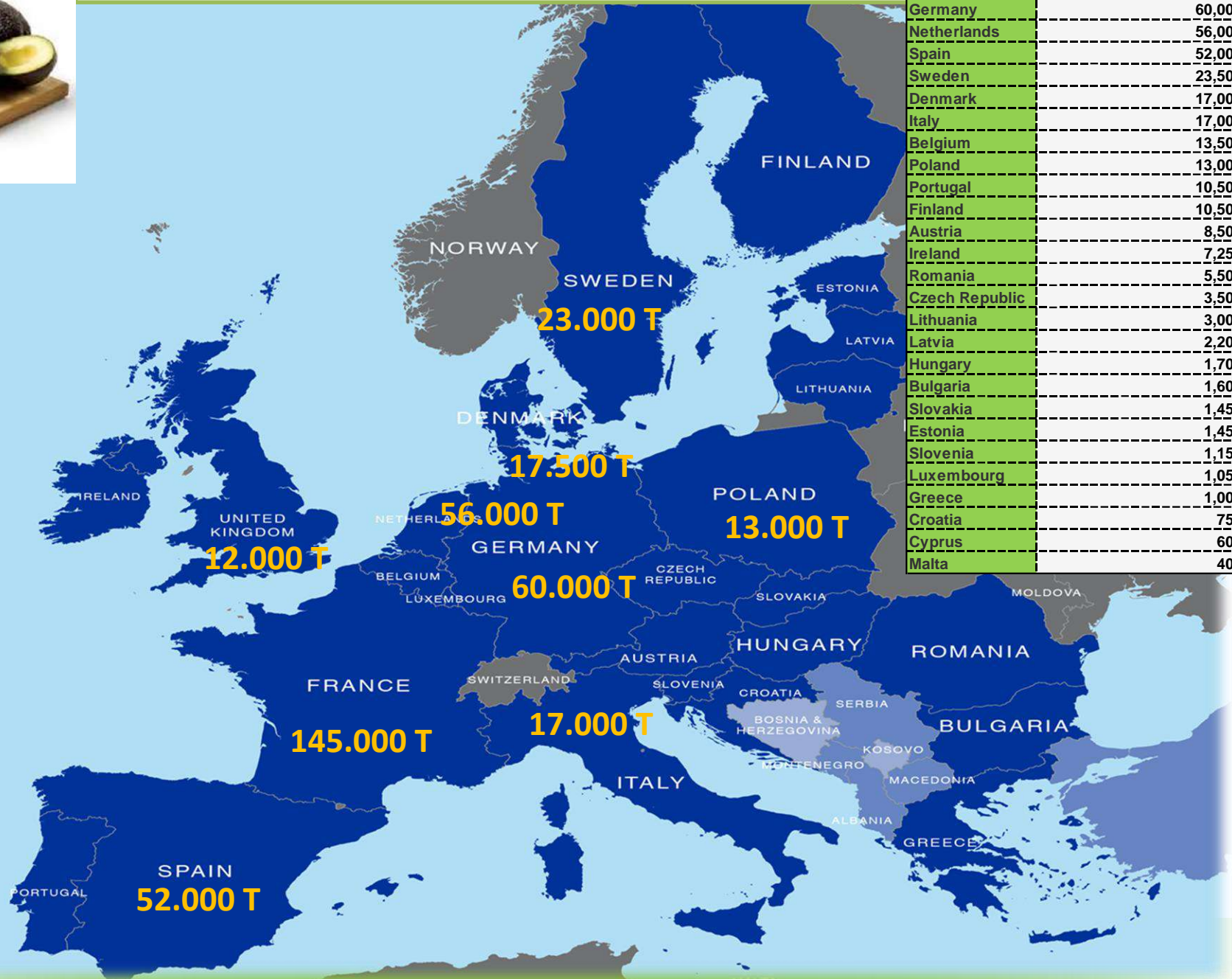
EU market supply



**12 origins**

Main receivers	in T	Main shippers	in T
France	74,529	Netherlands	166,212
Germany	67,862	Spain	93,240
UK	29,225	Germany	37,289
Netherlands	29,106	France	21,005
Belgium	21,118	Belgium	12,911
Sweden	19,564	UK	9,341
Italy	15,249	Italy	2,739
Poland	14,650	Portugal	1,779
Denmark	14,322	Slovenia	1,693
Spain	12,070	Latvia	978

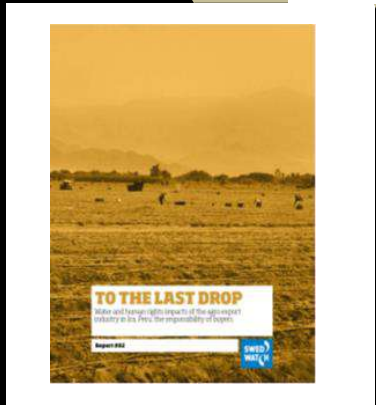
# Gross supply by Member States (in T)







# Challenges & opportunities



# Challenges for on-going growth



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On-going growth in Western EU and USA (?)

New growth in Eastern and South Europe

New growing market in Asia ?

New growing market in Middle East and Africa ?

# Opportunities



*“5 reasons why avocados will continue to fly off the shelves”*

- Veganism gone viral: unstoppable rise=> The Economist: “2019 , year of the vegan”
- Health is wealth: Growing passion for health and fitness
- Fats are friends, not foe : good future for heart healthy monosaturated fat
- Phtogenic food: 69% take pictures of food
- Frozen treats: booming with new taste –to include avocado..



# Opportunities



# Conclusions



- ✓ Worldwide production to continue its exponential increase, including to the presence of newcomers –diversifying further the competition
- ✓ Each suppliers have its own specificities & market structure/priorities
- ✓ Evolution of existing “mature” market versus perspective on new markets ( Asia)
- ✓ Observing the evolution of US and EU market ( in particular after last summer in the EU)
- ✓ Importance of quality of products and mastering ripening process for added value and preventing losses



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