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Pricing pressure cuts Mission revenue

Avocado producer and distributor Mission Produce reports drop in total revenue for fiscal first quarter of 2021, remains confident of rebound



Leading avocado producer and distributor Mission Produce has released its financial results for the fiscal first quarter ending 31 January 2021.

The company reported a total revenue of US\$173.2m, a 12 per cent decrease compared to the same period last year.

In a positive sign for the category, avocado volume sold increased 7 per cent year on year, however the average selling price decreased 18 per cent.

This didn't impact the company's gross profit though, which increased 17 per cent to US\$22.7m, and gross profit margin increased 328 basis points, to 13 per cent of revenue.

Mission's net income reported at US\$2.2m, representative to US\$0.03 per diluted share compared to US\$1.4m, or \$0.02, for the same period last year.

Meanwhile, the adjusted EBITDA of

Steve Barnard, chief executive of Mission Produce, said: "We delivered a strong fiscal first quarter with an adjusted EBITDA performance that met the high-end of our expectations, despite a 12 per cent decrease in revenue that was driven by continued pricing pressure versus prior year.

"Our operations are performing very efficiently despite global disruptions in the supply-chain network."

Barnard added that: "Mission has established key partners and strategies that create a unique agility allowing us to get our products to our global customer base, regardless of circumstance.

"We will stay focused on the elements we can control and will continue driving consistent per box gross margins based on our value-added services and industry leading distribution network."

Looking ahead, Barnard said the second quarter-to-date period would be

characterised by continued low pricing compared to the year before, but said he remained confident.

"We are beginning to see some increase, which if sustainable would create a positive environment for our International Farming segment in the back half of this fiscal year," noted Barnard.

"Consumption patterns at retail have remained resilient, increasing 16 per cent in January, despite the disruption to large gatherings and uncertainty surrounding major events such as the Superbowl.

"We believe this is evidence that the avocado is officially a staple in consumer diets today and should continue to support long-term consumption growth," he concluded.

'Opt for Avo' campaign launched

<http://www.fruitnet.com/americafruit/article/1474/parts-of-san-diego-quarantined-as-psyllid-count-mounts>

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US\$12.5m was better than the US\$8.4m reported for the same period last year

Meanwhile, Mission Produce has announced the launch of its health and lifestyle campaign designed to promote healthy lifestyles through the consumption of avocados.

'Opt for Avo' will see Mission promote avocado as a healthy substitute for foods high in saturated fats through social media content, influencer partnerships with registered dietitians, in-store merchandising options and digital media kits.

"In the wake of increasing focus on consumer health, we foresee this campaign as a timely movement to increase market penetration and overall avocado consumption," said Ross Wileman, senior vice president of sales and marketing.

"More than educate on the nutritional benefits of avocados, we aim to ignite a consumer habit to use this superfood not only as a healthy substitute, but to 'wow up your week' and bring joy and happiness to every meal."

Net sales in the company's marketing and distribution segment decreased 13 per cent to US\$169.6m for the fiscal first quarter of 2021, due to the same drivers impacting consolidated revenue, reported above.

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