

South African avocado export forecast up, EU prices “decent”

With South Africa’s avocado season now well underway, the current forecast for exports is up from the initial estimate.

In March, an early projection predicted the total export volume would be 30% lower than last year’s record, at 15.5 million cartons (equivalent to around 62,000 metric tons).

Yet, as the season has progressed, the expected export volume has risen to 64,000MT, says Derek Donkin, CEO of Subtrop.

As such, this year’s avocado crop is down just under 25% on 2018’s record exported 21 million cartons, explains Craig Lewis, commercial director of Halls.

“Our volumes have been increasing over the last number of years. So the 64,000-ton crop will still be our second biggest export crop ever,” Donkin adds.

This success is due in part to the favorable weather that followed the heatwave in weeks 39 to 41.

“Growing conditions have been reasonable since then and we have managed to keep the fruit that was on the trees. It has been fairly dry but not so dry that there’s been a loss of crop,” notes Donkin.

He points to new plantings as another factor.

“What we’re seeing now is there is quite a number of new plantings coming into production. So we expect to see...at least over the next seven years, an increase in production on average. We’ll have our on and off cycles, but the trend will be upwards.”



The new plantings are in all avocado production regions in South Africa. Of these, the highest number of plantings are in the Limpopo area, says Lewis.

“Stable” EU market for avocado exports

South African avocados have seen improved European market conditions in their main export destinations this season. These key locations include the UK, Russia, and some parts of Eastern Europe.

Donkin explains: “At this stage, the market conditions are better than they were last year. Last year, there was a bumper crop from South Africa but also from Peru, which comes into the market at the same time as us. And this year, volumes are slightly lower. So rules of supply and demand dictate that the prices will be a bit better.”

Lewis elaborates further: “The market conditions in Europe have been relatively stable compared to last year’s extreme volatility.

“Volumes received from South Africa and Peru (the two major European summer producers) have not seen the large spike experienced last year and, although not small, have been more balanced and predictable for the market to absorb and consequently return decent prices.”

While Peru’s supply in the EU started earlier than South Africa’s this season, Clive Garrett of marketing at ZZ2, notes that this didn’t pose a problem to his company.

“Our company did not experience problems due to Peru being earlier...What we have noticed is that due to Peru starting earlier it looks like they may finish earlier which then should be good for the later areas in South Africa.”

Donkin adds that, although Peru’s earlier exports increased competition, he didn’t view this as a problem for the industry.

SA eyes new U.S. and Asian export markets

Commenting on South Africa setting its sights on U.S. and Chinese markets, Lewis says: “I am very optimistic that South Africa will be granted access.”



He notes that this is the South African Avocado Growers Association's "most critical strategic goal."

According to him, the association has "been working with Fruit SA on a collaborative approach with various foreign governmental departments in both the U.S. and China as well as other countries in the East like Japan and South Korea".

Regarding when he believes his country would be granted access to these markets, Lewis emphasizes: "These applications require scientific input on phytosanitary issues as well as political will from both nations."

As a result, they "are not always easy to manage or predict in terms of timing."

Still, Garrett notes: "We are optimistic that the government is currently working on opening these markets."

SA avocado industry focuses on the future with efficiency strategies

The industry is moving forward with other strategies besides new plantings and potential new markets. It has also voiced its aim to create a brighter future by increasing its efficiency.

"On the production side, people are looking to become more efficient. There are new plantings going in, using new rootstocks, which are high-yielding; new plantings that have been done, many of them are in ridges which allows for more efficient production; and people are pruning more and experimenting with different production methods to get higher yields sooner after planting.

"Then obviously on the packing and the logistics side, you've got operations looking at the efficiency of those parts of the value chain to make sure that we remain competitive," says Donkin.

"The industry also sponsors a lot of research on the technical side, which aims at being more efficient in production, so obviously increasing your yields per unit of input and that will help us remain competitive."

Lien article :

<https://www.freshfruitportal.com/news/2019/05/30/south-african-avocado-export-forecast-up-eu-prices-decent/>

