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Calavo on trend with bags and exports

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The incredible rise of the avocado continues to show itself in many ways, including the increased popularity of bagged avocados in the U.S. marketplace and a growing demand for fruit in the export market.

Rob Wedin, vice president of fresh sales and marketing for Calavo Growers Inc. in Santa Paula, CA, told *The Produce News* that his firm continues to add bagging capacity at its operations to keep up with that demand.

“The sales of bagged avocados have gone well beyond the club stores,” he said. “It’s another way to take advantage of the popularity of avocados and drive sales.”



It wasn't too long ago that retailers would only offer one avocado option in their produce departments — typically a bulk display of one size of fruit. “Now it's commonplace to have two options and the bags gives them a third or fourth option,” said Wedin. “We even see customers with five or more displays.”

Wedin said some retailers offer both bulk and bagged fruit as well as conventional and organic options. There is also large and small fruit and bagged fruit in different sizes. Avocados drive traffic and sales so retailers are open to new options.

When Calavo began offering bagged fruit, it typically did the bagging operation at one of its forward distribution centers. But demand has outgrown that capacity so now avocados are also bagged at its packing sheds in the United States and Mexico. In fact, the company tripled its bagging capacity in its two Mexican packingsheds this year, including one in the state of Michoacán and another in Jalisco.

The state-of-the-art Jalisco facility, which was just opened in the last two years, is largely used to export avocados to some Asian markets. Because of political considerations, Jalisco has not yet been approved to ship fruit to the United States. That approval was all but imminent in 2016 and then a trade skirmish that involved potatoes going from the U.S. to Mexico stopped that approval process in its tracks. A new administration with a different export philosophy and an eye toward reforming the North American Free Trade Agreement has further exacerbated the situation.

Consequently, Calavo is exporting much of that Jalisco fruit to Japan and other Asian nations. China has approved the importation of fruit from Michoacán but not yet from Jalisco, though Wedin is hopeful that approval is coming soon. In the meantime, he discussed the purchasing habits of several of Calavo's Asian customers.

Japan, he said, favors the Jalisco fruit and tends to buy 48s or 60s. Calavo has also developed an organic program in that country. South Korea likes California fruit, which has a lower tariff than fruit from Mexico.

As the California season ramps up, Wedin said some California fruit will find its way to that Asian nation. Buyers from there also prefer medium- to large-size bulk avocados rather than bags. China is the potential giant consumer that many are expecting to alter the playing field as its consumers become avocado devotees, and it opens up importation from more Mexican states.

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