

Calavo Growers President and CEO Brian Kocher said that supply disruptions affecting avocados coming from Mexico have left a certain “choppiness” in the market and a drop in volumes. But this trend is on its way out and avocado prices look firm heading into the full California season.

In a call with investors and analysts to [discuss its fiscal year 1Q2022 results](#), Kocher pointed out that the temporary ban on Mexican avocados into the U.S. by the USDA lasted only a week, and this week following the Super Bowl is historically a slow week for avocado sales.

This also accentuated a tightened supply trend for the fruit as seen by the company. He said that during the first quarter of fiscal year 2021 volumes from Mexico were already down by 10% annually. He expects that the supply of avocados will remain tight as the California season takes hold, and anticipates that avocado prices will also remain firm. Prices in the quarter were 64% higher than the previous year.

The executive was also optimistic that the prospect of complementing production from the growing region of Jalisco later on in the year will also offer the company more flexibility in managing its sourcing.

“We are looking forward to the added flexibility when managing market dynamics that will come from an additional sourcing region and an additional facility. In the back half of the year, as fruit from Jalisco begins to move into the U.S., our volume should improve, and we have already accounted for that impact in our overall sourcing strategy,” Kocher said.

The company is also eyeing markets past the U.S. for its avocados, and has identified potential opportunities supplying specific situations with the right avocado prices, but that it won’t roll out a mass offering of the fruit outside U.S. borders.

“I think it's important to notice, we also want to grow, but we want to grow in the segments of the market that makes sense for us. Growth for growth's sake just won't work in a commodity trading business. So growing in the segments of the avocado supply chain that are attractive, that have good returns, I think that's where we'll focus our time, effort, and energy,” Kocher added.

Disruptions of the avocado supply have led to a swirl of attention on the supply of the fruit and [how it could impact the pace of the harvest in California](#).