

Mexico – Avocado Market is in a demand exceeds supply situation. Field price in Mexico has been steadily rising since coming out of Super Bowl harvesting, with an estimate of light supplies until the Marzena crop can get started, usually in early March. We expect to prorate orders or need to request flexibility on loading/delivery dates for the next week and a half or so as we work to get back to a normal supply. There have been some quotes on the border of fruit in the mid \$60 range, but this seems to be either efforts to slow down movement and protect inventory or jumping the gun and price gouging. The trend is there to support rising costs, but not quite to that range yet. Size curve is still producing a great amount of small sizes (70's/84's) with about 30% of the pack in our harvest still producing #2 fruit.

California – Harvest is underway with stronger field pricing driving more harvest. Most of the groves being harvested right now are full of younger trees, which tend to produce more Jumbo sizes. Harvest has been averaging about 2-3M Lbs. over the last few weeks, which isn't enough to help offset the Mexican shortages. Increased harvest and packing is expected to kick in with packing days starting next week. Field pricing is in line with Mexico, and we are relying on keeping as much California fruit on the west coast, to help the recovery on the East coast with MX supplies.

Short term outlook – Strong pricing with demand exceeding supply. Expect prorated orders and flexibility on delivery days and sizing will greatly help improve coverage. No new customers, working to honor commitments with existing customers only.

Long term outlook – Strong but steady pricing to Holy week, with possible pricing relief coming with the release of the Marzena crop. Higher price will slow down movement and allow industry to catch back up to normal supply and market should steady out into Cinco de Mayo, with domestic fruit helping to balance the market.