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GLC Cerritos celebrates first anniversary

By

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With a year under its belt as a direct seller of its own production to the U.S. market, [GLC Cerritos](#) is expecting significant volume growth over the coming years as one-third of its 2900 acres of avocado groves in the state of Jalisco in Central Mexico are less than three years old.

CEO Giovanni Cavaletto revealed that about 50 percent of its current volume comes from its own groves with the other half being provided by independent growers that it represents. Grupo Los Cerritos is the farming entity in Jalisco. Besides the young avocado groves, the family farming operation also has significant berry acreage.

The company employs modern growing practices and have secured GlobalGAP certification as well as being certified by The Rainforest Alliance, and is exploring fair trade certification. In fact, Cavaletto revealed that Grupo Los Cerritos recently won the Sustainable Grower of the Year award from the Jalisco Avocado Grower and Exporter Association.

Several months into the 2023/24 season, Cavaletto said the next few months should feature excellent volume and quality and good range of sizes. "October, November and December is the heart of Mexican avocado deal," he said Oct. 11. "Three weeks ago, Mexico's production represented under 80 percent of the avocados sold in the United States and now we are at 95 percent."

He predicted Mexico will maintain that market share through January as well. At this time of year, the only other potentially major avocado production area eyeing the U.S. market has traditionally been Chile. "But Chile is actually becoming a net importer of avocados," Cavaletto said. "They have built a tremendous domestic market and during various times of the year they must import avocados. Peru exports a lot of its avocados to Chile."

While Cavaletto expects promotable supplies from Mexico to be consistent until at least early spring of 2024, he did caution that the last two weeks of December could produce a supply gap as many workers take those two weeks off to celebrate the Christmas holiday season.

Returning to the question of sizing, Cavaletto said that Mexico has received heavy rains from a couple of hurricanes in recent weeks, but the avocado-producing regions went through a severe drought in the May to July period, which is critical for the sizing of the fruit. "In Jalisco, we are getting plenty of 40s and 48s because we are a bit unique with state-of-the-art fertigation practices," he said. "Throughout the industry (and especially in Michoacan) the focus appears to be on 60s because of the drought."

Cavaletto said the U.S.-based GLC Cerritos' main sales effort is to build its U.S. customer base to match its volume as it increases. He noted that the USDA is continually certifying additional Jalisco acreage for export to the United States, which also adds to the volume increase from Jalisco.

He added that the first full year of USDA allowing Jalisco fruit in the U.S. market exceeded expectations...after a very long wait. Cavaletto recalled that opening up the U.S. market for Mexico fruit from Michoacan took seven years from its first shipment to some Northeast U.S. states to access to the entire U.S. market. "It took another 25 years, 1997 to 2022, to allow Jalisco growers access," he said. "It was long anticipated and I believe it has worked well."

While many Jalisco growers and packers are focusing on the U.S. market, they did create other markets in those years that they are still servicing. "Right now, there is a six to eight week window in Europe as supplies from Spain, Portugal and Morocco wind down," he said. "The Europeans have been knocking on our doors (in Jalisco) looking for fruit. The number of groves that are GlobalGAP certified is higher in Jalisco and that's more important to Europeans."

Cavaletto also spoke of the growing global demand for avocados. He noted that a paper was published from a France-based researcher stating that supply had exceeded demand and the global avocado market was heading for some down years until more markets could be developed. That research was circulated widely and caused a great deal of concern in the global avocado community. And the U.S. market price in the first half of this year seemed to bear that out. But the market turned around in late June creating a strong marketing situation once again. "I'm not sure exactly what happened, but I learned a long time ago not to bet against Mexican avocados," he quipped.

While he wouldn't make a firm prediction as to what will happen for pricing in 2024, the longtime veteran believes the future remains bright for the avocado industry.

Photo: Apeam chair Julio Sahagun, Saul Medina and Giovanni Cavaletto.

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About Tim Linden |

Tim Linden grew up in a produce family as both his father and grandfather spent their business careers on the wholesale terminal markets in San Francisco and Los Angeles.

Tim graduated from San Diego State University in 1974 with a degree in journalism. Shortly thereafter he began his career at The Packer where he stayed for eight years, leaving in 1983 to join Western Growers as editor of its monthly magazine. In 1986, Tim launched Champ Publishing as an agricultural publishing specialty company.

Today he is a contract publisher for several trade associations and writes extensively on all aspects of the produce business. He began writing for The Produce News in 1997, and currently wears the title of Editor at Large.

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