
- Advertisement -

Avocados from Peru launches organic avocado marketing program

By

Tim Linden

June 9, 2021

The Peruvian Avocado Commission will launch this summer the first ever marketing program dedicated to promoting organic avocados. This will be the first time that an organic product will be marketed using assessment funds from an organization operating under a federal promotion program to promote one of the fastest growing segments within the produce category.



Under the National Organic Program, producers, handlers and importers of organic products may request an exemption for assessment paid to a federal promotion program. However, PAC has launched an ambitious custom-made program this year and President Xavier Equihua said importers have agreed to forgo the exemption to fund specific marketing promotions for avocados. “We are going to be a very strong player in organics this summer so we are introducing an organic avocado marketing program,” he told The Produce News in mid-May. The program was set to be activated on June 1.

Equihua said organics are “one of the fastest growing sub-categories for the produce industry and Avocados from Peru wants to inspire other associations operating under a federal promotion program to do the same and start incorporating organics into their promotions.”

He continued: “We also want to let policymakers know that we do not need a separate promotion program for organics.”

He said the avocado promotion groups are the experts for their product just as other commodity groups are well-versed in their fresh product. He does not believe an organic program covering all commodities can be as effective as a program launched within a single commodity group.

Equihua understand the mechanics of the National Organic Program law well as he was one of the key staffers that coordinated the legislation to establish the Organic Food Production Act during his years on Capitol Hill as a key trade advisor to the chairman of the agricultural committee of the US

This year Equihua estimated that 4 to 5 percent of Peru's avocados destined for the United States could be organic. If Peruvian exporters reach the 235 million pounds that are being forecasted as the probable top end of shipments, approximately 10 to 12 million pounds could be organic. There is a shortage of organic avocados on the market as Mexico front loaded a significant percentage of the organic avocados expected for crop year 2021 (July 1, 2020-June 30, 2021) and California has a smaller crop than last year. Currently organic f.o.b. prices on California and Mexico's organic fruit is \$20 higher than the already solid price for conventional fruit.

Equihua said Avocados from Peru will work individually with retailers around the country customizing promotion programs to fit their individual needs. "We don't take the one-size-fits-all approach," he said, adding that the commission has several different options retailers can choose from.

Bob Lucy, president of Del Rey Avocado Company, Fallbrook, CA, who is chairman of the AFP marketing committee this year, said the organic promotion is an ambitious program and he gave Equihua all the credit for the concept. "Xavier is the first person to do a carve out program for organic avocados," he said. "A number of retailers have already signed up. This is a great opportunity to promote Peruvian organics this year."

Lucy added that it is an important year for growers of Peruvian organic avocados. He explained that the U.S. market is especially important for Peru's organic producers as the European Union does not tend to pay the same premium for organic fruit that U.S. retailers do. "Europe is not a big outlet for organic avocados (as they are for Peru's conventional crop)," he said.

He added that it remains to be seen if the premium that has existed for the past couple of months for U.S. organic avocados lasts through the summer and benefits Peru's organic growers. If not, Lucy said some of those growers might consider growing that fruit conventionally, which clearly isn't as challenging as growing an organic crop and shipping it to the United States.

Lucy said one of the big keys for Peru's avocados, and it's especially true for organics, is "that you have to make sure you have a home for your fruit before bringing it into the States."

He said some seasonal avocado importers can get in a couple of loads with no homes and severely impact the market. Wearing his industry hat, he advised Peruvian exporters to send that fruit to U.S. handlers with a robust organic program and following. He said that is the best way to assure that growers are getting the right value for their fruit. He also noted that quality and size of the fruit are important to the U.S. organic shopper. "32s are a challenge," he quipped.

But Lucy agreed that the situation is playing out well for Peru's organic supplies. "California's organic crop is dwindling. June may be more challenging but July and August are shaping up to be very good for Peruvian organics."