

Entering the European market for avocados

The summer supply of avocados in Europe is dominated by Peruvian producers with an abundant supply of Hass avocados. South Africa covers a similar supply window. In the European winter, Chile, Mexico and Israel take over. However, there is room between these supply seasons for new suppliers that can meet high retail standards. With excellent ripening characteristics, Hass avocados are most in demand.

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1. What requirements must avocados comply with to be allowed the European market?

Fresh avocados must comply with general requirements,, which you can find on [the CBI market information platform](#). The [Trade Helpdesk](#) provides an overview of export requirements for avocados (code 08044000) per country.

What are the mandatory requirements?

Pesticide residues and contaminants

Pesticide residues are one of the crucial issues for fruit and vegetable suppliers. To avoid health and environmental risks, the European Union has set maximum residue levels (MRLs) for pesticides and other contaminants, such as heavy metals, in and on food products. Products exceeding the MRLs are withdrawn from the market.

Note that buyers in several EU Member States, such as the United Kingdom, Germany, the Netherlands and Austria, use even lower maximum residue levels than those established by European legislation.

Tips:

Check [the EU Pesticides database](#) to find all MRLs and those specific for avocados. Search by product or pesticide and the database to find the list of associated MRLs.

Use [integrated pest management](#) (IPM) in production to reduce the use of pesticides. IPM is an agricultural pest-control strategy that includes growing practices and chemical management.

Read more about MRLs [on the website of the European Commission](#). Check with your buyers if they require additional requirements on MRLs and pesticide use.

Make sure that lead contamination in your avocados remains below 0.10 mg/kg and cadmium below 0,050 mg/kg, according to the [maximum levels for certain contaminants in foodstuffs](#).

Phytosanitary regulations

As of September 2019, a [new European Directive](#) requires avocados to go through plant health checks before being entering or moving within the European Union.

Tip:

Learn more about the European phytosanitary rules in [Council Directive 2000/29/EC](#) and the new [Implementing Directive 2019/523](#) on the protective measures against the introduction of harmful organisms in the European Union.

Quality standard

Information on quality, size, packaging and labelling requirements for avocados can be found in:

- The [UNECE standards for avocados](#)
- The [Codex Alimentarius Standard for avocados](#) ('Food code' of WHO and FAO)

Avocados should, at the very least:

- be intact;
- be clean and sound;
- be free from pests;
- be free from damage;
- be free of abnormal external moisture;
- have a stalk no longer than 10 mm in length;
- be able to withstand transport and handling.

Europe almost exclusively requires Class I avocados as a minimum. Avocados in this class must be of good quality and within the following permissible tolerances:

- slight defects in shape;
- slight defects in colouring;
- slight skin defects (corkiness, healed lenticels) and sunburn, provided they are not progressive; the maximum total area should not exceed 4 cm²;
- the stalk, if present, may be slightly damaged;
- a tolerance of 10% is allowed for fruit that meets Class II standards;
- a tolerance of 10% in number or weight is allowed for avocados not meeting the sizing requirements.

In no case may the defects affect the fruit flesh, the general appearance of the produce, the quality, the keeping quality and presentation in the package.

Tips:

Maintain strict compliance with quality, delivering it as agreed with you buyer. Being careless with your standards will lead buyers to raise issues with quality.

Negotiate with your buyer to include different sizes and a mixed pallet per shipment. But make sure the sizes are the same per pallet.

See the [OECD International Standardisation of Fruit and Vegetables – Avocados](#), which has images of the types of avocados and damages allowed.

Maturity requirements

The development and state of maturity of avocados must be such as to enable them to continue their ripening process and to reach a satisfactory degree of ripeness. The fruit should have a minimum dry matter content, to be measured by drying to constant weight:

- 21% for the variety Hass;
- 20% for the varieties Fuerte, Pinkerton, Reed and Edranol;
- 19% for other varieties, except for Antillean varieties that may show a lower dry matter content.

For importers that ripen avocados, 23% of dry matter for Hass avocados is often a minimum. Maturity must be uniform throughout the parcel.

Tip:

Verify with your buyer their preferences on checking maturity. Suppliers use different [measuring methods](#) and product standards may differ per country and per variety.

Size and packaging

Fresh avocados are classified according to Size Codes 1 to 30 (see table 1), with a minimum weight of 123 g or 80 g for Hass avocados. The difference between the smallest and largest fruits within a package should not be more than 25 g.

Table 1: Size codes for avocados

Size code	Weight range (g)
4	781 to 1220
6	576 to 780
8	456 to 576
10	364 to 462
12	300 to 371
14	258 to 313
16	227 to 274
18	203 to 243
20	184 to 217
22	165 to 196

24	151 to 175
26	144 to 157
28	134 to 147
30	123 to 137
32	80 to 123 (only Hass)
S	less than 123

Sources: [UNECE standards for avocados](#) and [Codex Alimentarius Standard for avocados](#)

In Europe, the preferred sizes for Hass avocados are 16–18, sometimes 20 per 4 kg box. For the Fuerte variety, 14–16. Southern Europe is more flexible with sizes. Bigger sizes, such as 14, are more easily sold in southern Europe, but also small sizes (26–30) in the beginning of the season are sold in affordable boxes of 10 kg.

Packaging requirements vary between customers and market segments. Avocados must at least be packed in new, clean and quality packaging to prevent damage and protect the product properly. Common packaging include:

- 4 kg cardboard boxes, often wholesale packaging;
- 10 kg plastic or cardboard crates, often for importers that ripen and repack avocados.

Tips:

Always discuss specific packaging requirements and preferences with your customers.

Check the additional requirements if your product is pre-packed for retail in the [Codex General Standard for the Labelling of Prepackaged Foods](#) or [Regulation \(EU\) No. 1169/2011](#) on the provision of food information to consumers in Europe.

Find the legal requirements for labelling in the [buyer requirements for fresh fruit and vegetables](#) on the CBI market information platform.

What additional requirements do buyers often have?

Variety

Hass is the most demanded avocado variety in Europe, especially in Scandinavia, the Netherlands and the United Kingdom. Green skin avocados still have their own niche, but are going down in demand. Italy and countries in Eastern Europe still have large market shares for green skin avocados, which are still consumed in many countries is because of their low price and colour, but they do not have necessarily less flavour than Hass. Pinkerton avocados, also known as pseudo Hass, have a specifically timed demand because it is a late variety.

Certification

Avocados have become a typical product in retail programmes. As a result, buyers almost always require a set of certifications to demonstrate good practices and food safety. Common certifications include [GlobalG.A.P.](#) for

agricultural production and [BRCGS](#), [IFS](#) or similar HACCP-based food safety management systems for packing houses. These management systems are recognised by the [Global Food Safety Initiative \(GFSI\)](#).

Sustainability and social compliance

Due to concerns about excessive water use in avocado cultivation in arid production areas of Peru, Chile and South Africa, in addition to social issues and deforestation, for example, in Mexico, it has become common for buyers to ask for assurances of good practices. The best way to do this is through adopting social and environmental standards, such as Sedex Members Ethical Trade Audit ([SMETA](#)) and [GlobalG.A.P.](#).

Tips:

Implement at least one environmental and one social standard. See the [Basket of Standards](#) of The Sustainable Trade Initiative for Fruit and Vegetables (SIFAV).

For other additional requirements such as payment and delivery terms, see the CBI's reports on [buyer requirements for fresh fruit and vegetables](#) and the [tips for doing business with European buyers](#).

What are the requirements for niche markets?

Organic can be a specific requirement for health-focused consumers

The market for organic avocados is relatively small, but with growing demand and limited supply. Organic avocados are especially interesting for consumers who value avocados for their healthy aspects.

To market organic products in Europe, you have to use organic production methods according to the [European legislation](#) and apply for an organic certificate from an accredited certifier.

Tip:

Consider organic avocados as a plus, not as a must. Remember that implementing organic production and becoming certified can be expensive. You must be prepared to comply with the entire organic certification process.

2. Through what channels can you get avocados on the European market?

Avocados are a typical retail product. Importers that supply supermarkets and other major retailers offer you the most stable and largest supply chain. The main market segment for this channel is Class I Hass avocados.

How is the end market segmented?

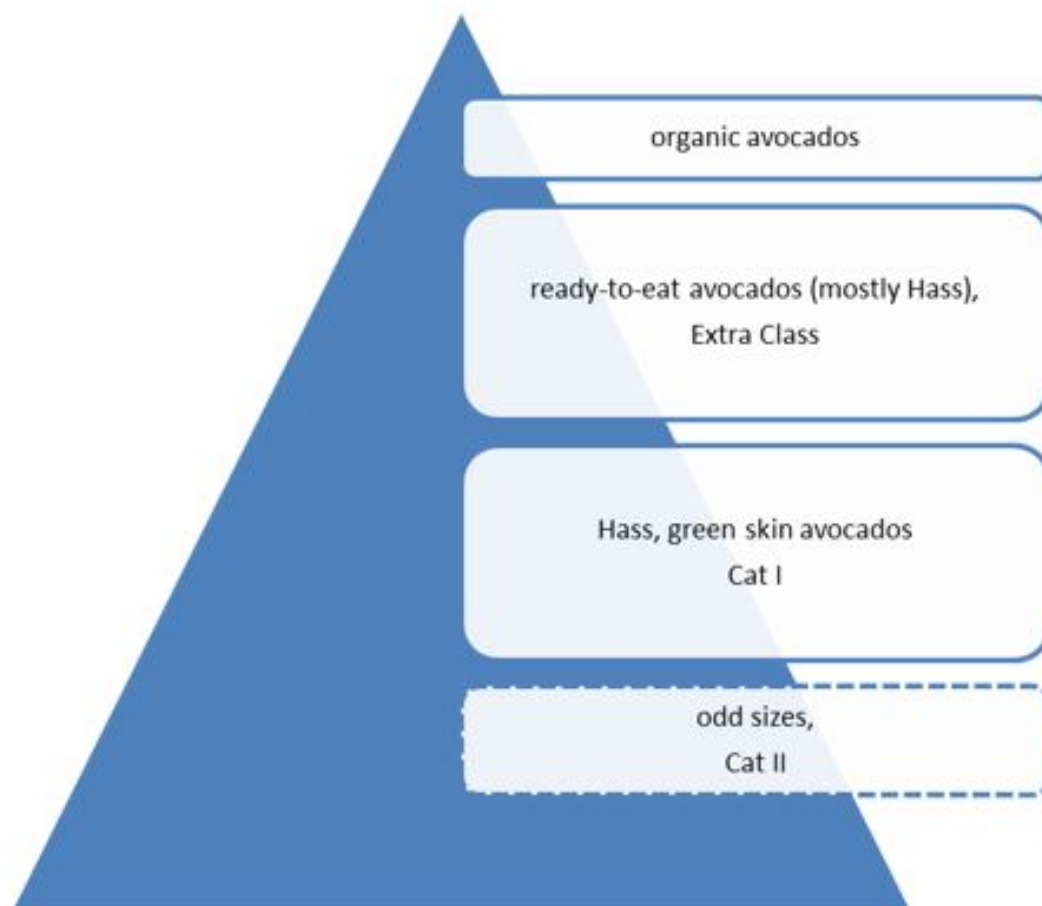
The main segment for avocados are Class I avocados, and with a growing interest in ready-to-eat. This main segment mostly concerns the Hass variety with standard retail requirements, which means certified and low pesticide residues. Ready-to-eat avocados are very popular in end markets with high desire for convenience products, such as in northern Europe. But also in other regions it will continue to generate consumer interest.

In the high end, you can find organic avocados, which are usually sold for 25% to 45% more than conventional

avocados on retail shelves. Organic avocado is especially in demand in German speaking countries and Scandinavia.

In the bottom segment are the Class II avocados, which are generally not fit for supermarkets, but may still serve for processing into fresh salads or guacamole. Odd and small sizes are usually sold for promotional prices. It should not be a goal to supply Class II or less demanded sizes. It is usually part of the trade and a small percentage of the regular shipments.

Figure 1: Market segments for avocados in Europe



Tip:

Make sure to maintain a maturity level of 23% of dry matter in the avocados you supply for the ready-to-eat segment.

Through what channels does a product end up on the end market?

Importers and service providers

Importers play a central role in the distribution of avocados. They are familiar with all the different requirements of end clients and are able to distribute to different market channels, such as wholesalers and supermarkets.

Some importers have their own ripening and packing facilities, such as [Nature's Pride](#) in the Netherlands and [Ripenow](#) in the United Kingdom. Ripening facilities are important for the growing segment of ready-to-eat avocados and for supplying to supermarkets.

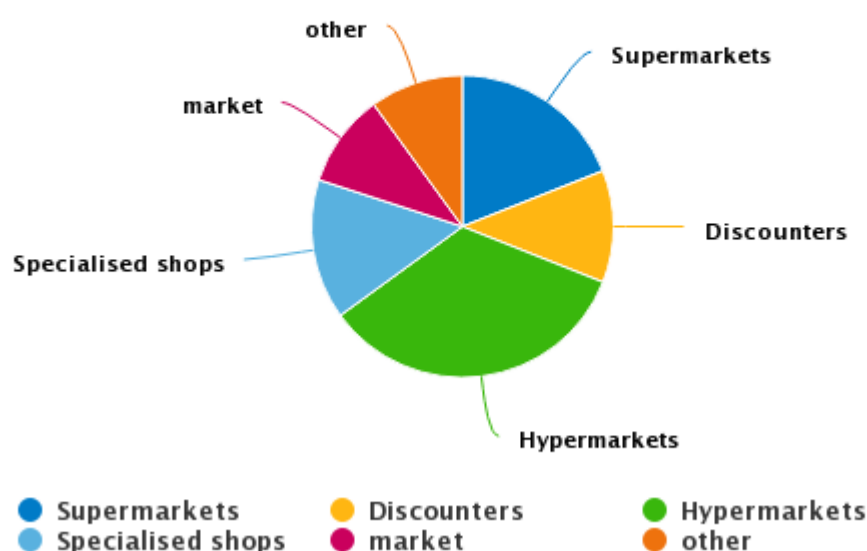
When import companies provide different services, such as ripening and retail packing, they can also become service providers to large retailers. For example, [Bakker Barendrecht](#), part of Greenyard, supplies the leading Dutch supermarket [Albert Heijn](#) with ripened and packed avocados, being responsible for quality control and forecasting its client's needs.

Supermarket programmes

Most avocados are sold through supermarkets. Avocados are a typical product that is programmed under supply contracts. In France, the largest European market for avocados, 65% of the avocados are handled by the large-scale distribution networks of supermarkets, hypermarkets and discounters (see figure 2). These distribution channels are even more dominant in the northern European markets.

Supermarkets have become increasingly involved in the sourcing of avocados, but tend to have different structures. Some work with annual contracts, while others select a dedicated service provider, such as the German discounter Lidl with [OGL Food Trade](#).

Figure 2: Sales channels for avocados in France, in market share percentage 2016



Source: FruiTrop

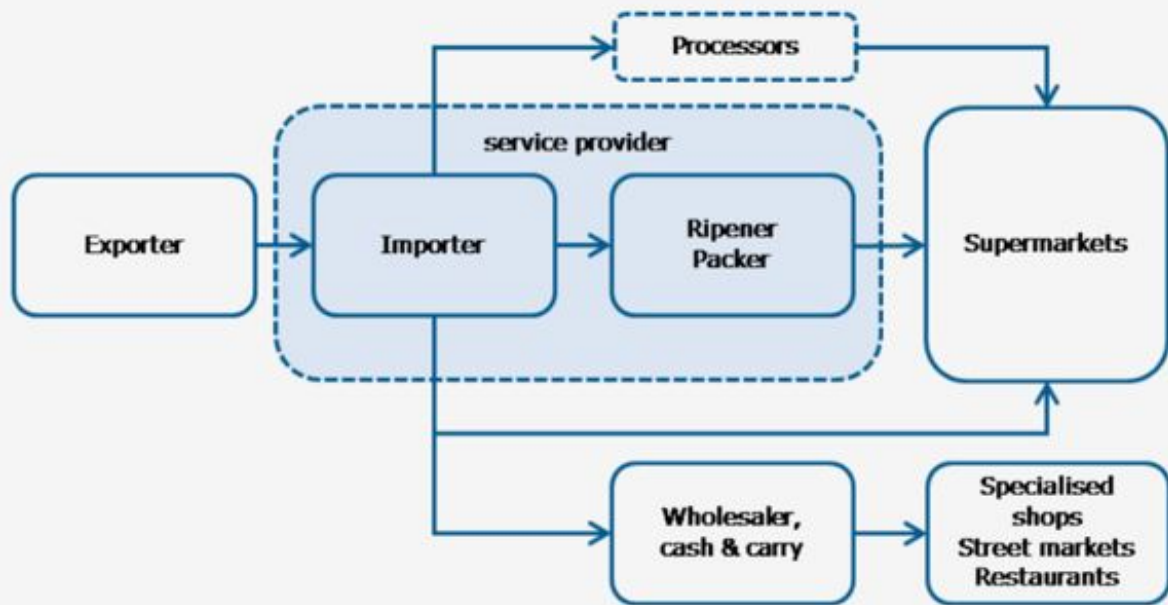
Wholesalers (spot market)

Traditional fruit wholesalers cover the spot market and move according to the fluctuations of the fresh trade. They supply specialised shops, street merchants, restaurants and hotel chains. Sometimes import and wholesale activities are combined, but a traditional wholesaler does not take many risks with importing long-distance avocados. Typical wholesale markets for avocados and other fruit include [Rungis](#) in Paris and [Mercabarna](#) in Barcelona.

Large fruit wholesalers, such as [Staay Food Group](#), maintain a large international network and offer their own cash & carry service point, where clients can purchase a wide variety of fruit and vegetables.

Non-specialised (cash & carry) wholesalers, such as [Metro](#), supply the same end market but depend more on the service of importing companies or have their own purchase centres. Just like supermarkets, they are able to work with long-term contracts.

Figure 3: Market channels for avocados



Tip:

Find importers that also have ripening activities. They tend to be more involved in the avocado business and probably need larger volumes for retailers.

What is the most interesting channel for you?

Because avocados have become a typical product in the retail market, becoming part of a supermarket supply programme is the most interesting channel for any supplier. It provides stability and almost guaranteed volumes, but the requirements are high and the room for negotiation is minimal.

As an exporter, you have different routes to try to become part of a retail programme. The most likely route is to cooperate with a service provider that has a local infrastructure and supply contracts with retailers. Exporters with their own avocado production have the best chances to find cooperation with large buyers and service providers, such as [Bakker Barendrecht](#), [OGL Food Trade](#) and the purchase centres of Rewe ([Eurogroup](#)) and Carrefour ([Socomo](#)). Direct sales to supermarkets are difficult and only feasible for companies that have the resources to have a presence in Europe and can arrange a year-round supply.

Trading companies that supply the spot market are easiest to connect to. In a good market, they can provide you with a very profitable return, but there are no guarantees. The spot market prices fluctuate more and for exporters there is more risk involved.

Tips:

Make yourself attractive as a supplier to supermarket supply programmes by committing minimum volumes and guaranteeing regular shipments. Large volumes will widen your potential buyer group and make you less dependent on the spot market.

Go to trade fairs to find buyers. The main trade fairs for fresh fruit are [Fruit Logistica](#) in Berlin and [Fruit Attraction](#) in Madrid.

3. What competition do you face on the European avocado market?

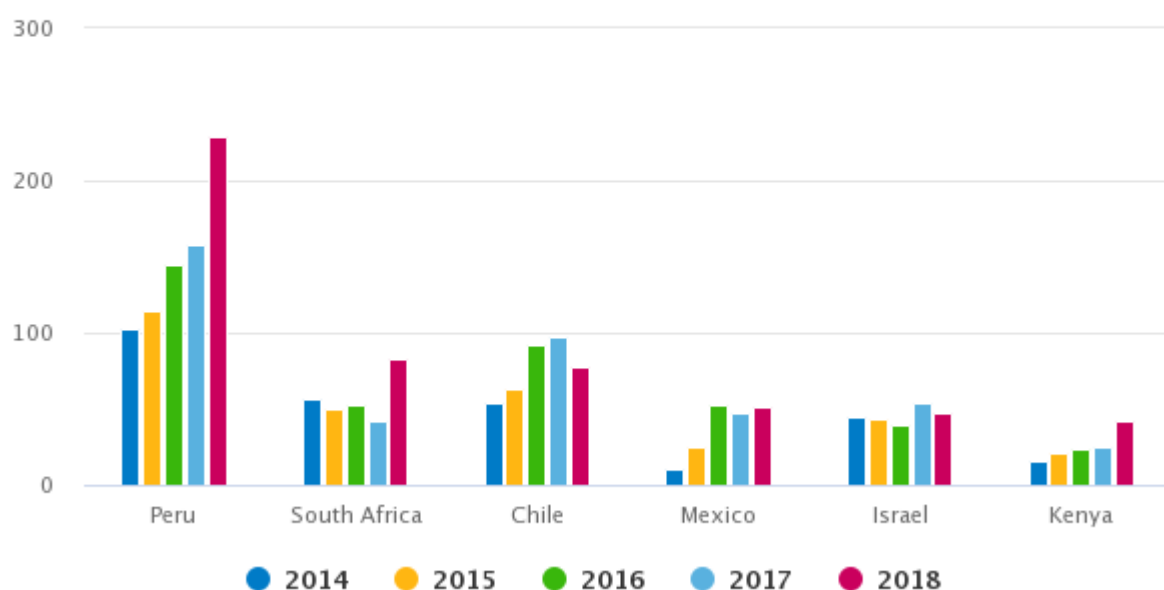
The level of professionalism and the large sizes of companies in the avocado business make it difficult for new players to compete in it. But the growing demand still offers opportunities for companies that are able to match quality in the right supply windows.

Which countries are you competing with?

The European summer's supply of avocados is dominated by Peru, South Africa and Kenya. In the winter months, avocados come to Europe mostly from Chile, Mexico and Israel, while Spain also supplies another 61 thousand tonnes to other European countries. European buyers have a general preference for sourcing avocados in Peru, South Africa and Chile, where product quality is generally good.

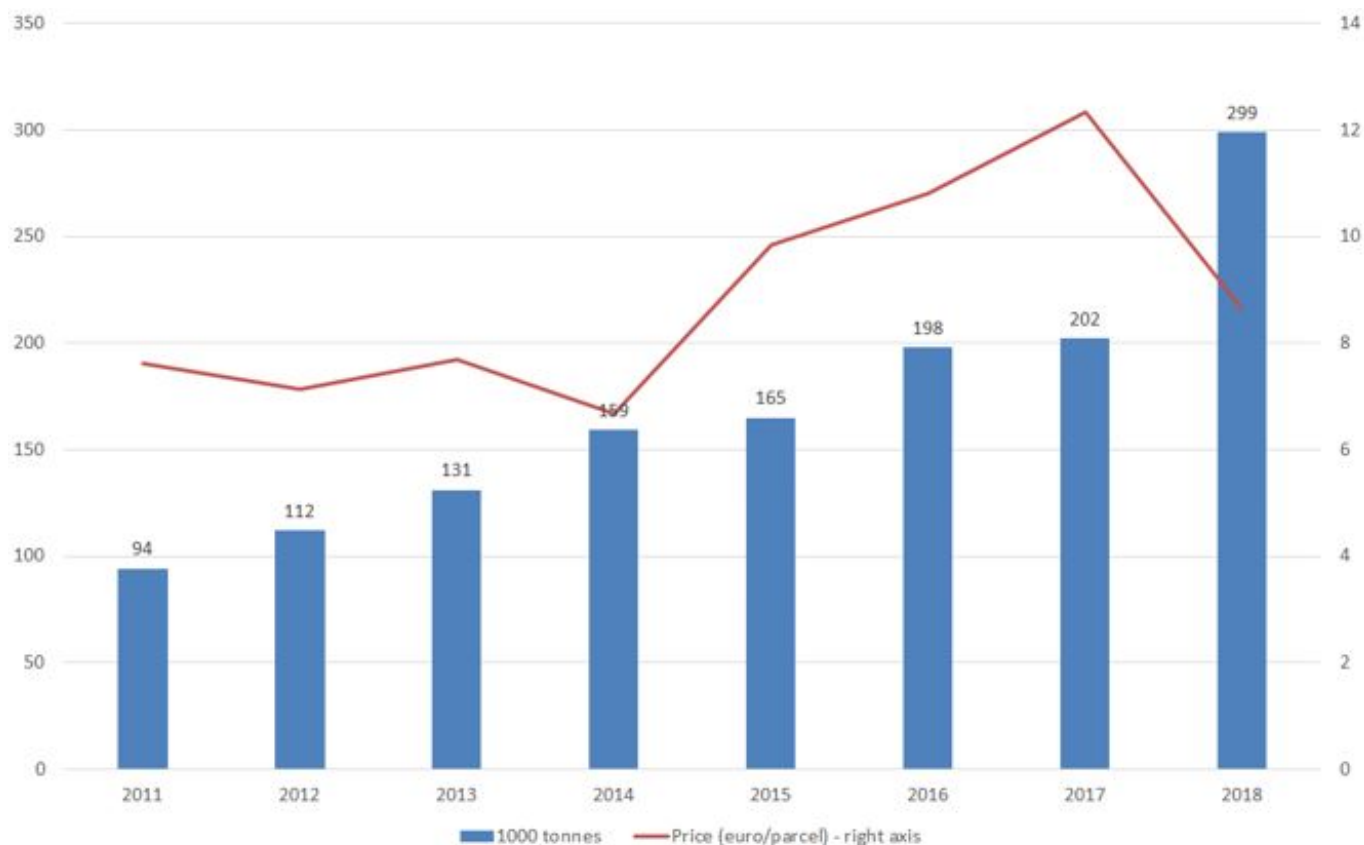
Figure 4: Main avocado suppliers to the European Union

in 1.000 tonnes



Source: Eurostat / Market Access Database

Figure 5: Prices and volume indications for avocados exported into Europe from Peru and South Africa



Source: [Fruitrop](#)

Peru

In the last decade, Peruvian avocado exports to Europe have grown the most. Peru is now the leading supplier of avocados to Europe, accounting for almost 230 thousand tonnes and 38% of the total EU supply. This development has also turned into a handicap for Peruvian growers, because as soon as the Peruvian harvest starts, the large volumes drive prices down.

After the 2018 oversupply, Peru [expected a 15% to 20% reduction in avocado production](#). But the [Peruvian avocado area continues to grow](#), from 32 thousand hectares in 2018 to an estimated 40 thousand hectares in 2021.

Peruvian suppliers are competitive, well organised and are able to keep supplies for a long season, although not year-round.

South Africa

South Africa has a similar supply season to Peru's. Several multinational fruit companies and experienced avocado specialists, such as [Halls](#) and [Westfalia Fruit](#), started in South Africa, which has a solid reputation in the production of fruit, including avocados. These large multinational operations have the knowledge and financial means to accurately comply with market requirements.

Avocado supply from South Africa to Europe suddenly doubled in 2018 compared to the previous year, but climate conditions in 2019 have been less favourable and a [30% decrease in production is expected](#). In the 2018-2019 period a [record number of 377 thousand avocado nursery trees](#) were sold in South Africa, and they will start producing in three or four years. At an annual growth of 1,000 to 1,500 new hectares in planted area, South Africa will continue to play an important role in the avocado trade.

Chile

Chile covers the supply gap between the Peruvian and the Spanish productions (see the supply calendar in figure 6). European buyers are generally very satisfied with the constant and reliable quality of avocados from Chile, which is a stable and a long-term supplying country. However, there are [growing concerns among consumers in Europe about unsustainable water use in Chile's avocado production](#). This issue may affect Chilean avocado sales as well as those from other arid production regions.

Unlike Peru, whose producers focus almost exclusively on export markets, Chile's domestic market actually [consumes approximately 30% of the country's avocado production](#), yet the other 70% mostly goes to Europe.

Mexico

Mexico is the largest producer and exporter of avocados in the world. Mexico's avocado exports to Europe are still relatively minor compared to the volumes shipped to the United States. Mexico producers are also able to produce practically year-round, which gives them a commercial advantage, but their main strength in supplying to Europe is during the European winter.

Mexican avocado exports to Europe are growing, as Mexican suppliers look for alternative markets due to trade uncertainties with the United States. However, European buyers are hesitant about buying from Mexican producers mainly because Mexican post-harvest is targeted to the US market nearby, which means that long-distance markets, such as Europe, sometimes receive lesser quality produce. Nonetheless, Mexico has the production scale and growing international experience to become a more significant supplier to Europe.

Israel

Israel is not the strongest competitor in volumes or price, but in a good market, competes in quality and innovative breeding and production programmes. Geographically, Israeli growers are also closer to Europe than their Mexican and Chilean competitors. Most of the Israeli exports to Europe consist of Hass avocados, but the country can also offer a variety of green avocados, such as Ettinger, Fuerte, Pinkerton, Arddit, Nabal, and Arad. The proximity to Europe and the local growers' experience with improving varieties make Israel a high-level competitor in the European avocado market.

Kenya

Kenya is gradually expanding avocado exports to Europe. Kenyan producers have not yet built a flawless reputation in quality, as there are still often reports of quality issues. Still, Kenyan suppliers serve several European markets and are price competitive in the wholesale and processing channels, where requirements for outside appearance are lower.

With competitive pricing and quality improvements, Kenya has been able to maintain its position in the top six avocado suppliers to Europe.

Emerging supplying countries: Colombia and Morocco

Colombia and Morocco are emerging avocado supplying countries to Europe.

Colombia has taken a big step forward in production and in supplying to Europe. As new suppliers, Colombian producers have faced several quality issues, plus internal logistics in Colombia are challenging. Growers and exporters are dealing fast with these issues and are building a stronger reputation in avocados. Results of these efforts show in the increased exports to Europe, which grew from 2.4 thousand tonnes in 2014 to more than 30 thousand tonnes in 2018, making Colombia the fastest emerging supplying country to Europe. In the next few years, Colombia's avocado production is expected to skyrocket.

European buyers see much potential in Colombian avocados, because they can fill in the gap between two

supplying seasons and by sea, they have a logistical advantage over Chile, which supplies a similar season.

Morocco is ideally positioned to supply avocados during the European winter season, but it will also have to deal with established suppliers from Spain and Israel. Nevertheless, Morocco's avocado exports to Europe doubled in volume in 2017 from one year before, then again in 2018.

Avocado production and exports are also increasing in many other countries. Tanzania, Zimbabwe and Guatemala are still minor suppliers to Europe (under 6 thousand tonnes) but their export volumes are going up annually. Quality and compliance with European standards is often the main challenge for these new suppliers.

Figure 6: European indicative supply calendar for avocados

	J	F	M	A	M	J	J	A	S	O	N	D
Peru												
South Africa												
Kenya												
Chile												
Israel												
Mexico												
Colombia												
Morocco												
Spain												

Tips:

Try to extend your season by gathering avocados from different climate zones in your country, if possible. Season is an important factor when considering supplying to Europe. The longer your season, the more attractive you are for buyers that want to fill a year-round supply.

Maintain close contact with buyers about market conditions and act accordingly. For example, if other suppliers have extended their supply season to Europe, you could decide to postpone your harvest.

Which companies are your competing with?

The avocado trade has become a mature business with many professional players. This has raised the bar to a very high level. Besides the large multinational companies with associated growers, there are several professional exporters increasing their businesses, such as Peru's Camposol, Colombia's Cartamo and Kenya's Mt. Kenya Avocado Farms.

Camposol

[Camposol](#) is the largest fruit company in Peru. Peruvian companies like Camposol are well financed and have invested in new, professionally managed and fully certified avocado orchards, which have turned them into leading exporters of avocados.

However, their enormous production capacity has the downside of forcing them to produce high volumes, which in turn forces them to sell at whatever prices the market will pay. In other words, they have gained a top

position in volume and reputation, but lost in flexibility. When Peru's total production hits record highs, it pushes prices down, so these large producers have to sell for whatever the prices may be.

To secure their market, Camposol has set up their own trading office in the Netherlands and are now investing in cultivation in other origins to establish a year-round avocado supply. Their first [commercial crop of Colombian avocados is expected for 2021](#). With a reliable, year-round supply and presence in Europe, Camposol has the tools to negotiate directly with European supermarkets.

Tips:

Try to match the commercial presentation of leading avocado suppliers. Check Camposol's website, for example, to see how they promote themselves and their produce.

Go to [Agrodataperu.com](https://agrodataperu.com) to find the top exporters from Peru and their export volumes.

Cartama group

Colombia's [Cartama](#) is one of the fast emerging exporters to Europe. Cartama was founded by a group of avocado growers. Boasting their own packing house, they have reached high volumes and high-quality fresh produce through cooperation. This has been a success recipe for Cartama in the European market.

In 2016, British retail chain [Marks & Spencer awarded the Cartama Group its annual Growers best quality award](#). In 2019, the international avocado trader [Mission Produce announced a partnership with the Cartama Group](#).

Tip:

Work with other producers in a joint venture or integrate your supply chain to reach supermarkets and their service providers. Having a direct relation with your growers or having your own production is necessary to make an impression with large buyers.

Mt. Kenya Avocado Farms

[Mt. Kenya Avocado Farms](#) is a member of the African social enterprise [Selina Wamucii](#) and one of the leading exporters of avocados from Kenya. They work with hundreds of small farmers, from whom they source hand-picked avocados. The difficulty with small-scale farming is often quality control and uniformity. The company has to work hard to compete with large growers from Latin America and South Africa and at the same time deal with the inferior reputation of Kenyan avocados.

A strength of the company is that they have diversified and also offer avocado oil. Cold-pressing is an ideal solution for the avocados that are not of export quality in the fresh trade.

Tip:

Find other uses for your avocados when you are not able to compete in quality.

Which products are you competing with?

Avocados are not an easy product to substitute. They are unique in their taste, characteristics, applications and health benefits. Within the avocado trade, the Hass variety is slowly taking over, but this is also because they are best for ripening. Ready-to-eat and supermarket promotions are important factors for consumers buying avocados instead of other fresh fruit.

Over time it is not unusual for popular varieties to get replaced by improved varieties. Specific Hass sub-varieties can also become more relevant as the market further develops, not only to diversify taste, but also because different varieties can extend the supply season.

Tip:

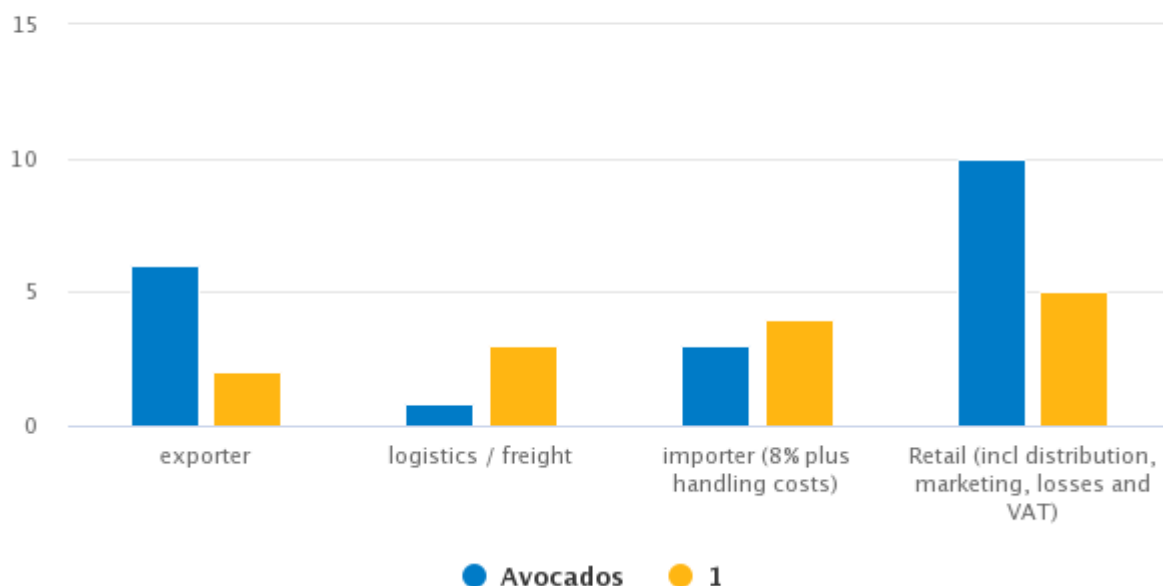
Make sure you can offer Hass avocados, but keep an open mind about new varieties that offer advantages in production season, ripening or otherwise.

4. What are the prices for avocados on the European market?

Trade prices for avocados fluctuate mostly depending on the available volume. The summer prices are generally low due to the higher offer, especially from Peru. Other influences that determine prices are quality, size and variety. The highest prices are generated by Class I Hass avocados around size 18.

Figure 7: Indicative price breakdown for avocados

in € per 4kg box



Source:

Average wholesale prices are approximately €8 to €10 per 4kg box. Peak prices go up to €14 per box for excellent quality and when supply is scarce, but bottom prices of €4 or €5 wholesale have also been recorded during oversupplied markets (see table 2). Importers generally maintain a profit margin of around 8% on top of the wholesale price, excluding handling costs.

Table 2: Wholesale prices in euros per 4 kg box

	high	low
summer	13	5
winter	14	8
2014	12	4
2015	12	5
2016	13	5
2017	13	8
2018	14	5

Sources: Industry sources, Fruit Consultancy Europe

Avocado trade prices will gradually develop in an upward trend over the next years, but peaks and lows will remain present due to an uneven growth rate of supply and demand.


Retail prices are between €1.10 and €1.60 for regular sized, ripened avocados. On sale, they can be sold for €0.99 each. These retail prices do not reflect trade prices because large retail chains or supermarkets often have supply programmes for avocados with fixed prices.

The retail prices and promotions are managed independently from those on the free spot market. A retail programme provides the stability and security of a steady supply volume, but prices are not negotiable.


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