Western Cape Government
Agriculture
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Avocado: Market Intelligence

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1. Introduction

1.1 Background

One of the key strategic goals of the Western Cape Department of Agriculture (WCDoA) is to maintain and improve the exports position of the provincial agricultural sector (Troskie, 2020). However, realising this goal requires market research insights to inform planning and decision-making in identifying high-value agricultural commodities (or alternative crops) and relevant market. Also, relevant policies and regulatory frameworks assist to unlock the potential role of agriculture in sustainable economic growth and development (Collier and Dercon, 2014). Existing studies indicate that agriculture contributes to economic growth and poverty reduction in developing economies (Diao *et al*., 2010; Osabuohein *et al*., 2019). Notably, in Sub-Saharan Africa, where agriculture plays a significant role in supporting various rural livelihood strategies (Gashu *et al*., 2019; Olanipekuni *et al*., 2019; Mellor, 2019).

Although the role of agriculture is well researched globally, there are counter-arguments to it, because the majority of African countries have failed to achieve a successful agricultural revolution, and agricultural productivity per hectare remains lower in comparison to other regions across the world (Morokong & Troskie, 2020; Diao *et al*., 2007; Diao *et al*., 2010).

Fruits and vegetables constitute a significant share of agricultural exports in the world market(van der Merwe, 2019). The world's consumption of avocado, in particular, has been on the rise owing to its distinctive nutritional benefits and popularity of the avocado fruit (Kadam & Salunkhe, 1995; Mwakalinga, 2014: Menzel *et al*., 2014; FAO, 2019; Juma *et al*., 2019). Avocado is also a source of phytochemical (fat-soluble nutrients, and proteins) and it is perceived as part of healthy eating by other consumers (Dreher and Devenport, 2013; Araújo *et al*., 2018; Duarte *et al*., 2016). Prominent health benefits of avocado enriched diets include; reducing cholesterols levels in men, body weight control, and preventing cardiovascular diseases (Pierterse *et al*., 2005; Duarte *et al*., 2016).

Therefore, against this background, it is not surprising to see a rise in investment directed to this industry, particularly in the market promotion and new avocado plantings over the recent years. The South African Avocado Growers Association (SAAGA) was established in 1967 to regulate and facilitate the avocado industry in the country (van Zyl and Ferreira, 1995). This industry contributes to the economy through foreign export earnings and job opportunities for the majority of the rural population (DAFF, 2018).

Whether avocado production is meant for export or domestic consumption; addressing food insecurity through this industry remains important (Hakizimana and May, 2018). In countries where avocado for export market happens to be the core business, such as South Africa, domestic markets remain dependent on surpluses or second quality fruit (Naamani, 2007). Overtime growth on the avocado export market has led to an increase in the domestic market; hence, growth in consumption per capita is significantly noted in South Africa.

According to SAAGA (2020), the Northern and Eastern parts of South Africa are the major regions for avocado production due to they are warm subtropical areas, but with the increased demand, the production extended to other parts of the country; Kwa-Zulu Natal, Eastern Cape, and Western Cape. In this report, the focus will be limited on the avocado industry concerning the Western Cape Province to assess how this sector is performing following the recent impact of the drought, global events and changes in agricultural land-use practices in the province.

This report provides essential information to ensure the sustainable supply of avocados in the domestic markets and potential export markets. These insights will enable decision-makers to identify possible strategies and investment opportunities growing the avocado industry.

2. Global Market trends

2.1 Overview of the Avocado Industry

Since 2010, investment in the avocado industry has significantly increased to meet the surging global import demand; however, avocado production remains the smallest of the major tropical fruits (Altendof, 2019). Continuous growth in avocado import demand and consumption places pressure in finding potential sustainable avocado markets (FreshPlaza, 2018). For example, South African and Peruvian avocado industries have spent U$ 2.5 million on market and production promotions for Hass avocado cultivar in Europe(FreshPlaza, 2018). This budget will not decline anytime soon. The growing demand in the United Arab Emirates, Saudi Arabia, and China—due to increasing middle income and population (ITC,2019) presents potential market opportunities. Therefore, tapping into these markets is essential for South Africa (Sihlobo, 2018), If the global demand trend continues to grow. Growing world demand opens more opportunities for the upcoming producing regions (i.e. Western Cape) except Mexico and other well established exporters.

2.1.1 World Avocado production

Avocado is a fruit from a family of flowering plants called *Lauraceae,* and its scientific name is *Persea* America and it is argued to originate from Central America (Bergh & Ellstrand, 1986; Litz, 2009). Global avocado production has increased by more than 30% in the past decade (FlashPlaza, 2018), driven by the growing world consumption and demand, i.e. fresh and processed avocado products, consumer awareness of avocado fruit's nutritional benefits, and the use of avocado in the cosmetic industry. **Figure 1** shows the global avocado production over period. Avocado production is expected to continue growing in the future, given the dynamic and diversified emerging markets such as China, Brazil, and India. South Africa and other African countries also produce avocados for these commercial markets (Altendorf, 2018).

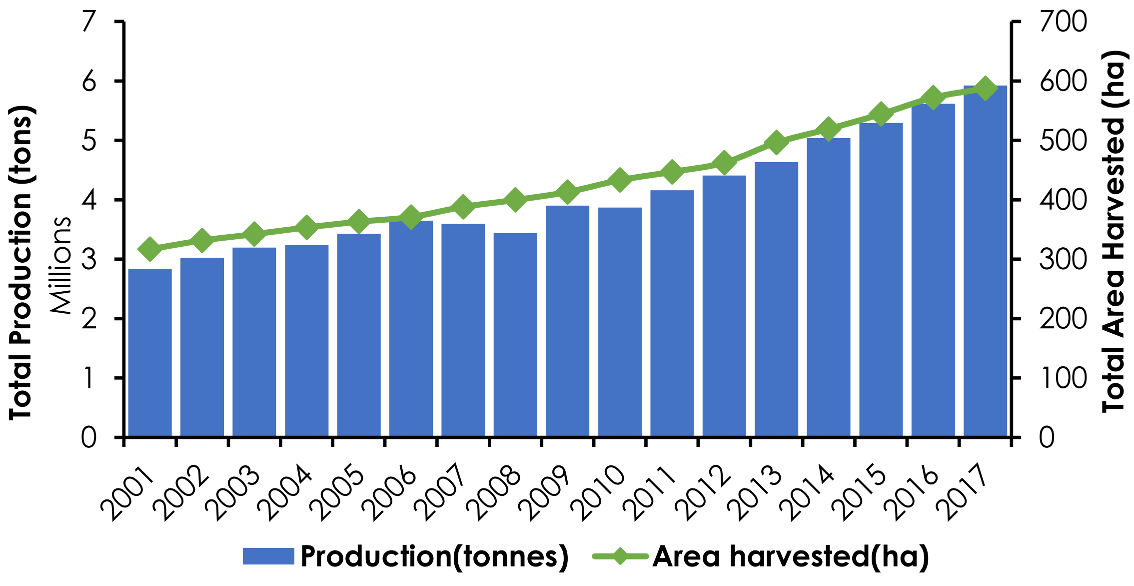

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***Figure 1**: Global avocado production and area planted*

Source: FAO (2019)

In 2001, the world avocado production amounted to 2.8 million (tons) and grew up to 6 million (tons) in 2017, showing an annual growth rate of 5% over the reviewed period (FAO, 2019). Between 2014 and 2017, the world avocado production experienced an increase of 6.2%, recording the highest avocado production volume of 6 million (tons) in 2017. The total world area planted continued to grow relative to the world's production growth, increasing from 324 826 (ha) in 2001 to 607 542 (ha) in 2017, at the annual growth rate of 3.9% (FAO, 2017). However, arable land to practice agriculture remains a global limiting factor of production. In 2018, approximately 35% on average of the total world avocado production was destined for the export market compared to the other tropical fruits.

2.1.2 Major avocado producing countries

Avocado has increasingly found attention or a growing share in the international markets.There are about 80% different avocado cultivars planted, consumed and traded around the world; these include the Hass and Fuerte variety (Rincon-Patino *et al*., 2018). The world-leading avocado producing countries in 2018 were Mexico (34%), Dominican Republic (11%), Peru (8%) and Indonesia (6%) among others (WTO, 2019; Altendorf, 2019).

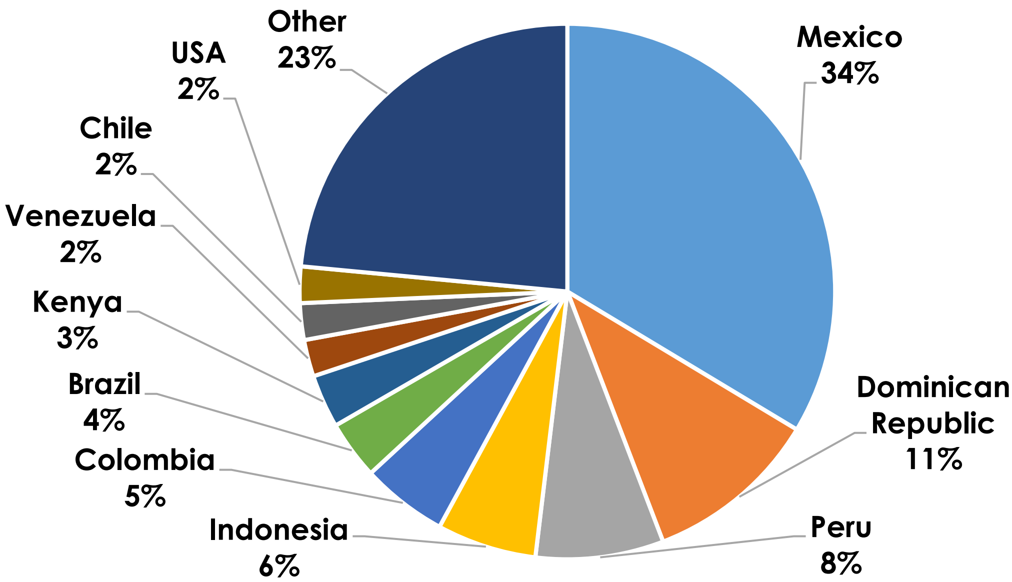

Figure 2: *Leading avocado producing countries in volumes (tons)*

Source: FAO (2019)

Mexico remains the largest leading producer of avocado in the world, constituting about a third of the world's total production. Recently, other countries have started growing avocado—regarded as a superfood, and are exporting to the international markets. An example is China, the country's rise from producing none commercial avocados in 1991 to establishing 20 266 hectares under avocado plantation, and producing 124 110 tons of avocados in 2017.

2.1.3 Mexico's avocado production

Mexico is widely known as the world's largest producer and exporters of avocados (Altendorf, 2019; Ogunwusi, 2017; ITC, 2019; WTO, 2017). This section analyses the Mexico avocado distribution as South Africa's major rivalry.

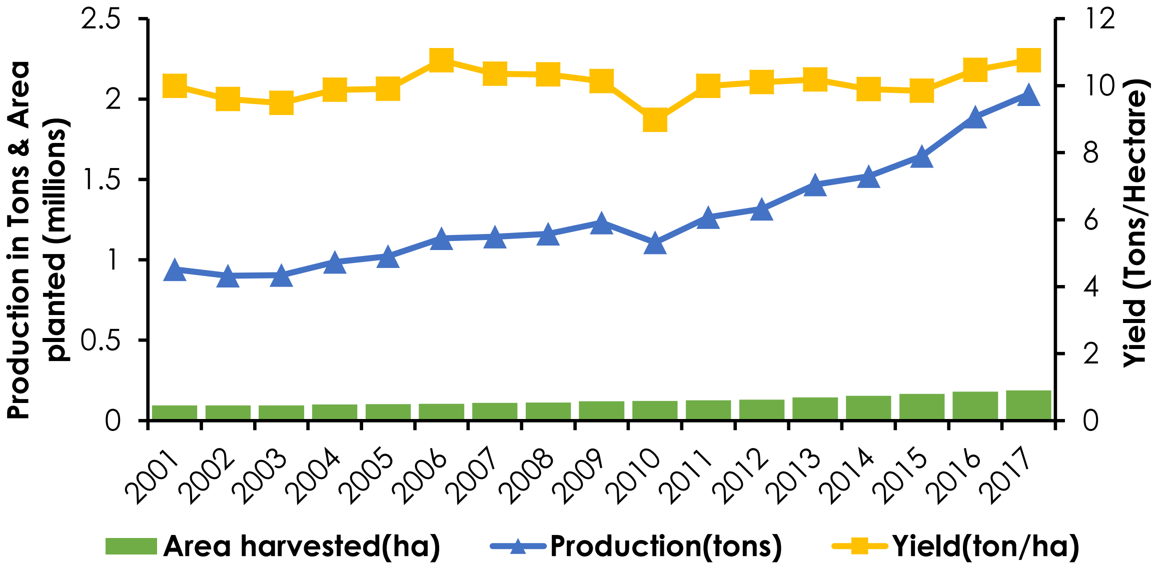

***Figure 3**: Mexico avocado production*

Source: FAO (2019)

Figure 3 breakdown the Mexican avocado production from 2001 to 2017 production year. Mexico produces avocados all year round, with a strong focus on Hass avocado cultivar. About 80% of the Mexican avocado production is concentrated in the Michoacan region (USDA, 2019). The peak season for avocado in Mexico is from October to January. Mexico produced over 2.0 million tons of avocado in 2017(See **Figure 3**).

In the past five years, Mexico's avocado production on average increased at 6.7 % per annum and the total area planted in the 2017/2018 production year was at 231 028 hectares (Ha), higher than the total area planted in 2016/2017. This showed a 5.7 % area increase between the 2016/2017 and 2017/2018 while the total area planted in Michoacan district grew up by 5% between 2016/2017 to 2017/2018. Likely not expected to expand as strong as it had in the recent past. The decision on area planted largely depends on the international avocado demand and land available for new plantings. In value terms, over the reviewed period, the Mexican avocado market increased from U$ 78 million in 2001 to U$ 2.3 billion in 2018 (ITC, 2019). About 80% of the Mexican avocado is absorbed by the United States market, and this approximately 814 thousand tons.

3. The world avocado consumption trends

On the back of rapid growing avocado production, estimated at 6.3 million in 2018 (FAO,2019), consumption has been low in other parts of the world outside Central American countries (Juma *et al*., 2019). Consumption of avocado showed a surge growth in the EU (van Rijswick, 2017) and Asia markets (Premark, 2017). The growth in the demand for high-value fruit products (berries, nuts, avocados, litchi fruit, among others) brings competition to the consumption of traditional fruits such as oranges, apple, banana. Therefore, different marketing strategies of berries and avocados have created the right image of "superfoods", and are considered as "extra healthy" in the eyes of consumers globally. Increasing avocado consumption and demand requires growth in production, and this allows entry-level producing regions such as Western Cape to expand their scope production to supply the growing world market.

2.2 World Avocado Consumption

Global food demand is influenced by world population growth, and per capita income increase among other factors, and also by diversifying trends in dietary patterns and consumer preferences (OECD, 2018). World avocado supply continues to grow relatively to global demand as the fruit becomes an essential product. World avocado consumption occurs not only due to its flavour; but also, due to its healthy contribution to consumer's changing diets and preferences. The World Avocado

Organisation (WAO), is positive about the anticipated growth in the consumption of avocado in Europe; the world's second-biggest market and has highlighted this growth might match the consumption of the United States in the next eight years (FreshPlaza, 2019). At the latest WAO (2019) Congress in Malaga, it was reported that world avocado consumption expected to increase from 650 000 tons in 2018 to more than 1.1 million tons in 2019.

4. Trade performance of the avocado industry

Promoting avocado production and trade in developing economies is vital in economic growth and poverty reduction agenda (Larson *et al*., 2014). Given the complexity and dynamism of global food markets, an overview of the international trade of the selected products is crucial. This kind of information is readily available to the active trading countries and informs decision-making and planning at an industry and firm level.

From the above section, the world avocado production trend is provided. There has been a significant avocado trade growth in both volume and value since 2001, as shown in **Figure 4**. Comparing these values with production volumes; a drop in the export values was experienced. Despite the recent decline in the avocado export values, the value of export has grown significantly from R 2.8 billion in 2001 to R 73.1billion in 2018, at an average annual growth rate of 20.94 % (ITC, 2019).

As it is observed, the import value followed the same positing growing trend. The emerging questions would be: what attributed to this growth, could it be as a result of a change in price and/ volume?

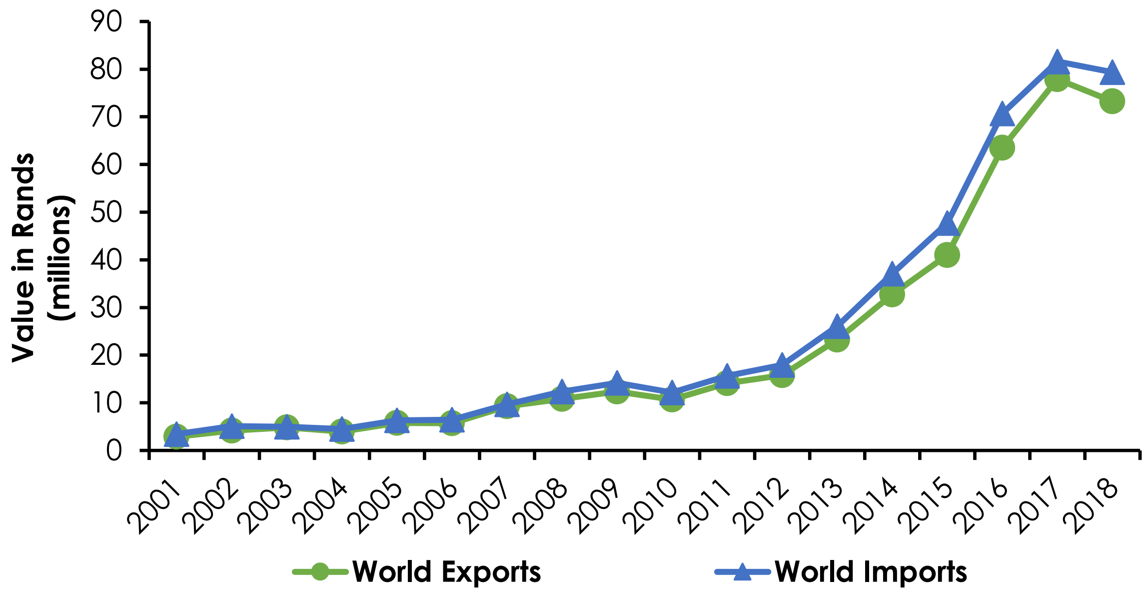

Figure 4: *World imports and exports of avocados, 2001 to 2018*

Source: ITC (2018)

South Africa is among the leading avocado exporters (Altendorf,2019), and South African Subtropical Growers' Association(Subtrop)(2019)concurs with this. Contrary, according to the recent Business Insider report (2020), the country's recent shortage of avocados supply and increased quantity demanded pushed the unit price for avocado to R25. **Figure 5** and **6** provides trends in export volumes and average annual unit prices (R/tonne) of avocados. A positive trend in both exported volumes and unit prices of avocado is observed in **Figure 5**, with the annual average unit price of R31 867/ton in 2018 before a sharp decline. The world avocado exports grew to a first-time 2.2 million tonnes in 2018, showing a significant 15 % increase from 2017, outperforming the 12.6% average annual growth rate recorded in the previous decade (FAO,2018).

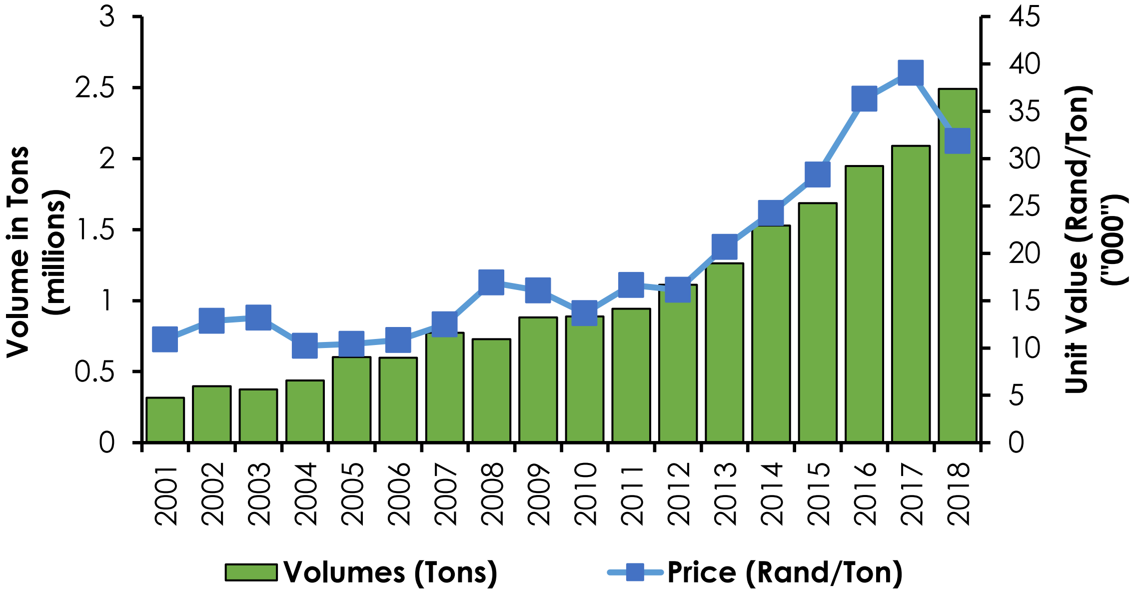

Figure 5: *World avocado exports, volume, and prices, 2001 to 2018*

Source: *ITC (2019)*

In 2018, the world avocado market prices were characterised by strong growing demand and a relatively weak-offer (Fresh Plaza, 2019). The growth in average prices is expected to sustain for longer. While on the other hand, the world avocado production shifted from the southern hemisphere to the northern hemisphere. The production reduction was experienced by some of the major producing countries, such as a 30 % decline in Chilean and South African production, while production is growing in Colombia and with New Zealand and Australia implementing ambitious plans.

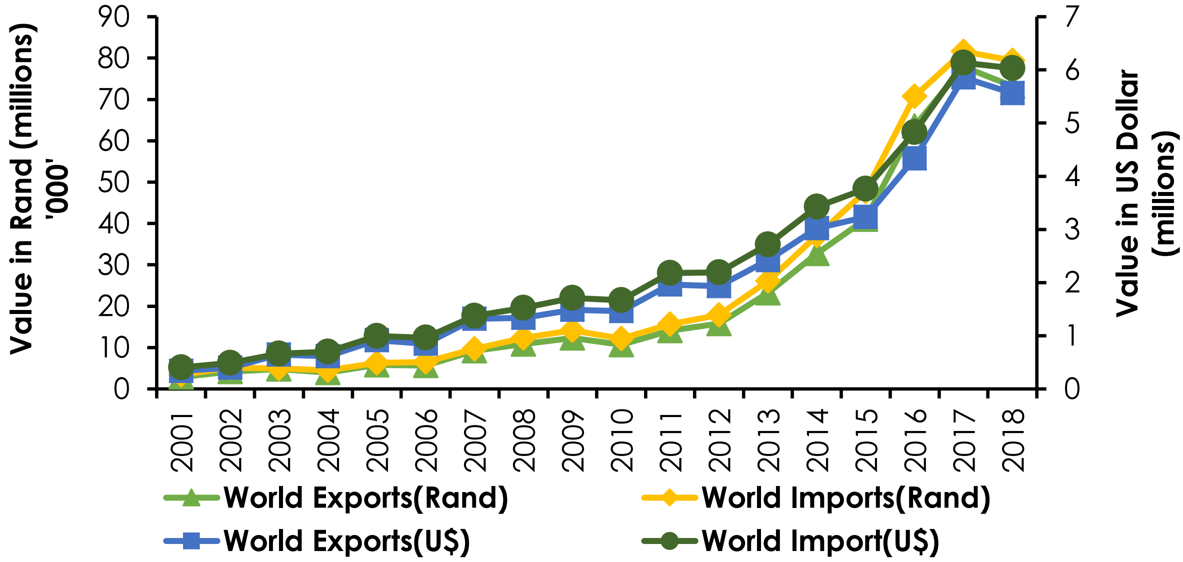

Figure 6*: World avocado trade performance*

Source: ITC (2019)

Figure 6 above gives value in the US Dollar and SA Rand comparison of exports and imports for the period 2001 to 2018. Analysing these trends of value against the production volumes, it seems that the drop in avocado volumes was the driver of the decline in the export values (Figure 6).

4.1 World Avocado Exporting and Importing countries

Avocado is widely traded globally with the share of exported value in total world output, approximately 43.1% from Mexico (FAO, 2018; ITC, 2019). **Table 1** ranks the world's top ten exporting and importing countries of avocados in terms of volume and market share. Over the past five years, the world avocado market has maintained consistent growth, while the market value is displaying a positive growth trend. Mexico is the world-leading exporter of avocado, accounting for approximately 1.1 million tonnes, a 43% share of the total global market. Mexico accounts for more than one-third of the world's avocado output in 2018(FAO,2018).

Mexico’s sustained avocado export position emanates from its ability to produce avocado in all year seasons, the priority with Hass variety quality and its proximity to the United States of America. Interestingly, Mexico’s market share commands more than triple the share of the second-largest exporting country (Peru) in volume terms. From the Netherlands, Chile, Spain and other exporting countries, their share in the global market was marginal. In terms of imports, the United States of America absorbs 2.4 million tonnes of avocados, (Mexico dominates the USA avocado market), absorbing 40% of the global market share, followed by the Netherlands at 8.9%, France at 6.8%, Germany at 5.3% and others at 18% (ITC,2019).

Table 1: List of top importers and Exporters of Avocado fruits

Ranking	Exporting country	Volumes (Tonnes)	Share in world exports (%)	Importing country	Volumes (Tonnes)	Share in world imports (%)
1	Mexico	1 091 937	43	USA	2 448 439	40.6
2	Peru	359 428	13	Netherlands	538 633	8.9
3	Netherlands	246 319	13.2	France	409 856	6.8
4	Chile	132 525	5.8	Germany	317 810	5.3
5	Spain	108 033	6.2	Spain	280 312	4.6
6	RSA	89 343	2.1	United Kingdom	267 328	4.4
7	Kenya	71 877	2.1	Canada	223 320	3.7
8	USA	68 477	3.2	Japan	218 160	3.6
9	Dominican Republic	34 462	1.1	China	133 380	2.2
10	Colombia	30 009	1.1	Afghanistan	6 246	0.1
	Total Exports	**2 232 410**	**90.8**	**Total Imports**	**4 843 484**	**80.2**

Source: ITC (2019)

South Africa avocado exports is primarily destined for the EU market; the country is also growing its domestic avocado market (DAFF, 2018; FAO, 2018; Subtrop, 2018; FlashPlaza, 2019). On Peru's side, avocado production has been substantially expanding in recent years, and the country's season is becoming longer. Peru plans to expand its market share in Europe, where it currently has a share of approximately around 30%. Seasonality difference plays a role in distributing avocados across the world market, and this presents plenty of opportunities for different countries—whether in the Northern Hemisphere (NH) or Southern Hemisphere (SH).

Figure 7 breakdown the value of avocado exported in both regions: Southern and Northern Hemisphere. The climate variability between the two regions leads to the realisation of alternating on and off-season of avocado exports. The variation of both trends for the Northern and Southern hemisphere show similar patterns but at different values of avocado exports. It is important to note that the value of avocado exports has increased over the reviewed period in both hemispheres, showing a decline in 2017.

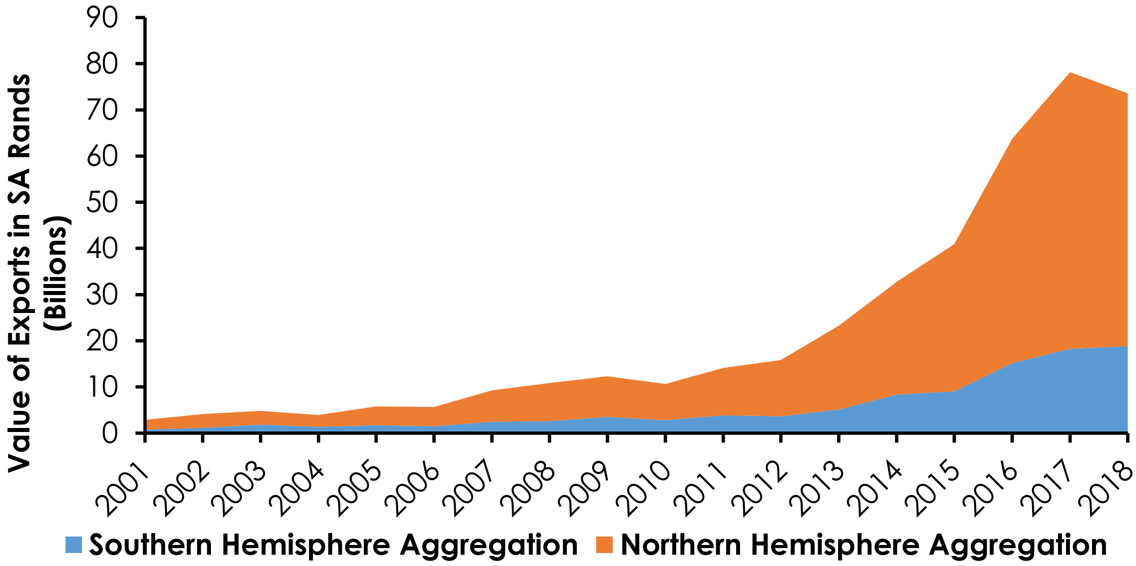

Figure 7: *World avocado exports in value*

Source: ITC (2019)

From **Table 1**, Mexico has been increasing its shipments to the global market from Southern Hemisphere, due to its all-seasons production advantage. As mentioned in the previous section, Mexico is the world's largest producer and exporter (1.1 million tons) of avocado. On the other hand, the United States of America is the most prominent world importer in the Northern Hemisphere region (absorbing 2.4 million tons) of the world avocado; importing avocado mainly from Mexico and re-exporting to neighbouring Canada.

6. South Africa's avocado industry

In the past five years, the export of fresh fruits from South Africa has been growing (ITC, 2019), of this, dominated by the citrus and pome fruit. According to South African Revenue Services (SARS, 2019), a total of 3.3 million tonnes of fruits were exported in 2019. Approximately, 45 % of this destined for European markets, with the Netherlands as the dominating importing country. South Africa is among the world-leading avocado producers and exporters from the Southern Hemisphere (FAO, 2018). The country's annual avocado production is estimated to be approximately between 80 000 and 120 000 tonnes, far behind the top world avocado producer, Mexico, producing above1.5 million tonnes.

Subtropical fruits are prone to climate variability (DAFF, 2017). Challenges faced by this industry include a decline in production in recent years due to drought and other factors. Avocado industry in this country is traced back to the arrival of the Netherlands descendants. They imported it from West Indian Island and Netherlands Colonies (Source).

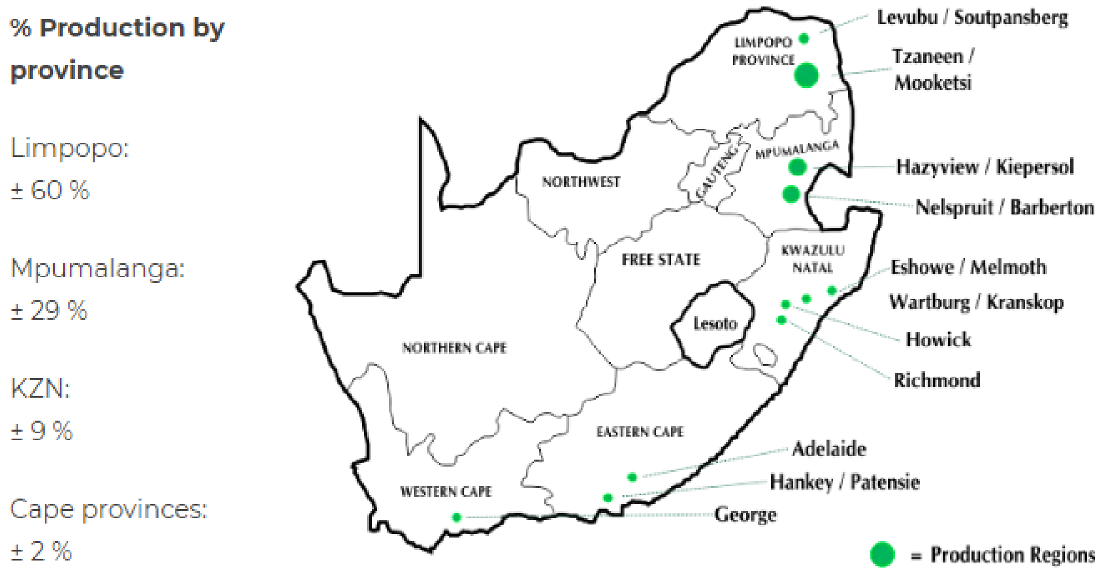

***Figure 8**: South African avocado producing regions*

Source: *SAAGA (2019)*

South Africa's climatic conditions are suitable for the production of a variety of fruits (NAMC, 2018; Sibulali, 2018). South Africa is among the biggest producers of avocados in Africa and the 12th global producer. Avocados grown in South Africa are under drip irrigation, concentrated in the humid, subtropical areas such of Limpopo (60%), Mpumalanga (30%), Kwa-Zulu Natal (9%), expanding by 2% in Eastern Cape and Western Cape Province (Donkin 2007; USDA,2019).

Figure 8 above shows the concentrated avocado production regions in South Africa. The country's avocado production season extends from mid-March to September. Due to weather variability between South Africa's producing regions; major cultivars grown are available over an extended period of the production season (DAFF, 2017). For instance, "Fuerte" is harvested from mid-March to May in the Northern Regions, and harvested in July and August in KwaZulu-Natal. According to SAAGA (2019), Hass (33%) and Fuerte (42%) are the major South African cultivars, along with Ryan (11%)

and Pinkerton (8.5%). Recently, more Hass cultivar planted is driven by increasing demand from the European market. Pinkerton cultivar is gaining popularity among other producers due to its high yield advantage. The only problem with this cultivar is sensitive to cold weather spells.

6.1 The South African Avocado Production

The South African avocado industry has faced multiple challenges in the global market, including the potential of a future ban with the introduction of trade regulatory standards in the European market (Kereem *et al*.,2015; Santeremo, 2019). In Africa, South Africa is among the significant producers of avocado.

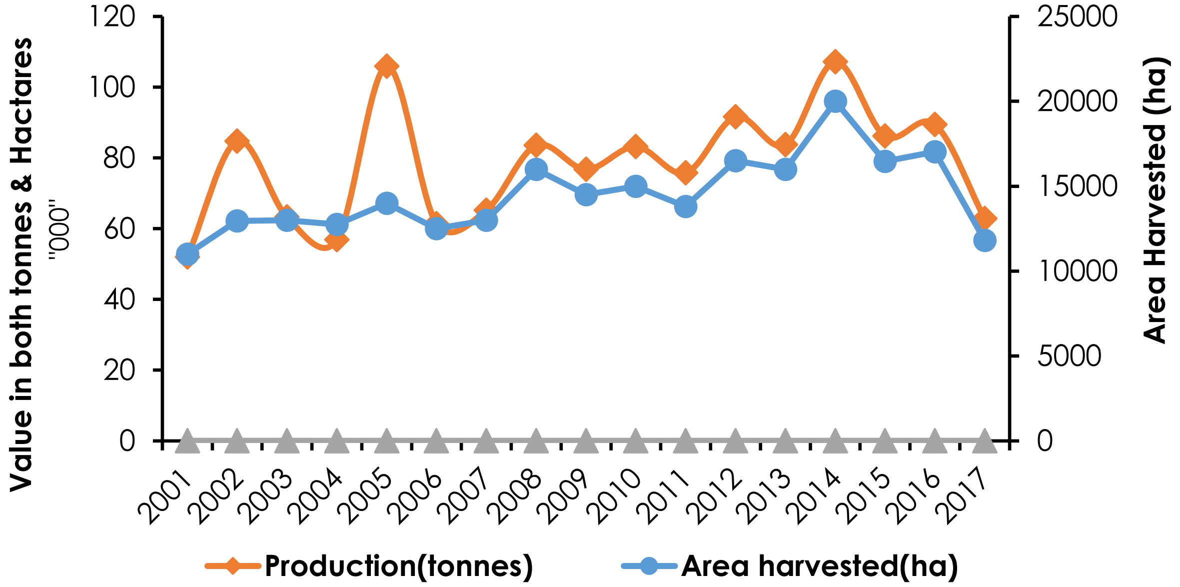

Figure 9*: South African avocado production (hectares and tonnes)*

Source: FAO (2019)

South Africa's avocado production projected to be down by around to 30% in 2019(Subtrop, 2019), lower than the previous production year. This concurs with the United States Department of Agriculture (USDA, 2019) report estimation that in 2018/19 production year South Africa's avocado production is expected to decline by more than 25% (to 127 000 tons). This drop-in production was due to heatwave recorded in October 2018 (FreshPlaza, 2019). The decline generally is also driven by other factors such as the drop-in yield, premature fruit drop, and the cyclical on-year and off-year nature of avocado production. However, South African avocado production has recorded exceptional growth over the past four decades due to world export demand and consumption.

6.2 The trade performance of the South African Avocado Industry

A breakdown of the avocado trade movement in the past 18 years is provided below in **Figure 10**. World major avocado producing countries are targeting the potential Chinese market. The Free Trade Agreement (FTA) has allowed Europe to remain the primary market for South African avocado exports (96%) of the total avocado exports.

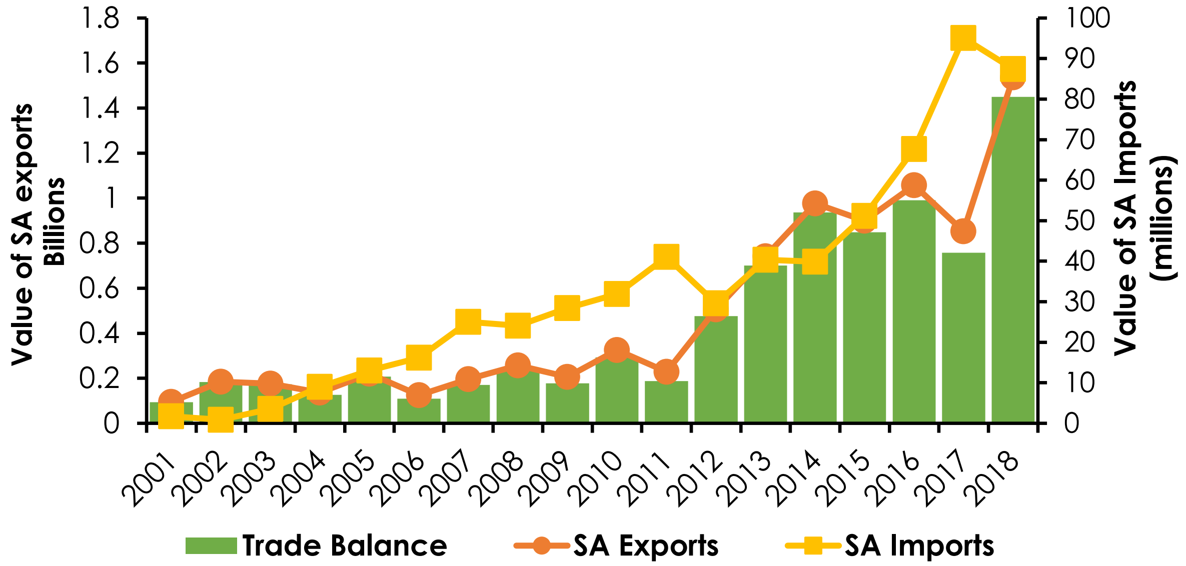

Figure 10: *Value of South Africa's avocado exports and imports in rand (R)*

Source: ITC (2019)

South Africa's avocado export represents 2.1% of the total avocado world exports (ITC, 2019). South Africa exported 43 492 tons of avocado, valued at R976 million in 2013/14, down by 12 % compared to the previous marketing season. Fluctuation reflects the 2015/16 drought effect on the country's avocado production. However, the SA's avocado export in terms of volume moved up to 89 349 tons (valued at R1.5 billion) in 2018, showing a 105% growth between 2017 and 2018(ITC, 2019) (See **Figure 11**).

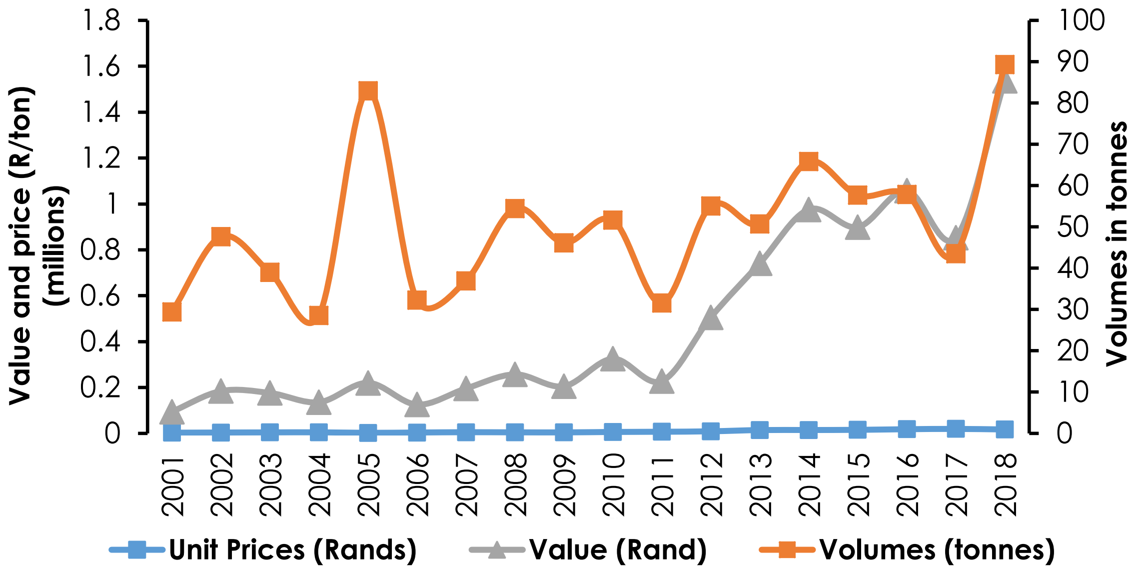

Figure 11: *South Africa's value of total volumes, exports and unit prices in rands*

Source: ITC (2019)

This growth is the result of many factors including an increase in production, expansion in the area under cultivation, and the rapid world growing demand and diets of avocado fruit as a superfood crop. The unit price of South African avocado per kilogram has been stagnant and sustainable over the period under the review.

6.3 South Africa's avocado importing countries

In **Figure 12**, the Netherlands remains the primary destination and the largest avocado market of South African avocado export in value terms, constituting a share of 68 %, followed by the UK at 16%, Spain at 5.9%, Russian Federation at 1.8% and the United Arab Emirates 1% in 2018 (ITC, 2019). Although SA's avocado export share in world avocado exports has been declining since 2012, recently, it has shown a rise. The UK has shown steady growth over the analyzed period, becoming the second-largest destination of SA's avocado exports in value terms.

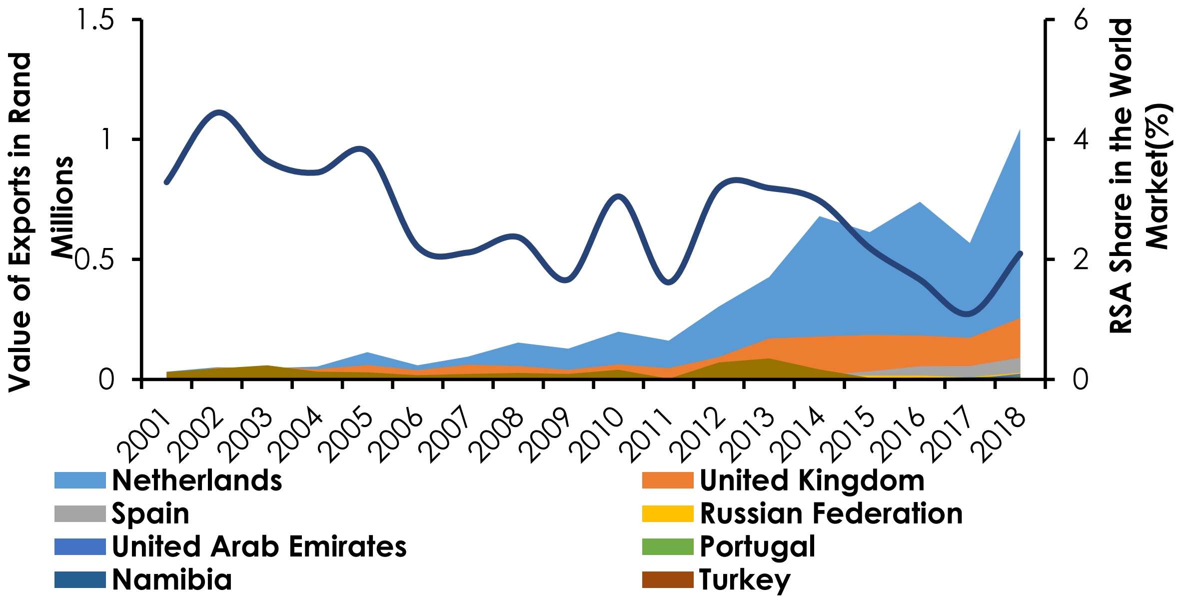

***Figure 12**: South Africa's major avocado exports markets in value (rands) & share of the market*

Source: ITC (2019)

South Africa's avocado export is facing a potential ban in the UK market due to the claims that the water-intensive subtropical fruit is harming farmers and land resources. As this is the second-largest market for South Africa's avocado exports, therefore, reduction in demand for avocado export in the UK market would result in a negative impact on South Africa's avocado industry.

7. Western Cape avocado production and trade flow

The Western Cape avocado producers are currently harvesting Pinkertons and Hass cultivars. The South African avocado industry is struggling to respond with sufficient trees to the planned expansion of production around the country. Over the past few years, Western Cape has seen some new planting of avocado from different districts.

From Table 2 below, is the total area planted (tons) and total avocado production from Western Cape based on Stats SA (2020) census of commercial agricultural report, 2017. In 2015, South Africa showed a decline in production and sales trend of avocados linked to weather condition such as the drought that profoundly affected the country's agricultural production. The WC in 2017, produced 585 (tonnes) avocados under a total area of 68 hectares in three different districts, namely; Cape Winelands, City of Cape Town, and West Coast(Stats SA, 2020).

Table 2: Western Cape Avocado Production (Tons) and Area Planted (Ha), 2017**Error! Not a valid link.Source**: SA STATS (2020)

Increasing the scope of production and investment in the avocado industry in the province; planting avocados has to be extended to other districts to meet the growing demand for this fruit. Due to limited data available, the two figures (13 &14) below provide avocado production sales destined to the Cape Town Fresh Produce Market as recorded in DAFF (2019) Abstract report. It is important to note that not every WC production gets to the Fresh Produce Market; hence such trends should not be treated as the presentation of the Province's industry.

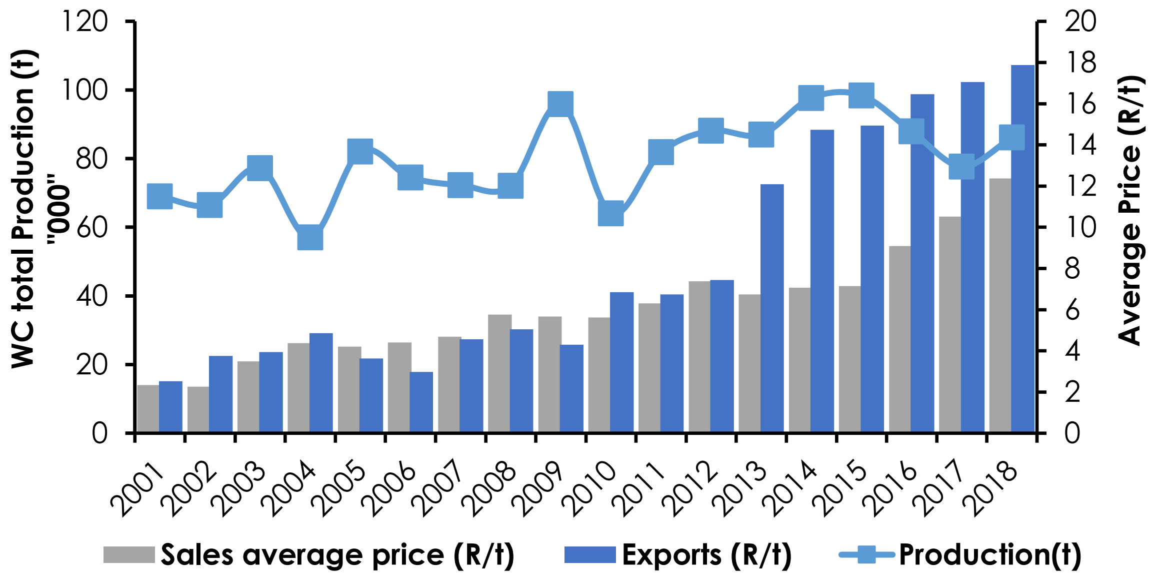

***Figure 13**: The value of Cape Town's avocado production in rands and tonnes*

Source: Quantec and Daff (2018)

Relatively, the Province's avocado exports in value terms showed continuous growth in the past five years. Marketing "windows of opportunity" are becoming increasingly fewer and smaller as the seasonality advantages eroded by trade between countries and hemispheres; as technology enhances post-harvest longevity; and new cultivars entering the market every year and stretching traditional harvest times.

According to FruitPlaza (2018), access to the USA avocado market would be an excellent deal for the country and the Western Cape Province. Western Cape has a potential of avocado production despite challenges such as water shortages and drought.

5.1 Cape Town City Avocado monthly production and unit values

Figure 14 shows monthly Cape Town City avocado production (tons)sales and the average market price (R/t) since 2015. The city's avocado production sales monthly have generally been declining and reaching the highest record of 949.05 tons in February 2016. New investment and availability of avocado nurseries around the province may all lead to the new expansion of the avocado production in Western Cape and relieve the existing bottlenecks and shortage of this fruit around the country.

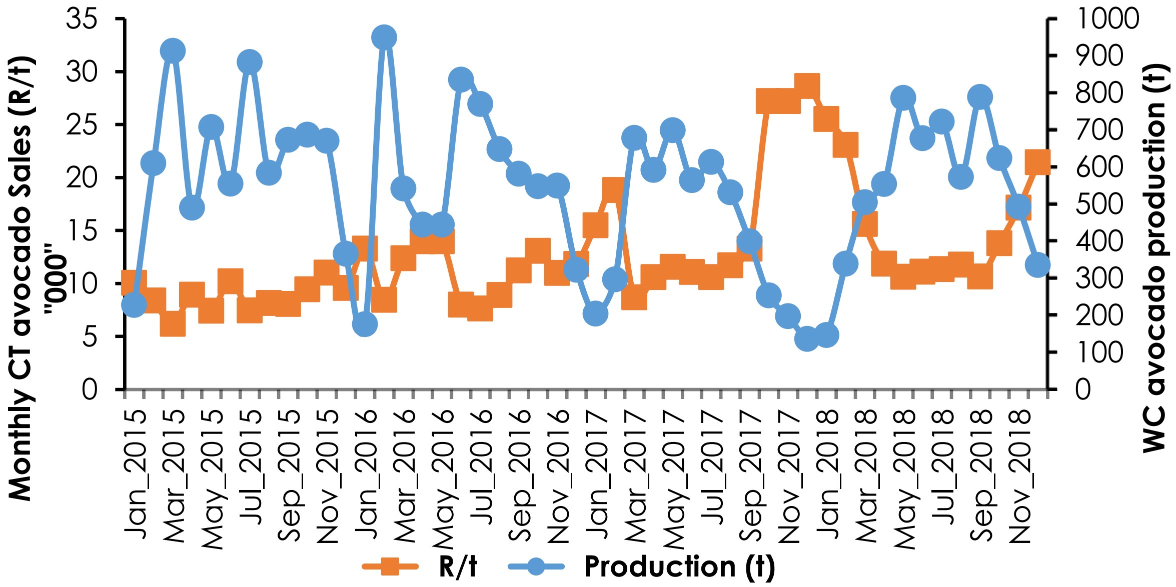

***Figure 14**: Cape Town avocado and value (tonnes and rands)*

Source: DAFF (2019)

Contrary, the average market price has been increasing with variation, recording the highest value of R 28 641.13 per ton in December 2018 marketing year.

8. Attractive Market Opportunities

There is pressure on South Africa to diversify and find new avocado markets. The pressure explains the emerging efforts by the country to acquire more market access in countries such as the United States, Japan, India, and China, among other markets. The growth of South African avocado exports needs to be intensively analyzed and explained within the context of market access conditions, i.e., market opportunities. Therefore, to do this, Table 2 gives a breakdown of the potential avocado markets that South Africa can explore. It is important to note that the Market Attractive Index (MAI) should not be qualified and viewed as the only absolute index to measure for attractiveness, instead, as the relative measure in this context. The top countries in the Table show the country's potential for investment and in-debt country-level investment analysis required.

Table 3: South Africa's top ten avocado exporters**Error! Not a valid link.**

From **Table 2** above, the top three attractive avocado markets were the Mozambique, Botswana, and Mauritius. India, Germany, and Namibia follow them. These countries suggest such markets provide potential opportunities for South African avocado exporters. Other countries in the Table were Germany, Namibia, Zambia, the United Kingdom, Malaysia, and China. Germany and United Kind have been the significant growing markets from Europe, where most of the country's avocado exports are destined. Recently, China has been the primary emerging market and importer of South Africa's avocado with good prospects.

9. Conclusions & recommendations

The performance of the avocado industry was analysed in this report. Although we started broadly looking at the global and domestic performance of this sector, much emphasis was on the Western Cape Province. The avocado industry of South Africa is relatively analysed against the rest of the world. That said, this information helps to inform sound decision-making by all the stakeholders involved in the avocado industry. Although, the South African avocado is relatively small compared to other fruit industries, however, it contributes to the economy of the country by creating jobs and collecting revenues from exports. From the analysis, the world industry showed a growing avocado production volumes, recording the highest amount of 5 924 398 tons and total area harvest of 587 278 ha in 2017.

At a local level, South Africa's avocado production showed variation with maximum volume of 107 176 tons and 20 000(ha) area harvested in 2014, followed by a sharp decline of 62 840 tons in 2016. The decline could be attributed to the effects of the 2016/17 drought, amongst other factors. However, capital investment and new plantations were recorded in the Western Cape and Eastern Cape to meet the growing local demand for Avocado fruit.

In volume terms, South Africa is the sixth largest world exporter of avocado. At the global stage, the major avocado producers are from the Southern Hemisphere region. In 2018, Mexico was the leading avocado exporter (1 091 937 tons) followed by Peru (359 428 tons), Netherlands (246 319 tons), Chile (132 525 tons), Spain (108 033 tons), RSA (89 343 tons), Kenya (71 877 tons), USA (68 477 tons), Dominican Republic (34 462 tons), and Colombia(30 009 tons). Some of the country's potential markets to explore identified through the MAI are the Mozambique, Botswana, Mauritius, India, Germany, Namibia, and United Kingdom. While the United Kingdom, Namibia, and Botswana, are the existing and amongst the top importers of South African avocado markets. Growing markets requires South Africa to expand and increase its production to supply more of these markets while increasing its market share to these countries. Since there is a national call to diversify and grow exports of high-value products, there are existing channels and transparent trade agreements, and this allows growth for avocado volumes exported.

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