

Prices soaring for avocados

Kym Agius
January 13, 2010 - 7:34PM

The price of avocados has hit a record high, with a major drop in supply seeing consumers fork-out up to \$5 a piece.

Cold winters and hail storms in Western Australia and New Zealand have hit the industry hard, and with avocados only coming from the two sources during the Christmas season, it means demand is outstripping supply.

Western Australian packers said the market price is about \$60 a tray, up from \$30 the year before.

Jennie Franceschi, who co-owns a packing shed in Manjimup, in southwest Western Australia, said prices are at a record high.

"We've never seen prices as high as they are, ever, and I've been in the industry for 36 years," Ms Franceschi told AAP.

Western Australia experienced a cold winter in 2009, and avocado trees are currently bearing less fruit that are smaller than average.

Australia's peak avocado group, Avocados Australia, said production is down for the state 15 per cent on forecasts.

Ms Franceschi said there is not enough volume for demand.

"There's not enough to keep everyone happy," she said.

"I'm madly packing."

Hail storms in New Zealand during winter has also led to a drop in imports.

New Zealand's peak avocado group, the Avocado Growers Association, said the industry is producing less export grade trays and has had to stop exporting to the United States and Japan.

CEO Alan Thorn said New Zealand was forecast to produce 2.4 million export trays this year, but with only about a month to go in the export year, production is looking to be down 300,000 trays.

"The storms blemished the fruit and they haven't been able to meet strict export standards," Mr Thorn told AAP.

"Exports to Australia have been reduced a little bit this year."

The drop in supply is having a knock-on affect in Australia's supermarkets and market stalls.

Woolworths spokesman Luke Schepen said the volume of avocados is well down from expectations.

"There is a bit of pressure on price at the moment," Mr Schepen told AAP.

"It comes down to supply and demand."

Mr Schepen said supermarkets that run out are getting topped up daily "but in less quantities than we had earlier in the year."

The price for one avocado varies from store to store, but some green grocers in Brisbane are selling the fruit for \$4.99.

Avocados Australia said prices will come down in the coming months.

Program manager Joanna Embry said the Tablelands in far north Queensland will start picking Shepard avocados next month and Hass will be on the market in April.

She said she doesn't think the current high prices will hurt consumer confidence in the industry.

"The die hard avocado consumer will always eat them no matter the price," Ms Embry told AAP.

"The truth of the matter is people still want them and it's driving up demand, there is little we can do about that."

The peak production for avocados in Australia is from May to September.

This story was found at: <http://news.smh.com.au/breaking-news-national/prices-soaring-for-avocados-20100113-m6tj.html>