

# Permanent Crops in Iberia: AVOCADO & MANGO

ProAg Invest | Sustainable Agriculture

ProAg Invest is a farmland management firm specialized in high yielding permanent crops in Iberia & Latin America, built by a team of dedicated Agro professionals with more than 25 years of experience in farm management and high value-added crops like avocado & mango, pistachio, olive, citrics and berries.



## WHY AVOCADO

### INVESTMENT OPPORTUNITY

For investors seeking to diversify their agricultural portfolios, avocados offer a unique opportunity. The consistently high demand for the fruit, both domestically and across Europe, provides a steady revenue stream. This growing market demand, coupled with the relatively low volatility of avocado prices, makes the crop a solid hedge against market uncertainties, further enhancing portfolio stability and providing robust returns.

### IBERIA, THE HOT SPOT

Originally from Central America and other subtropical areas, Avocado crops has been expanding across the world and is now well-adapted in other climate-like regions like the Mediterranean area.

Iberia is currently the preferred location for many international agro investors, with a privileged climate that allows the development of a wide range of crops, especially high-yield permanent crops like avocado, leaders in agricultural production with a strong agri-food value chain and proven experience.

In Iberia, avocado is primarily grown in Andalusia and the Algarve, where climatic conditions such as mild winters and sunny days support its growth.



### TECHNICAL REQUIREMENTS

Avocado trees are demanding in terms of temperature, humidity and precipitations, as well as permeable, deep and loamy soils.

- **Soil:** require soil with good structure, good drainage and aeration, pH between 5,5 and 7,5, deep and loamy in order to avoid waterlogging affections.
- **Water:** as a subtropical crop, require between 6,000 to 9,000m<sup>3</sup>/ha of water and limited conductivity features.
- **Temperature** should be always higher than 0°C and fluctuate between 12° and 30°C as a yearly average. During blossom, temperature over 35°C and humidity rates lower than 40% damage the fruit.
- Besides, avocado is very sensitive to salty and strong winds.

\*Data source Brown & Co research, Observatori de Precios. OCDE, FAO and MAPA, 2022

## THE CROP

### THE MARKET

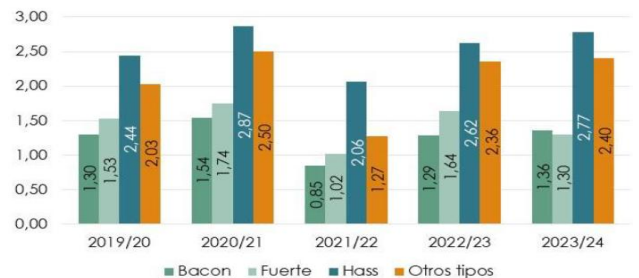
- Mexico is by far the largest producer with 2.5M Tons and 230,000 Has, followed by Colombia (1M Tn) and Peru (80k Tn), Spain being fourth in the league with 105k Tons and 20k Has.
- The US & EU concentrate the demand. The 1,1M Tons US market is mainly serviced by Mexico, while Peru, Colombia and Spain alternates to cover the 1,2M Tn growing demand in Europe throughout the year.

### HASS VARIETY

- Hass is the most widely grown avocado variety worldwide and represents the majority of production in Spain, around 90%, due to its higher market value.
- Its appeal lies in its rich, nutty flavor, high oil content, and durability. The skin turns dark and textured when ripe, and its long shelf life ensures that it can reach distant markets in top condition.
- In Spain, harvest and commercialization starts in December and last until May, when Peruvian production takes over the lead.
- In addition to Hass, there are synergistic complementary options that boost the productivity and profitability of farms, with varieties such as Lamb Hass, Maluma and Luna.

## INVESTMENT KPIs

- **Trees:** enter into production on 3<sup>rd</sup> year, reaches full production on year 6<sup>th</sup>, and have an average productive lifespan of 30-35 years
- **Production:** average 10-11 tons/ha, with years On & Off, ranging from 9 to 14 tons depending on water availability and grove management.
- **Prices:** increasing since 2010, average around 2.6€/Kg



- **Costs:** Capex around 20-25,000€/Ha, and Opex between 7-10,000€/Ha, depending on the land and quality of plants and management expertise.
- Potential gross revenues of €15 to €25,000 per hectare, with EBITDA margins ranging from 30% to 45% in productive years.
- **Land prices** for an avocado farm in full operation ranges between 120 and 200,000 €/ha, depending on location and water availability.



## REGENERATIVE AGRICULTURE

At ProAg Invest we believe that *RegenAg is a matter of common sense*, and we aim to manage our farms in that way, focusing on soil regeneration, water cycle restoration, carbon sequestration and biodiversity enhancement through:

1. Permanent, no-till crops and extensive use of selected cover crops to increase organic matter and support pollinators
2. Improving soil fertility through natural methods and biological pest (insects) control, leaving pruning remains and mulch between trees for compost
3. Water management optimization, with the adoption of precision agriculture and advanced irrigation techniques & technology (sensor, satellite mapping, etc), maximizing yields while reducing resource use.
4. Use of anti-weed mesh to avoid use of herbicides, retain soil moisture and save water
5. Integrating livestock for natural weed control and fertilization

## ESG APPROACH

We are also aware of our investment capacity to transcend the financial objective and also achieve our **ESG objectives**:

**Social SDG 8**, contributing to job retention in rural areas by promoting rural economic development, & **Environmental SDG 12 & SDG 15**, implement the EU "Green Deal", "Biodiversity" and "From-Farm-to-Fork



Make sure Europeans get healthy, affordable and sustainable food



Tackle climate change



Protect the environment and preserve biodiversity



Fair economic return in the food chain



Increase organic farming

## HOW

- ✓ A right selection of genetic material, combining high-potential varieties with rootstocks suited to each location, along with proven quality nurseries, ensures the establishment of a high-potential operation for the future.
- ✓ A network of prestigious external advisors specialists in irrigation and drainage, plant health, and avocado marketing ensures a sustainable and profitable future for our projects.
- ✓ Investors can capitalize on these background to drive operational efficiency, optimizing inputs such as water, fertilizers and labour, which leads to higher returns per hectare.
- ✓ This combination of modern farming practices with a high-value crop like avocado creates an attractive, scalable investment opportunity.

## EXPERIENCED TEAM WITH SOLID TRACK RECORD

### FARM MANAGEMENT

A dedicated management team with a large track record in farm management and development of high yielding value-added crops such as pistachio, almond, avocado, citrus and berries. Professional farmers and Agro engineers with more than 20 years of experience in top Agro companies in Iberia and Latin America for top institutional investors.

More than 5,000Ha under management of different type of crops, from annual cereals to permanent crops, from rainfed to irrigated land.

### PORTFOLIO MANAGEMENT

Extensive portfolio management experience on Real Assets for institutional investors and regulated vehicles. Transparent and on-time qualified reporting.

### MANAGEMENT TEAM



**Rafael Martínez-Cañavate**  
**Technical Director & Investment Committee**  
 Agricultural Entrepreneur & Agro Lawyer  
 +25 years relevant agro experience  
 Board Mbr DCOOP & Pres. Temple Oliva SCoop

**Ian Carlo Bottinelli**  
**Subtropical Crops Investments Director**  
 Agricultural Engineer by Chile University  
 20+ yrs mgmt experience in top Agro Mgmt Firms  
 +3,200 Ha specialized on Subtropical crops



**Javier E. Vivar**  
**Pistachio Crops Advisor**  
 Agricultural Technical Engineer by UCLM  
 5+ yrs mgmt experience in Pistachio Mgmt, Advisory & AgroTech implementation

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### EXTERNAL ADVISORS



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