

The South African avocado industry is anticipating improved market conditions and better pricing in the European market this season amid lower volume forecasts in numerous supplying regions around the world.

The country is projecting exports of 15.5 million cartons (equivalent to around 62,000 metric tons) for the campaign now getting underway, which would be 30% lower year-on-year. The first shipments are due to arrive in Europe in week 11 or 12.

Peru - one of South Africa's biggest competitors - is also [expecting to produce lower volumes of avocados](#) this year, with unofficial forecasts indicating a drop of 5-10% to 338,000MT. At the same time, the state of California in the U.S. - one of Peru's main markets - is expecting its lowest crop in a decade, which will likely temp Peruvian exporters to ship more fruit there.

"It looks like the market situation in terms of prices in Europe will be more favorable than it was last year," Derek Donkin, CEO of South African Subtropical Growers' Association (Subtrop), told FreshFruitPortal.com.

Last year prices hit rock bottom halfway through the year, in what was described as an ["extreme situation"](#) by one distributor.

Donkin attributed the lower South African volumes to an off-bearing year - following bumper production last year - as well as a series of heatwaves in growing areas last year during the time of early fruit set and also into December which caused fruit drop.

Overall its been a mixed bag in terms of growing conditions, with rains in the Western Cape having broken the severe drought there, but drier conditions in the north of the country.

"Different parts of the country are having different fortunes in terms of rainfall," he said.

He expected the season would be slightly shorter than the previous season, but anticipated growers would spread out their harvests, with the peak volume period being late March to mid-October.

## **New markets on the horizon**

South Africa still has its sights on opening up new and important markets like the U.S. and China, the latter of which is assessing a pear export protocol before it will consider avocados. Donkin said that new markets such as these will be increasingly important in the

future with global supplies set to rise.

As well as Peru, which has been rapidly increasing avocado production over recent years, Colombia has also seen volumes skyrocket. With very little fruit going to the U.S., it is heavily reliant on the European market, which is also South Africa's leading export destination.

"Volumes from Colombia have risen substantially in the last year, and if there are is not new market access and if new markets such as China don't grow there will be a problem," he said. "But if you have a look at the growth that we're seeing in China and the potential people believe there is in that market, the growth all over the world will be channeled to new markets like that."

## **Strong domestic industry development**

There are many new plantings going in the ground in South Africa too, and Donkin said that these seemed to be in line with the projected growth in new markets. There are currently around 17,500 hectares planted in South Africa, with around 1,500 extra expected to go in annually for at least the next five years or so.

"The nurseries in our country have geared up to produce more trees and we're starting to see the nursery tree production come into cycle now, and it means nurseries will be able to better satisfy the high demand for trees," he said.

While the new plantings are being seen all over the country, Donkin said the Limpopo province, which is the leading growing area, was seeing the highest rate of growth

The majority of new plantings are Hass or Hass-type varieties, but he said there are also significant amounts of green-skinned varieties going in the ground, largely aimed at filling the gaps in the local supply for the domestic market.

"What's happened in this country is there is strong demand for avocados year-round, and at times of the year there are imports taking place, but there are cultivars that are being planted in certain areas of the country that can be harvested earlier or later than usual," he said.

With total avocado production expected to be about 120,000MT this year, the domestic market will take a little under half of it, with around 10% typically destined for processing into products like puree or avocado oil.

