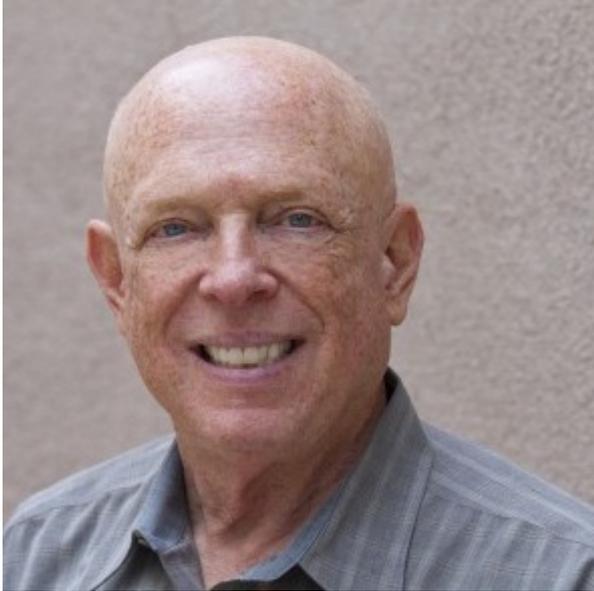


*By avocado industry veteran Avi Crane*



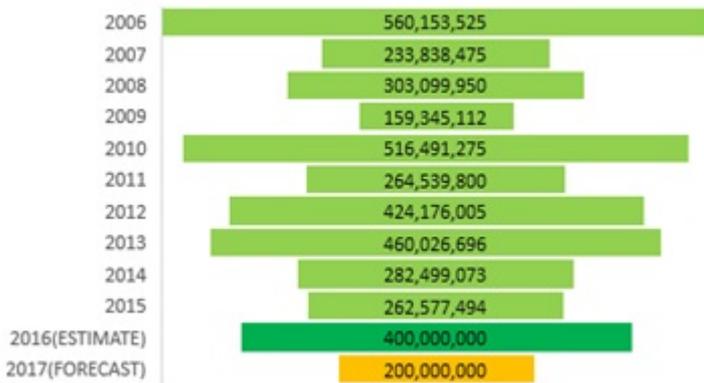
These comments are being written as Southern California is feeling the effect of the hottest June temperatures in 10 years. The avocado production areas of California are being hit with record temperatures and low humidity.

On Sunday 19 June, the avocado orchards in San Diego and Riverside Counties had several hours of over 40°C (104°F) temperatures. In Ventura County, temperatures peaked at 35°C (95°F). The Summer Solstice is projected to bring even higher temperatures.

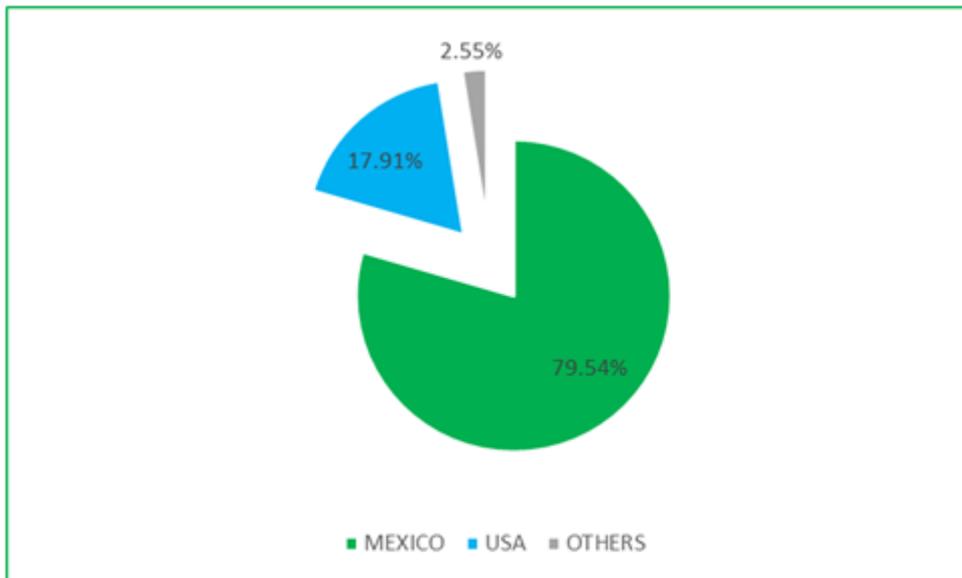
The avocado tree, native to Mexico, struggles to adapt to this extreme climate condition. The 2016 harvest is at its peak and the 2017 set, already considered a short crop, is in its first two to three months of growth. These facts are expected to result in an acceleration of the harvest and extensive fruit drop on next year's crop.

Sadly, the chart below indicates a very short 2017 USA Hass crop (full disclosure - your author developed the ACE (Avocado Crop Estimating) program for the California Avocado Commission "several" years ago. This program and this author's projections have been, for the most part, very accurate). Due to the recent rulings of the U.S. Department of Agriculture (USDA), the market demand will continue to grow with product from Peru and from the Mexican States of Jalisco and Michoacan.

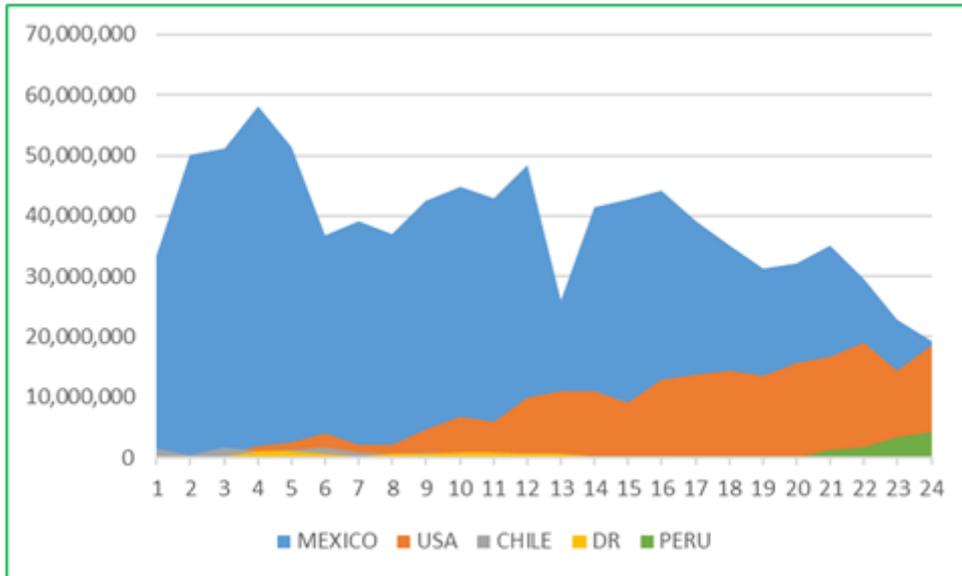
USA (CALIF) INDUSTRY AVOCADO YIELD IN POUNDS



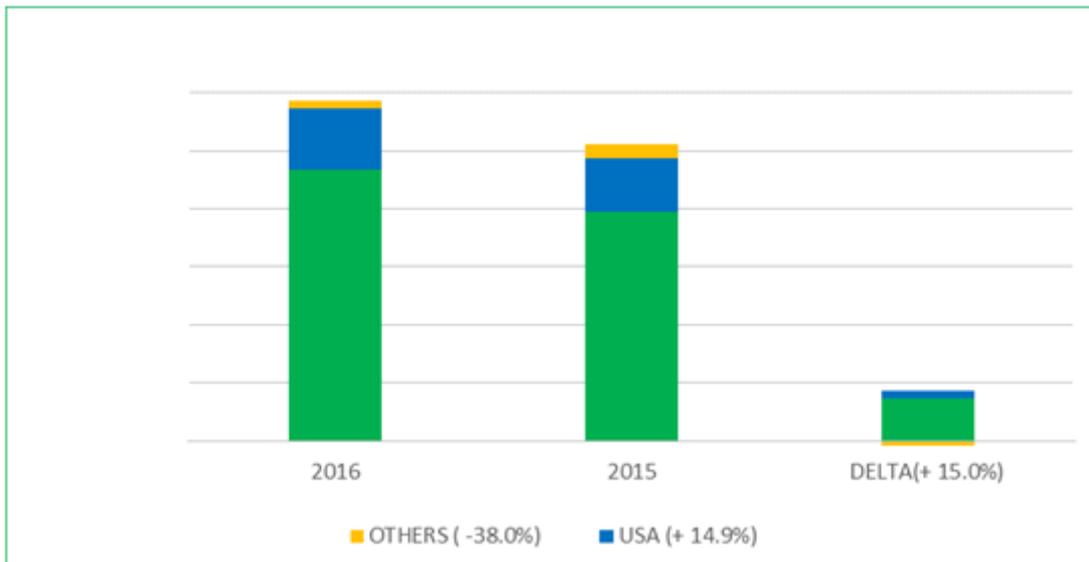
Avocado consumption continues to outpace expectations. As the charts below demonstrate, 15% more avocados were sold in the first 24 weeks of 2016 compared to the same period in 2015. Despite price fluctuations (and crashes), the retail and food service trade used a record amount of avocados. The trend continues and 2016 will reach or exceed this author's forecast of 2.5 billion pounds.



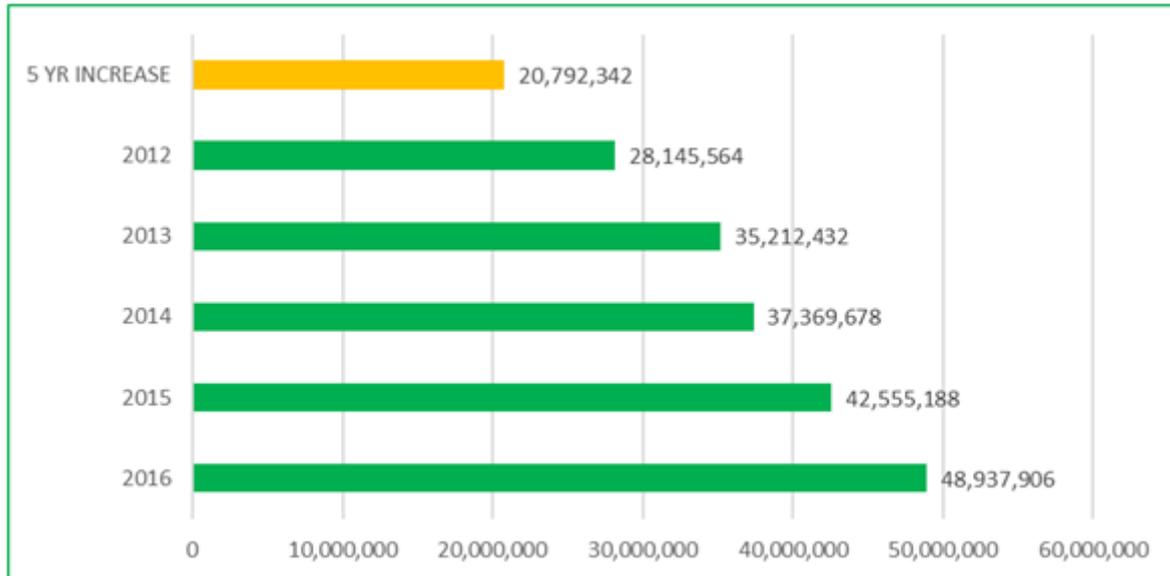
Market share by source - Weeks 1-24, 2016



Pounds by source - Weeks 1-24, 2016



Increase in source by pounds, 2015 vs 2016



Year-to-date average weekly consumption in pounds, 2012-2016

Sources: California Avocado Commission, Hass Avocado Board and other industry and personal information.

*Avi Crane is a former executive of Calavo Growers, Inc. (CVGW). Crane served as vice-president at the California Avocado Commission, established and managed the Chiquita avocado program and began his career in the avocado industry as a producer. Currently, Avi Crane is working directly with producers to help maximize their returns from the market in North America. He can be reached at [avocado@worldavocados.com](mailto:avocado@worldavocados.com).*

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