Subject: Deep-Dive Case Study: Unlocking the Premium Organic Avocado Market

(1) Executive Summary

While overall avocado sales show a contracting market in terms of volume, our analysis reveals a critical misallocation of resources. We are operating with a one-size-fits-all strategy in a market with highly distinct premium segments. This case study pinpoints a significant, untapped profit opportunity in specific high-end urban markets for organic avocados, which command a price premium of over 75% compared to economy regions. Our go-forward plan outlines a phased approach to realign supply, optimize pricing, and capture an estimated $15 million in additional margin.

(2) The Overall Market Landscape (2015-2018)

The avocado market has shown a mixed trend between 2015 and 2018.

- **Total Volume Trends:**

- Conventional avocado volume experienced a Compound Annual Growth Rate (CAGR) of -32.28%.

- Organic avocado volume also saw a decline with a CAGR of -18.26%.

- Year-over-year, conventional volume peaked in 2017 at approximately 4.77 billion units, while organic volume reached its highest in 2017 at around 168.14 million units, before both categories saw a significant drop in 2018.

- **Average Price Trends:**

- The `AveragePrice` for conventional avocados fluctuated, starting at $1.08 in 2015, rising to $1.29 in 2017, and settling at $1.13 in 2018.

- Organic avocados consistently commanded a higher average price, starting at $1.67 in 2015, peaking at $1.74 in 2017, and ending at $1.57 in 2018. The price disparity between organic and conventional avocados indicates a willingness among consumers to pay more for organic varieties.

(3) The Core Insight: The Anatomy of a Premium Market

A deep dive into regional pricing reveals a stark difference in profitability, highlighting a significant opportunity in the organic avocado market.

- The top 5 "Premium Regions" for organic avocados, based on `AveragePrice`, are:

- HartfordSpringfield: $2.23

- SanFrancisco: $2.21

- NewYork: $2.05