

5 de Mayo originally commemorated a Mexican military victory over the French, but it has come to be a celebration of all things Mexican culture in the United States. The celebration also drives avocado consumption, and this has combined with market factors to push prices higher and higher. What are the prospects for avocado prices as we move past the festivities?

Driving the constant increase in price is consumption, which in the U.S. has moved from an average per capita consumption of 4 lbs in 2010, doubling in the last decade, and according to RaboResearch Senior Analyst for Fresh Produce, David Magaña, could hit 11 lbs per capita by 2026.

Magaña told FreshFruitPortal.com that over the last two years, avocado consumption has grown each and every week of the year when compared to a decade ago, and now combines with issues affecting the supply side in particular to push prices to levels that are double than that of 2021. Even though prices in 2021 were unusually low due to an increase in supply of the fruit, it is still a significant increase.

Demand is still highest in the U.S. before the Super Bowl, in February and 5 de Mayo, than before, but this has combined with other factors for a unique situation in 2022.

“Supply problems, the import ban, border crossing problems in Texas, Easter week when people work less, have limited supply and now the prices are near \$80 per box, the highest price since summer 2019”. Magaña said.

Unfettered demand

Behind the increase in demand is an exemplary marketing and promotion effort in the U.S., pushing the fruit out of the realm of an ingredient in Mexican cooking into the category of a superfood popular on many restaurant menus.

Along with Magaña’s colleagues Gonzalo Salinas, Senior Analyst for Fresh Produce and Cindy van Rijswick, Senior Strategist for Fresh Produce, [RaboResearch has published](#) **“Plenty of Avocado Advocates Around the World: Multi-regional Market Trends”** which tracks this fruit and maps out its prospects going forward.

Magaña said that prices are likely to see a drop in the near future as new inventories start to arrive, both from Mexico and new growing regions like Jalisco, which are slotted to enter the U.S. for the first time this year, and from suppliers like Peru.

With an alleviation on the supply side dynamics, the analyst believes that prices could

return to historical averages of between \$40-50 per box.

Part of this supply alleviation will come from Jalisco, but Magaña points out that the region is still a small producer compared to the main Mexico growing region of Michoacán, with the former accounting for only about 10% of Mexico's harvest.

Another question which looms over the global market for avocados is how could demand for the fruit in other regions affect the price trends?

Demand from other regions

The growth in demand for avocados in Europe is a factor, although overall consumption per capita in the E.U. currently stands at about 3 lbs per person, or one third of that of the United States. Here it is the northern countries which have shown a greater interest in the fruit than southern neighbors.

Any discussion on global fruit consumption also must consider Asia, and China in particular. For Gonzalo Salinas, China remains a sleeping giant, with a small level of consumption. What demand exists is more focused on tropical varieties than the Hass. Other Asian countries have received the efforts of marketing and promotion, mainly South Korea and Japan, but consumption is still modest compared to the U.S.

Even if the Chinese were to consume one avocado each, every year, it would amount to a significant increase. But for now even that remains a far off goal.