



Avocado Distribution is Green Gold for Prime Produce

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Texans have black gold. Prime Produce International LLC has its green gold—avocados.

The Orange-based company packs avocados and sells them to more than 250 customers nationwide. It counted \$20 million in sales last year.

Prime Produce buys its avocados from California growers in Santa Barbara and Ventura, San Diego and Riverside counties. The company also buys avocados from Mexico, Chile and the Dominican Republic.

Rivals include Santa Paula-based Calavo Growers Inc., formerly based in Santa Ana, Mission Produce Inc. in Oxnard and Temecula's WestPak Avocado Inc.

The company sends empty plastic bins to California growers, who fill them up with avocados. The bins are hauled to Prime Produce's 80,000-square-foot headquarters at a historical citrus packing plant that's now part of Chapman University.

Prime Produce's Mexican avocados are trucked to its cooling warehouses in Orange, Texas, Florida and New Jersey. Avocados from Chile and the Dominican Republic are shipped to the Port of Los Angeles and trucked to its Orange headquarters.

Independent trucking companies haul the fruit to stores. Avocados without scratches or marks are called "No. 1 fruit." They're sold to grocery chains such as Boise, Idaho's Albertsons LLC's Northern California stores, H.E.B. of Texas and Buena Park-based Tawa Supermarket Inc.'s 99 Ranch Market.

Avi Crane started Prime Produce in 2004. He learned about the avocado business after years of living on a kibbutz in Israel. When Crane moved to the U.S. in the 1980s, he worked for the California Avocado Commission and a series of companies including Calavo and Chiquita Brands International Inc.

Prime Produce employs 13 workers, including Crane's sons Yair and Gahl. Yair joined the company as a business development manager after graduating from the University of Southern California. Gahl became a sales manager after studying at the University of California, Santa Barbara.

The key to making money in the avocado business is to buy and sell fruit from several locations in case frost or storms damage a region's supply, Crane said.

Avocado seasons vary from location. Profitability depends on where the company sources its fruit, according to Crane. Prime Produce plans to add more growers to its list, buying avocados from New Zealand, Australia and Peru, he said.

The organic food trend also is fostering growth, Crane said. Last year, Prime Produce started using a technology called “prime ripe,” a natural ripening method that uses plastic bags instead of ethanol gas.

The company plans to use and sell this technology. It signed a global licensing agreement with its creator, StePac L.A. Ltd., a custom packager that’s part of Israel’s DSS PLC.

“We’re a smaller player in this industry but with this technology we’ll be able to market and sell (the bags) to anyone, even our competitors,” Crane said.

Prime Produce is considering importing avocado oils for health and beauty companies that make soaps and lotions, Crane said. The company expects \$30 million in sales this year, he said.