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Avocado, mango markets could see significant impact from inspection suspension

By

Tim Linden

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The U.S. Department of Agriculture suspended all inspections of avocados and mangos headed for the United States from the Mexican state of Michoacan on Monday, June 17, which could have a significant impact on supplies and market price if it remains in place for even a few days.

Press reports indicate that the suspension was the result of an incident involving two USDA inspectors being stopped and detained at a checkpoint within Michoacan. In the past, the USDA has exhibited zero tolerance with the interference of the work of its agricultural inspectors, including any implied threats. In February of 2022, the USDA suspended avocado inspections for one week because of a verbal threat reported by an inspector.

That situation was diffused within a week, but it resulted in a reduction of about 25 million pounds of Mexico's avocados being shipped to the United States during the first two weeks of February of 2022. That resulted in an immediate FOB uptick and earlier and heavier shipments of California fruit to the market. The impact was felt for months as supplies had trouble catching up with demand.

It is the length of any suspension that will determine the impact. Unlike February of 2022, Mexico is in the period of the year when its shipments are at a low point. However, they still represent about 55 to 60 percent of the avocado volume consumed in the United States on a weekly basis.

The suspension of inspections does not impact the fruit already inspected and en route to the U.S. border, but with inspections halted, no new fruit will be placed in the supply chain.

Several other factors could mitigate the impact of the suspension, including shipments from the neighboring state of Jalisco, which doesn't appear to be affected by the suspension, and increasing shipments from Peru as well as greater shipments to the market from California than were originally forecast.

In 2022, Jalisco had not been cleared to ship its avocados into the United States so the suspension resulted in a complete cessation of Mexico avocado shipments for one week. If Jalisco is allowed to proceed in a normal fashion that would alleviate some pressure.

This is also the time of the year that Peruvian avocados begin to enter their peak volume weeks. Over the next two weeks (June 23 and June 30), Peru is expected to export about 20 million pounds to the U.S. market as it moves into its peak July period in which shipments are expected to approach

15 million pounds on a weekly basis.

California also has at least 20 percent more volume in 2024 than the preseason estimate with shipments expected to continue around the 10 million pound per week level for the next six weeks.

With regard to mangos, there is no past history to help determine what the suspension will mean. Mexico is in the heart of its mango season and the state of Michoacan is a major supplier of mangos to the United States during this June/July period. But there are grower-packers in many states allowed to export their mangos to the United States, including Sinaloa, which is the most voluminous mango-producing state. The length of the suspension again will be key.

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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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