

# The European market potential for avocados

The supply of avocados is increasing fast, but the European market still has room for growth and can absorb the higher volumes. The healthy nature and multiple uses of avocados result in a strong consumer demand for avocados. Fruit businesses can free-ride on the promotion of avocados, but to join the success in trade your supply must be consistent and of high quality.

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## 1. Product description

Avocados (scientific name: *Persea americana*) are classified into four main types: Guatemalan, Mexican, West Indian and hybrids. Commercial varieties include:

The Hass avocado, a Guatemalan race with pebbled black skin, is the main planted variety today. There are new Hass varieties available, such as Lavi Hass, Lamb Hass and Gem Hass. These Hass sub-varieties help extend the supply season.

Harmonized System (HS) code	08044000 Avocados, fresh or dried
Commercial varieties	<ul style="list-style-type: none"><li>• Hass (Guatemalan)</li><li>• Fuerte (hybrid)</li><li>• Ettinger (hybrid)</li><li>• Pinkerton (hybrid)</li></ul>
Minor commercial varieties	<ul style="list-style-type: none"><li>• Reed (Guatemalan)</li><li>• Ryan (Mexican/Guatemalan)</li><li>• Zutano (Mexican)</li></ul>

## 2. What makes Europe an interesting market for avocados?

The European demand for avocados is growing and higher volumes in the market will continue to drive up consumption.

### Europe can absorb growing volumes of avocados

Europe was able to absorb 25% more avocados in 2018 than the year before. The total import volume exceeded 600 million tonnes in 2018. This makes avocados one of the fruits that is increasing fastest in popularity.

The growth is not new, but 2018 was an exceptional year. Peru and South Africa exported 50% more avocados throughout the summer season. Despite the strong demand for avocados, there is a limit to Europe's ability to keep up with the speed in which avocados are being cultivated worldwide for export.

The advantage of avocados is that they are programmed (contractually planned) by retailers and their promotions can help sell additional volume. This way a much larger volume can be pushed into the market and

boost consumption. This is what happened in 2018, but with the result that the average price per 4 kg box dropped by around 30%.

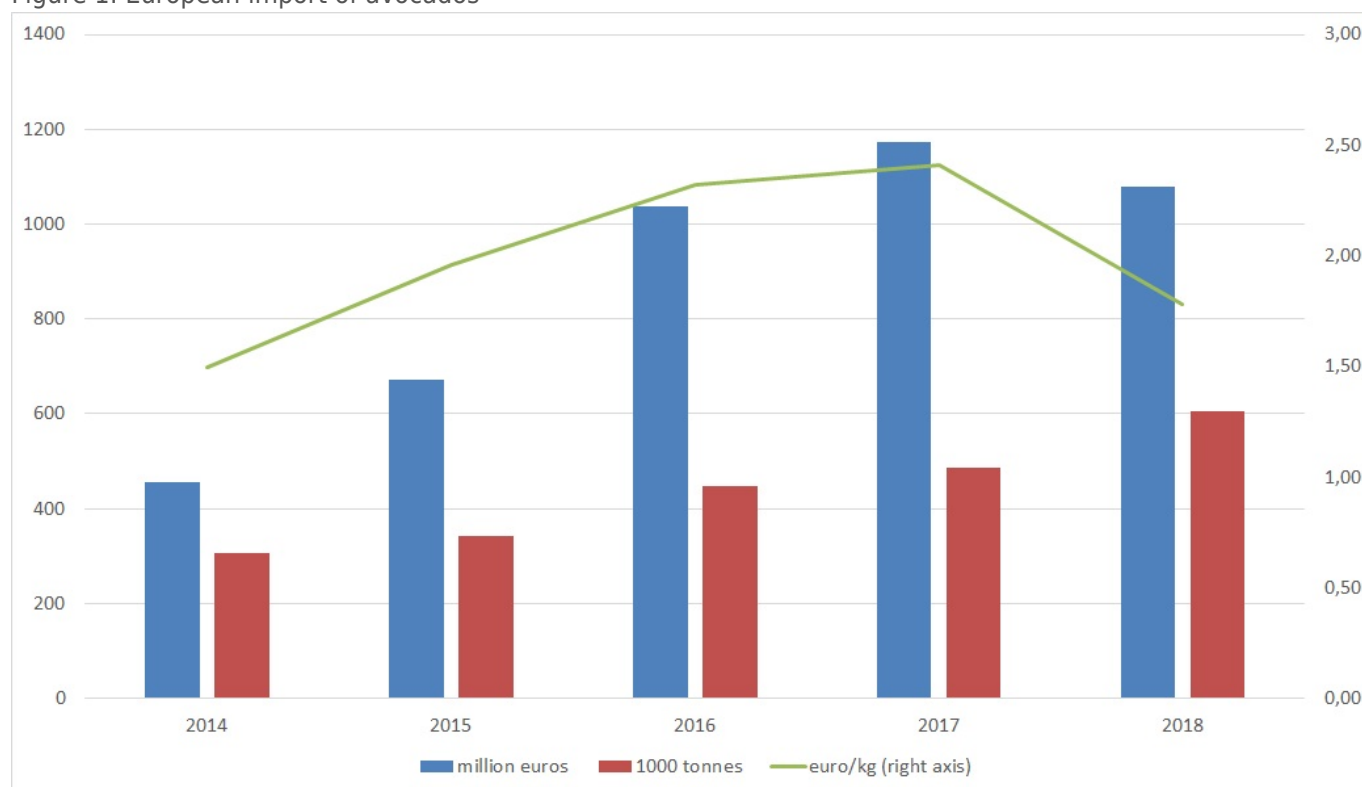
Supply volumes have a major influence in stimulating European imports. In the next years you will see import volumes increase further, but you can expect new price drops when there is too much supply. New markets, in and outside Europe, will be necessary to make a growing supply sustainable. In the long term (>3 years) you will see avocados become a standard product for retailers throughout Europe.

### Tips:

Combine your export to Europe with the development of new markets outside Europe, for example in Asia. Diversification will help you spread trade risks and make you less dependent on one region. Make sure you have access to new target markets by checking if your country has a phytosanitary agreement with that country – contact your local food safety authority.

Make sure to offer a sufficient volume with at least weekly full-container shipments, as importers favour larger producers to guarantee supply certainty. But do not prioritise quantity over quality. In the end, wholesalers and retailers demand good quality products and trustworthy suppliers.

Figure 1: European import of avocados



### Still room for growth in consumption

Avocados are appreciated because it is a unique and healthy product (oleaginous or oil containing fruit) with many culinary applications. But compared to other high-demand regions, European consumption is still underdeveloped. The average consumption in Europe is 1.05 kg per capita. In the United States this is 3.5 kg and in Canada 2.5 kg. Mexico, the world's largest avocado producer, even consumes 6.5-7 kg/capita.

The consumption of avocados in Europe grew by 8% in the period of 2017-2018 compared to 2016-2017. Since 2012-2013 consumption has increased by 110%. Scandinavia has the highest consumption rate per capita, but

the recent growth is most notable in countries where consumption is still relatively low such as Germany, Italy, Portugal and Hungary.

The differences in consumption within Europe and the gap with developed consumer countries such as the United States and Canada show that there is much potential for growth. However, with current growth rates, market maturity could be reached within five to eight years and consumption will become more stable.

#### Tip:

Make sure that the expansion of your production is in line with market demand by keeping an eye on market developments on the European avocado market and beyond, for example on [Freshplaza](#), [FruiTrop](#), and [FreshFruitPortal](#).

### 3. Which European countries offer most opportunities for avocados?

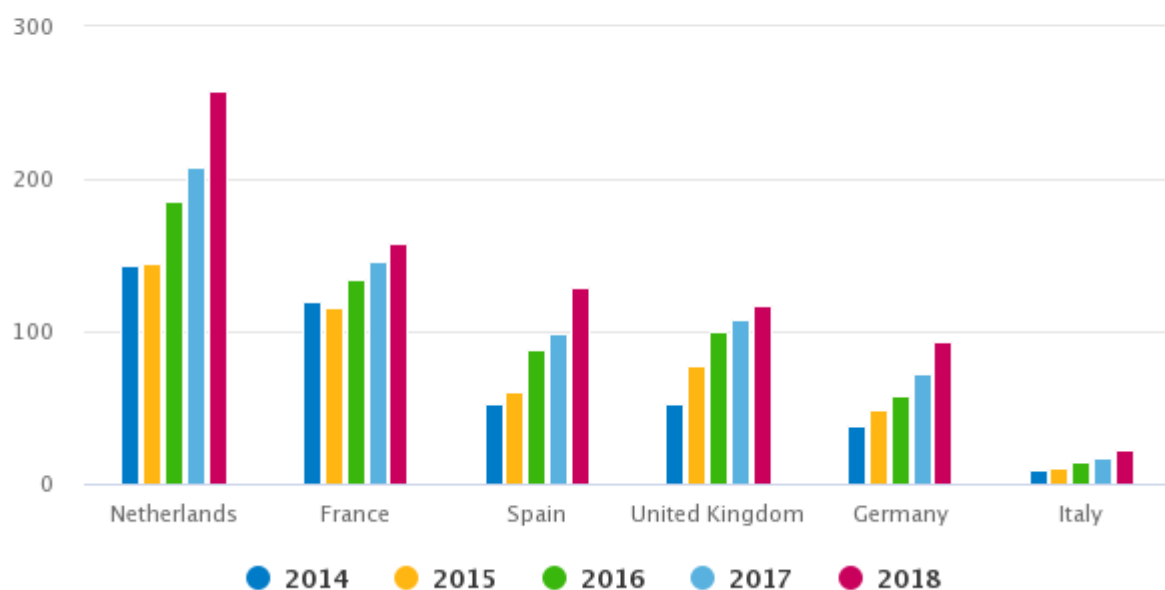
For years France has been the largest market for avocados and continues to be so. Spain, the United Kingdom, Germany and Italy are also experiencing very strong growth. Most of these countries get at least part of their supply through the Netherlands, which is the largest importing country of avocados in Europe. Other interesting markets are Scandinavia, which has a high consumption per capita, and Eastern Europe, where consumption is emerging.

Table 1: Estimated avocado consumption in Europe (June 2017 – May 2018)

	Estimated marketed volume in 2017-18 (in tonnes)	Population in millions	Consumption per capita (g)	2017-18 compared to 2016-17	2017-18 compared to 2012-13
France	123,790	67.2	1,842	3%	54%
United Kingdom	97,209	66.2	1,468	0%	162%
Germany	63,998	82.9	772	20%	150%
Spain	50,252	46.7	1,076	18%	233%
Netherlands	39,233	17.2	2,281	43%	225%
Italy	17,374	60.4	288	22%	248%

Figure 2: Avocado import per European country (any origin)

in 1.000 tonnes



Source: ITC Trademap

## The Netherlands: your main trade hub for avocados

The Netherlands is the main trade hub for avocados in Europe. You will find several major avocado importers in the Netherlands, where avocados are ripened and from where they are distributed to many European destinations.

The Netherlands is responsible for half of Europe's avocado imports. But the country is also the second-largest non-producing exporter of avocados in the world. Large volumes are re-exported to Germany, France, the United Kingdom, Scandinavian countries and many others.

Because of the leading role in avocado trade, the Dutch market is familiar with avocados and has a large consumer market. With a relatively small population of 17 million people it is among the top five largest consumers in Europe. However, there are some discrepancies in trade statistics which may have altered the calculated consumption. But differences in the registered imports again confirms the leading role of the Netherlands as a trade hub for avocados.

The Netherlands will remain a trade hub for avocados but over time its function may become more logistical and less commercial.

Source:	Imported avocados from non-European suppliers:
ITC Trademap (based on UN Comtrade)	235,000 tonnes
Market Access Database (based on Eurostat)	317,000 tonnes

### **Tips:**

Meet with potential buyers by presenting yourself at fairs like [Fruit Logistica](#) or [Fruit Attraction](#). You can also search for importers beforehand on the [Fruit Logistica virtual market place](#).

Consider using the established trade routes and find an importing partner in the Netherlands, since the Netherlands has become the most dominant transit country for avocados for the European market.

## **France: Your largest destination for avocados**

France is the largest destination market for avocados in Europe with a focus on high-quality avocados. Potentially you can find decent margins when you can fit your product into the major retail chains.

France imported 157,000 tonnes of avocados in 2018, and had a calculated annual local demand of 124,000 tonnes until May 2018. Although France offers the largest market for avocados in Europe, consumption growth has been slower than the European average (see Table 1). This can be attributed to the fact that France is a more mature market with a consumption of 1.8 kg per capita. However, the retail prices have gone up from approximately 1.04 euros in 2014/15 to 1.37 euros in 2017/18, making avocados a more expensive product for consumers.

In supplying the French market Spain (34,000 tonnes) is almost as important as Peru (40,000 tonnes). Israel and Mexico, also winter suppliers like Spain, follow in third and fourth place. It shows that a regional product (from Spain) is highly preferred, but also that there is a strong demand for avocados in the winter season.

Spain and Israel are not known to be the most economic source of avocados. This means that France focuses on quality, including organic, and that price is less of an issue.

### **Tip:**

Find buyers that supply larger retailers in France and be prepared to commit to extra quality requirements. Prices and margins are likely to be better on average when working with retail contracts compared to the traditional wholesale markets.

## **United Kingdom: Important consumer but with increasing economic pressure**

The United Kingdom is the second-largest market for avocados (see Table 1), but with high standards and increasing price pressure you must be competitive and well organised at the same time.

The United Kingdom imported 118,000 tonnes of avocados in 2018. This was 9% more than in the previous year. Like in France, consumption in the United Kingdom increased fast until 2016. But now uncertainty about Brexit (the United Kingdom leaving the European Union) and the devaluation of the British pound contribute to less attractive prices and consumption growth has levelled out.

Nevertheless, the United Kingdom remains one of the principal markets for avocados. Expect prices to face more pressure due to inflation, while the quality and certification standards remain one of the highest.

### Tip:

Be flexible with your volume and prices to remain active in United Kingdom. On the longer term you may benefit, especially when you are in a similar supply season as Spain – the main European producer of avocados.

## Germany: Provides most growth perspective

Germany is in full development. Promotion of health benefits and discount offers are important drivers for a fast-rising avocado market. This makes it an interesting country for exporters.

Germany is probably the country with the most growth perspective besides Italy. Germany has the largest population and is still developing its avocado market. Currently, the consumption is below 800 g per capita but rising. Avocados are praised because of their health benefits and the German consumption is expected to catch up with other northwest-European markets.

The imports in 2018 increased by 28% to 93,000 tonnes. Affordable retail prices have contributed to the higher imports. Germany is the home country of discount retailers such as Lidl and Aldi, which often take the lead in offering promotions in avocados. At the same time a retailer like Lidl is known to be one of the strictest when it comes to pesticide residues, which can be a barrier for avocado exporters.

### Tips:

Maintain Lidl standards for supplying the German market, which is known as being one of the strictest. This means the pesticide residue level of your avocados must be a third of the European allowed limits.

Focus on the facts when presenting your product such as the results of a laboratory analysis. German purchasers are not very sensitive to emotional sales arguments.

## Spain: Complements production with import

Spain is a producer, consumer and also an emerging trade hub for avocados. For an exporter Spain is an interesting target country, because it is likely you will find a broader market than just Spain itself.

With **55,000 tonnes**, [Spain is the main producer of avocados in Europe](#). But Spanish traders also purchase more and more avocados from abroad to complement their own production season and comply with international supply contracts. This makes Spain Europe's second-largest exporter of avocados after the Netherlands.

Nearly half of the 129,000 tonnes of imported avocados came from Peru. But there is also an increase in imports from Mexico (13,000 tonnes) and Morocco (10,000 tonnes) which overlap with the Spanish season. This confirms the Spanish demand for re-export. Most of the avocados traded from Spain have France as their destination (39,000 tonnes), followed by the Netherlands and Germany (14,000 and 11,000 tonnes respectively).

In the years to come you can expect Spain to become a larger consumer of avocados, but it will also play a bigger role in the European avocado supply.

### **Tips:**

Use Spanish avocado importers and traders mainly to strengthen your position in France and southern Europe.

Visit the [Fruit Attraction trade fair](#) to get in contact with Spanish avocado companies through which you can enter the Spanish market.

## **Italy: An emerging country for avocados**

Italy is still emerging as an avocado country. The potential of its large population and underdeveloped consumption should be a reason for exporters to maintain a focus on Italy.

The avocado consumption in Italy is very small in comparison with the population size (<300 g per capita) and far behind the European average. In Italy consumers hold on to traditional fruit and vegetables and 'new products' such as avocados take time to be introduced. Green skins and smaller sizes (12-14) are most popular, but people are getting more used to the Hass variety as well.

The import volume increased by 31% in 2018 compared to the previous year, similar to Germany and Spain. But unlike Germany, for Italy this is still a relatively slow development due to the small volume of 22,000 tonnes. Despite the slower pace, there is a much bigger future for avocados in Italy.

### **Tip:**

Take advantage of the potential growth of avocados in Italy and start building relations with importers. Italian companies are normally most focused on their internal market. So to meet them you must go there. A popular gathering place for Italian fruit companies is the [Macfrut trade fair](#) in Rimini.

## **4. Which trends offer opportunities the European avocado market?**

Avocado consumption is boosted by its reputation as a healthy fruit, product promotion and the innovation in ready-to-eat avocados. Due to the increased attention, sustainability has become an important factor in the avocado trade.

### **Ready-to-eat fuels consumption**

The consumption of avocados has been supported by new developments such as 'ready to eat'. Ripening helps provide convenience and quality at the same time. Consumers are prepared to pay a premium price for high-quality 'ready to eat' avocados, because it is a safe and an easy choice. For exporters it is important to check the fruit maturity well before shipping.

The experience in fruit ripening is rising quickly and the technology is being optimised, although there is still room for perfection. Companies offer fruit ripening as a service or large fruit suppliers implement their own ripening facilities. Some examples of specialist ripeners are [Nature's Pride](#) and [LBP](#) (service provider) in the Netherlands and [Ripenow](#) in the United Kingdom.

Recently, in 2018, the German discount retail chain [Lidl](#) opened one of the largest ripening facilities of Europe in

the Netherlands, to service their distribution centres in the Netherlands and Belgium for avocados and other fruit. British retailer Tesco also took convenience a step forward by introducing the [EasyAvo](#) in 2018, an easy to peel avocado.

The 'ready to eat' trend is particularly strong in the United Kingdom and the Netherlands, but many countries in Europe are following. It will continue to develop further and help boost the consumption, but as an exporter you must always be aware of supplying the right uniform quality.

As an exporter you can best capitalise on this trend by focusing on importers with ripening facilities and supply avocados with an acceptable dry matter content.

### Tip:

Supply avocados with a minimum dry matter content of 23%, especially when destined for ripening. You can find more information on buyer requirements for avocados in the CBI study [Entering the European market for avocados](#).

## Sustainability has become a precondition

Environmental and social issues are becoming more and more important in the supply of fresh fruit and vegetables (see trends section). This is also the case for avocados. To stay in business you must work on a sustainable and responsible production.

There are increasing concerns about water resources, deforestation and supply chain transparency. These concerns touch Peru, Chile, Mexico and Brazil, among others. Because avocados are a popular fruit in health food media, negative attention resonates in the public sphere. Although it has had little impact on the general consumption so far, it can influence the sourcing preferences and certification pressure of buyers. Marketers of avocados will have to prove to consumers that their products are produced sustainably – this is a tendency that will only become stronger in the long run.

Avocado exporters have taken steps to improve their sustainability. Companies such as [the Chilean Subsole](#) have implemented several projects to confront different environmental issues, including the management of water, soil, energy and waste. Still, as an exporter you must be able to prove your good practices and convince importers and retailers in Europe.

A large number of retailers and importers have committed to the Sustainability Initiative Fruit and Vegetables (SIFAV). SIFAV aims for 100% sustainable imports of fruits and vegetables from Africa, Asia and South America by 2020. Social and environmental standards and certifications such as GlobalGAP, GRASP, Smeta and BSCI have become a precondition for the import of fresh tropical fruit such as avocado.

### Tips:

Promote sustainable agriculture and proactively show your actions to reduce water usage. Pay extra attention to this in water-scarce regions.

Get certified – see the [SIFAV Basket of Standards](#) for relevant social and environmental standards.



## Attention to the health factor of avocados

Avocado has gained a good reputation for its health benefits. In the future you will continue to see avocado grow as a healthy product but you can also profit from the increasing demand for organic-certified avocados.

Consumers in Europe are becoming more aware of health issues and pay more attention to their diet. Avocado fits well in this trend thanks to its good fats, fibre, vitamins and minerals. It also serves specific consumer groups that prefer a plant-based diet, such as vegans, vegetarians and flexitarians. All these aspects are used in the promotion of avocados and contribute to the increasing consumption throughout Europe.

Thanks to the increased attention to health and the environment, the interest in organically produced avocados is growing. The current supply does not fully satisfy market demand due to the difficulty of producing organic avocados. Organic avocados can be an opportunity for growers that are able to produce according to the strict European guidelines for organic production.

### Tip:

Familiarise yourself with the [organic guidelines in Europe](#) before getting into the organic trade.

## Promotion, innovation and branding improve consumer experience

The promotion of avocados has reached extreme levels. It explains why avocados followed a strong upward trend, but it is also a reason to be cautious as most hyped trends are not long-lasting. As a supplier you can best add to the promotional strength of avocados by providing a positive background story about the origin and the growers of your product.

Image: Example of Italian branding of 'creamy, organic avocado with soft pulp'



Image by [ICI Business](#)

Branding and promoting can contribute to consumers' experience and quality perception. Avocados have great promotional value and are unique in the fresh sector for their level of innovation. While importers create ready-to-eat or organic avocado brands, trying to link their brand to quality, retailers try to steal the show with all kinds of variations:

- Small [avocados for home ripening](#) in PLUS supermarket
- Fresh [guacamole kits](#), for example in Dutch retailer Albert Heijn
- From [supersized](#) to [egg-sized avocados](#) in Tesco
- [Seedless avocados](#) in Marks & Spencer
- Ecologically labelled avocados through [laser technology](#) in the Swedish ICA Supermarket

The Western obsession with avocados has become so strong there are nowadays even restaurants dedicated to avocados as a main ingredient: the franchise restaurant [The Avocado Show](#) started in Amsterdam and Brussels, and the [Avobar](#) launched in London.

### Tips:


Create and communicate the story of your product (what promise does it deliver?) and be consistent with your supply. Avocados benefit from their promotion, but your contribution as a supplier is limited and your actions must be targeted at your buyer.

See the [CBI Trends in fresh fruit and vegetables](#) for more information on trending topics.


This study has been carried out on behalf of CBI by [ICI Business](#).

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