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NAMIBIAN AGRONOMIC BOARD

Constituted by Act 20 of 1992

A world-class regulator of a vibrant, diversified and sustainable crop industry

MARKET INTELLIGENCE REPORT

AVOCADO

ISSUE 2 OF 2024

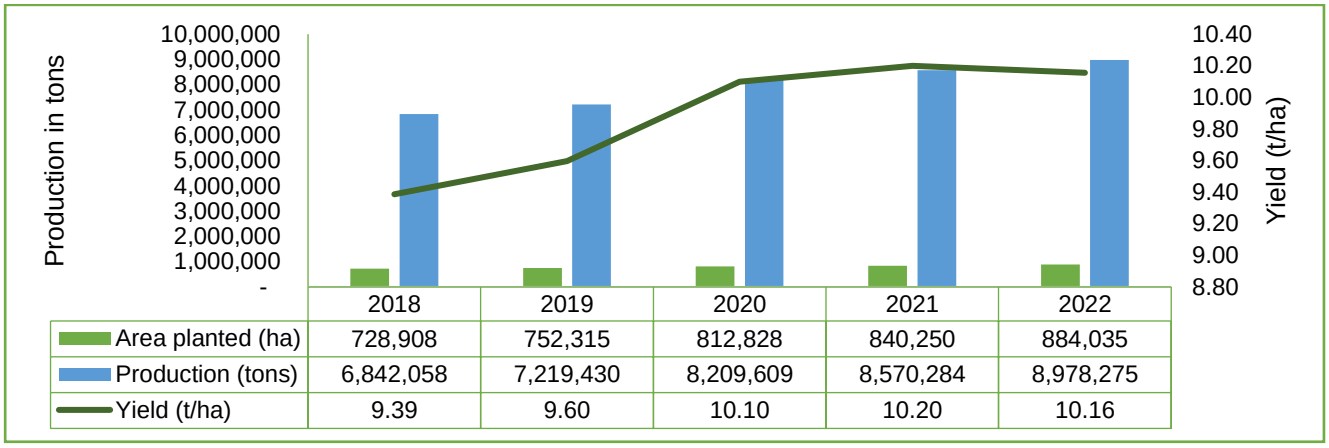
1. INTRODUCTION

The avocado tree, scientifically known as *Persea Americana,* is known for its edible fruit and it belongs to the family of trees called Lauraceae. Avocado are native to the western hemisphere and they are widely grown in warm climatic conditions (Britannica, 2023). Avocados contain what is termed as 'good fats' (i.e. unsaturated fats), about 20 minerals and vitamins (i.e. potassium, magnesium, copper, vitamin E, vitamin K and vitamin C) and they are cholesterol-free (Avocados from Mexico, 2023). Additionally, avocado oil is valued by the cosmetic industry due to the presence of a natural sterol that has the same penetrating abilities as lanolin. It is used as a skin moisturizer, cleansing cream, makeup base, sunscreen, lipstick, bath oil, hair conditioner and as an input in the food industry (Rodríguez-Carpena et al., 2011).

Commercial avocado production in Namibia is almost non-existent and in the 2021/22 production year, the country only produced 0.87 tons (N$10,407.66) of avocado fruits compared to an import of 755.90 tons (N$14,490,904.09). This high import indicates that avocado is a high-value crop and therefore vital to the Namibian fruits consumption. This issue of the Market Intelligence report brings to the fore some highlights pertaining to avocado production, consumption and trade analysis on global, continental and domestic aspects. It further emphasises the opportunities that may exist for potential investment in avocado production in Namibia.

2. GLOBAL OVERVIEW

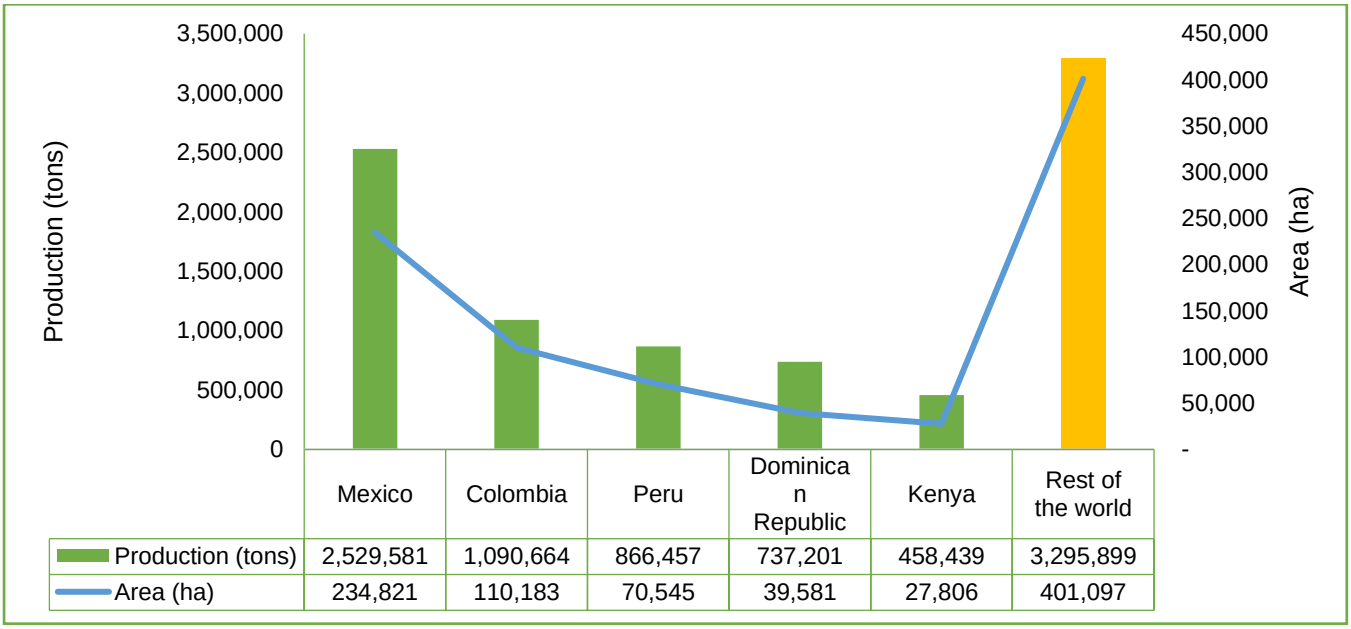
PRODUCTION: According to the FAOSTAT database (2024), the global production volume of avocadoes amounted to 39,819,656 tons over the 5 years from 2018 – 2022. This gives an average of 7,963,931 tons of avocado production per year during the same period. The data also indicates an upward trend in avocado production during the same period (2018 – 2022) from the lowest production of 6,842,058 tons in 2018 to 8,978,275 tons in 2022 (Figure 1).



	2018	2019	2020	2021	2022
Area planted (ha)	728,908	752,315	812,828	840,250	884,035
Production (tons)	6,842,058	7,219,430	8,209,609	8,570,284	8,978,275
Yield (t/ha)	9.39	9.60	10.10	10.20	10.16

Figure 1: Global avocado production (2018 – 2022). Source: FAOSTAT (2024)

As depicted in Figure 2, Mexico was the world's top producer of avocado having produced 2,5 million tons in 2022 and therefore accounting for 28% of the world's avocado production. Mexico is followed by Colombia with 1,0 million tons (12%) and thereafter Peru with 866 hundred thousand tons (10%) respectively. In the year 2022, at least 40% of the world's avocado production totalling over 3,6 million tons was produced by Mexico and Colombia alone.



	Mexico	Colombia	Peru	Dominican Republic	Kenya	Rest of the world
Production (tons)	2,529,581	1,090,664	866,457	737,201	458,439	3,295,899
Area (ha)	234,821	110,183	70,545	39,581	27,806	401,097

Figure 2: Top global avocado-producing countries in 2022. Source: FAOSTAT (2024)

In terms of overall production share per continent, Figure 3 indicates that 72% of the world's avocado for 2022 was produced by the Americas, followed by Africa with 14% and Asia with 11%. Europe produced 2% and Oceania only produced 1% respectively.

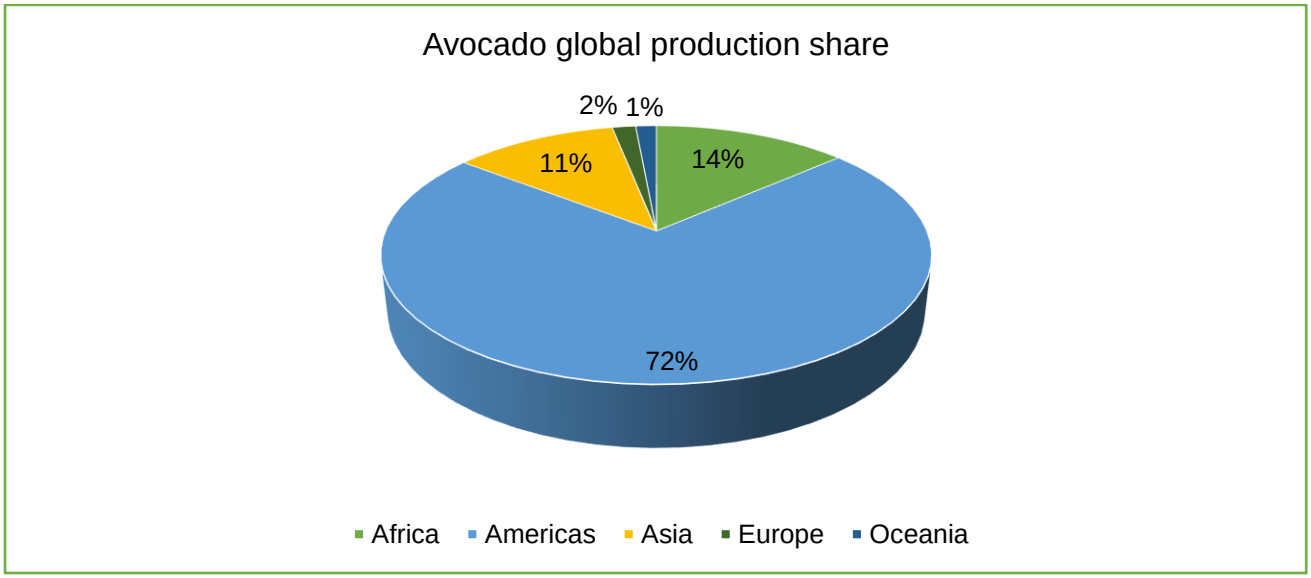


Figure 3: Avocado global production share in 2022. Source: FAOSTAT (2024)

CONSUMPTION: Global avocado consumption is relatively dominating in the Americas whereby 63% of world consumption was consumed there in 2020. The second largest proportion of avocados was consumed in Asia (14%) followed by Africa with 11% respectively. The lowest consumption was recorded in Oceania whereby only 2% of the world's avocado consumption was accounted for in that continent during the same period under review (Figure 4).

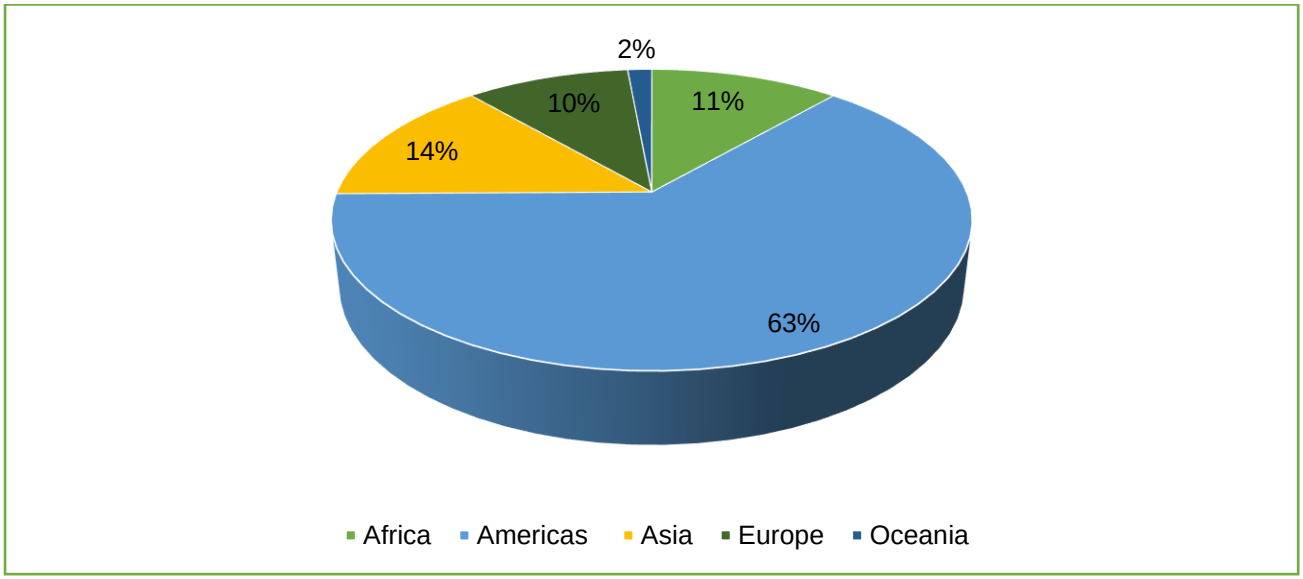


Figure 4: Avocado consumption global share in 2020. Source: World Population Review (2024)

In terms of yearly consumption trends, as illustrated in Figure 5, there has been an increase in avocado consumption over the years with a consumption growth from 5,8 million tons in 2018 to 7,1 million tons in 2020.

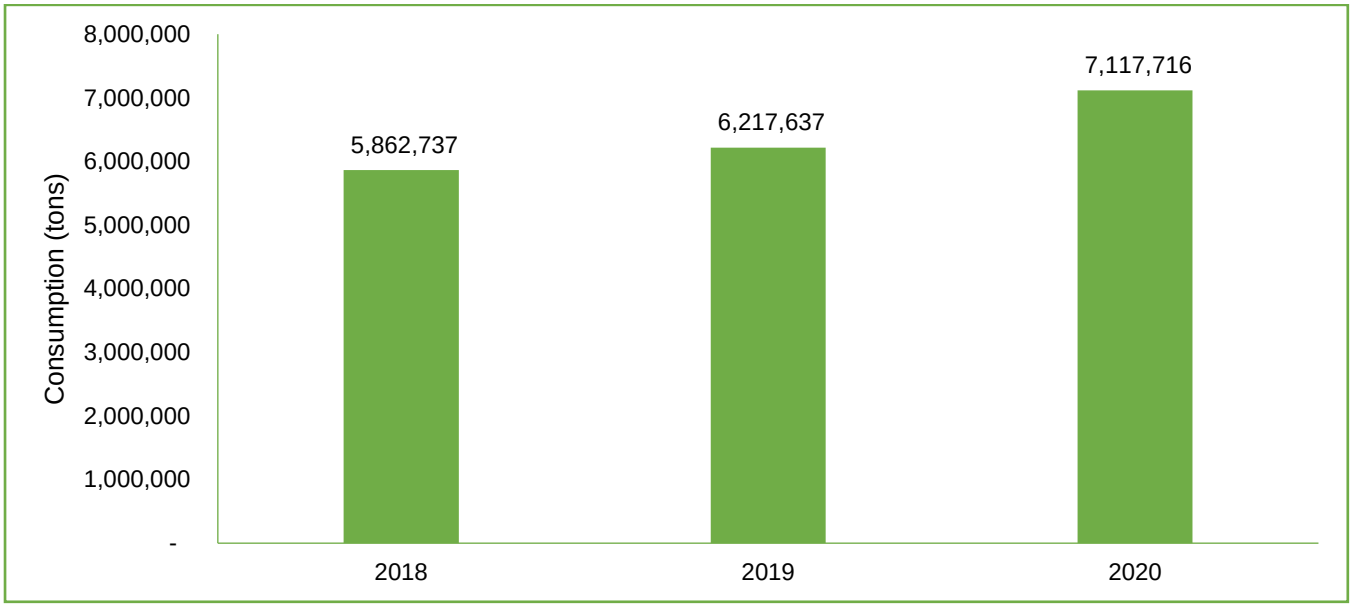


Figure 5: Global avocado consumption trend. Source: World Population Review (2024)

As depicted in Figure 4, the largest avocado consumption was in the Americas as a continent. The specific country with the highest avocado consumption in the world is the United States of America (USA) having consumed over 1,2 million tons in 2020. The USA is followed by Mexico with 1,0 million tons, Colombia with 719 thousand and thereafter, Indonesia with 557 thousand tons during the same year. The Dominican Republic became the 5th most avocado-consuming country in 2020 with a total consumption of slightly over 500 thousand tons. Overall, in 2020, the USA and Mexico combined accounted for 31% of the world's avocado consumption (Figure 6).

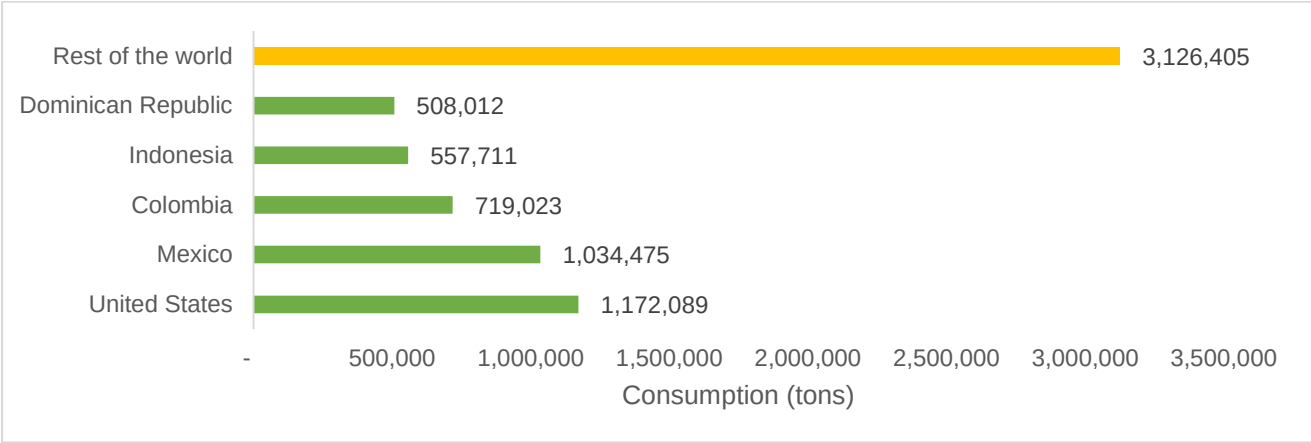


Figure 6: Global avocado consumption trend. Source: World Population Review (2024)

IMPORTS: A stable increase in global avocado import has been observed over the 5 years from 2018 to 2022, whereby a 63% increase in import was recorded (International Trade Centre (ITC), 2024). A low import value of R 79,6 billion was recorded in 2018 with a record increase to R 129,9 billion being recorded four years later in 2022 (Figure 7).

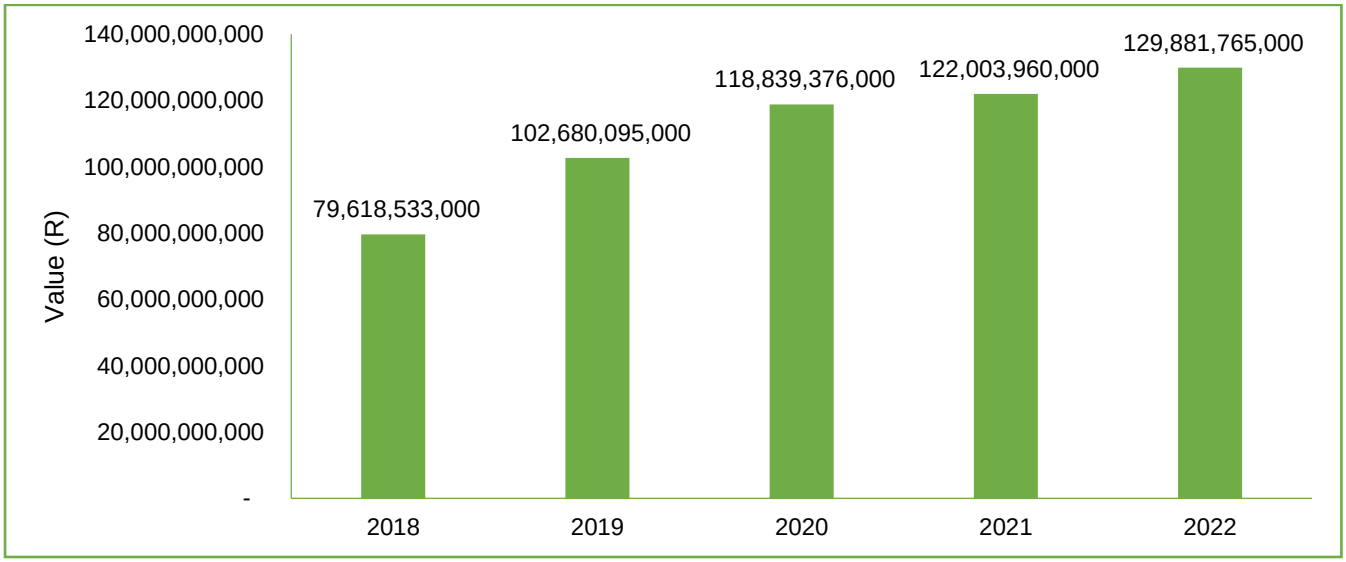


Figure 7: Global avocado import trend in value (South African Rands/R). Source: ITC Trade Map (2024)

In terms of country rankings, the USA tops the list, being the largest importer of avocadoes and it imported avocadoes to the value of R 55,4 billion in 2022. The USA is followed by the Netherlands with an import value of R 14,9 billion, France with R 8,7 billion and then Spain with R 6,7 billion respectively (Figure 8).

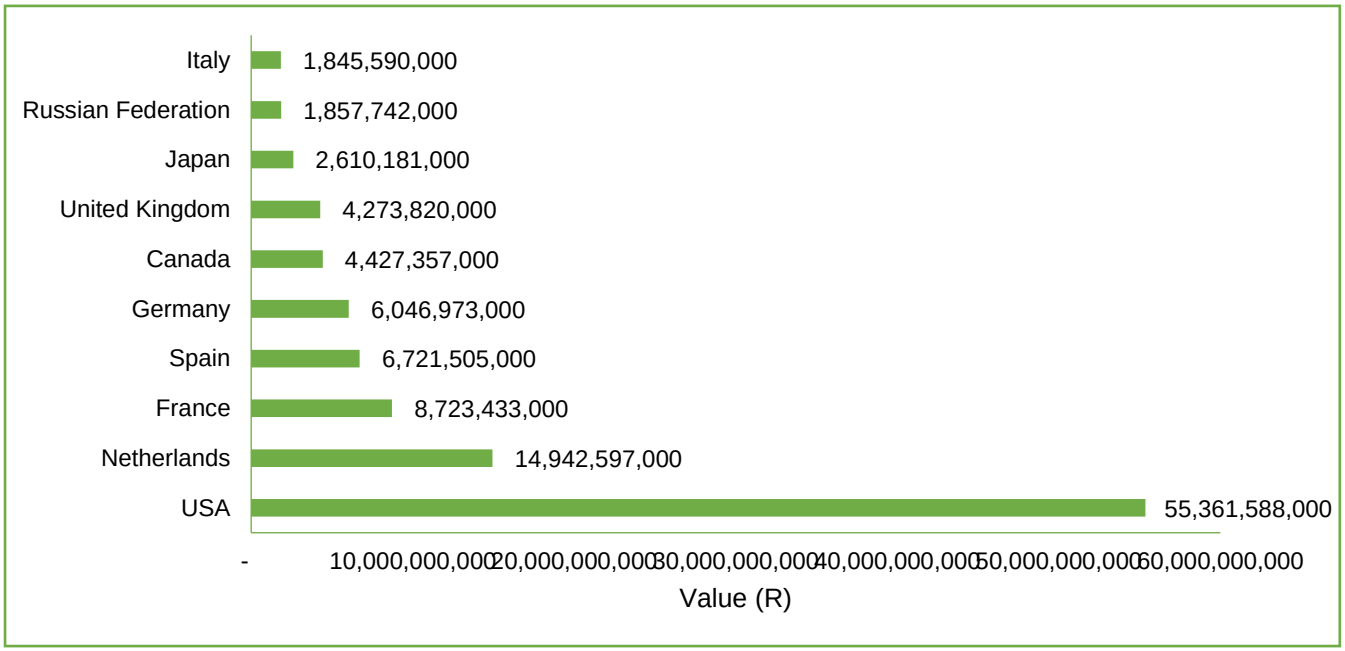


Figure 8: Global top 10 avocado importing countries in 2022 by value (South African Rands/R). Source: ITC Trade Map (2024)

EXPORTS: Avocado global exports have gradually increased over the years from R74,7 billion in 2018 to R120,3 billion in 2022. The avocados global export value was R105 billion in 2020, and thereafter increased to R107,4 billion in 2021 respectively (Figure 9).

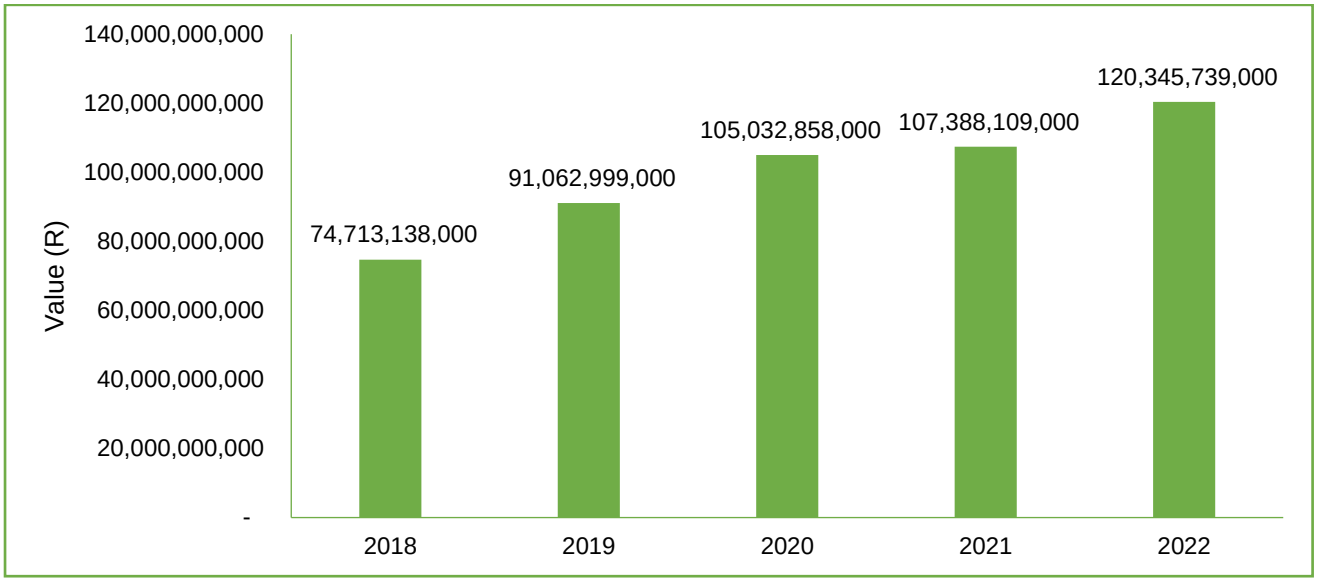


Figure 9: Global avocado export trend in value (South African Rands/R). Source: ITC Trade Map (2024)

As illustrated in Figure 10, Mexico was the top avocado exporting country in the world during the year 2022. It accounted for almost half of the world's avocado exports with a value of R57,2 billion. Mexico is followed by the Netherlands with an export value of R14,6 billion and thereafter Peru with an export value of R14,6 billion during the same year.

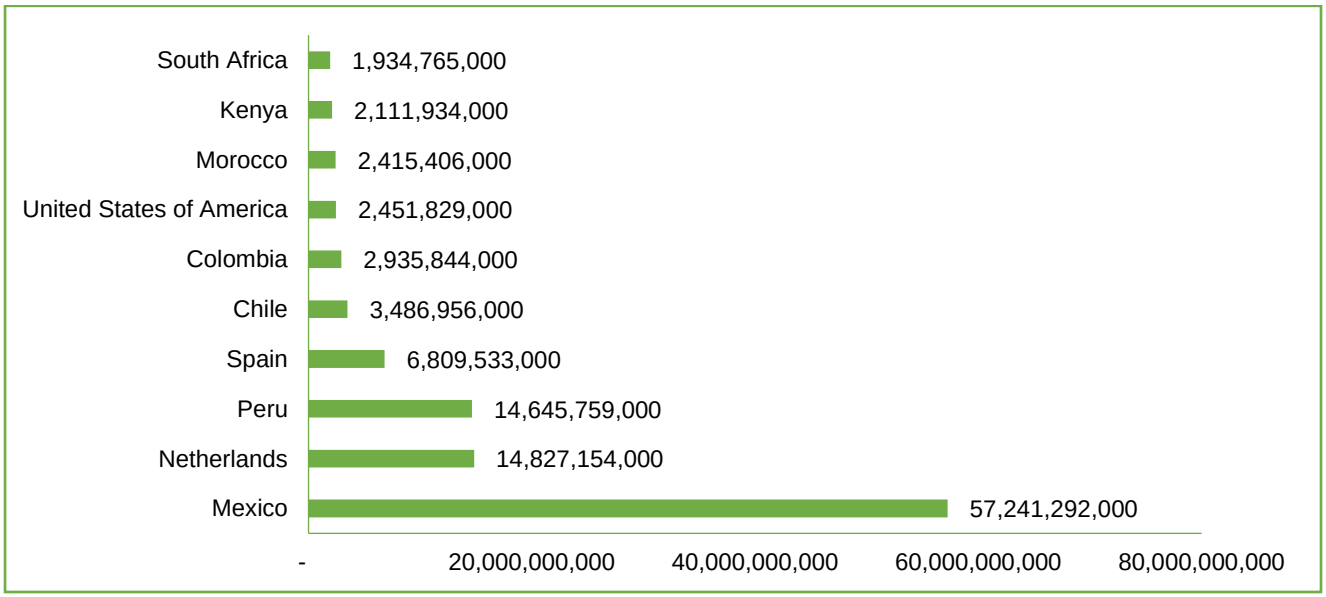


Figure 10: Global top 10 avocado exporting countries in 2022 by value (South African Rands/R). Source: ITC Trade Map (2024)

Interestingly, whereas the US is the world's largest avocado importer, it is also Mexico's largest export market, responsible for consuming over 80% of Mexico's avocados in 2022 (ITC, Trade Map 2024).

Figure 11 highlights the top 5 avocados importing and exporting countries in the world during the year 2022.

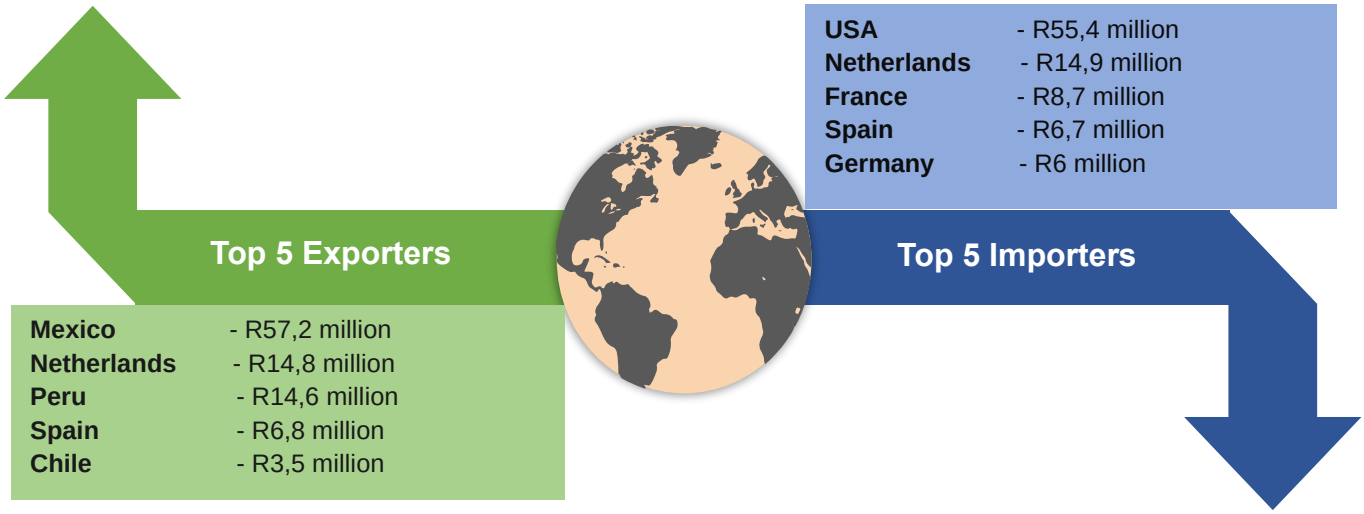


Figure 11: Overview of global avocado trade by top countries in 2022 (South African Rands (R)): Source: ITC – Trademap (2023)

PRICES: According to the FAOSTAT database, and as illustrated in Figure 12, global avocado prices have been on a fluctuating trend with the lowest price having been recorded in 2020 at US$1,599.91 (N$30,334.29) and a peak was recorded in 2021 at US$1,742.32 (N$33,034.39).

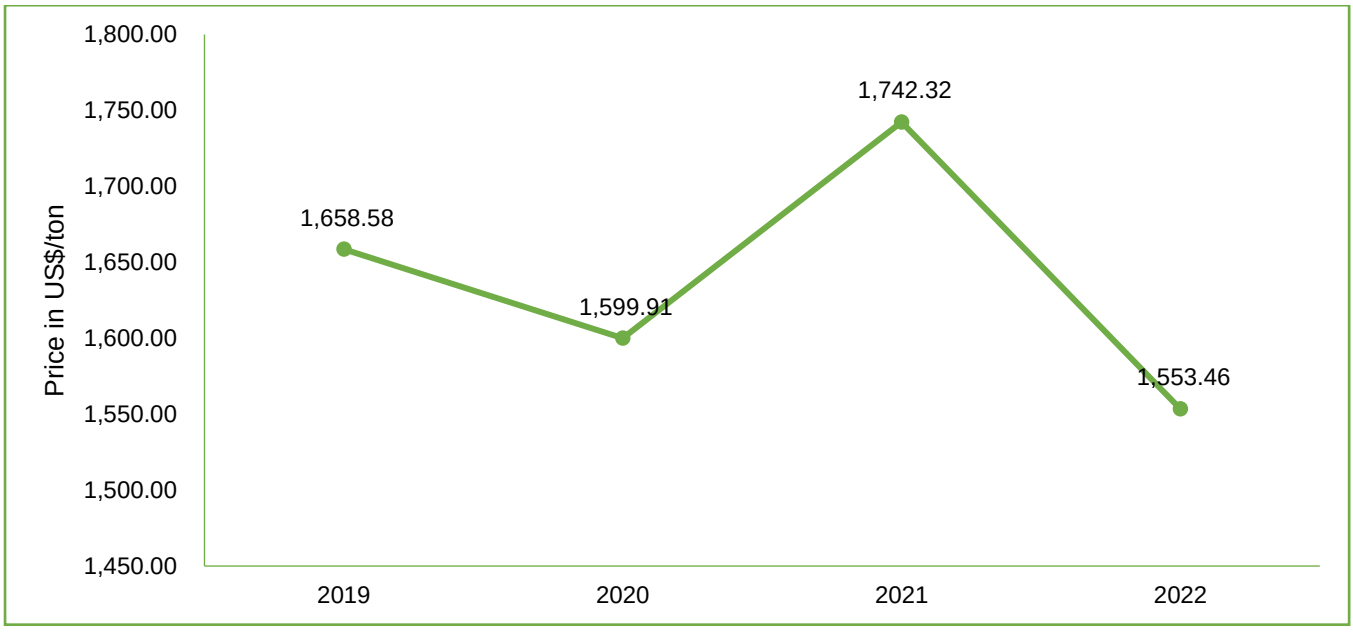


Figure 12: Global avocado prices (US$/ton): Source: FAOSTAT (2024)

The downward trend is further observed in 2022 as the price dropped significantly by over 60% to R27.18/kg (R27,180/ton) in December 2022, from a peak of R84.82/kg (R84,820/ton) in June 2022 (Figure 13). According to the ITC Market Information Map (2024), the avocado average price as of January 2023 stood at R18.96/kg (R18,960/ton) respectively.

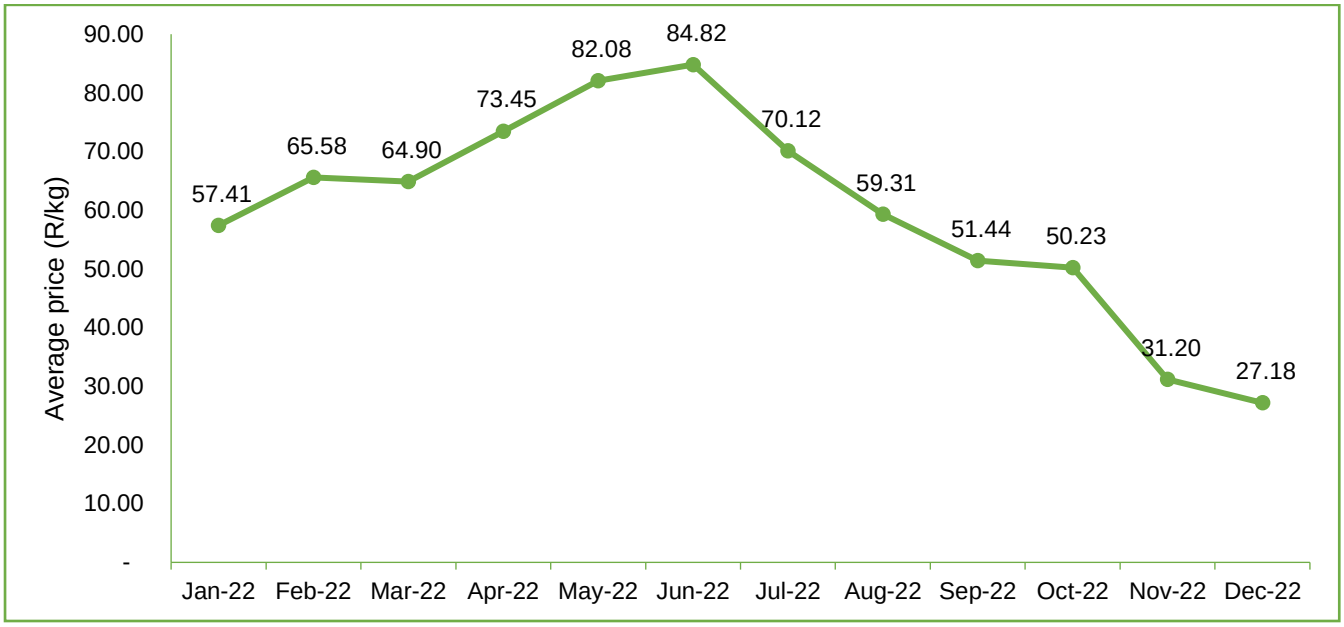
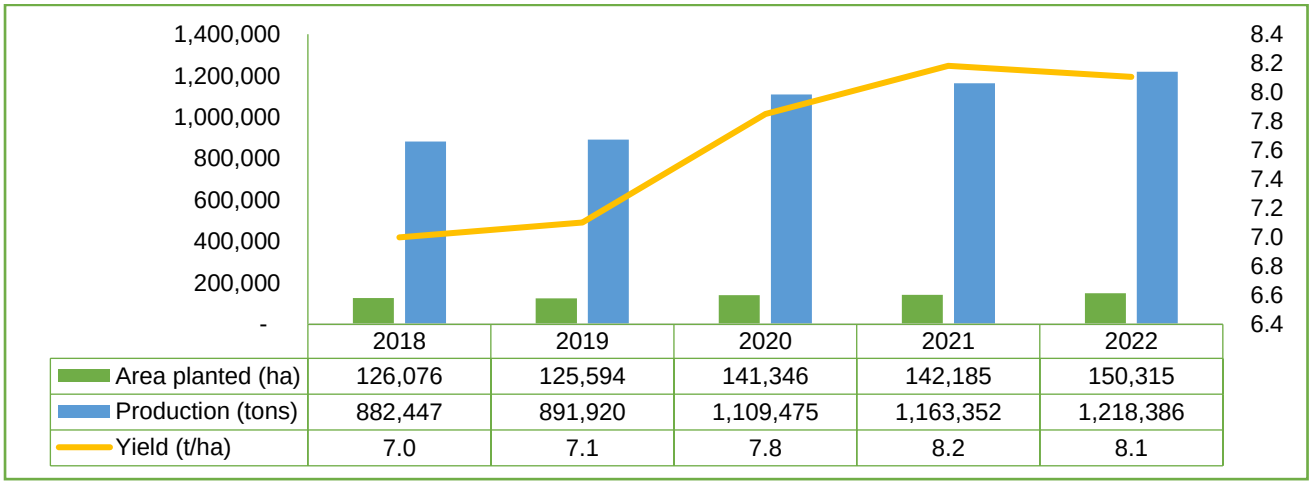


Figure 13: Global avocado price trend in 2022 (R/kg): Source: ITC Market Price Information map (2024)

3. AFRICA AND SOUTHERN AFRICA PERSPECTIVE

PRODUCTION: Avocado production in Africa has contributed an average of 13% (average 1,05 million tons) to the overall global production over the last 5-year period between 2018 and 2022. Production in Africa has also been on an increasing trend with the highest production of 1,2 million tons being recorded in 2022 from a low production of 882 thousand tons that was recorded in 2018. The yield has also increased from 7 tons/ha in 2018 to 8.1 tons/ha in 2022 (Figure 14).

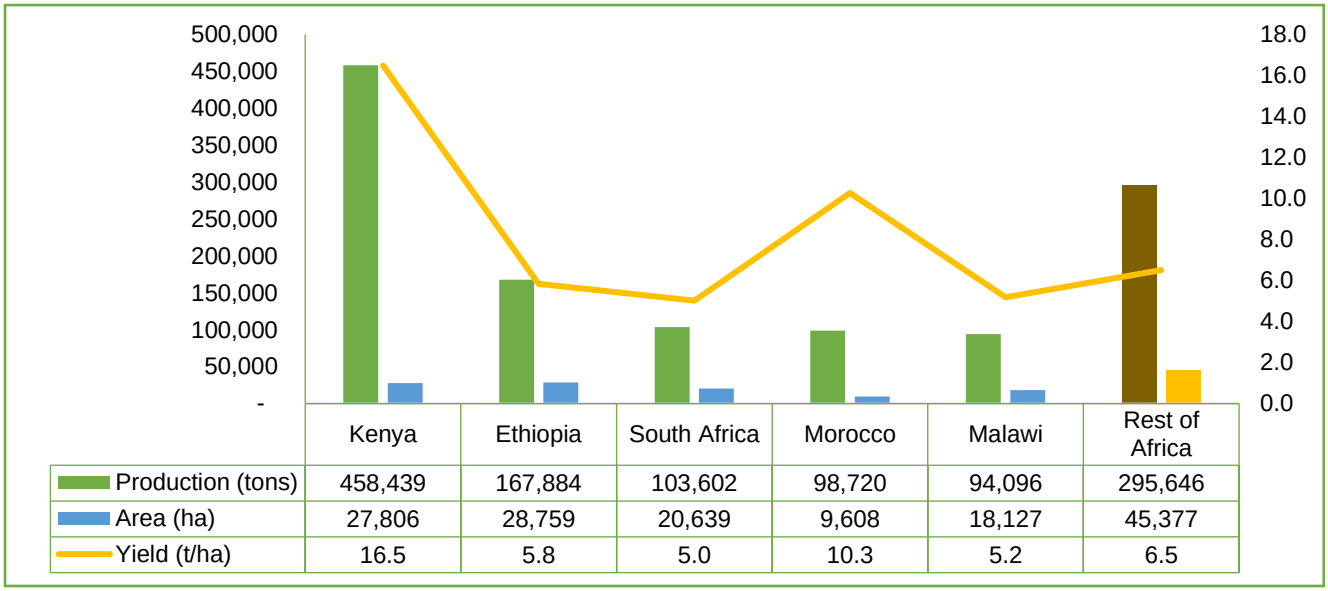


	2018	2019	2020	2021	2022
Area planted (ha)	126,076	125,594	141,346	142,185	150,315
Production (tons)	882,447	891,920	1,109,475	1,163,352	1,218,386
Yield (t/ha)	7.0	7.1	7.8	8.2	8.1

Figure 14: Avocado production trend in Africa. Source: FAOSTAT (2024)

The majority of the 13% avocadoes produced in Africa is mostly concentrated or produced in Kenya whereby the country was responsible for 38% (458,439 tons) of Africa's avocado production in 2022.

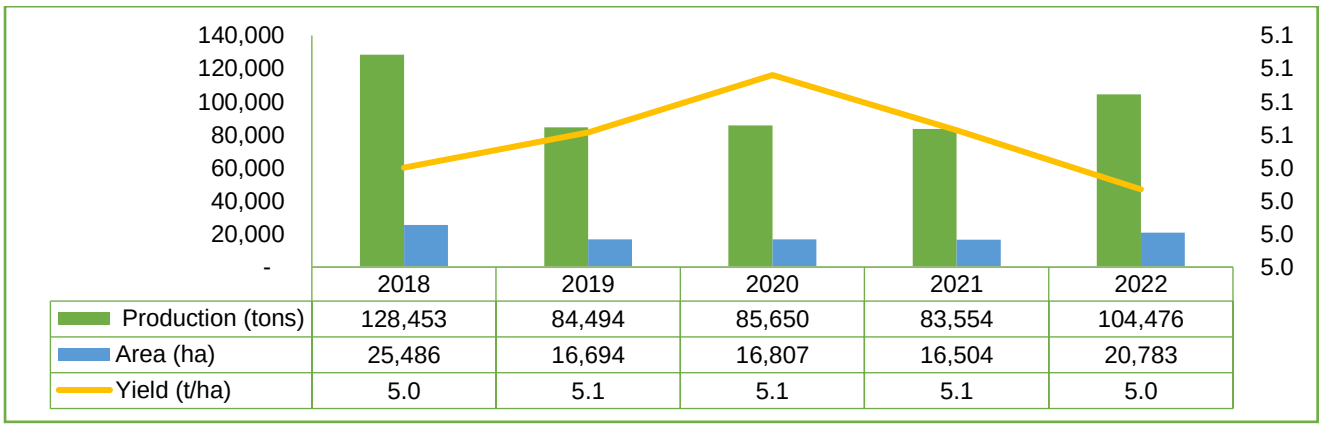
The second largest avocado producer in Africa in 2022 was Ethiopia whereby 14% (167,884 tons) was produced. Ethiopia is followed by South Africa with a total production of 103,602 tons (9%) (Figure 15).



	Kenya	Ethiopia	South Africa	Morocco	Malawi	Rest of Africa
Production (tons)	458,439	167,884	103,602	98,720	94,096	295,646
Area (ha)	27,806	28,759	20,639	9,608	18,127	45,377
Yield (t/ha)	16.5	5.8	5.0	10.3	5.2	6.5

Figure 15: Top 5 avocado producers in Africa in 2022. Source: FAOSTAT (2024)

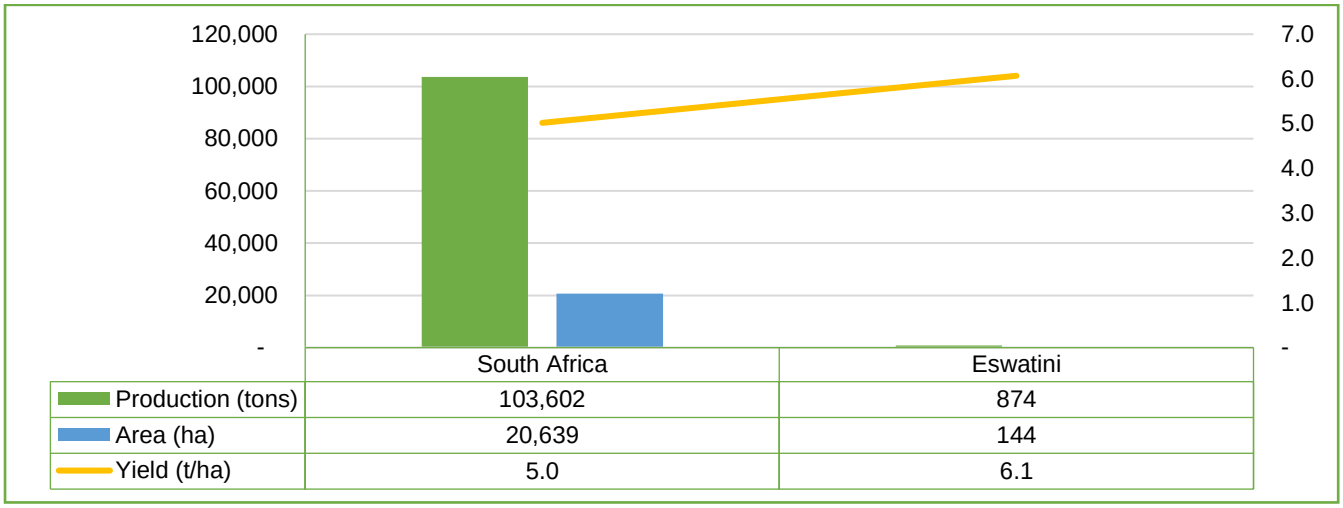
Avocado production in Southern Africa was only officially recorded in South Africa and Eswatini. There are no official records from other Southern African countries such as Namibia, Botswana and Lesotho. The two Southern African countries (South Africa and Eswatini) contributed 8.6% (104,476 tons) of avocados produced in Africa. As illustrated in Figure 16, the avocado production trend in Southern Africa has been unstable with a high production of 128,453 tons recorded in 2018 and a significant drop to 83,554 tons in 2021 before another slight increase to 104,476 tons in 2022.



	2018	2019	2020	2021	2022
Production (tons)	128,453	84,494	85,650	83,554	104,476
Area (ha)	25,486	16,694	16,807	16,504	20,783
Yield (t/ha)	5.0	5.1	5.1	5.1	5.0

Figure 16: Avocado production in Southern Africa. Source: FAOSTAT (2024)

As stated above, South Africa and Eswatini were responsible for the overall avocados produced in Southern Africa in 2022 as there are no official records from other member countries. South Africa produced 103,602 tons of avocado in 2022 whilst Eswatini produced 874 tons respectively (Figure 17).



	South Africa	Eswatini
Production (tons)	103,602	874
Area (ha)	20,639	144
Yield (t/ha)	5.0	6.1

Figure 17: Top avocado producers in Southern Africa in 2022. Source: FAOSTAT (2024)

CONSUMPTION: As is the case for global consumption, avocado consumption in Africa has also been on an increasing trend. This is illustrated in Figure 18 whereby a consumption of 811,499 tons was recorded in 2020, an increase from 580,471 tons in 2018 and 634,505 tons in 2019 respectively. The same figure also illustrates an increase in avocado consumption by Southern African countries from 30,926 tons in 2018 to 45,869 tons in 2020.

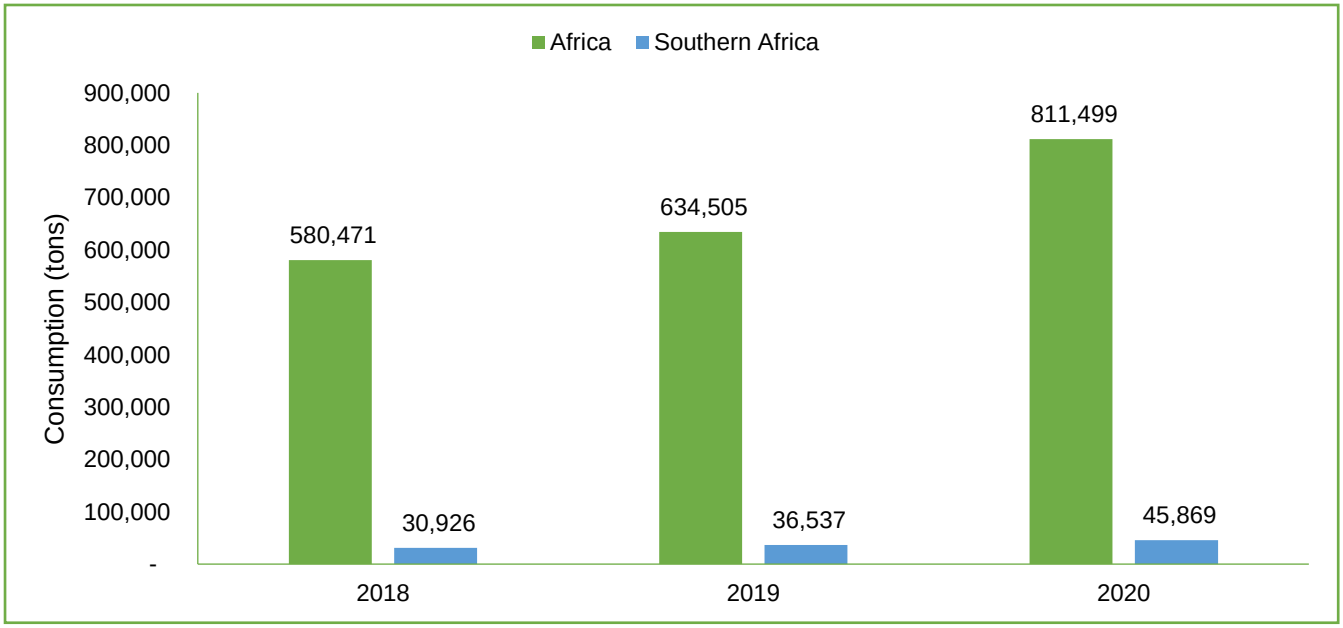


Figure 18: Avocado consumption trend in Africa and Southern Africa. Source: World Population Review (2024)

Out of the total 811,499 tons of avocadoes consumed in Africa in 2020, more than half (54%) of this was consumed by Ethiopia (28%) and Kenya (27%) alone. Significant consumption ranging between 6% and 11% was also recorded by Malawi, Cameroon and the DR Congo. The rest of African countries (consisting of 27 countries) consumed about 20% of the avocados consumed in Africa (Figure 19).

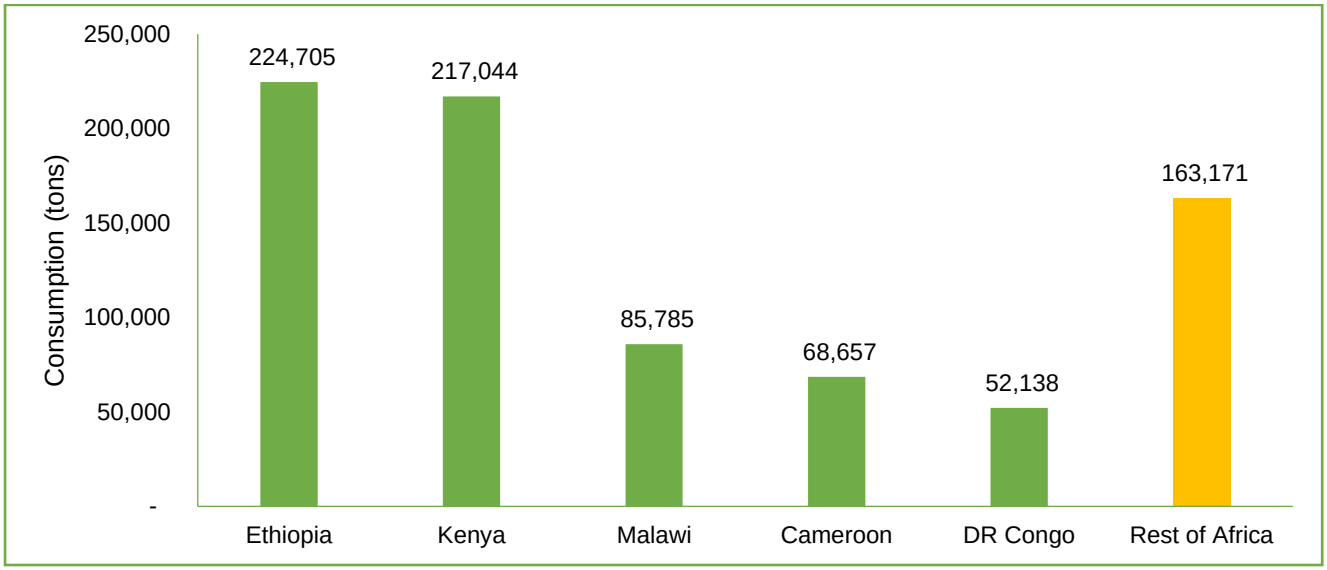


Figure 19: Top avocado-consuming countries in Africa during 2020: Source: World Population Review (2024)

In terms of avocado consumption in Southern Africa, South Africa alone is responsible for 95.2% of the consumption which is equivalent to 35,953 tons per year based on a 3-year average from 2018 – 2020. During the same period, Namibia consumed the second highest quantity of 849 tons (2.2%), followed by Botswana with 520 tons (1.4%), Eswatini with 357 tons (0.9%) and lastly Lesotho with 99 tons (0.3%).

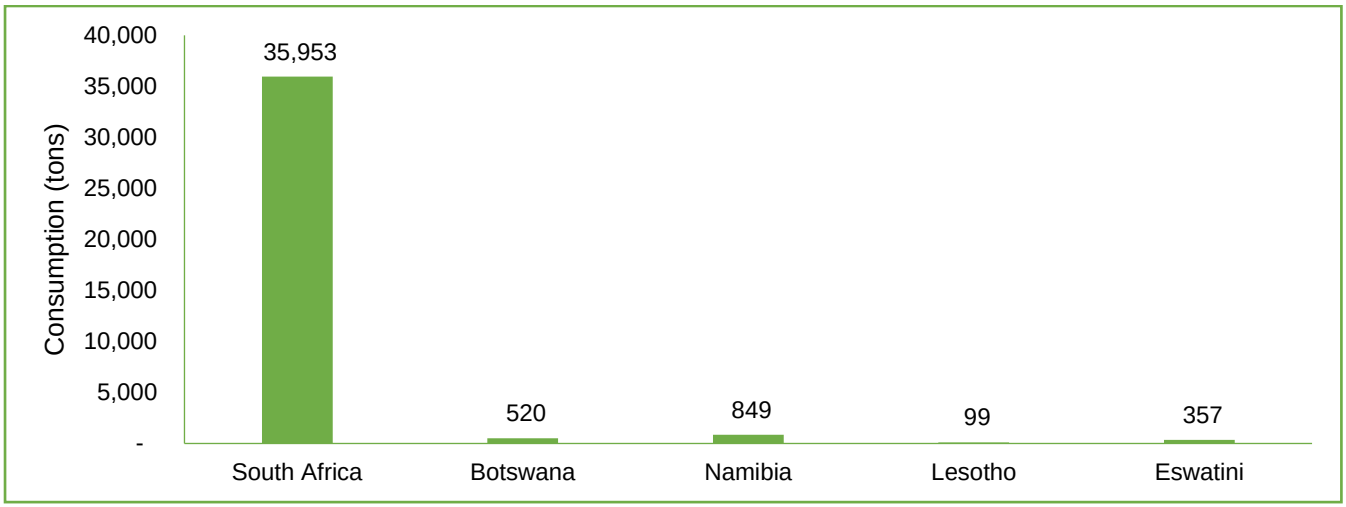


Figure 20: Avocado average consumption in Southern Africa – 3-year average (2018 – 2020). Source: World Population Review (2024)

IMPORTS: A higher record of avocado imports into Africa was recorded in 2021, whereby avocados valued at R382,846,000 were imported. This was, however, followed by a slight reduction to R382,050,000 in 2022 respectively. For Southern Africa, a fluctuating import trend was also recorded between 2018 and 2022 whereby a lowest import value of R86,888,000 was recorded in 2019 whilst a high import value of R126,627,000 was recorded in 2020 (Figure 21). It should be noted that the figures

for Southern Africa displayed below are included in the overall figures for Africa which, however, makes up less than 35% on average per year.

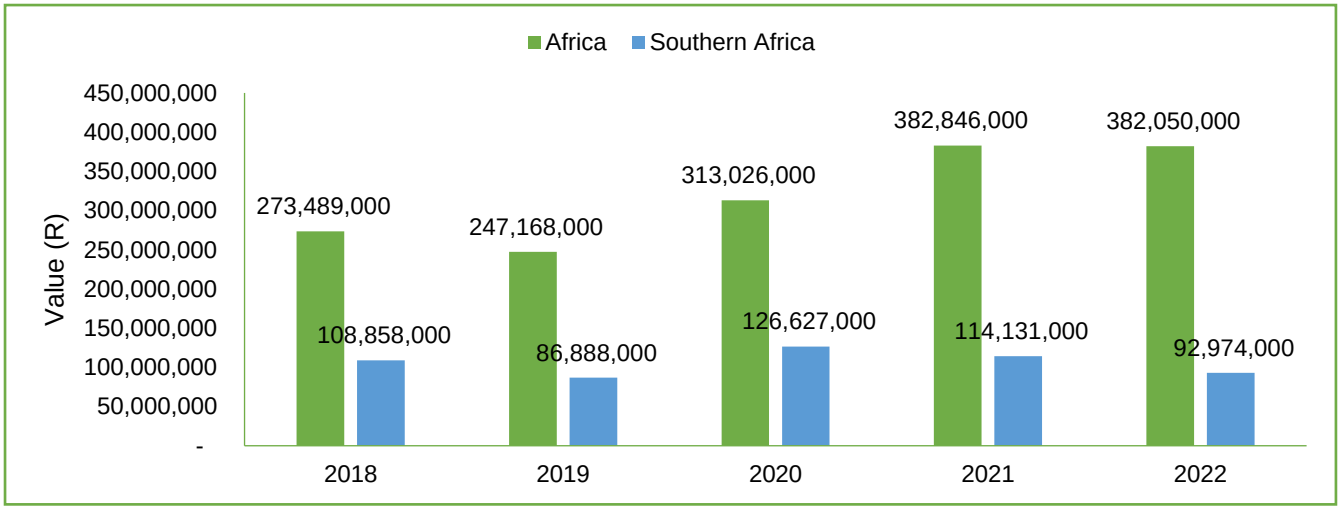


Figure 21: Avocado import trend in Africa vs Southern Africa. Source: ITC, Trade Map (2024)

As of 2022, Egypt was the largest avocado importer, having imported avocadoes to the value of R154,913,000 during the same year. Egypt is followed by Morocco and South Africa with an import value of R77,661,000 and R53,275,000 respectively. Like in many other commodities, South Africa remains the largest importer of avocados in Southern Africa, followed by Namibia which imported avocados to the value of R20,816,000 in 2022 according to ITC (2024) (Figure 22).

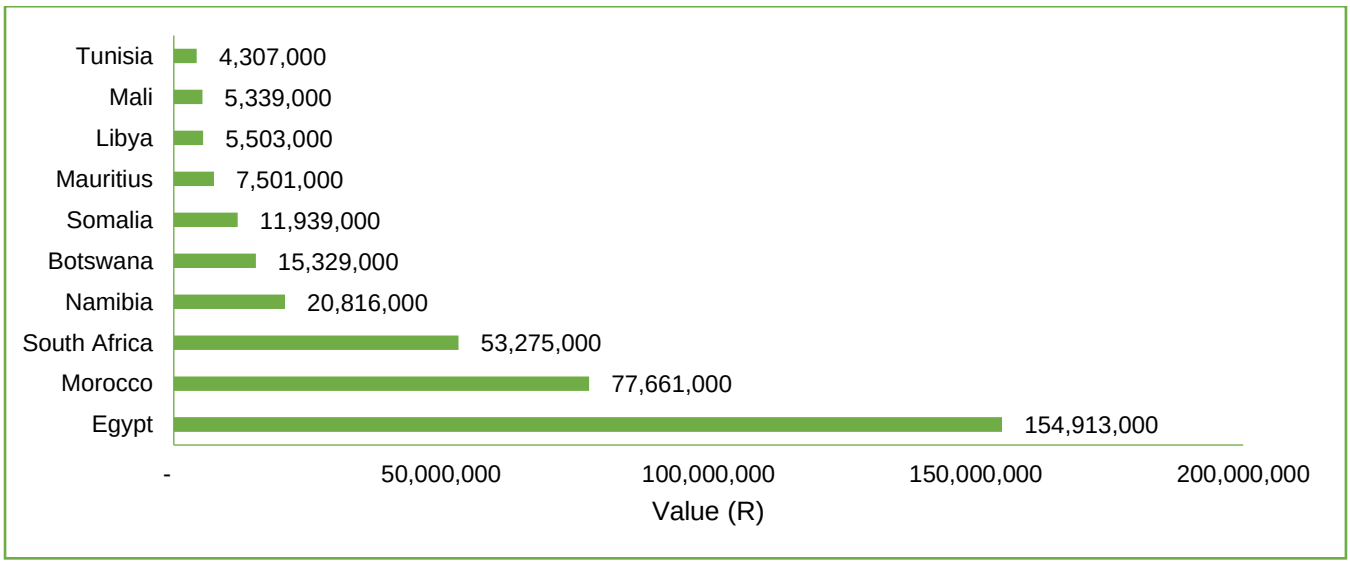


Figure 22: Top avocado importers in Africa. Source: ITC, Trade Map (2024)

Southern Africa was responsible for 24% (R 92,974,000) of Africa's avocado imports in 2022 of which over 50% (R53,275,000) of this was imported by South Africa. Namibia imported 22% (R20,816,000) of

Southern Africa's avocados followed by Botswana with 16% (R 15,329,000). Eswatini imported the least avocados in the region valued at R1,687,000 (Figure 23).

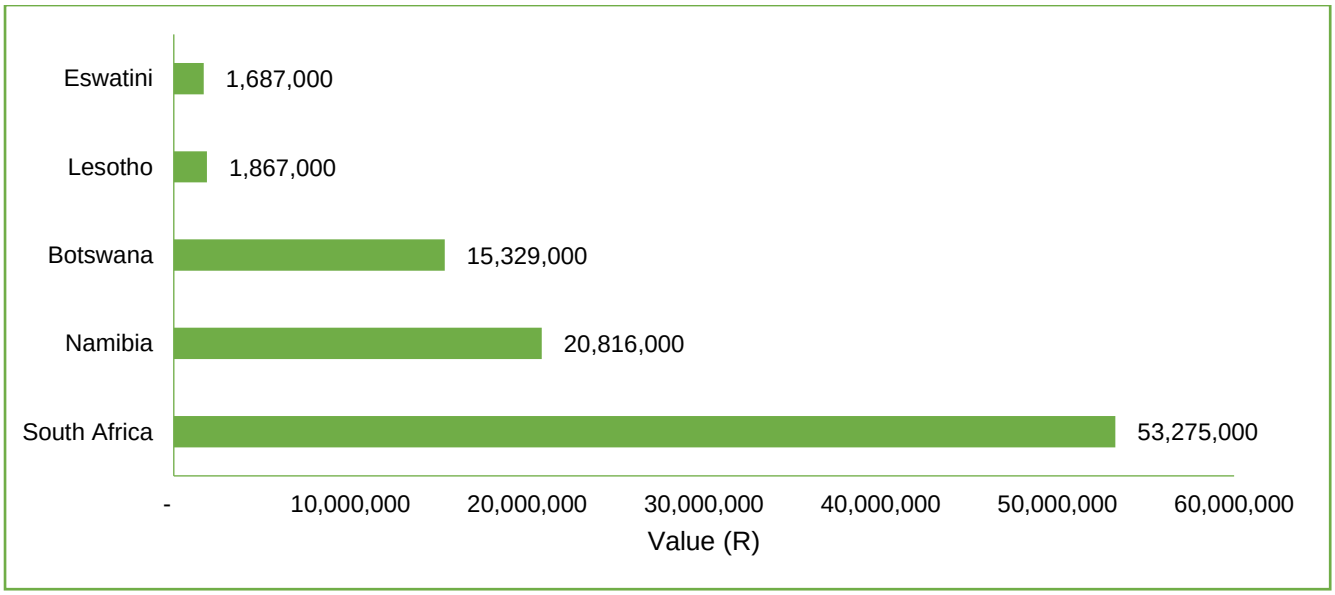


Figure 23: Avocado imports in Southern Africa (SACU). Source: ITC, Trade Map (2024)

EXPORTS: Avocado exports for Africa have been on an upward trend since 2020, recording an increase from R5,2 billion in 2020 to R7 billion in 2022. A similar trend is observed in Southern Africa's avocado export with an increase from R1,3 billion being recorded in 2020 to R1,9 billion as recorded in 2022 (Figure 24).

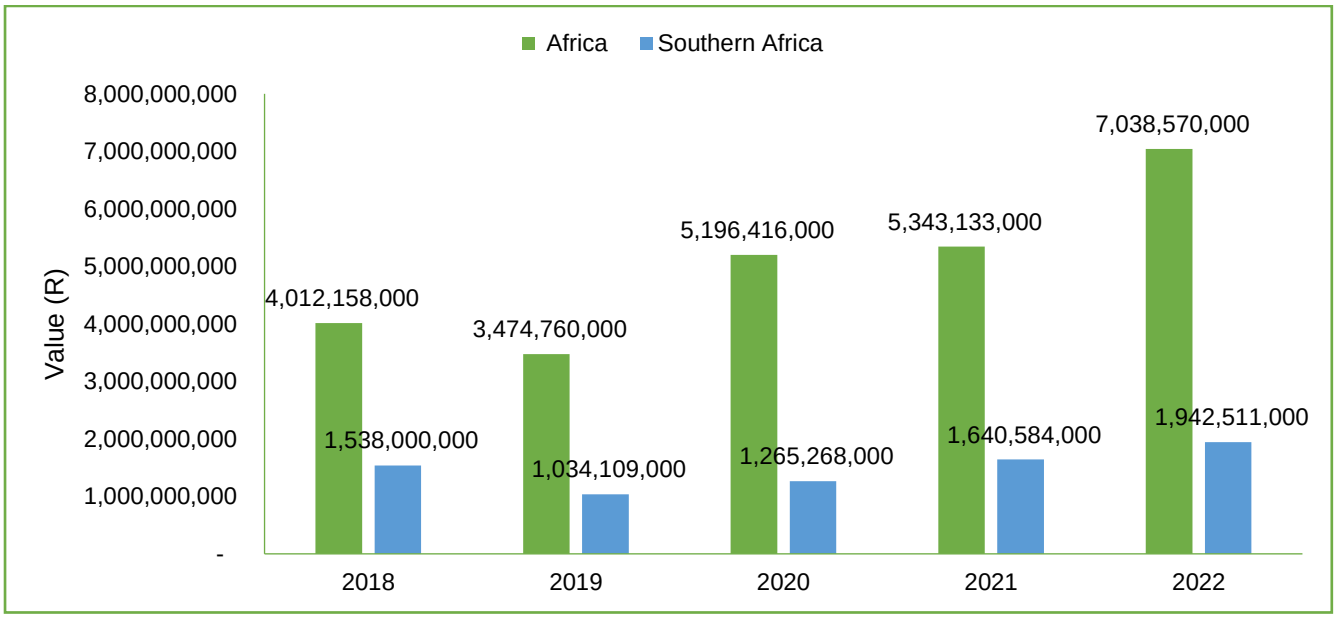


Figure 24: Avocado import trend in Africa vs Southern Africa Source: ITC, Trade Map (2024)

In terms of avocado exports from Africa and as illustrated in Figure 25, Morocco and Kenya are responsible for the largest exports accounting for 34% (R2,4 billion) and 30% (2,1 billion) in 2022

respectively. South Africa is the 3rd largest avocado exporter having exported R1,9 billion worth of avocadoes in 2022. Other African countries such as Tanzania, Rwanda, Zimbabwe and Mozambique are also responsible for some significant avocado exports ranging between R28 million and R343 million respectively.

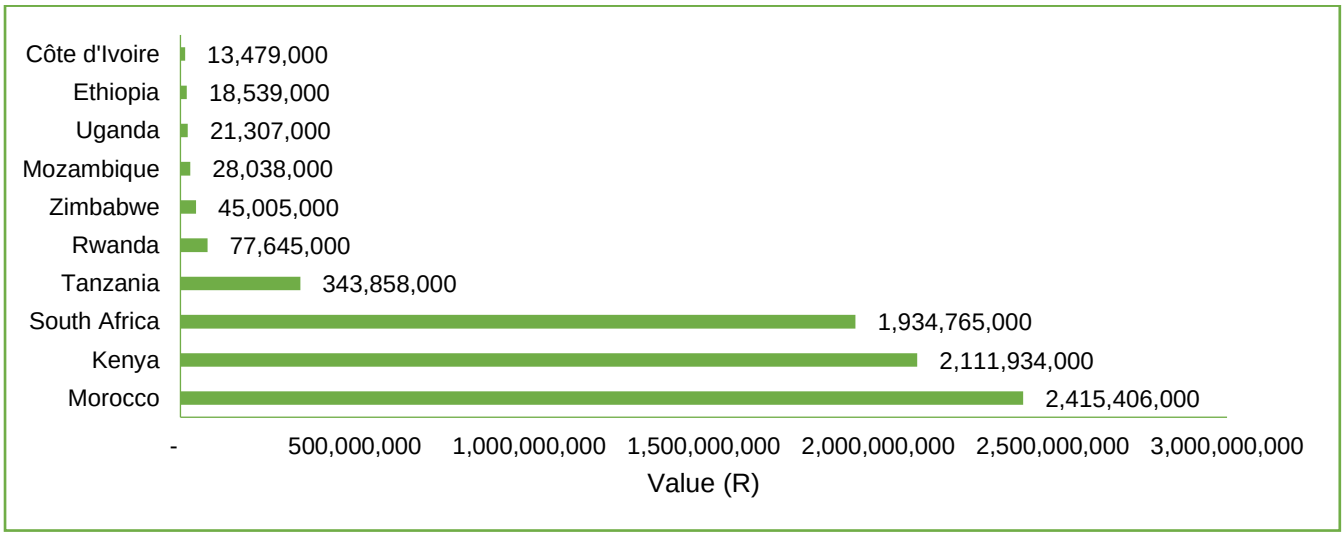


Figure 25: Top avocado exporters in Africa. Source: ITC, Trade Map (2024)

As indicated in Figure 26, South Africa exported 99% of Southern Africa's avocados to the value of R1,9 billion in 2022. An export value of R7,7 million was also recorded by Eswatini during the same year whilst the smallest value of R16 thousand was exported by Botswana.

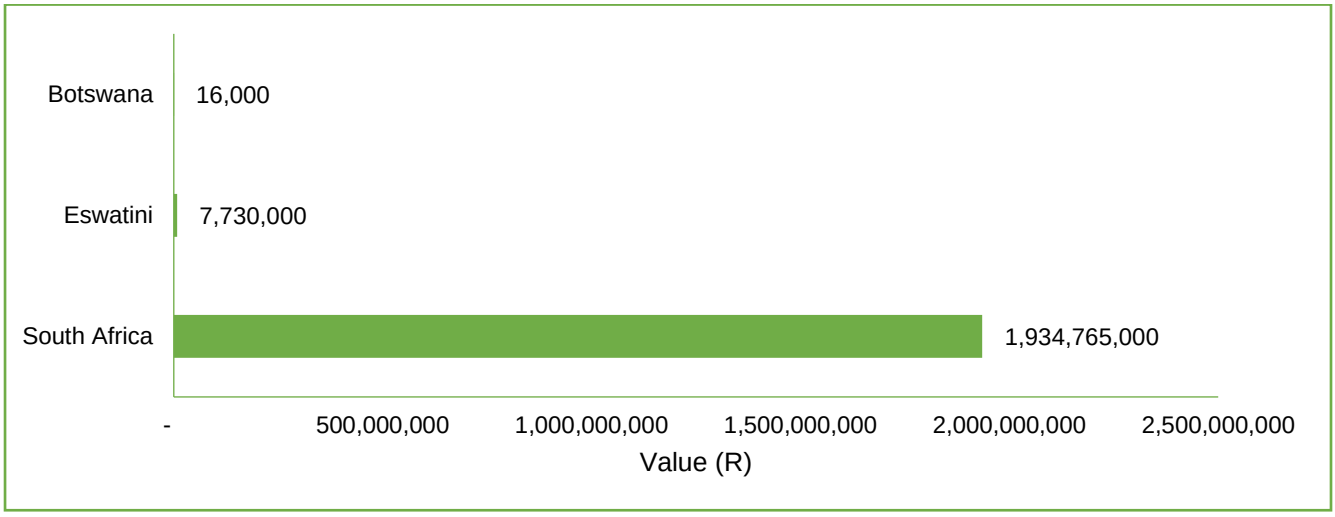


Figure 26: Avocado exports in Southern Africa (SACU). Source: ITC, Trade Map (2024)

PRICES: The average prices of avocados in Africa have been on a declining trend from US$790.15 (N$15,281.50) per ton in 2019 to US$780.30 (N$15,091.00) respectively. The lowest avocado price was recorded in 2021 at US571.23 (N$11,047.59) per ton (Figure 27).

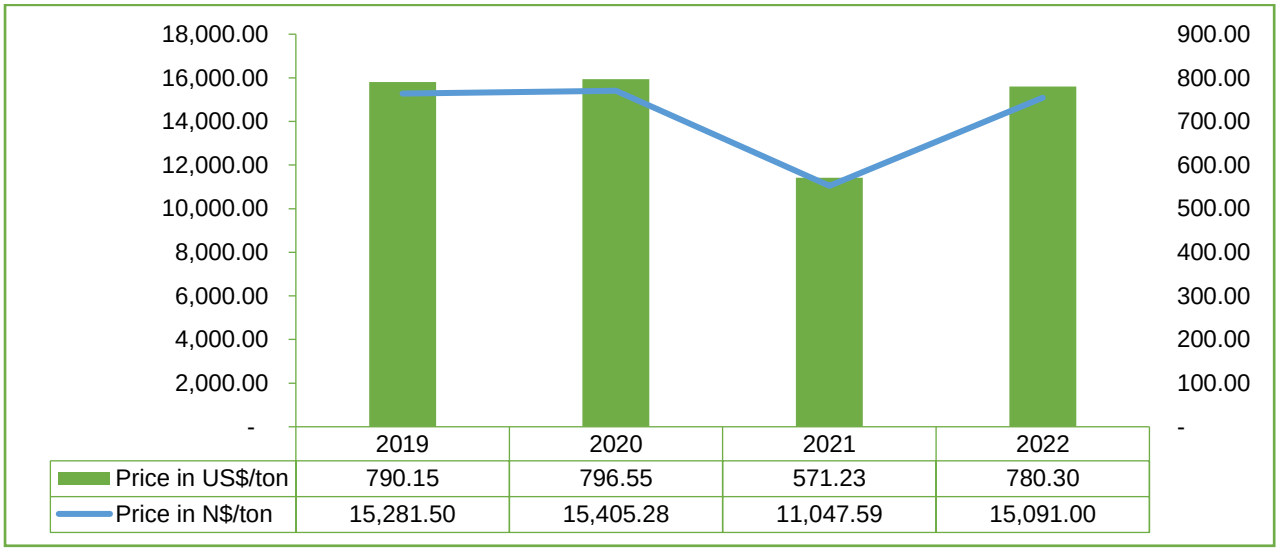


Figure 27: Average avocado prices in Africa. Source: FAOSTAT (2024)

Conversion date 26.02.2024

Avocado prices in Southern Africa are based on South Africa which is the largest producer, consumer and trader (exporter and importer) in the region. As indicated in Figure 28 below, a high price peak of N$20,929.75/ton was recorded in 2021 before dropping down to N$15,288.27/ton in 2022 respectively.

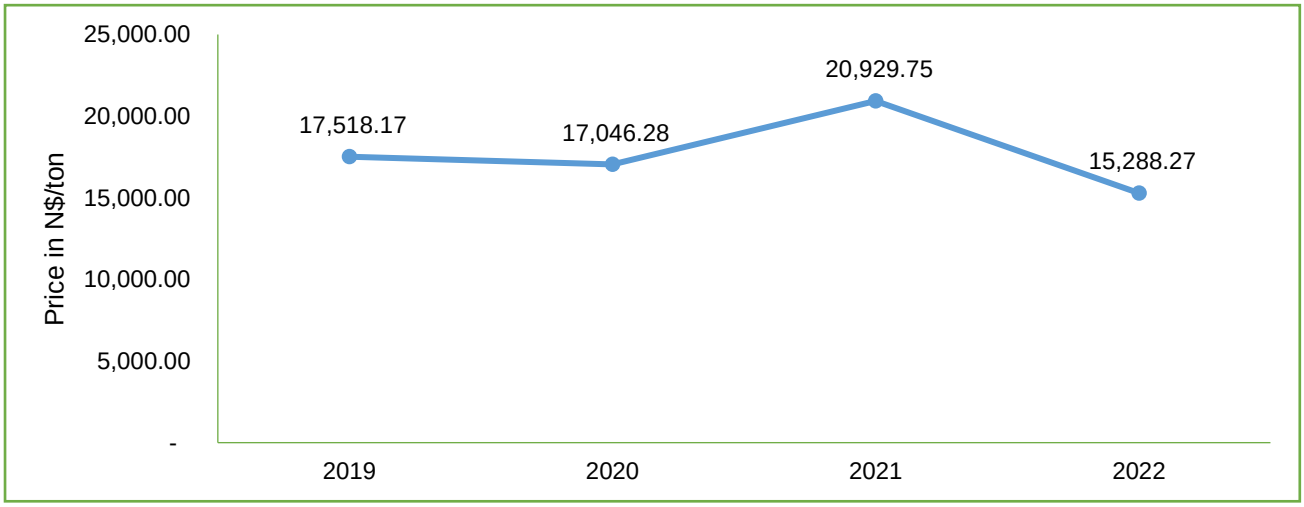


Figure 28: Average avocado prices in Southern Africa. Source: FAOSTAT (2024)

Conversion date 26.02.2024

4. DOMESTIC (NAMIBIA) OUTLOOK

PRODUCTION AND CONSUMPTION: Currently, Namibia lacks reliable data in terms of avocado production as there are no official records on most international databases. A study by the NAB (2022) revealed that Namibia has at least 201 avocado trees located mostly in the Kavango and Karst production zones.

The study further revealed that over 1,200 avocado seedlings are being imported into the country every year. The study unfortunately did not further determine the level of production in terms of yield quantity and thus the country has no official records for avocado production.

Consumption, however, is eminently proven by the high imports of avocados as presented herein in this report. According to the data by the Namibian Agronomic Board (2024) presented in Figure 29 below, Namibia's avocado consumption increased from 756.9 tons consumed during the financial year 2021/22 to 889.5 tons consumed in the financial year 2022/23. This consumption is mostly dominated by imports as local production accounts for less than one ton for each financial year (starting from April to March).

Figure 29: Avocado consumption trend in Namibia, 2021/22 – 2022/23 financial year. Source: NAB (2024)

TRADE ANALYSIS (IMPORTS AND EXPORTS): A 100% of Namibia's avocado imports in 2021/22 and 2022/23 were from South Africa. As indicated in Table 1, Namibia imported 756 tons of avocadoes valued at N$14,5 million in 2021/22 and this figure substantially increased to 889 tons valued at N$16,4 million in 2022/23 respectively.

Table 1: Namibia avocado imports analysis for the 2021/22 – 2022/23 financial year

	Import quantity (Tons)	Import Value (N$)
2021/22	756	14,490,904.00
2022/23	889	16,354,842.60

Source: NAB, (2024).

Namibia did not record any exports for avocados. However, there was about less than a ton of avocadoes sold by local producers valued at less than N$10,000 in 2021/22 and 2022/23 accordingly (NAB, 2024).

PRICES: Based on the imported figures, the import price of avocados fluctuated between N$11.93 per kg (N$11,929.07 per ton) in 2021/22 and N$9,79 (N$9,791.67 per ton) (NAB, 2024).

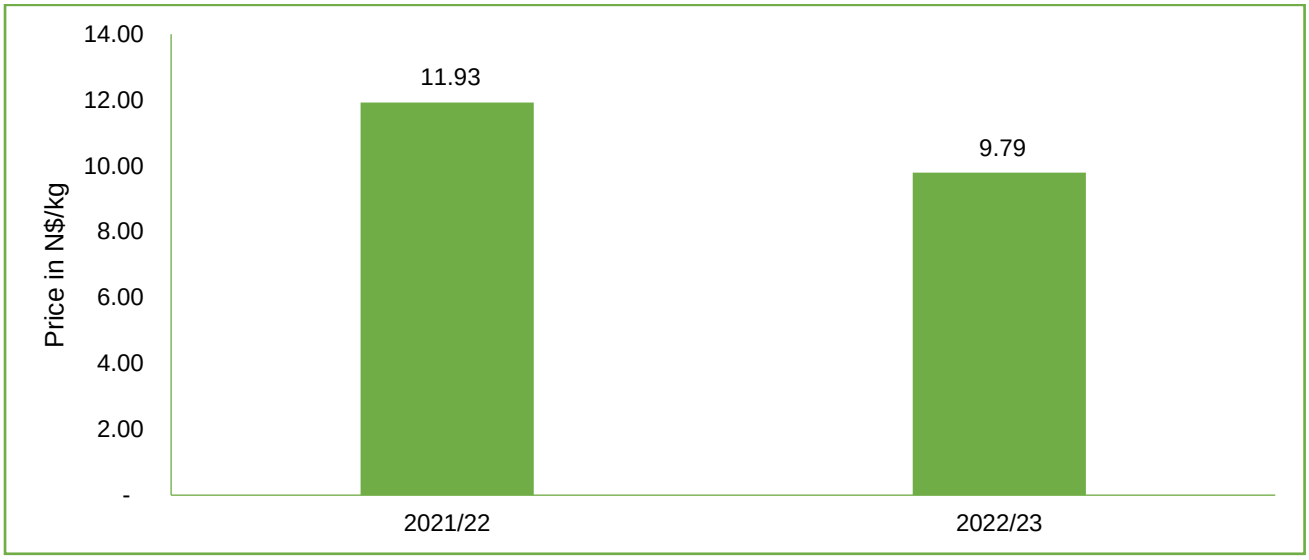


Figure 30: Avocado price trend in Namibia for the 2021/22 – 2022/23 financial year. Source: NAB (2024)

5. KEY POTENTIALS

As highlighted in this Market Intelligence report, global avocado production has been on a rising trend, however, this has mostly been concentrated in South and North America which were responsible for over 70% of the global production. Interestingly, the Americas are also responsible for about 63% of global avocado consumption. Africa's avocado production is highly concentrated in the eastern part of Africa with Kenya and Ethiopia being the top producers. As reviewed in this report, Namibia does not produce avocadoes for commercial purposes and it largely imports avocadoes to satisfy the growing local demand. The country, therefore, has the potential to produce avocadoes for the local market and produce over 800 tons of avocadoes that it imports valued at over N$16 million. This can be the green skin varieties such as Hass and Fuerte which are currently the most common varieties imported. Alternatively, other varieties such as Pinkerton, Lamb Hass and Reed can also be explored as they are less vulnerable to heat.

Avocadoes mostly prefer a sub-tropical climate which may be the climatic condition that is rarely experienced in Namibia. This is usually a zone of climate characterised by hot and humid summers, and cool to mild winters. This type of climate in Namibia mostly lies along the Kavango and Zambezi production zones and these zones can potentially be ideal for commercial avocado production in Namibia (Info Namibia, 2024). The fruit study by the NAB in 2022 also revealed that the majority of the avocado trees found in Namibia are located in the Kavango production zone, therefore, proving suitability and potential for commercial expansion.

Local farmers are, therefore, encouraged to tap into avocado production to supply the local market and counter the current high avocado import especially those in areas suitable for avocado production as

mentioned above. They are further encouraged to work closely with government institutions for support such as the NAB which continues to monitor the fruit industry and is committed to developing the fruit industry through strategies that are of benefit to all key value chain actors. Local farmers may also have an opportunity to explore export markets in Southern African countries such as South Africa, Botswana, Lesotho and Eswatini which also have avocado import records. There are many existing trade agreements and established export channels through which avocadoes can be added and explored for export.

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