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Mission Produce reports strong third quarter

Global sourcing and distribution network helps leading avocado business navigate heightened industry volatility



Leading avocado producer and distributor, Mission Produce, has reported its financial results for the fiscal third quarter ending 31 July 2021.

In the report, which compares the current results to the same period last year, Mission announced its total revenue reached US\$246.8m, representing a 4 per cent increase.

It's avocado sales grew by 2 per cent, with the average selling price also increasing by 2 per cent. Gross profit reached US\$40.9m, however gross profit percentage decreased 210 basis points, to 16.6 per cent of company revenue. Mission Produce's adjusted EBITDA of US\$30.1m represented a decrease of 18 per cent.

Steve Barnard (pictured), chief executive and founder of Mission Produce, said the company is pleased with its fiscal third quarter performance amid heightened industry volatility brought about by Mexico's delayed transitional harvest timing.

"Our team did an excellent job navigating this complex period and produced per-unit margins within the range of our expectations, though toward the lower end as a result of pricing volatility," said Barnard.

"Mission's global sourcing and distribution network, along with owned production in Peru proved to be a significant advantage for us during the quarter, with nearly 45 per cent of our third quarter US distributed volume being sourced outside Mexico,

which we believe is significantly greater than that of the industry.

"Our vertical integration was the key in our ability to significantly mitigate the influences of Mexico's unpredictability, while also positioning us to drive an 18 per cent increase in our distributed volume to our export markets versus prior year."

Barnard said the company's infrastructure investments in distribution and fruit supply leave it well positioned to capitalise on opportunities as market conditions improve.