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Mehadrin to plant avos in Morocco

Israeli producer Mehadrin is set to expand its avocado production overseas, with a new joint venture in Morocco



In Israel, the profitability of avocados has persuaded many growers to move away from citrus, and now companies are even looking overseas.

Producer Mehadrin revealed in its financial report that it had "almost ceased new orchard planting and is mainly planting avocado strains".

Last year, according to Globes, approximately 60 per cent of the company's new plantings were avocados, adding around 66ha of avocado trees and bringing the company's total avocado plantings to close to 760ha.

Mehadrin has signalled its intention to expand avocado production outside Israel for the first time, with the signing of an agreement to lease at least 455ha of land for avocado production in Morocco and jointly invest €7.6m over three years.

"In order to grow, Mehadrin has to become a company that, while its main

activity is still in Israel, creates additional sources of activity in other places," said Mehadrin CEO Shaul Shelach. "That will also be beneficial for our agriculture in Israel, because that way we shall be able to give better service all year round to our customers in Europe."

The project is reportedly subject to obtention of the regulatory approvals necessary to form a joint company and for leasing the plantation from the Moroccan government.

According to Globes, Mehadrin is set to own 51 per cent of the company, with the plantation's maximum output estimated to be around 10,000 tonnes of avocados a year. These will be sold by Mehadrin and its partner, mainly in Europe, while produce unsuitable for export will be sold in Morocco.

"Morocco is a country with good growing conditions, and with much lower costs than in Israel, and it is a little closer to our main markets in Europe," said Shelach. "Our next moves overseas will

be in the Southern Hemisphere, where, apart from finding lower costs, we shall also be able to grow fruit that ripens when it is out of season in Israel."

For Mehadrin, water is the main expense alongside manpower, and with a domestic increase in the price of water anticipated, action is regarded as essential.

"An increase in the price of water is now on the agenda in Israel, and if it happens it will be a critical blow to agriculture," said Shelach. "There are vegetables that will become much dearer if this decree goes ahead, and this will be passed on to the consumer, and it's liable to kill off some crops and orchards and farming. If we want to stay in existence, then the overseas proportion of our activity will grow. The price of water in Israel has to be brought down."

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