

California-based avocado company [Calavo](#) has posted a loss in its second financial quarter, having been heavily affected by the widespread closure of foodservice channels amid the Covid-19 pandemic.

The organization recorded a net loss of US\$3.3m in the three-month period ended April 30, compared to net income of US\$16.3m in the same period last year.

Total revenue of US\$281.2 million was essentially flat despite a profound impact on volume from Covid-19.

Gross profit for the second quarter was US\$22.1m, or 7.9% of revenue, as compared to US\$36.8m, or 12.9% of revenue, for the same period last year.

"We have been operating under extraordinary circumstances in the COVID-19 environment and I want to thank our employees for their steadfast commitment to serving our customers and operating at the highest standards every day," said James E. Gibson, CEO of Calavo Growers.

"Our sales were significantly impacted beginning in March by the closure of large restaurant chains, retail food outlets and the consumer shift to non-perishable foods at the onset of shelter in place restrictions.

"However, demand in our retail grocery and foodservice channels began to improve in April with further progress through May."

The company's fresh segment was "especially resilient" during the quarter, he said, with sales increasing 13% over last year, and gross profit per carton of avocados improving sequentially from the first quarter.

"As the economy gradually reopens, we expect demand to pick up across our Fresh, RFG and Foods segments, and our bottom line to return to pre-COVID-19 levels," he said.

Calavo also announced it is withdrawing its prior fiscal 2020 guidance.

However, Gibson said: "We remain cautiously optimistic as we start to see retail volumes beginning to strengthen and orders from foodservice customers rebounding off crisis-lows".

"As we look ahead into the third quarter of fiscal 2020, we expect adjusted EBITDA to improve sequentially from a combination of higher sales volumes and lower input costs due to seasonality," he said.

