



AGENDA

California Avocado Commission Board of Directors Meeting

Meeting Information

Date: June 8, 2023

Time: 8:30 a.m.

Location: Hybrid Meeting

Physical Meeting Location:
California Avocado Commission
12 Mauchly, Suite L
Irvine, CA 92618

Web/Teleconference URL:

<https://californiaavocado.zoom.us/j/87244324629?pwd=aEFtSjkyTHdFQm5VNCs4ZkJtc29HUT09>

Conference Call Number: (669) 900-6833

Meeting ID: 872 4432 4629

Passcode: 272340

Meeting materials will be posted online at least 24 hours prior to the meeting at:
<https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes>

Board Member and Alternate Attendance

As of Tuesday, June 6, 2023, the following individuals have advised the Commission they will participate in this meeting:

Gary Caloroso, *Member*

Will Carleton, *Member*

Jason Cole, *Member*

John Cornell, *Member*

Maureen Cottingham, *Member*

Rob Grether, *Member*

Jessica Hunter, *Member*

Connor Huser, *Alternate*

Robert Jackson, *Alternate*

Rachael Laenen, *Member*

Daryn Miller, *Member*

Michael Perricone, *Member*

Peter Shore, *Member*

Time	Item
8:30 a.m.	<ol style="list-style-type: none"> 1. Call to Order <ol style="list-style-type: none"> a. Roll Call/Quorum b. Introductions 2. Opportunity for Public Comment <p>Any person may address the Board at this time on any subject within the jurisdiction of the California Avocado Commission.</p> 3. Consent Calendar <p>Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.</p> <ol style="list-style-type: none"> a. Consider approval of Board of Director's meeting minutes of March 14, 2023 b. 2022-23 Financial and Crop update c. Crop Survey Results d. 2023 General Election Schedule e. Consider Approval of Avocado Inspection Committee (AIC) Member/Alternate Recommendations 4. Consider appointment of producer alternate members to fill existing vacancies for terms ending October 31, 2023 <ol style="list-style-type: none"> a. District 3 producer alternate member b. District 4 producer alternate member 5. Consider recommendation of public member to fill existing vacancy for term ending October 31, 2024 6. Treasurer's Report <ol style="list-style-type: none"> a. Consider acceptance of 2021-22 audited financial statements b. Introduction of Signature Analytics c. Consider approval of CAC line of credit d. Consider Finance Committee recommendation on corporate insurance 7. 2023-24 Planning <ol style="list-style-type: none"> a. 2022-23 Forecast revenue and ending reserves b. Review and discussion of CAC priorities, objectives and strategies 8. Marketing <ol style="list-style-type: none"> a. Business impact of bagged avocados 9. Industry Affairs <ol style="list-style-type: none"> a. Request for CAC to publicly support Rainbow/Fallbrook water agency's application to change water suppliers and oppose AB530 b. Request for CAC to write a letter opposing the BL516 royalty structure

Time	Item
	10. Production Research <ul style="list-style-type: none"> a. Report of May 26, 2023 Production Research Committee meeting b. Consider approval of PRC recommendation on Pine Tree Ranch lease renewal c. Consider approval of PRC recommendation on avocado branch canker research proposal
	11. Closed session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a) <ul style="list-style-type: none"> a. The Board may go into closed session to discuss and make recommendations regarding appointment, employment or dismissal of an employee. b. Return to open session and announce action taken in closed session, if any.
	12. New/Other Business
12:30 p.m.	13. Adjourn Meeting

Disclosures

The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at aaymami@avocado.org. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at <https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes> and <http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices>.

If you have questions on the above agenda, please contact April Aymami at aaymami@avocado.org or 949-341-1955.

Summary Definition of Conflict of Interest

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following *Summary Definition of Conflict of Interest* may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.



BOARD ACTION

ITEM 3.a: **CONSIDER APPROVAL OF BOARD OF DIRECTORS' MEETING MINUTES
OF MARCH 14, 2023**

SUMMARY:

The minutes of the Board of Directors' regular meeting of March 14, 2023 are attached for the Board's review and approval.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Adopt minutes as presented
- Amend minutes
- Take no action

STAFF RECOMMENDATION:

- Approve minutes as presented

EXHIBITS / ATTACHMENTS:

- Minutes of the Board of Directors' regular meeting of March 14, 2023

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
March 14, 2023**

A meeting of the California Avocado Commission (CAC) Board was held on Tuesday, March 14, 2023 with the following people present:

MEMBERS PRESENT

Gary Caloroso
Will Carleton
Jason Cole
John Cornell
Maureen Cottingham
Rob Grether
Jessica Hunter
Ohannes Karaoghlanian
Rachael Laenen
Daryn Miller
Michael Perricone
Peter Shore

ALTERNATES PRESENT

Connor Huser
Robert Jackson
Jamie Johnson
Catherine Keeling
Charley Wolk

MEMBERS ABSENT

None

ALTERNATES ABSENT

None

OFFICIALLY PRESENT

David Anderson, *Anderson
Food Sales & Mktg*
Katie Cook, *USDA*
Candace Hollar, *Mediahub*
Kim Kurata, *Kurata
Communications*
Miranda Townsend, *CDFA*

STAFF PRESENT

April Aymami
Zac Benedict
Dave Cruz
Angela Fraser
Miriam Martinez
Ken Melban
Jeff Oberman
Terry Splane

GUESTS PRESENT

Carolyn Becker
Dan Cox
Hillary DeCarl
Brittany Ferrant
Emiliano Escobedo
Robby Granatelli
Jed Harrison
Gerardo Huerta
Lauren Jacobson
Lauren Kelley
John McGuigan
Hayden McIntyre
Gray Martin
Marji Morrow
Steven Muro
Jill Netzel
Doug O'Hara
Laura Paden
Barb Peirce
Bryan Reugebrink
Sarah Sackett
Scott Scarborough
Matt Schraut
Tim Spann
Byron Talley
Gina Widjaja

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Rob Grether, CAC chairman, called the meeting to order at 8:30 a.m. with a quorum present.

Introductions – Item 1.b.

April Aymami, CAC industry affairs director, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, CAC staff and known guests participating in the meeting. She asked for all other guests to announce themselves and recorded all participants in attendance.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

District 2 grower Dan Cox provided comments regarding a group of southern industry stakeholders who would be coming together to brainstorm ideas for how to make small farm communities thrive. He noted that the following topics would be discussed: maximizing premium; sustainability messaging; different varieties; cost savings realized through economies of scale; and a review of CAC and HAB effectiveness.

John McGuigan, Hass Avocado Board director of industry affairs, announced that HAB's election process was underway with openings for three producer members and three producer alternate members. He stated that HAB was working to move toward online nominations and voting and encouraged industry stakeholders to get the word out.

Gray Martin commented that he had sent dozens of emails to CAC board and management suggesting more regular grower meetings, with very little response received. He said that he had been asked to submit a one-page summary of what he was requesting, but that he was not seeking funding. Mr. Martin stated that the industry needed to shift and adopt new online tools such as Facebook pages and online grower forums.

ITEM # 3 CONSENT CALENDAR

Mr. Grether introduced the consent calendar items and asked for questions or comments. With no comments on the consent calendar items, the following motion was put forward:

MOTION:

The CAC Board of Directors approves the Consent Calendar, Items 3.a through 3.d as presented.

(Cole/Hunter) MSC Unanimous

MOTION 23-3-14-1

The Consent Calendar is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 3.a through 3.d.

ITEM #4 CONSIDER APPOINTMENT OF PRODUCER ALTERNATE MEMBERS TO FILL EXISTING VACANCIES FOR TERMS ENDING OCTOBER 31, 2023

Mr. Grether remarked that it was wonderful to have so much interest in the existing alternate vacancies, and as a Board they were responsible for appointing individuals to fill the currently vacant positions. He noted that in the past the Board had done this through an election process, which could be done again, however in order to ensure the appointed individuals have majority support from the Board, as required by CAC law, he proposed clearly outlined election procedures, which was formalized in the following motion:

MOTION:

For each of the vacant Producer Alternate member seats in districts 1, 3 and 5, the board shall appoint the candidate supported by a majority of the board in an election using the exhaustive ballot method, wherein if in a round of voting no candidate receives the majority of the votes, the candidate who has received the fewest number of votes shall be eliminated and the process shall be repeated. Votes call be cast using paper ballot or by direct message on Zoom to April Aymami.

(Laenen/Miller) MSC Unanimous

MOTION 23-3-14-2

District 1 Producer Alternate Member – Item 4.a.

Mr. Grether gave District 1 producer alternate candidate, Robert Jackson, an opportunity to address the Board. Mr. Jackson provided a brief overview of the location of his avocado groves and his interest in serving on the CAC Board. Mr. Grether asked for additional nominations from the floor, and hearing none, an election for the District 1 producer alternate member seat was conducted with Robert Jackson as the only declared candidate. Mr. Jackson received unanimous votes in favor of his appointment as the District 1 producer alternate member.

District 3 Producer Alternate Member – Item 4.b.

Mr. Grether gave District 3 producer alternate candidates, Hayden McIntyre and Doug O'Hara, an opportunity to address the Board.

Mr. McIntyre stated he was a third-generation grower with groves from San Diego to Santa Barbara counties. He commented that he was knowledgeable on new technologies in production agriculture.

Mr. O'Hara commented that he had previously served on the CAC Board as both chair and vice-chair, and felt that his experience could once again help the Commission with the current leadership transition. He also felt that he could provide input on the industry concerns raised by the medium to large grower stakeholders.

Mr. Grether stated that in the Board Packet a third candidate, James Shafer, was ill and could not attend the meeting but had submitted his interest and qualifications for the District 3 position as well. Mr. Grether asked for additional nominations from the floor, and hearing none, an election for the District 3 producer alternate member seat was conducted with Hayden McIntyre, Doug O'Hara and James Shafer as declared candidates.

The results of the first District 3 election resulted in an elimination of Mr. Shafer as a candidate, with six votes for McIntyre, four votes for O'Hara and two votes for Shafer. The election process continued a second and third round, both of which resulted in tied votes with both McIntyre and O'Hara receiving six votes each. Mr. Grether reported that without a majority vote of the Board a District 3 alternate member could not be appointed, therefore any additional voting on this position would be postponed to the next CAC Board meeting.

District 5 Producer Alternate Member – Item 4.c.

Mr. Grether gave District 5 producer alternate candidates, Jed Harrison, Jamie Johnson and Byron Talley, an opportunity to address the Board.

Mr. Harrison stated he was a grower in the San Joaquin Valley, interested in different varieties, climate change and water.

Mr. Johnson commented that he was excited about the great work that has been done at CAC and his desire to be part of what CAC is currently doing.

Mr. Talley stated that he was a fourth-generation grower who was currently serving as an alternate on the HAB Board and interested in becoming more involved at CAC.

Mr. Grether stated that in the Board Packet a fourth candidate, Laurie Luschei, was tending to family business and unable to attend the meeting, but had also expressed interest in the position. He asked for additional nominations from the floor, and hearing none, an election for the District 5 producer alternate member seat was conducted with Jed Harrison, Jamie Johnson, Byron Talley and Laurie Luschei as declared candidates. Mr. Johnson received a majority of the votes, with eight in favor. Of the remaining candidates, Luschei received three votes, Talley received one vote and Harrison received zero.

At the conclusion of the election process, Mr. Grether asked for a motion to appoint the individuals who had received majority votes in the District 1 and District 5 elections:

MOTION:

The CAC Board of Directors moves to appoint Robert Jackson as District 1 producer alternate member and Jamie Johnson as District 5 producer alternate member, both with terms ending October 31, 2023.

(Cole/Laenen) MSC Unanimous

MOTION 23-3-14-3

The *District 1, 3 and 5 Candidate Statements and Disclosure Forms* are included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 4.a through 4.c.

ITEM #5 PRESIDENT'S REPORT

Update on Overall Administration of the Commission – Item 5.a.

Jeff Oberman, CAC president, commented that he had been in the field visiting groves from north to south and at the recent Pine Tree Ranch field day. He noted that on the marketing side he had attended a Southeast Produce Council event with CAC's Retail Marketing Director Dave Anderson, which had given them an opportunity to meet with tier one and Midwest retailers.

Mr. Oberman thanked recently retired Jan DeLyser and the Board members who had assisted in the process of vetting candidates for the vice president of marketing position, which had resulted in the hiring of Terry Splane. He noted that Mr. Splane was a great fit for CAC culturally and brought 30+ years of experience in marketing. Mr. Splane expanded on his experience, noting his specific knowledge of brand marketing.

Consider Public Member Selection Process – Item 5.b.

Ken Melban, CAC vice president of industry affairs and operations, reported that following the CAC Board's recommendation of public member candidates in October 2022, the California Department of Food and Agriculture had requested that CAC develop a process to identify and review the eligibility of public member candidates, prior to submission of recommendations to CDFA. CAC management worked with George Soares, CAC legal counsel, to develop a public member selection process to address concerns raised by CDFA.

Mr. Melban stated that the Executive Committee had reviewed the draft process, made minor edits to broaden the pool of eligible candidates, and the process outlined in the Board Packet writeup was presented to the Board for approval. He noted that once approved, management expected the Executive Committee would be able to review eligible candidates and bring forward candidates for consideration at the June Board meeting.

MOTION:

The CAC Board of Directors moves to approve the Public Member Selection Process as presented.

(Cole/Miller) MSC Unanimous

MOTION 23-3-14-4

The CAC Public Member Selection Process is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 5.b.

ITEM #6 TREASURER'S REPORT

Consider Acceptance of 2021-22 Audited Financial Statements – Item 6.a.

Jason Cole, CAC treasurer, reported that while management and Moss Adams, CAC's new auditing firm, had worked diligently to have the 2021-22 audit completed prior to the March Board meeting, extenuating circumstances had delayed the completion of the final report. Mr. Melban provided background on the delays, indicating that CAC's request for proposal and contract process had pushed back the start of actual work on the audit, and the new auditors had experienced difficulties accessing CAC's prior audit workpapers from the previous audit firm.

A question was asked about whether CAC intended to hire a new Vice President of Finance, to which Mr. Melban explained that CAC was utilizing an outsourced accounting firm, Signature Analytics, who was able to provide varying levels of accounting support based on CAC's needs. He noted that CAC staff, primarily Ms. Aymami, was currently engaged in the day-to-day communications with Signature Analytics and onboarding them to CAC's processes. Mr. Grether commented the Executive Committee had been apprised of management's decision to move to outsourced accounting and supportive of the change.

Consider Approval of CAC Line of Credit – Item 6.b.

Mr. Melban noted CAC had experienced delays with Bank of the West and their ability to provide details of the terms for the renewal of CAC's line of credit, therefore management was requesting the Board provide authorization to management and a Committee of the Board to secure a \$3 million line of credit with a lender offering the most favorable terms.

MOTION:

The CAC Board of Directors moves to authorize CAC management and the Finance Committee work together to secure a \$3 million line of credit with a lender offering the most favorable terms.

(Cole/Perricone) MSC Unanimous

MOTION 23-3-14-5

The CAC Line of Credit Write-up is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 6.b.

ITEM #7 OPERATIONS

Moss Adams Procure to Pay Assessment – Item 7.b.

Mr. Melban reported that Moss Adams had completed the assessment of CAC's internal controls, but with the current transition to Signature Analytics for a portion of the accounting workload, management was waiting to get them fully onboard prior to revising CAC's policies and procedures. He stated that management expected to have updated policies and procedures in place by the end of the summer.

CAC Office Flood and Repair Update – Item 7.a.

Mr. Oberman commended Cristina Wede, Dave Cruz and Stacia Kierulff for their amazing work in getting the office put back together in time for the March Board meeting. He noted that until just the day before, these staff members were working to move furniture back in and make the office functional. Mr. Melban reported that on the financial side, CAC expected to break even on out-of-pocket costs once payment from the insurance claims had come through.

ITEM #8 MARKETING

Season kick-off – Item 8.a.

Members of the CAC marketing team provided an overview of activities planned for the beginning of the California avocado season, including retail promotions, communications, social media, trade public relations and advertising. In addition, details were given on foodservice events and chain promotions, consumer marketing and media and the living well brand advocate program.

Throughout the presentation, the Board engaged in discussion with management and agencies regarding GEM promotions, timing of media to align with crop harvest, the need to audit/verify that California fruit is being purchased when promotion agreements are in place, and clarification of deliverables and how operators are compensated for foodservice promotional agreements. Mr. Grether commended the Board for its thoughtful discussion and encouraged management to work closely with the Marketing Committee to address some of the comments raised by the Board.

The CAC Season Opener Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

ITEM #9 INDUSTRY AFFAIRS

Industry Meetings – Item 9.a.

Industry Partnerships (AFF, ATACH, Sustainability) – Item 9.b.

Mr. Melban provided an overview of recent industry meetings and organizations that he is directly involved with that are working behind the scenes to help make strides for agriculture as a whole. Specifically, he noted that he was representing CAC as a board member of the Alliance for Food and Farming, an organization working to counter bad messaging geared toward agriculture. In addition, he had been serving as a member of ATAC for a number of years, providing him direct access to the Secretary of Agriculture and trade representatives, and that committee was currently working to identify tools to help specialty crop growers facing continually rising import volume.

Mr. Melban went into detail on his current work in the area of sustainability, noting a trip arranged by CAC Board Member Maureen Cottingham with a group of Sonoma County wine growers who had attained 99% compliance with sustainability certification. He was encouraged by their success and had been in discussions with a sustainability certification company to help build a certification program for the California avocado industry. Mr. Melban referred to an article he wrote in the current issue of *From the Grove*, stating it was time for California to chart their course in sustainability and begin creating messaging that will resonate with consumers.

There was Board discussion on the topic of sustainability, with support for CAC to keep exploring options and to look to utilize work being done on sustainability by other organizations such as HAB and IFPA. It was also noted that CAC should work to make any certification program as simple as possible for grower, and to speak with the retailers to determine if there is any willingness to pay more for fruit that is certified as sustainably grown.

Pine Tree Ranch Lease Renewal – Item 9.c.

Mr. Melban referred to the detailed write-up in the Board Packet regarding the current status of the lease renewal for CAC's demonstration grove at Pine Tree Ranch. He noted that CAC management would bring forward Cal Poly's proposed lease terms to the Production Research Committee who would review and provide their recommendations to the CAC Board at the June meeting.

The Pine Tree Ranch Lease Renewal Write-up is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 9.c.

ITEM #10 CONSIDER APPROVAL OF HAB BOLD CANDIDATE SPONSORSHIP

Mr. Grether provided an overview of the HAB BOLD program, noting that CAC had previously sponsored members in the first and second classes of the program. At that time, the Board had stipulated that their sponsorship was contingent upon the BOLD candidate being a currently seated Board member or alternate. He reported that currently no seated member or alternate was a candidate for the BOLD program, but HAB had asked if the CAC Board would be interested in sponsoring any of the three California producers who had applied to the program.

The Board discussed the pros and cons of the program, and specific benefit to CAC when the participant is a currently seated Board member or alternate. A few of the previously sponsored candidates spoke in support of the BOLD program, noting they (and CAC) would have greatly benefited had they gone through the program prior to being a seated Board member. There was support for sponsoring participants if they were interested in serving on the CAC Board in the future, and a consensus that should CAC sponsor participants, that they be matched up with mentors on the CAC Board.

MOTION:

***The CAC Board of Directors moves to sponsor Nathan Lurie and Michael Craviotto as participants in the HAB BOLD program, up to a maximum of \$5,000 each participant.
(Cole/Miller) MSC (10 Yea/1 Nay)***

MOTION 23-3-14-6

The Consider Approval of HAB BOLD Candidate Sponsorship Write-up is included in the March 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 10.

ITEM #11 CHAIRMAN'S REPORT

Other/New Business – Item 11.a.

Mr. Grether introduced a new section of the Board meetings under “Other/New Business” that would allow directors to provide an update on what may be happening in their districts, or introduce items for future Board consideration.

District 2 Board Member John Cornell reported that at a recent grower meeting there were a lot of dissatisfied growers, and that one way CAC could engage the growers would be to form an education committee that would be responsible for setting up webinars and seminars to help growers improve production. He noted that one of CAC’s shortcomings was their ability to convey information to growers. It was noted by other Board members that CAC’s Production Research Committee was already responsible for this type of education, and Mr. Grether stated that the PRC could look into CAC’s existing education and outreach programs and work to make improvements where possible.

Mr. Grether reported that Catherine Keeling, CAC’s District 4 producer alternate member, had just resigned, and that today’s meeting would be her last. He wished her well as she moved on to serve as a member of the United Water Board, and stated that the District 4 producer alternate position would be presented along with the District 3 vacancy at the June meeting.

As a reminder, Mr. Grether announced the CAC Annual Meetings would be held in person for the first time since 2019 and encouraged Board members to attend one of the three meetings taking place May 8-10, 2023.

ADJOURN MEETING

Mr. Grether adjourned the meeting at 12:16 p.m. The next regularly scheduled Board meeting will be held on June 8, 2023.

Respectfully submitted,

April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of March 14, 2023 approved by the CAC Board of Directors on June 8, 2023.

Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

EXHIBIT A March 2023 Board Packet
EXHIBIT B CAC Season Opener Presentation
EXHIBIT C March 14, 2023 Board Meeting AB 2720 Roll Call Vote Tally Summary

Exhibit C



CALIFORNIA AVOCADO COMMISSION
AB 2720 Roll Call Vote Tally Summary
To be attached to the Meeting Minutes

Meeting Name: <i>California Avocado Commission Regular Board Meeting</i>	Meeting Location: <i>Hybrid In-Person – Irvine Online - Zoom</i>	Meeting Date: <i>March 14, 2023</i>
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<i>Attendees Who Voted</i>	<u>MOTION</u> <u>23-3-14-1</u>	<u>MOTION</u> <u>23-3-14-2</u>	<u>DISTRICT 1</u> <u>ELECTION</u>	<u>DISTRICT 3</u> <u>ELECTION 1</u>	<u>DISTRICT 3</u> <u>ELECTION 2</u>	<u>DISTRICT 3</u> <u>ELECTION 3</u>	<u>DISTRICT 5</u> <u>ELECTION</u>	<u>MOTION</u> <u>23-3-14-3</u>	<u>MOTION</u> <u>23-3-14-4</u>	<u>MOTION</u> <u>23-3-14-5</u>	<u>MOTION</u> <u>23-3-14-6</u>
Michael Perricone	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Yea	Yea	Yea	Yea
Jessica Hunter	Yea	Yea	Jackson	O'Hara	O'Hara	O'Hara	Johnson	Yea	Yea	Yea	Yea
Ohannes Karaoghlianian	Yea	Did Not Vote	Jackson	Shafer	O'Hara	O'Hara	Luschei	Yea	Yea	Yea	Yea
John Cornell	Yea	Yea	Jackson	Shafer	O'Hara	O'Hara	Luschei	Yea	Yea	Yea	Nay
Rob Grether	Did Not Vote	Did Not Vote	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
Maureen Cottingham	Yea	Yea	Jackson	O'Hara	O'Hara	O'Hara	Johnson	Yea	Yea	Yea	Yea
Jason Cole	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Yea	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Yea	Yea	Yea	Yea
Daryn Miller	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Talley	Yea	Yea	Yea	Yea
Will Carleton	Yea	Yea	Jackson	O'Hara	O'Hara	O'Hara	Luschei	Yea	Yea	Yea	Yea
Peter Shore	Yea	Yea	Jackson	McIntyre	McIntyre	McIntyre	Johnson	Yea	Yea	Yea	Yea
Gary Caloroso	Yea	Yea	Jackson	O'Hara	O'Hara	O'Hara	Johnson	Yea	Yea	Yea	Yea
Outcome	Unanimous	Unanimous	Unanimous	6 McIntyre 4 O'Hara 2 Shafer	6 McIntyre 6 O'Hara	6 McIntyre 6 O'Hara	8 Johnson 3 Luschei 1 Talley	Unanimous	Unanimous	Unanimous	10 Yea 1 Nay

**BOARD INFORMATION****ITEM 3.b: 2022-23 FINANCIAL & CROP UPDATE****SUMMARY:****Financial Position and Operational Indicators**

The following are highlights taken from the Commission's financial statements as of April 30, 2023 with comparison to prior year's figures:

	4/30/23	4/30/22
Assets		
Petty Cash	\$240	\$200
Cash in Bank-Checking Accounts	\$826,301	\$1,099,119
Investments (LAIF & MMA)	\$6,851,891	\$7,035,259
Subtotal CAC Cash & Investment	\$7,678,431	\$8,134,578
Cash & Investments held for AIP	\$629,654	\$781,375
Total Cash & Investment	\$8,308,085	\$8,915,953
Assessment Receivable	\$1,098,200	\$3,272,028
Other (Other Receivables, Prepaids and Fixed Assets)	\$983,434	\$417,546
Total Assets	\$10,389,720	\$12,605,527
Liabilities & Net Reserves		
Accounts Payable and Accrued Expenses	\$640,167	\$381,688
Due to AIP	\$629,654	\$799,375
Current Liabilities	\$300,551	\$234,693
Long Term Liabilities	\$284,699	\$0
Total Liabilities	\$1,855,071	\$1,415,756
Total Revenues	\$1,400,949	\$5,566,050
Total Expenditures	\$4,479,855	\$4,876,479
YTD Surplus (Deficit)	(\$3,078,906)	\$777,350
Net Reserves-Prior Periods	\$11,613,546	\$10,412,423
Total Net Reserves	\$8,534,649	\$11,189,772
Total Liabilities & Net Reserves	\$10,389,720	\$12,605,527

Crop Statistics

Handlers reported 34.3 million pounds of California avocados were harvested through April 2023 with an average price (per pound) reported at \$0.95 dollars. An estimated 50.8 million pounds were harvested in May 2023 with an average price (per pound) of \$0.87 dollars. This would bring the total harvested through May 2023 to 85.1 million pounds at an average price (per pound) of \$0.90 dollars.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Discussion item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- Monthly Financial Performance Reports for December 2022 and January through April 2023
- 2022-23 Pounds & Dollars by Variety Report (November 2022 – April 2023)



Monthly Performance Report

California Avocado Commission
December 2022



Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. YTD Budget

	2022/2023 (YTD)	Budget (YTD)	YTD Actual vs YTD budget (\$)	YTD Actual vs YTD budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$1,074	\$824	\$250	30.34%
HAB Assessment Revenue	\$0	\$824	(\$824)	-100.00%
Total Assessment Revenues	\$1,074	\$1,648	(\$574)	-34.82%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$0	\$10,166	(\$10,166)	-100.00%
Interest and Other Income	\$2,918	\$2,500	\$418	16.72%
Merchandise Shop Income	\$0	\$1,000	(\$1,000)	-100.00%
Total Other Revenue	\$2,918	\$13,666	(\$10,748)	-78.65%
Total Revenue	\$3,992	\$15,314	(\$11,322)	-73.93%
Expenses				
Marketing Expenses				
Consumer Marketing	\$257,457	\$335,718	(\$78,261)	-23.31%
Merchandising	\$112,599	\$109,500	\$3,099	2.83%
Food Service	\$45,301	\$43,633	\$1,668	3.82%
Consumer Public Relations	\$38,168	\$33,736	\$4,432	13.14%
Marketing Activities Support	\$4,100	\$4,100	\$0	0.00%
Merchandise Shop	\$349	\$10,000	(\$9,651)	-96.51%
Miscellaneous Marketing Expenses	\$35,934	\$40,955	(\$5,021)	-12.26%
Total Marketing Expenses	\$493,908	\$577,642	(\$83,734)	-14.50%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$51,431	\$126,077	(\$74,646)	-59.21%
Grants	\$10,700	\$0	\$10,700	-
Administration	\$396,293	\$513,213	(\$116,920)	-22.78%
Total Non-Marketing Expenses	\$458,424	\$639,290	(\$180,866)	-28.29%
Total Expenses	\$952,332	\$1,216,932	(\$264,600)	-21.74%
Operating Profit	(\$948,340)	(\$1,201,618)	\$253,278	21.08%
Net Income	(\$948,340)	(\$1,201,618)	\$253,278	21.08%

Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. Annual Budget

	2022/2023 (YTD)	Annual Budget	YTD Actual vs Annual Budget (\$)	YTD Actual vs Annual Budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$1,074	\$4,935,938	(\$4,934,864)	-99.98%
HAB Assessment Revenue	\$0	\$4,940,625	(\$4,940,625)	-100.00%
Total Assessment Revenues	\$1,074	\$9,876,563	(\$9,875,489)	-99.99%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$0	\$61,000	(\$61,000)	-100.00%
Grant Funding	\$0	\$400,000	(\$400,000)	-100.00%
Pine Tree Ranch Crop Income	\$0	\$93,750	(\$93,750)	-100.00%
From The Grove Income	\$0	\$70,000	(\$70,000)	-100.00%
Interest and Other Income	\$2,918	\$55,000	(\$52,082)	-94.69%
Merchandise Shop Income	\$0	\$1,000	(\$1,000)	-100.00%
Total Other Revenue	\$2,918	\$680,750	(\$677,832)	-99.57%
Total Revenue	\$3,992	\$10,557,313	(\$10,553,321)	-99.96%
Expenses				
Marketing Expenses				
Consumer Marketing	\$257,457	\$4,736,549	(\$4,479,092)	-94.56%
Merchandising	\$112,599	\$1,894,648	(\$1,782,049)	-94.06%
Food Service	\$45,301	\$725,000	(\$679,699)	-93.75%
Consumer Public Relations	\$38,168	\$345,500	(\$307,332)	-88.95%
Marketing Activities Support	\$4,100	\$64,000	(\$59,900)	-93.59%
Merchandise Shop	\$349	\$10,000	(\$9,651)	-96.51%
Miscellaneous Marketing Expenses	\$35,934	\$1,004,303	(\$968,369)	-96.42%
Total Marketing Expenses	\$493,908	\$8,780,000	(\$8,286,092)	-94.37%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$51,431	\$1,429,560	(\$1,378,129)	-96.40%
Grants	\$10,700	\$402,500	(\$391,800)	-97.34%
Administration	\$396,293	\$3,441,160	(\$3,044,867)	-88.48%
Total Non-Marketing Expenses	\$458,424	\$5,273,220	(\$4,814,796)	-91.31%
Total Expenses	\$952,332	\$14,053,220	(\$13,100,888)	-93.22%
Operating Profit	(\$948,340)	(\$3,495,907)	\$2,547,567	72.87%
Net Income	(\$948,340)	(\$3,495,907)	\$2,547,567	72.87%

Statement of Net Position (with Comparison to Prior Year)

	Dec 2022	%	Dec 2021	%	Variance (\$)	Variance (%)
ASSETS						
Cash & Equivalents						
CAC Cash and Short Term Investments						
Petty Cash	\$240	0.0%	\$200	0.0%	\$40	20.00%
Cash in Bank	\$1,986,835	15.9%	\$163,033	1.5%	\$1,823,802	1,118.67%
Cash in Bank-LAIF & Money Market	\$8,741,326	69.8%	\$8,900,143	83.8%	(\$158,817)	-1.78%
Total CAC Cash and Short Term Investments	\$10,728,401	85.7%	\$9,063,376	85.3%	\$1,665,025	18.37%
Cash in Bank, LAIF & Money Market (held for...)						
(Held for AIP)	\$884,907	7.1%	\$924,364	8.7%	(\$39,457)	-4.27%
Total Cash & Equivalents	\$11,613,308	92.8%	\$9,987,739	94.0%	\$1,625,568	16.28%
Other Current Assets						
Other Current Assets						
Assessment Receivable	\$1,124	0.0%	\$1,365	0.0%	(\$241)	-17.62%
Other Receivable	\$320,183	2.6%	\$350,517	3.3%	(\$30,334)	-8.65%
Prepays	\$63,961	0.5%	\$131,896	1.2%	(\$67,935)	-51.51%
Merchandise Shop Inventory	\$64,056	0.5%	\$71,281	0.7%	(\$7,225)	-10.14%
Total Other Current Assets	\$449,324	3.6%	\$555,059	5.2%	(\$105,735)	-19.05%
Total Other Current Assets	\$449,324	3.6%	\$555,059	5.2%	(\$105,735)	-19.05%
Total Current Assets	\$12,062,632	96.4%	\$10,542,799	99.3%	\$1,519,833	14.42%
Fixed Assets						
Furniture						
Furniture	\$187,904	1.5%	\$187,904	1.8%	\$0	0.00%
Accumulated Depreciation-Furniture	(\$163,643)	-1.3%	(\$131,294)	-1.2%	(\$32,349)	-24.64%
Total Furniture	\$24,262	0.2%	\$56,611	0.5%	(\$32,349)	-57.14%
Office Equipment						
Office Equipment	\$0	0.0%	\$0	0.0%	\$0	-
Land Improvements						
Land Improvements	\$108,559	0.9%	\$108,559	1.0%	\$0	0.00%
Accumulated Depreciation-Land Improvem...	(\$101,508)	-0.8%	(\$87,385)	-0.8%	(\$14,123)	-16.16%
Total Land Improvements	\$7,051	0.1%	\$21,173	0.2%	(\$14,123)	-66.70%
Total Fixed Assets	\$31,312	0.3%	\$77,784	0.7%	(\$46,472)	-59.74%
Investments or Other Non-Current Assets						
Leased Assets						
Operating Leases - Net	\$401,258	3.2%	\$0	0.0%	\$401,258	-
Capital Leases - Net	\$20,968	0.2%	\$0	0.0%	\$20,968	-
Total Leased Assets	\$422,226	3.4%	\$0	0.0%	\$422,226	-
Total Investments or Other Non-Current Assets	\$422,226	3.4%	\$0	0.0%	\$422,226	-
Total Non-Current Assets	\$453,538	3.6%	\$77,784	0.7%	\$375,755	483.08%
Total Assets	\$12,516,170	100.0%	\$10,620,582	100.0%	\$1,895,588	17.85%
LIABILITIES						
Accounts Payable						
Accounts Payable & Accrued Expenses						
Accounts Payable	\$8,419	0.1%	\$799	0.0%	\$7,620	954.01%
Accrued Expenses	\$336,741	2.7%	\$236,878	2.2%	\$99,862	42.16%
Total Accounts Payable & Accrued Expenses	\$345,159	2.8%	\$237,677	2.2%	\$107,482	45.22%
Total Accounts Payable	\$345,159	2.8%	\$237,677	2.2%	\$107,482	45.22%
Other Current Liabilities						
Due to AIP						
Due to AIP-Checking	\$46,964	0.4%	\$47,901	0.5%	(\$938)	-1.96%
Due to AIP (MMA)	\$837,943	6.7%	\$876,462	8.3%	(\$38,519)	-4.39%
Deposit Due to CDFA/AIP	\$18,000	0.1%	\$18,000	0.2%	\$0	0.00%
Total Due to AIP	\$902,907	7.2%	\$942,364	8.9%	(\$39,457)	-4.19%

	Dec 2022	%	Dec 2021	%	Variance (\$)	Variance (%)
Other Payable (Vacation/Payroll/Sec. 125)						
Vacation Payable - Short Term	\$167,029	1.3%	\$234,693	2.2%	(\$67,663)	-28.83%
Leases						
Operating Leases - Short-Term	\$141,194	1.1%	\$0	0.0%	\$141,194	-
Capital Leases - Short-Term	\$9,970	0.1%	\$0	0.0%	\$9,970	-
Total Leases	\$151,164	1.2%	\$0	0.0%	\$151,164	-
Total Other Current Liabilities	\$1,221,100	9.8%	\$1,177,056	11.1%	\$44,044	3.74%
Total Current Liabilities	\$1,566,259	12.5%	\$1,414,734	13.3%	\$151,526	10.71%
Other Non-Current Liabilities						
Leases						
Operating Leases - Long-Term	\$273,671	2.2%	\$0	0.0%	\$273,671	-
Capital Leases - Long-Term	\$11,028	0.1%	\$0	0.0%	\$11,028	-
Total Leases	\$284,699	2.3%	\$0	0.0%	\$284,699	-
Total Other Non-Current Liabilities	\$284,699	2.3%	\$0	0.0%	\$284,699	-
Total Non-Current Liabilities	\$284,699	2.3%	\$0	0.0%	\$284,699	-
Total Liabilities	\$1,850,958	14.8%	\$1,414,734	13.3%	\$436,225	30.83%
EQUITY						
Retained Earnings						
Net Reserves-Prior Periods						
Net Reserves-Prior Periods	\$11,613,546	92.8%	\$10,412,423	98.0%	\$1,201,123	11.54%
Surplus (Deficit)-Current Period						
Surplus (Deficit)-Current Period	(\$948,334)	-7.6%	(\$1,206,574)	-11.4%	\$258,240	21.40%
Total Retained Earnings	\$10,665,212	85.2%	\$9,205,849	86.7%	\$1,459,363	15.85%
Total Equity	\$10,665,212	85.2%	\$9,205,849	86.7%	\$1,459,363	15.85%
Total Liabilities & Equity	\$12,516,170	100.0%	\$10,620,582	100.0%	\$1,895,588	17.85%



Monthly Performance Report

California Avocado Commission
January 2023



Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. YTD Budget

	2022/2023 (YTD)	Budget (YTD)	YTD Actual vs YTD budget (\$)	YTD Actual vs YTD budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$3,947	\$61,369	(\$57,422)	-93.57%
HAB Assessment Revenue	\$5,944	\$61,426	(\$55,482)	-90.32%
Total Assessment Revenues	\$9,891	\$122,795	(\$112,904)	-91.95%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$0	\$15,249	(\$15,249)	-100.00%
From The Grove Income	\$16,500	\$17,500	(\$1,000)	-5.71%
Interest and Other Income	\$25,131	\$23,750	\$1,381	5.81%
Merchandise Shop Income	\$0	\$1,000	(\$1,000)	-100.00%
Total Other Revenue	\$41,631	\$57,499	(\$15,868)	-27.60%
Total Revenue	\$51,522	\$180,294	(\$128,772)	-71.42%
Expenses				
Marketing Expenses				
Consumer Marketing	\$442,674	\$584,046	(\$141,372)	-24.21%
Merchandising	\$163,062	\$199,789	(\$36,727)	-18.38%
Food Service	\$65,153	\$63,283	\$1,870	2.96%
Consumer Public Relations	\$56,081	\$59,186	(\$3,105)	-5.25%
Marketing Activities Support	\$6,200	\$6,200	\$0	0.00%
Merchandise Shop	\$640	\$10,000	(\$9,360)	-93.60%
Miscellaneous Marketing Expenses	\$93,261	\$85,561	\$7,700	9.00%
Total Marketing Expenses	\$827,071	\$1,008,065	(\$180,994)	-17.95%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$96,925	\$266,673	(\$169,748)	-63.65%
Grants	\$21,400	\$0	\$21,400	-
Administration	\$793,645	\$866,393	(\$72,748)	-8.40%
Total Non-Marketing Expenses	\$911,970	\$1,133,066	(\$221,096)	-19.51%
Total Expenses	\$1,739,041	\$2,141,130	(\$402,089)	-18.78%
Operating Profit	(\$1,687,519)	(\$1,960,836)	\$273,317	13.94%
Net Income	(\$1,687,519)	(\$1,960,836)	\$273,317	13.94%

Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. Annual Budget

	2022/2023 (YTD)	Annual Budget	YTD Actual vs Annual Budget (\$)	YTD Actual vs Annual Budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$3,947	\$4,935,938	(\$4,931,991)	-99.92%
HAB Assessment Revenue	\$5,944	\$4,940,625	(\$4,934,681)	-99.88%
Total Assessment Revenues	\$9,891	\$9,876,563	(\$9,866,672)	-99.90%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$0	\$61,000	(\$61,000)	-100.00%
Grant Funding	\$0	\$400,000	(\$400,000)	-100.00%
Pine Tree Ranch Crop Income	\$0	\$93,750	(\$93,750)	-100.00%
From The Grove Income	\$16,500	\$70,000	(\$53,500)	-76.43%
Interest and Other Income	\$25,131	\$55,000	(\$29,869)	-54.31%
Merchandise Shop Income	\$0	\$1,000	(\$1,000)	-100.00%
Total Other Revenue	\$41,631	\$680,750	(\$639,119)	-93.88%
Total Revenue	\$51,522	\$10,557,313	(\$10,505,791)	-99.51%
Expenses				
Marketing Expenses				
Consumer Marketing	\$442,674	\$4,736,549	(\$4,293,875)	-90.65%
Merchandising	\$163,062	\$1,894,648	(\$1,731,586)	-91.39%
Food Service	\$65,153	\$725,000	(\$659,847)	-91.01%
Consumer Public Relations	\$56,081	\$345,500	(\$289,419)	-83.77%
Marketing Activities Support	\$6,200	\$64,000	(\$57,800)	-90.31%
Merchandise Shop	\$640	\$10,000	(\$9,360)	-93.60%
Miscellaneous Marketing Expenses	\$93,261	\$1,004,303	(\$911,042)	-90.71%
Total Marketing Expenses	\$827,071	\$8,780,000	(\$7,952,929)	-90.58%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$96,925	\$1,429,560	(\$1,332,635)	-93.22%
Grants	\$21,400	\$402,500	(\$381,100)	-94.68%
Administration	\$793,645	\$3,441,160	(\$2,647,515)	-76.94%
Total Non-Marketing Expenses	\$911,970	\$5,273,220	(\$4,361,250)	-82.71%
Total Expenses	\$1,739,041	\$14,053,220	(\$12,314,179)	-87.63%
Operating Profit	(\$1,687,519)	(\$3,495,907)	\$1,808,388	51.73%
Net Income	(\$1,687,519)	(\$3,495,907)	\$1,808,388	51.73%

Statement of Net Position (with Comparison to Prior Year)

	Jan 2023	%	Jan 2022	%	Variance (\$)	Variance (%)
ASSETS						
Cash & Equivalents						
CAC Cash and Short Term Investments						
Petty Cash	\$240	0.0%	\$200	0.0%	\$40	20.00%
Cash in Bank	\$1,454,241	12.2%	\$113,558	1.1%	\$1,340,683	1,180.62%
Cash in Bank-LAIF & Money Market	\$8,742,863	73.4%	\$8,256,611	79.3%	\$486,252	5.89%
Total CAC Cash and Short Term Investments	\$10,197,344	85.6%	\$8,370,369	80.4%	\$1,826,976	21.83%
Cash in Bank, LAIF & Money Market (held for...)						
(Held for AIP)	\$822,310	6.9%	\$909,489	8.7%	(\$87,179)	-9.59%
Total Cash & Equivalents	\$11,019,654	92.5%	\$9,279,857	89.1%	\$1,739,797	18.75%
Other Current Assets						
Other Current Assets						
Assessment Receivable	\$9,600	0.1%	\$475,636	4.6%	(\$466,036)	-97.98%
Other Receivable	\$333,308	2.8%	\$366,415	3.5%	(\$33,106)	-9.04%
Prepays	\$33,591	0.3%	\$146,226	1.4%	(\$112,635)	-77.03%
Merchandise Shop Inventory	\$64,056	0.5%	\$70,610	0.7%	(\$6,554)	-9.28%
Total Other Current Assets	\$440,556	3.7%	\$1,058,888	10.2%	(\$618,332)	-58.39%
Total Other Current Assets	\$440,556	3.7%	\$1,058,888	10.2%	(\$618,332)	-58.39%
Total Current Assets	\$11,460,210	96.2%	\$10,338,745	99.3%	\$1,121,465	10.85%
Fixed Assets						
Furniture						
Furniture	\$187,904	1.6%	\$187,904	1.8%	\$0	0.00%
Accumulated Depreciation-Furniture	(\$166,338)	-1.4%	(\$133,990)	-1.3%	(\$32,349)	-24.14%
Total Furniture	\$21,566	0.2%	\$53,915	0.5%	(\$32,349)	-60.00%
Office Equipment						
Office Equipment	\$0	0.0%	\$0	0.0%	\$0	-
Land Improvements						
Land Improvements	\$108,559	0.9%	\$108,559	1.0%	\$0	0.00%
Accumulated Depreciation-Land Improvem...	(\$102,685)	-0.9%	(\$88,562)	-0.9%	(\$14,123)	-15.95%
Total Land Improvements	\$5,874	0.0%	\$19,996	0.2%	(\$14,123)	-70.63%
Total Fixed Assets	\$27,439	0.2%	\$73,911	0.7%	(\$46,472)	-62.88%
Investments or Other Non-Current Assets						
Leased Assets						
Operating Leases - Net	\$401,258	3.4%	\$0	0.0%	\$401,258	-
Capital Leases - Net	\$20,968	0.2%	\$0	0.0%	\$20,968	-
Total Leased Assets	\$422,226	3.5%	\$0	0.0%	\$422,226	-
Total Investments or Other Non-Current Assets	\$422,226	3.5%	\$0	0.0%	\$422,226	-
Total Non-Current Assets	\$449,666	3.8%	\$73,911	0.7%	\$375,754	508.39%
Total Assets	\$11,909,875	100.0%	\$10,412,656	100.0%	\$1,497,219	14.38%
LIABILITIES						
Accounts Payable						
Accounts Payable & Accrued Expenses						
Accounts Payable	\$10,157	0.1%	\$0	0.0%	\$10,157	-
Accrued Expenses	\$527,249	4.4%	\$328,585	3.2%	\$198,664	60.46%
Total Accounts Payable & Accrued Expenses	\$537,406	4.5%	\$328,585	3.2%	\$208,821	63.55%
Total Accounts Payable	\$537,406	4.5%	\$328,585	3.2%	\$208,821	63.55%
Other Current Liabilities						
Due to AIP						
Due to AIP-Checking	\$74,239	0.6%	\$57,894	0.6%	\$16,345	28.23%
Due to AIP (MMA)	\$748,071	6.3%	\$851,595	8.2%	(\$103,524)	-12.16%
Deposit Due to CDFA/AIP	\$18,000	0.2%	\$18,000	0.2%	\$0	0.00%
Total Due to AIP	\$840,310	7.1%	\$927,489	8.9%	(\$87,179)	-9.40%

	Jan 2023	%	Jan 2022	%	Variance (\$)	Variance (%)
Other Payable (Vacation/Payroll/Sec. 125)						
Vacation Payable - Short Term	\$170,264	1.4%	\$234,693	2.3%	(\$64,429)	-27.45%
Leases						
Operating Leases - Short-Term	\$141,194	1.2%	\$0	0.0%	\$141,194	-
Capital Leases - Short-Term	\$9,970	0.1%	\$0	0.0%	\$9,970	-
Total Leases	\$151,164	1.3%	\$0	0.0%	\$151,164	-
Total Other Current Liabilities	\$1,161,737	9.8%	\$1,162,181	11.2%	(\$444)	-0.04%
Total Current Liabilities	\$1,699,143	14.3%	\$1,490,767	14.3%	\$208,377	13.98%
Other Non-Current Liabilities						
Leases						
Operating Leases - Long-Term	\$273,671	2.3%	\$0	0.0%	\$273,671	-
Capital Leases - Long-Term	\$11,028	0.1%	\$0	0.0%	\$11,028	-
Total Leases	\$284,699	2.4%	\$0	0.0%	\$284,699	-
Total Other Non-Current Liabilities	\$284,699	2.4%	\$0	0.0%	\$284,699	-
Total Non-Current Liabilities	\$284,699	2.4%	\$0	0.0%	\$284,699	-
Total Liabilities	\$1,983,842	16.7%	\$1,490,767	14.3%	\$493,076	33.08%
EQUITY						
Retained Earnings						
Net Reserves-Prior Periods						
Net Reserves-Prior Periods	\$11,613,546	97.5%	\$10,412,423	100.0%	\$1,201,123	11.54%
Surplus (Deficit)-Current Period						
Surplus (Deficit)-Current Period	(\$1,687,513)	-14.2%	(\$1,490,533)	-14.3%	(\$196,980)	-13.22%
Total Retained Earnings	\$9,926,033	83.3%	\$8,921,890	85.7%	\$1,004,144	11.25%
Total Equity	\$9,926,033	83.3%	\$8,921,890	85.7%	\$1,004,144	11.25%
Total Liabilities & Equity	\$11,909,875	100.0%	\$10,412,656	100.0%	\$1,497,219	14.38%



Monthly Performance Report

California Avocado Commission
February 2023



Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. YTD Budget

	2022/2023 (YTD)	Budget (YTD)	YTD Actual vs YTD budget (\$)	YTD Actual vs YTD budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$27,343	\$309,144	(\$281,801)	-91.16%
HAB Assessment Revenue	\$38,650	\$309,436	(\$270,786)	-87.51%
Total Assessment Revenues	\$65,993	\$618,580	(\$552,587)	-89.33%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$0	\$20,332	(\$20,332)	-100.00%
From The Grove Income	\$16,500	\$17,500	(\$1,000)	-5.71%
Interest and Other Income	\$64,755	\$45,000	\$19,755	43.90%
Merchandise Shop Income	\$0	\$1,000	(\$1,000)	-100.00%
Total Other Revenue	\$81,255	\$83,832	(\$2,577)	-3.07%
Total Revenue	\$147,248	\$702,412	(\$555,164)	-79.04%
Expenses				
Marketing Expenses				
Consumer Marketing	\$677,438	\$820,537	(\$143,099)	-17.44%
Merchandising	\$278,642	\$342,692	(\$64,050)	-18.69%
Food Service	\$93,423	\$95,718	(\$2,295)	-2.40%
Consumer Public Relations	\$79,030	\$95,436	(\$16,406)	-17.19%
Marketing Activities Support	\$8,300	\$8,300	\$0	0.00%
Merchandise Shop	\$640	\$10,000	(\$9,360)	-93.60%
Miscellaneous Marketing Expenses	\$176,684	\$192,816	(\$16,132)	-8.37%
Total Marketing Expenses	\$1,314,157	\$1,565,498	(\$251,341)	-16.06%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$141,929	\$310,519	(\$168,590)	-54.29%
Grants	\$31,400	\$0	\$31,400	-
Administration	\$1,135,123	\$1,172,273	(\$37,150)	-3.17%
Total Non-Marketing Expenses	\$1,308,452	\$1,482,792	(\$174,340)	-11.76%
Total Expenses	\$2,622,609	\$3,048,290	(\$425,681)	-13.96%
Operating Profit	(\$2,475,361)	(\$2,345,878)	(\$129,483)	-5.52%
Net Income	(\$2,475,361)	(\$2,345,878)	(\$129,483)	-5.52%

Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. Annual Budget

	2022/2023 (YTD)	Annual Budget	YTD Actual vs Annual Budget (\$)	YTD Actual vs Annual Budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$27,343	\$4,935,938	(\$4,908,595)	-99.45%
HAB Assessment Revenue	\$38,650	\$4,940,625	(\$4,901,975)	-99.22%
Total Assessment Revenues	\$65,993	\$9,876,563	(\$9,810,570)	-99.33%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$0	\$61,000	(\$61,000)	-100.00%
Grant Funding	\$0	\$400,000	(\$400,000)	-100.00%
Pine Tree Ranch Crop Income	\$0	\$93,750	(\$93,750)	-100.00%
From The Grove Income	\$16,500	\$70,000	(\$53,500)	-76.43%
Interest and Other Income	\$64,755	\$55,000	\$9,755	17.74%
Merchandise Shop Income	\$0	\$1,000	(\$1,000)	-100.00%
Total Other Revenue	\$81,255	\$680,750	(\$599,495)	-88.06%
Total Revenue	\$147,248	\$10,557,313	(\$10,410,065)	-98.61%
Expenses				
Marketing Expenses				
Consumer Marketing	\$677,438	\$4,736,549	(\$4,059,111)	-85.70%
Merchandising	\$278,642	\$1,894,648	(\$1,616,006)	-85.29%
Food Service	\$93,423	\$725,000	(\$631,577)	-87.11%
Consumer Public Relations	\$79,030	\$345,500	(\$266,470)	-77.13%
Marketing Activities Support	\$8,300	\$64,000	(\$55,700)	-87.03%
Merchandise Shop	\$640	\$10,000	(\$9,360)	-93.60%
Miscellaneous Marketing Expenses	\$176,684	\$1,004,303	(\$827,619)	-82.41%
Total Marketing Expenses	\$1,314,157	\$8,780,000	(\$7,465,843)	-85.03%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$141,929	\$1,429,560	(\$1,287,631)	-90.07%
Grants	\$31,400	\$402,500	(\$371,100)	-92.20%
Administration	\$1,135,123	\$3,441,160	(\$2,306,037)	-67.01%
Total Non-Marketing Expenses	\$1,308,452	\$5,273,220	(\$3,964,768)	-75.19%
Total Expenses	\$2,622,609	\$14,053,220	(\$11,430,611)	-81.34%
Operating Profit	(\$2,475,361)	(\$3,495,907)	\$1,020,546	29.19%
Net Income	(\$2,475,361)	(\$3,495,907)	\$1,020,546	29.19%

Statement of Net Position (with Comparison to Prior Year)

	Feb 2023	%	Feb 2022	%	Variance (\$)	Variance (%)
ASSETS						
Cash & Equivalents						
CAC Cash and Short Term Investments						
Petty Cash	\$240	0.0%	\$200	0.0%	\$40	20.00%
Cash in Bank	\$598,476	5.4%	\$247,483	2.3%	\$350,993	141.83%
Cash in Bank-LAIF & Money Market	\$8,744,203	78.5%	\$7,457,819	69.2%	\$1,286,384	17.25%
Total CAC Cash and Short Term Investments	\$9,342,919	83.9%	\$7,705,502	71.5%	\$1,637,417	21.25%
Cash in Bank, LAIF & Money Market (held for...)						
(Held for AIP)	\$783,607	7.0%	\$770,209	7.1%	\$13,398	1.74%
Total Cash & Equivalents	\$10,126,526	90.9%	\$8,475,711	78.6%	\$1,650,815	19.48%
Other Current Assets						
Other Current Assets						
Assessment Receivable	\$65,200	0.6%	\$1,618,054	15.0%	(\$1,552,854)	-95.97%
Other Receivable	\$331,640	3.0%	\$358,065	3.3%	(\$26,424)	-7.38%
Prepays	\$103,850	0.9%	\$189,641	1.8%	(\$85,791)	-45.24%
Merchandise Shop Inventory	\$64,056	0.6%	\$69,591	0.6%	(\$5,535)	-7.95%
Total Other Current Assets	\$564,746	5.1%	\$2,235,352	20.7%	(\$1,670,606)	-74.74%
Total Other Current Assets	\$564,746	5.1%	\$2,235,352	20.7%	(\$1,670,606)	-74.74%
Total Current Assets	\$10,691,272	96.0%	\$10,711,063	99.4%	(\$19,791)	-0.18%
Fixed Assets						
Furniture						
Furniture	\$187,904	1.7%	\$187,904	1.7%	\$0	0.00%
Accumulated Depreciation-Furniture	(\$169,034)	-1.5%	(\$136,685)	-1.3%	(\$32,349)	-23.67%
Total Furniture	\$18,870	0.2%	\$51,219	0.5%	(\$32,349)	-63.16%
Office Equipment						
Office Equipment	\$0	0.0%	\$0	0.0%	\$0	-
Land Improvements						
Land Improvements	\$108,559	1.0%	\$108,559	1.0%	\$0	0.00%
Accumulated Depreciation-Land Improvem...	(\$103,862)	-0.9%	(\$89,739)	-0.8%	(\$14,123)	-15.74%
Total Land Improvements	\$4,697	0.0%	\$18,820	0.2%	(\$14,123)	-75.04%
Total Fixed Assets	\$23,567	0.2%	\$70,039	0.6%	(\$46,472)	-66.35%
Investments or Other Non-Current Assets						
Leased Assets						
Operating Leases - Net	\$401,258	3.6%	\$0	0.0%	\$401,258	-
Capital Leases - Net	\$20,968	0.2%	\$0	0.0%	\$20,968	-
Total Leased Assets	\$422,226	3.8%	\$0	0.0%	\$422,226	-
Total Investments or Other Non-Current Assets	\$422,226	3.8%	\$0	0.0%	\$422,226	-
Total Non-Current Assets	\$445,793	4.0%	\$70,039	0.6%	\$375,754	536.50%
Total Assets	\$11,137,065	100.0%	\$10,781,101	100.0%	\$355,964	3.30%
LIABILITIES						
Accounts Payable						
Accounts Payable & Accrued Expenses						
Accounts Payable	\$29,038	0.3%	\$0	0.0%	\$29,038	-
Accrued Expenses	\$562,103	5.0%	\$347,794	3.2%	\$214,309	61.62%
Total Accounts Payable & Accrued Expenses	\$591,141	5.3%	\$347,794	3.2%	\$243,347	69.97%
Total Accounts Payable	\$591,141	5.3%	\$347,794	3.2%	\$243,347	69.97%
Other Current Liabilities						
Due to AIP						
Due to AIP-Checking	\$35,433	0.3%	\$93,520	0.9%	(\$58,087)	-62.11%
Due to AIP (MMA)	\$748,174	6.7%	\$676,689	6.3%	\$71,485	10.56%
Deposit Due to CDFA/AIP	\$18,000	0.2%	\$18,000	0.2%	\$0	0.00%
Total Due to AIP	\$801,607	7.2%	\$788,209	7.3%	\$13,398	1.70%
Other Payable (Vacation/Payroll/Sec. 125)						

	Feb 2023	%	Feb 2022	%	Variance (\$)	Variance (%)
Vacation Payable - Short Term	\$170,264	1.5%	\$234,693	2.2%	(\$64,429)	-27.45%
Deferred Compensation Payable	\$0	0.0%	\$2,524	0.0%	(\$2,524)	-100.00%
Total Other Payable (Vacation/Payroll/Sec. ...	\$170,264	1.5%	\$237,217	2.2%	(\$66,953)	-28.22%
Leases						
Operating Leases - Short-Term	\$141,194	1.3%	\$0	0.0%	\$141,194	-
Capital Leases - Short-Term	\$9,970	0.1%	\$0	0.0%	\$9,970	-
Total Leases	\$151,164	1.4%	\$0	0.0%	\$151,164	-
Total Other Current Liabilities	\$1,123,035	10.1%	\$1,025,426	9.5%	\$97,608	9.52%
Total Current Liabilities	\$1,714,176	15.4%	\$1,373,220	12.7%	\$340,955	24.83%
Other Non-Current Liabilities						
Leases						
Operating Leases - Long-Term	\$273,671	2.5%	\$0	0.0%	\$273,671	-
Capital Leases - Long-Term	\$11,028	0.1%	\$0	0.0%	\$11,028	-
Total Leases	\$284,699	2.6%	\$0	0.0%	\$284,699	-
Total Other Non-Current Liabilities	\$284,699	2.6%	\$0	0.0%	\$284,699	-
Total Non-Current Liabilities	\$284,699	2.6%	\$0	0.0%	\$284,699	-
Total Liabilities	\$1,998,875	17.9%	\$1,373,220	12.7%	\$625,654	45.56%
EQUITY						
Retained Earnings						
Net Reserves-Prior Periods						
Net Reserves-Prior Periods	\$11,613,546	104.3%	\$10,412,423	96.6%	\$1,201,123	11.54%
Surplus (Deficit)-Current Period						
Surplus (Deficit)-Current Period	(\$2,475,355)	-22.2%	(\$1,004,542)	-9.3%	(\$1,470,813)	-146.42%
Total Retained Earnings	\$9,138,191	82.1%	\$9,407,881	87.3%	(\$269,690)	-2.87%
Total Equity	\$9,138,191	82.1%	\$9,407,881	87.3%	(\$269,690)	-2.87%
Total Liabilities & Equity	\$11,137,065	100.0%	\$10,781,101	100.0%	\$355,964	3.30%



Monthly Performance Report

California Avocado Commission
March 2023



Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. YTD Budget

	2022/2023 (YTD)	Budget (YTD)	YTD Actual vs YTD budget (\$)	YTD Actual vs YTD budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$93,146	\$769,814	(\$676,668)	-87.90%
HAB Assessment Revenue	\$134,301	\$770,545	(\$636,244)	-82.57%
Total Assessment Revenues	\$227,447	\$1,540,359	(\$1,312,912)	-85.23%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$25,415	\$25,415	\$0	0.00%
Pine Tree Ranch Crop Income	\$33,301	\$93,750	(\$60,449)	-64.48%
From The Grove Income	\$16,500	\$17,500	(\$1,000)	-5.71%
Interest and Other Income	\$92,125	\$46,250	\$45,875	99.19%
Merchandise Shop Income	\$10,364	\$1,000	\$9,364	936.40%
Total Other Revenue	\$177,705	\$183,915	(\$6,210)	-3.38%
Total Revenue	\$405,152	\$1,724,274	(\$1,319,122)	-76.50%
Expenses				
Marketing Expenses				
Consumer Marketing	\$1,043,760	\$1,271,903	(\$228,143)	-17.94%
Merchandising	\$428,555	\$482,305	(\$53,750)	-11.14%
Food Service	\$167,035	\$132,658	\$34,377	25.91%
Consumer Public Relations	\$113,773	\$148,486	(\$34,713)	-23.38%
Marketing Activities Support	\$10,300	\$10,300	\$0	0.00%
Merchandise Shop	\$13,096	\$10,000	\$3,096	30.96%
Miscellaneous Marketing Expenses	\$219,495	\$256,361	(\$36,866)	-14.38%
Total Marketing Expenses	\$1,996,014	\$2,312,012	(\$315,998)	-13.67%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$207,311	\$356,675	(\$149,364)	-41.88%
Grants	\$66,971	\$0	\$66,971	-
Administration	\$1,472,256	\$1,429,303	\$42,953	3.01%
Total Non-Marketing Expenses	\$1,746,538	\$1,785,978	(\$39,440)	-2.21%
Total Expenses	\$3,742,552	\$4,097,990	(\$355,438)	-8.67%
Operating Profit	(\$3,337,400)	(\$2,373,716)	(\$963,684)	-40.60%
Net Income	(\$3,337,400)	(\$2,373,716)	(\$963,684)	-40.60%

Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. Annual Budget

	2022/2023 (YTD)	Annual Budget	YTD Actual vs Annual Budget (\$)	YTD Actual vs Annual Budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$93,146	\$4,935,938	(\$4,842,792)	-98.11%
HAB Assessment Revenue	\$134,301	\$4,940,625	(\$4,806,324)	-97.28%
Total Assessment Revenues	\$227,447	\$9,876,563	(\$9,649,116)	-97.70%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$25,415	\$61,000	(\$35,585)	-58.34%
Grant Funding	\$0	\$400,000	(\$400,000)	-100.00%
Pine Tree Ranch Crop Income	\$33,301	\$93,750	(\$60,449)	-64.48%
From The Grove Income	\$16,500	\$70,000	(\$53,500)	-76.43%
Interest and Other Income	\$92,125	\$55,000	\$37,125	67.50%
Merchandise Shop Income	\$10,364	\$1,000	\$9,364	936.40%
Total Other Revenue	\$177,705	\$680,750	(\$503,045)	-73.90%
Total Revenue	\$405,152	\$10,557,313	(\$10,152,161)	-96.16%
Expenses				
Marketing Expenses				
Consumer Marketing	\$1,043,760	\$4,736,549	(\$3,692,789)	-77.96%
Merchandising	\$428,555	\$1,894,648	(\$1,466,093)	-77.38%
Food Service	\$167,035	\$725,000	(\$557,965)	-76.96%
Consumer Public Relations	\$113,773	\$345,500	(\$231,727)	-67.07%
Marketing Activities Support	\$10,300	\$64,000	(\$53,700)	-83.91%
Merchandise Shop	\$13,096	\$10,000	\$3,096	30.96%
Miscellaneous Marketing Expenses	\$219,495	\$1,004,303	(\$784,808)	-78.14%
Total Marketing Expenses	\$1,996,014	\$8,780,000	(\$6,783,986)	-77.27%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$207,311	\$1,429,560	(\$1,222,249)	-85.50%
Grants	\$66,971	\$402,500	(\$335,529)	-83.36%
Administration	\$1,472,256	\$3,441,160	(\$1,968,904)	-57.22%
Total Non-Marketing Expenses	\$1,746,538	\$5,273,220	(\$3,526,682)	-66.88%
Total Expenses	\$3,742,552	\$14,053,220	(\$10,310,668)	-73.37%
Operating Profit	(\$3,337,400)	(\$3,495,907)	\$158,507	4.53%
Net Income	(\$3,337,400)	(\$3,495,907)	\$158,507	4.53%

Statement of Net Position (with Comparison to Prior Year)

	Mar 2023	%	Mar 2022	%	Variance (\$)	Variance (%)
ASSETS						
Cash & Equivalents						
CAC Cash and Short Term Investments						
Petty Cash	\$240	0.0%	\$200	0.0%	\$40	20.00%
Cash in Bank	\$471,837	4.5%	\$741,191	6.4%	(\$269,353)	-36.34%
Cash in Bank-LAIF & Money Market	\$8,145,640	77.6%	\$7,109,060	61.1%	\$1,036,580	14.58%
Total CAC Cash and Short Term Investments	\$8,617,717	82.1%	\$7,850,450	67.5%	\$767,266	9.77%
Cash in Bank, LAIF & Money Market (held for...)						
(Held for AIP)	\$690,404	6.6%	\$817,108	7.0%	(\$126,703)	-15.51%
Total Cash & Equivalents	\$9,308,121	88.7%	\$8,667,558	74.6%	\$640,563	7.39%
Other Current Assets						
Other Current Assets						
Assessment Receivable	\$207,100	2.0%	\$2,460,171	21.2%	(\$2,253,071)	-91.58%
Other Receivable	\$322,785	3.1%	\$173,515	1.5%	\$149,269	86.03%
Prepays	\$154,989	1.5%	\$190,306	1.6%	(\$35,317)	-18.56%
Merchandise Shop Inventory	\$64,056	0.6%	\$68,611	0.6%	(\$4,555)	-6.64%
Total Other Current Assets	\$748,930	7.1%	\$2,892,603	24.9%	(\$2,143,673)	-74.11%
Total Other Current Assets	\$748,930	7.1%	\$2,892,603	24.9%	(\$2,143,673)	-74.11%
Total Current Assets	\$10,057,051	95.8%	\$11,560,162	99.4%	(\$1,503,110)	-13.00%
Fixed Assets						
Furniture						
Furniture	\$187,904	1.8%	\$187,904	1.6%	\$0	0.00%
Accumulated Depreciation-Furniture	(\$171,730)	-1.6%	(\$139,381)	-1.2%	(\$32,349)	-23.21%
Total Furniture	\$16,174	0.2%	\$48,523	0.4%	(\$32,349)	-66.67%
Office Equipment						
Office Equipment	\$0	0.0%	\$0	0.0%	\$0	-
Land Improvements						
Land Improvements	\$108,559	1.0%	\$108,559	0.9%	\$0	0.00%
Accumulated Depreciation-Land Improvem...	(\$105,039)	-1.0%	(\$90,916)	-0.8%	(\$14,123)	-15.53%
Total Land Improvements	\$3,520	0.0%	\$17,643	0.2%	(\$14,123)	-80.05%
Total Fixed Assets	\$19,694	0.2%	\$66,166	0.6%	(\$46,472)	-70.24%
Investments or Other Non-Current Assets						
Leased Assets						
Operating Leases - Net	\$401,258	3.8%	\$0	0.0%	\$401,258	-
Capital Leases - Net	\$20,968	0.2%	\$0	0.0%	\$20,968	-
Total Leased Assets	\$422,226	4.0%	\$0	0.0%	\$422,226	-
Total Investments or Other Non-Current Assets	\$422,226	4.0%	\$0	0.0%	\$422,226	-
Total Non-Current Assets	\$441,920	4.2%	\$66,166	0.6%	\$375,754	567.90%
Total Assets	\$10,498,972	100.0%	\$11,626,328	100.0%	(\$1,127,356)	-9.70%
LIABILITIES						
Accounts Payable						
Accounts Payable & Accrued Expenses						
Accounts Payable	\$675	0.0%	(\$968)	0.0%	\$1,643	169.73%
Accrued Expenses	\$925,613	8.8%	\$463,676	4.0%	\$461,937	99.62%
Total Accounts Payable & Accrued Expenses	\$926,287	8.8%	\$462,708	4.0%	\$463,580	100.19%
Total Accounts Payable	\$926,287	8.8%	\$462,708	4.0%	\$463,580	100.19%
Other Current Liabilities						
Due to AIP						
Due to AIP-Checking	\$27,124	0.3%	\$140,316	1.2%	(\$113,192)	-80.67%
Due to AIP (MMA)	\$663,280	6.3%	\$676,792	5.8%	(\$13,512)	-2.00%
Deposit Due to CDFA/AIP	\$0	0.0%	\$18,000	0.2%	(\$18,000)	-100.00%
Total Due to AIP	\$690,404	6.6%	\$835,108	7.2%	(\$144,703)	-17.33%

	Mar 2023	%	Mar 2022	%	Variance (\$)	Variance (%)
Other Payable (Vacation/Payroll/Sec. 125)						
Vacation Payable - Short Term	\$170,264	1.6%	\$234,693	2.0%	(\$64,429)	-27.45%
Leases						
Operating Leases - Short-Term	\$141,194	1.3%	\$0	0.0%	\$141,194	-
Capital Leases - Short-Term	\$9,970	0.1%	\$0	0.0%	\$9,970	-
Total Leases	\$151,164	1.4%	\$0	0.0%	\$151,164	-
Total Other Current Liabilities	\$1,011,832	9.6%	\$1,069,801	9.2%	(\$57,969)	-5.42%
Total Current Liabilities	\$1,938,119	18.5%	\$1,532,508	13.2%	\$405,611	26.47%
Other Non-Current Liabilities						
Leases						
Operating Leases - Long-Term	\$273,671	2.6%	\$0	0.0%	\$273,671	-
Capital Leases - Long-Term	\$11,028	0.1%	\$0	0.0%	\$11,028	-
Total Leases	\$284,699	2.7%	\$0	0.0%	\$284,699	-
Total Other Non-Current Liabilities	\$284,699	2.7%	\$0	0.0%	\$284,699	-
Total Non-Current Liabilities	\$284,699	2.7%	\$0	0.0%	\$284,699	-
Total Liabilities	\$2,222,818	21.2%	\$1,532,508	13.2%	\$690,310	45.04%
EQUITY						
Retained Earnings						
Net Reserves-Prior Periods						
Net Reserves-Prior Periods	\$11,613,546	110.6%	\$10,412,423	89.6%	\$1,201,123	11.54%
Surplus (Deficit)-Current Period						
Surplus (Deficit)-Current Period	(\$3,337,392)	-31.8%	(\$318,604)	-2.7%	(\$3,018,789)	-947.51%
Total Retained Earnings	\$8,276,154	78.8%	\$10,093,819	86.8%	(\$1,817,666)	-18.01%
Total Equity	\$8,276,154	78.8%	\$10,093,819	86.8%	(\$1,817,666)	-18.01%
Total Liabilities & Equity	\$10,498,972	100.0%	\$11,626,328	100.0%	(\$1,127,356)	-9.70%



Monthly Performance Report

California Avocado Commission
April 2023



Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. YTD Budget

	2022/2023 (YTD)	Budget (YTD)	YTD Actual vs YTD budget (\$)	YTD Actual vs YTD budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$498,896	\$1,611,739	(\$1,112,843)	-69.05%
HAB Assessment Revenue	\$705,414	\$1,613,269	(\$907,855)	-56.27%
Total Assessment Revenues	\$1,204,310	\$3,225,009	(\$2,020,699)	-62.66%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$30,498	\$30,498	\$0	0.00%
Pine Tree Ranch Crop Income	\$33,301	\$93,750	(\$60,449)	-64.48%
From The Grove Income	\$29,100	\$35,000	(\$5,900)	-16.86%
Interest and Other Income	\$93,376	\$47,500	\$45,876	96.58%
Merchandise Shop Income	\$10,364	\$1,000	\$9,364	936.40%
Total Other Revenue	\$196,639	\$207,748	(\$11,109)	-5.35%
Total Revenue	\$1,400,949	\$3,432,757	(\$2,031,808)	-59.19%
Expenses				
Marketing Expenses				
Consumer Marketing	\$1,215,609	\$1,827,020	(\$611,411)	-33.46%
Merchandising	\$517,362	\$659,964	(\$142,602)	-21.61%
Food Service	\$247,666	\$231,228	\$16,438	7.11%
Consumer Public Relations	\$159,090	\$178,236	(\$19,146)	-10.74%
Marketing Activities Support	\$12,400	\$12,400	\$0	0.00%
Merchandise Shop	\$13,147	\$10,000	\$3,147	31.47%
Miscellaneous Marketing Expenses	\$248,616	\$300,778	(\$52,162)	-17.34%
Total Marketing Expenses	\$2,413,890	\$3,219,625	(\$805,735)	-25.03%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$295,043	\$468,231	(\$173,188)	-36.99%
Grants	\$77,771	\$0	\$77,771	-
Administration	\$1,693,151	\$1,721,358	(\$28,207)	-1.64%
Total Non-Marketing Expenses	\$2,065,965	\$2,189,589	(\$123,624)	-5.65%
Total Expenses	\$4,479,855	\$5,409,214	(\$929,359)	-17.18%
Operating Profit	(\$3,078,906)	(\$1,976,457)	(\$1,102,449)	-55.78%
Net Income	(\$3,078,906)	(\$1,976,457)	(\$1,102,449)	-55.78%

Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - YTD Actual vs. Annual Budget

	2022/2023 (YTD)	Annual Budget	YTD Actual vs Annual Budget (\$)	YTD Actual vs Annual Budget (%)
Revenue				
Assessment Revenues				
CAC Assessment Revenue	\$498,896	\$4,935,938	(\$4,437,042)	-89.89%
HAB Assessment Revenue	\$705,414	\$4,940,625	(\$4,235,211)	-85.72%
Total Assessment Revenues	\$1,204,310	\$9,876,563	(\$8,672,253)	-87.81%
Other Revenue				
Admin & Accounting Fee Revenue (AIP)	\$30,498	\$61,000	(\$30,502)	-50.00%
Grant Funding	\$0	\$400,000	(\$400,000)	-100.00%
Pine Tree Ranch Crop Income	\$33,301	\$93,750	(\$60,449)	-64.48%
From The Grove Income	\$29,100	\$70,000	(\$40,900)	-58.43%
Interest and Other Income	\$93,376	\$55,000	\$38,376	69.77%
Merchandise Shop Income	\$10,364	\$1,000	\$9,364	936.40%
Total Other Revenue	\$196,639	\$680,750	(\$484,111)	-71.11%
Total Revenue	\$1,400,949	\$10,557,313	(\$9,156,364)	-86.73%
Expenses				
Marketing Expenses				
Consumer Marketing	\$1,215,609	\$4,736,549	(\$3,520,940)	-74.34%
Merchandising	\$517,362	\$1,894,648	(\$1,377,286)	-72.69%
Food Service	\$247,666	\$725,000	(\$477,334)	-65.84%
Consumer Public Relations	\$159,090	\$345,500	(\$186,410)	-53.95%
Marketing Activities Support	\$12,400	\$64,000	(\$51,600)	-80.63%
Merchandise Shop	\$13,147	\$10,000	\$3,147	31.47%
Miscellaneous Marketing Expenses	\$248,616	\$1,004,303	(\$755,687)	-75.24%
Total Marketing Expenses	\$2,413,890	\$8,780,000	(\$6,366,110)	-72.51%
Non-Marketing Expenses				
Industry Affairs & Production Research	\$295,043	\$1,429,560	(\$1,134,517)	-79.36%
Grants	\$77,771	\$402,500	(\$324,729)	-80.68%
Administration	\$1,693,151	\$3,441,160	(\$1,748,009)	-50.80%
Total Non-Marketing Expenses	\$2,065,965	\$5,273,220	(\$3,207,255)	-60.82%
Total Expenses	\$4,479,855	\$14,053,220	(\$9,573,365)	-68.12%
Operating Profit	(\$3,078,906)	(\$3,495,907)	\$417,001	11.93%
Net Income	(\$3,078,906)	(\$3,495,907)	\$417,001	11.93%

Statement of Net Position (with Comparison to Prior Year)

	Apr 2023	%	Apr 2022	%	Variance (\$)	Variance (%)
ASSETS						
Cash & Equivalents						
CAC Cash and Short Term Investments						
Petty Cash	\$240	0.0%	\$200	0.0%	\$40	20.00%
Cash in Bank	\$826,301	8.0%	\$1,099,119	8.7%	(\$272,819)	-24.82%
Cash in Bank-LAIF & Money Market	\$6,851,891	65.9%	\$7,035,259	55.8%	(\$183,368)	-2.61%
Total CAC Cash and Short Term Investments	\$7,678,431	73.9%	\$8,134,578	64.5%	(\$456,147)	-5.61%
Cash in Bank, LAIF & Money Market (held for...)						
(Held for AIP)	\$629,654	6.1%	\$781,375	6.2%	(\$151,721)	-19.42%
Total Cash & Equivalents	\$8,308,085	80.0%	\$8,915,953	70.7%	(\$607,868)	-6.82%
Other Current Assets						
Other Current Assets						
Assessment Receivable	\$1,098,200	10.6%	\$3,272,028	26.0%	(\$2,173,828)	-66.44%
Other Receivable	\$332,185	3.2%	\$161,520	1.3%	\$170,665	105.66%
Prepays	\$149,146	1.4%	\$125,466	1.0%	\$23,679	18.87%
Merchandise Shop Inventory	\$64,056	0.6%	\$68,267	0.5%	(\$4,211)	-6.17%
Total Other Current Assets	\$1,643,586	15.8%	\$3,627,281	28.8%	(\$1,983,695)	-54.69%
Total Other Current Assets	\$1,643,586	15.8%	\$3,627,281	28.8%	(\$1,983,695)	-54.69%
Total Current Assets	\$9,951,672	95.8%	\$12,543,235	99.5%	(\$2,591,563)	-20.66%
Fixed Assets						
Furniture						
Furniture	\$187,904	1.8%	\$187,904	1.5%	\$0	0.00%
Accumulated Depreciation-Furniture	(\$174,426)	-1.7%	(\$142,077)	-1.1%	(\$32,349)	-22.77%
Total Furniture	\$13,479	0.1%	\$45,828	0.4%	(\$32,349)	-70.59%
Office Equipment						
Office Equipment	\$0	0.0%	\$0	0.0%	\$0	-
Land Improvements						
Land Improvements	\$108,559	1.0%	\$108,559	0.9%	\$0	0.00%
Accumulated Depreciation-Land Improvem...	(\$106,216)	-1.0%	(\$92,093)	-0.7%	(\$14,123)	-15.34%
Total Land Improvements	\$2,343	0.0%	\$16,466	0.1%	(\$14,123)	-85.77%
Total Fixed Assets	\$15,822	0.2%	\$62,293	0.5%	(\$46,472)	-74.60%
Investments or Other Non-Current Assets						
Mauchly Lease						
Mauchly Office Lease	\$634,985	6.1%	\$0	0.0%	\$634,985	-
Mauchly Amortization	(\$249,830)	-2.4%	\$0	0.0%	(\$249,830)	-
Total Mauchly Lease	\$385,155	3.7%	\$0	0.0%	\$385,155	-
Pine Tree Lease						
Pine Tree Lease	\$64,412	0.6%	\$0	0.0%	\$64,412	-
Pine Tree Amortization	(\$48,309)	-0.5%	\$0	0.0%	(\$48,309)	-
Total Pine Tree Lease	\$16,103	0.2%	\$0	0.0%	\$16,103	-
Quadient Lease						
Quadient Capital Lease	\$3,436	0.0%	\$0	0.0%	\$3,436	-
Quadient Amortization	(\$617)	0.0%	\$0	0.0%	(\$617)	-
Total Quadient Lease	\$2,819	0.0%	\$0	0.0%	\$2,819	-
CBE 2020 Sharp Lease						
CBE 2020 Sharp Capital Lease	\$12,428	0.1%	\$0	0.0%	\$12,428	-
CBE 2020 Sharp Amortization	(\$11,931)	-0.1%	\$0	0.0%	(\$11,931)	-
Total CBE 2020 Sharp Lease	\$497	0.0%	\$0	0.0%	\$497	-
CBE 2022 Sharp Lease						
CBE 2022 Sharp Capital Lease	\$13,544	0.1%	\$0	0.0%	\$13,544	-
CBE 2020 Ricoh Lease						
CBE 2020 Ricoh Capital Lease	\$16,435	0.2%	\$0	0.0%	\$16,435	-
CBE 2020 Ricoh Amortization	(\$12,326)	-0.1%	\$0	0.0%	(\$12,326)	-

	Apr 2023	%	Apr 2022	%	Variance (\$)	Variance (%)
Total CBE 2020 Ricoh Lease	\$4,109	0.0%	\$0	0.0%	\$4,109	-
Total Investments or Other Non-Current Assets	\$422,226	4.1%	\$0	0.0%	\$422,226	-
Total Non-Current Assets	\$438,048	4.2%	\$62,293	0.5%	\$375,754	603.20%
Total Assets	\$10,389,719	100.0%	\$12,605,528	100.0%	(\$2,215,808)	-17.58%
LIABILITIES						
Accounts Payable						
Accounts Payable & Accrued Expenses						
Accounts Payable	\$997	0.0%	\$2,332	0.0%	(\$1,335)	-57.26%
Accrued Expenses	\$639,170	6.2%	\$379,356	3.0%	\$259,814	68.49%
Total Accounts Payable & Accrued Expenses	\$640,167	6.2%	\$381,688	3.0%	\$258,479	67.72%
Total Accounts Payable	\$640,167	6.2%	\$381,688	3.0%	\$258,479	67.72%
Other Current Liabilities						
Due to AIP						
Due to AIP-Checking	\$76,283	0.7%	\$29,474	0.2%	\$46,809	158.82%
Due to AIP (MMA)	\$553,371	5.3%	\$751,901	6.0%	(\$198,531)	-26.40%
Deposit Due to CDFA/AIP	\$0	0.0%	\$18,000	0.1%	(\$18,000)	-100.00%
Total Due to AIP	\$629,654	6.1%	\$799,375	6.3%	(\$169,721)	-21.23%
Other Payable (Vacation/Payroll/Sec. 125)						
Vacation Payable - Short Term	\$149,387	1.4%	\$234,693	1.9%	(\$85,306)	-36.35%
Lease Liability						
ST Lease Liability - LACA1	\$124,598	1.2%	\$0	0.0%	\$124,598	-
ST Lease Liability - CAPO1	\$16,596	0.2%	\$0	0.0%	\$16,596	-
ST Lease Liability - MAFI1	\$1,043	0.0%	\$0	0.0%	\$1,043	-
ST Lease Liability - CBE 2020 Sharp	\$498	0.0%	\$0	0.0%	\$498	-
ST Lease Liability - CBE 2022 Sharp	\$4,312	0.0%	\$0	0.0%	\$4,312	-
ST Lease Liability - CBE 2020 Ricoh	\$4,117	0.0%	\$0	0.0%	\$4,117	-
Total Lease Liability	\$151,164	1.5%	\$0	0.0%	\$151,164	-
Total Other Current Liabilities	\$930,204	9.0%	\$1,034,068	8.2%	(\$103,863)	-10.04%
Total Current Liabilities	\$1,570,371	15.1%	\$1,415,755	11.2%	\$154,616	10.92%
Other Non-Current Liabilities						
Lease Liability						
LT Lease Liability - LACA1	\$273,671	2.6%	\$0	0.0%	\$273,671	-
LT Lease Liability - MAFI1	\$1,797	0.0%	\$0	0.0%	\$1,797	-
LT Lease Liability - CBE 2022 Sharp	\$9,231	0.1%	\$0	0.0%	\$9,231	-
Total Lease Liability	\$284,699	2.7%	\$0	0.0%	\$284,699	-
Total Other Non-Current Liabilities	\$284,699	2.7%	\$0	0.0%	\$284,699	-
Total Non-Current Liabilities	\$284,699	2.7%	\$0	0.0%	\$284,699	-
Total Liabilities	\$1,855,070	17.9%	\$1,415,755	11.2%	\$439,315	31.03%
EQUITY						
Retained Earnings						
Net Reserves-Prior Periods						
Net Reserves-Prior Periods	\$11,613,546	111.8%	\$10,412,423	82.6%	\$1,201,123	11.54%
Surplus (Deficit)-Current Period						
Surplus (Deficit)-Current Period	(\$3,078,896)	-29.6%	\$777,350	6.2%	(\$3,856,246)	-496.08%
Total Retained Earnings	\$8,534,649	82.1%	\$11,189,772	88.8%	(\$2,655,123)	-23.73%
Total Equity	\$8,534,649	82.1%	\$11,189,772	88.8%	(\$2,655,123)	-23.73%
Total Liabilities & Equity	\$10,389,719	100.0%	\$12,605,528	100.0%	(\$2,215,808)	-17.58%

CALIFORNIA AVOCADO COMMISSION POUNDS & DOLLARS BY VARIETY

November 2022 Through April 2023

Month	Hass Pounds	Lamb Pounds	Gem Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Gem Dollars	Others Dollars	Total Dollars	Avg \$/Lb
Nov 2022	10,338	344	0	118,842	129,524	\$15,044	\$1,443	\$	\$12,888	\$29,375	\$0.227
Dec 2022	2,110		0	53,379	55,489	\$5,730	0	\$	\$41,456	\$47,186	\$0.850
Jan 2023	139,502		0	36,353	175,855	\$124,928	0	\$	\$23,972	\$148,900	\$0.847
1st QTR	151,950	344	0	208,574	360,868	\$145,702	\$1,443	0	\$78,316	\$225,461	\$0.625
Feb 2023	1,867,042		0	60,645	1,927,687	\$1,875,560	0	\$	\$36,851	\$1,912,411	\$0.992
Mar 2023	5,515,493		55,699	27,213	5,598,405	\$5,324,825	0	\$53,520	\$17,325	\$5,395,670	\$0.964
Apr 2023	24,893,923		1,527,820	16,815	26,438,558	\$23,858,312	0	\$1,227,335	\$23,474	\$25,109,121	\$0.950
2nd QTR	32,276,458	0	1,583,519	104,673	33,964,650	\$31,058,697	0	\$1,280,855	\$77,650	\$32,417,202	\$0.954
1st Half	32,428,408	344	1,583,519	313,247	34,325,518	\$31,204,399	\$1,443	\$1,280,855	\$155,966	\$32,642,663	\$0.951
Total	32,428,408	344	1,583,519	313,247	34,325,518	\$31,204,399	\$1,443	\$1,280,855	\$155,966	\$32,642,663	\$0.951
Year-to-Date % of Crop	94.47%	.00%	4.61%	.91%	100.00%	95.59%	.00%	3.92%	.48%	100.00%	
Year-to-Date Average \$/lb						\$0.962	\$4.195	\$0.809	\$0.498	\$0.951	



BOARD INFORMATION

ITEM 3.c: CROP SURVEY RESULTS

SUMMARY:

As part of CAC's crop estimating efforts, an annual mid-season crop estimating survey is conducted among growers and handlers. Both sets of surveys collect volume information, as well as variety distribution. Additionally, the handler survey requests each organization to provide harvest projections for the remaining months of the season. The results of these surveys are used to inform the industry of the total crop that is expected to come to market and as a guide that helps shape the timing of CAC's marketing efforts.

Below is a summary of the results of these surveys as it relates to total industry volume:

HANDLER SURVEY RESULTS – 247 MILLION POUNDS (ALL VARIETIES)

- Hass – 233 million pounds
- Lamb-Hass – 7 million pounds
- GEM – 6 million pounds
- Other – 1 million pounds

GROWER SURVEY RESULTS – 254 MILLION POUNDS (ALL VARIETIES)

- Hass – 243.5 million pounds
- Lamb-Hass – 5.5 million pounds
- GEM – 4 million pounds
- Other – 1 million pounds

Based on discussion with industry stakeholders, it is CAC management's position that the handler survey results are likely to be a more accurate estimate of total volume for the current season. The California industry did not receive the much-anticipated bump in fruit size after the winter rains, and has experienced darkening fruit as well as drop. All of these factors combined lead us to believe the California crop will be less than the grower estimate, and perhaps even the mid-season handler estimate. As always, CAC staff will remain engaged with the industry over the next few months to ensure marketing program are aligned when California fruit is available.

FISCAL ANALYSIS:

- While a crop shortfall of 10-15 million pounds typically would not detrimentally impact CAC's anticipated revenue, year-to-date grower returns of less than \$1.00/lb have had a significant impact on the CAC assessment revenue. CAC management is actively monitoring revenue and projected ending reserve balances and will adjust spending, if necessary, to adhere to CAC's reserve policy.

BOARD OPTIONS:

- Information item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- None



BOARD INFORMATION

ITEM 3.d: 2023 GENERAL ELECTION SCHEDULE

SUMMARY:

Based on deadlines set forth in CAC's Election Procedures that govern when certain events must occur, attached is the 2023 General Election Schedule. Also included with the schedule is the summary of all open seats.

FISCAL ANALYSIS:

- The "Elections" line item (64301) budget of \$10,000 was approved as part of the 2022-23 CAC Budget in October 2022 and is sufficient to cover the cost of the upcoming election.

BOARD OPTIONS:

- Information item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- 2023 Board of Directors Election Schedule



CALIFORNIA AVOCADO COMMISSION

2023 BOARD OF DIRECTORS ELECTION

The Annual CAC Board Election will be held in October 2023 for one Producer Member Seat and one Producer Alternate Member Seat in each of the five CAC districts. In addition, one Handler Member Seat and one Handler Alternate Member Seat are also open. All seats in the 2023 CAC Election are for two-year terms. The California Department of Food and Agriculture (CDFA) will announce the results of the 2023 Annual CAC Board Election and seat new Board Members at the CAC Board meeting on November 16, 2023.

SUMMARY OF OPEN SEATS*

<u>District</u>	<u>Member</u>	<u>Alternate</u>
1	Michael Perricone	Robert Jackson
2	Ohannes Karaoghlanian	Charley Wolk
3	Rob Grether	<i>Vacant Seat</i>
4	Jason Cole	<i>Vacant Seat</i>
5	Daryn Miller	James Johnson
Handler	Peter Shore	Connor Huser

** Names shown are incumbents presently holding producer/handler seats*

2023 ELECTION SCHEDULE

2023 ELECTION SCHEDULE	
July 14	Election announcement / self-nomination notice sent to all Producers and Handlers
August 28	Deadline for receipt of signed nomination petitions, candidate disclosure statements & affidavits and requests for voter access mailings at CAC
September 5	Deadline for CAC receipt of voter access mailings
September 25	CAC mails ballots to producers and handlers
October 25	Deadline for receipt of ballots by CDFA
November 9	CDFA advises CAC staff of election results
November 16	CDFA announces election results to CAC Board and seats new Board Members and Alternates



BOARD ACTION

ITEM 3.e: CONSIDER APPROVAL OF AVOCADO INSPECTION COMMITTEE (AIC) MEMBER / ALTERNATE RECOMMENDATIONS

SUMMARY:

The California Department of Food and Agriculture, Inspection Services Division provides oversight on inspections of avocados at the point of packing to ensure compliance with maturity, quality, size, and weight standards. The Avocado Certification and Inspection Program (AIP) was established in 1972, and, since 1986, the California Avocado Commission, through a Memorandum of Understanding with the CDFA, has been the administrator of the program, providing accounting services and retaining inspection personnel. The Avocado Inspection Committee (AIC) is advisory to the Secretary on all matters pertaining to avocado inspection.

Growers and handlers are appointed to the AIC by the California Secretary of Agriculture. The Secretary appoints six members (three handlers and three growers) and two alternates (one alternate handler, one alternate grower). Four positions are appointed annually. In odd years, the Secretary appoints two handler members, one grower member and one alternate handler. In even years, the Secretary appoints one handler member, two grower members and one alternate grower. The Secretary may also appoint a public member as appropriate. The current AIC members are:

<u>Name</u>	<u>Seat</u>	<u>Term Expires</u>
Marc Fallini	Handler Member	2023
Keith Blanchard	Handler Member	2023
Stewart Lockwood	Grower Member	2023
Wayne Brydon	Alternate Handler Member	2023
John Schaap	Handler Member	2024
Bryce Bannatyne	Grower Member	2024
Salvador Dominguez	Grower Member	2024
Aaruni Thakur	Alternate Grower Member	2024

Committee member terms and alternate terms are two years. Each committee member is limited to four consecutive terms. Once a person has served four consecutive terms, or portions thereof, as a member or alternate, he or she is not eligible to serve on the AIC as an alternate or member until at least one year has elapsed since the end of his or her last term.

The CDFA reviews all applications for vacant seats and provides the names of interested parties to the California Avocado Commission for consideration. The Commission Board reviews the list of applicants and submits a letter of recommended nominees to the California Secretary of Agriculture.

As of June 6, 2023, the CDFA has notified CAC that the following individuals have expressed an interest in serving on the AIC for the 2023-2025 term. Individuals appointed to the AIC will be seated at the upcoming September 2023 meeting of the committee:

<u>Name</u>	<u>Seat</u>
Stewart Lockwood	Grower Member
Aaruni Thakur	Grower Member (Current alternate seeking appointment as member)
Bailey Diiioia	Handler Member

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Take no action
- Submit the names sent by the CDFA to the Secretary for consideration
- Offer alternative names for consideration or direct AIC to do so

STAFF RECOMMENDATION:

- Due to Stewart's long-standing service on the Avocado Inspection Committee, with a reappointment this year as Grower Member being his 4th and final term, CAC management recommends his reappointment to the AIC. In addition, CAC management supports the appointment of Bailey Diiioia as a Handler Member.

Proposed Motion:

The California Avocado Commission Board of Directors recommends the appointment of the following persons to serve in the positions and for terms indicated on the Avocado Inspection Committee:

<u>Name</u>	<u>Seat</u>	<u>Term Expires</u>
Bailey Diiioia	Handler Member	2025
Stewart Lockwood	Grower Member	2025

EXHIBITS / ATTACHMENTS:

- Avocado Inspection Committee Appointment Paperwork for Stewart Lockwood, Aaruni Thakur and Bailey Diiioia

THE STATE OF CALIFORNIA
DEPARTMENT OF FOOD AND AGRICULTURE
CALIFORNIA AVOCADO INSPECTION COMMITTEE

PROSPECTIVE MEMBER APPOINTMENT QUESTIONNAIRE

AVO - 120 (REV. 1/2015)

PERSONAL INFORMATION

NAME: STEWART LOCKWOOD DATE: 15 MAR 2023
MAILING ADDRESS:
TELEPHONE NUMBER: ⁸⁰⁵ FAX NUMBER: ⁸⁰⁵ EMAIL:

PROFESSIONAL INFORMATION

NAME OF COMPANY: LIMONEIRA
WHAT IS YOUR POSITION IN THE COMPANY? VICE PRESIDENT OF FIELD OPERATIONS
HOW LONG HAVE YOU PARTICIPATED IN THIS INDUSTRY? 12

PLEASE LIST NAMES AND DATES OF ANY INDUSTRY, TRADE, ASSOCIATIONS AND/OR PROGRAMS THAT YOU ARE AND/OR HAVE BEEN ASSOCIATED WITH:

LIMONEIRA : 2010 - 2023

PREVIOUS EXPERIENCE IN CITRUS 4 1994-2010

PLEASE LIST THE REASON(S) YOU WOULD LIKE TO SERVE ON THIS COMMITTEE: TO SUPPORT THE
INDUSTRY AND PROVIDE A GROWER'S PERSPECTIVE.

ADDITIONAL INFORMATION

PLEASE INDICATE WHICH MEMBER POSITION YOU ARE SEEKING TO FILL AND ANSWER THE ASSOCIATED QUESTIONS.

☒ PRODUCER

PRODUCTION ACREAGE: 840 LOCATION (CITY AND COUNTY): SANTA PAULA
VENTURA COUNTY

☐ HANDLER

☐ PUBLIC MEMBER

ARE YOU A CITIZEN AND RESIDENT OF CALIFORNIA? ☐ YES ☐ NO

ARE YOU FINANCIALLY INTERESTED IN ANY PRODUCER, SHIPPER, OR PROCESSOR? ☐ YES ☐ NO

IF YES, PLEASE EXPLAIN:

THE STATE OF CALIFORNIA
DEPARTMENT OF FOOD AND AGRICULTURE
CALIFORNIA AVOCADO INSPECTION COMMITTEE

PROSPECTIVE MEMBER APPOINTMENT QUESTIONNAIRE

AVO - 120 (REV. 1/2015)

PERSONAL INFORMATION

NAME: AARUNE THAKUR DATE: 4/27/2023
MAILING ADDRESS:
TELEPHONE NUMBER: FAX NUMBER: EMAIL:

PROFESSIONAL INFORMATION

NAME OF COMPANY: THAKUR GROVE / TECHNOCADO
WHAT IS YOUR POSITION IN THE COMPANY? OWNER / MANAGING PARTNER
HOW LONG HAVE YOU PARTICIPATED IN THIS INDUSTRY? SINCE 2011
PLEASE LIST NAMES AND DATES OF ANY INDUSTRY, TRADE, ASSOCIATIONS AND/OR PROGRAMS THAT YOU ARE AND/OR HAVE BEEN ASSOCIATED WITH: CALIFORNIA BAR ASSOCIATION. I AM AN ATTORNEY FULL TIME. I AM A TRUSTEE AT THE FINESTON ELEMENTARY SCHOOL DISTRICT. I HAVE FILED MY FORM 700.

PLEASE LIST THE REASON(S) YOU WOULD LIKE TO SERVE ON THIS COMMITTEE: I HAVE SERVED AS AN ALTERNATE AND WOULD LIKE TO SERVE AS A FULL MEMBER.

ADDITIONAL INFORMATION

PLEASE INDICATE WHICH MEMBER POSITION YOU ARE SEEKING TO FILL AND ANSWER THE ASSOCIATED QUESTIONS.

☒ PRODUCER

PRODUCTION ACREAGE: 3.5

LOCATION (CITY AND COUNTY): RAINBOW / SAN DIEGO

☐ HANDLER

☐ PUBLIC MEMBER

ARE YOU A CITIZEN AND RESIDENT OF CALIFORNIA? ☐ YES ☐ NO

ARE YOU FINANCIALLY INTERESTED IN ANY PRODUCER, SHIPPER, OR PROCESSOR? ☐ YES ☐ NO

IF YES, PLEASE EXPLAIN:

**THE STATE OF CALIFORNIA
DEPARTMENT OF FOOD AND AGRICULTURE
CALIFORNIA AVOCADO INSPECTION COMMITTEE**

PROSPECTIVE MEMBER APPOINTMENT QUESTIONNAIRE

AVO – 120 (REV. 1/2015)

PERSONAL INFORMATION

NAME: Bailey Diiola DATE: 3-7-23

MAILING ADDRESS: TELEPHONE NUMBER:

FAX NUMBER: EMAIL:

PROFESSIONAL INFORMATION

NAME OF COMPANY: Index Fresh

WHAT IS YOUR POSITION IN THE COMPANY? Field

Rep

HOW LONG HAVE YOU PARTICIPATED IN THIS INDUSTRY? 25 years

PLEASE LIST NAMES AND DATES OF ANY INDUSTRY, TRADE, ASSOCIATIONS AND/OR PROGRAMS THAT YOU ARE AND/OR HAVE BEEN ASSOCIATED WITH: Small avocado grower carpinteria 2002-2008, farm manager shade farm management 2009-2013, Index Fresh Field rep 2013 to current. Ag leadership alumni class 43. Serve on the region 9 CALF golf board which donates \$50,000 annually from industry sponsorships and golfers. Filoli gardens intern 2006 and intern with cut flowers in Guatemala 2007

PLEASE LIST THE REASON(S) YOU WOULD LIKE TO SERVE ON THIS COMMITTEE:

To better serve the state and local avocado grower community.

ADDITIONAL INFORMATION

PLEASE INDICATE WHICH MEMBER POSITION YOU ARE SEEKING TO FILL AND ANSWER THE ASSOCIATED QUESTIONS.

☐ PRODUCER

PRODUCTION ACREAGE: LOCATION (CITY AND COUNTY):

☐ HANDLER
YES

☐ PUBLIC MEMBER

ARE YOU A CITIZEN AND RESIDENT OF CALIFORNIA? ☒ YES ☐ NO

ARE YOU FINANCIALLY INTERESTED IN ANY PRODUCER, SHIPPER, OR PROCESSOR? ☒ YES ☐ NO

IF YES, PLEASE EXPLAIN: I currently work for Index Fresh Avocados



BOARD ACTION

ITEM 4.a: CONSIDER APPOINTMENT OF DISTRICT 3 PRODUCER ALTERNATE MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2023

SUMMARY:

There currently exists a District 3 producer alternate member vacancy on the CAC Board for the term ending October 31, 2023. This vacancy is the result of previous producer alternate Maureen Cottingham assuming the District 3 producer member during the 2022 CAC General Election. The Commission announced the District 3 alternate vacancy in January and April 2023, and at the time this item was prepared, the following individuals have stepped forward as nominees for the District 3 producer alternate member position:

- Doug O'Hara
- Jamie Shafer

Board vacancies, for both member and alternate seats, are filled by a majority vote of the Commission (Election Procedures, Section VII, A), with appointment being conducted at a regularly scheduled meeting as soon as practicable after the vacancy occurs (Election Procedures, Section VII, B). Nominations for appointment to a vacant seat may be solicited by the Commission prior to the meeting at which the appointment will take place and from the floor at the meeting (Section VII, B). Nominees must meet the qualifications set forth in Section IV of the Election Procedures.

While CAC has solicited nominations for the District 3 producer alternate vacancy prior to the June Board meeting, nominations will also be accepted from the floor at the upcoming meeting. Note that nominees have the option to be present during the vote to fill the vacant seat and voting may not be conducted by secret ballot (Election Procedures, Section VII, C).

A VOTE WILL BE TAKEN AT THE JUNE BOARD MEETING TO APPOINT A NOMINEE TO FILL THE DISTRICT 3 PRODUCER ALTERNATE VACANCY.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to fill the vacant District 3 producer alternate seat as required by the Election Procedures

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

- Statement of Qualifications and Disclosure of Affiliations for Doug O'Hara
- Statement of Qualifications and Disclosure of Affiliations for Jamie Shafer



PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my **grove** is located in California Avocado Commission District Number 3 (Refer to enclosed **Grove District Zip Code List**)

I **own** the following number of planted avocado acres in California _____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **manage** the following number of planted avocado acres in California 525 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) 4.

I **pack** my fruit with the following handlers: Del Rey; Calavo; West Pak; _____.

In addition, I am also involved in the avocado industry in the following capacities (check all that apply):

- ☐ Handler – Owner/Partner
- ☐ Handler – Officer/Director
- ☐ Handler – Employee
- ☐ Holder of a personal financial interest in the production of avocados outside of the United States.
- ☐ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: Doug Oklam

SIGNATURE: [Signature]

DATE: 2/6/23



PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: Doug O'Hara

GROVE CITY/CITIES: Ventura, Sonoma, Morpark

CAC BOARD SEAT PREFERRED: ☐ MEMBER ☒ ALTERNATE ☐ NO PREFERENCE

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. Please limit your statement to the space provided.

I have been farming California avocados for over 29 years and have served on the commission in the past for over 9 years. I have held many positions on the board and committees:

- Chairman of the Board for 2 years
- Vice Chairman for 3 years
- Finance committee
- PRC committee
- Marketing committee
- Redistricting committee

I strongly believe in the California brand and feel my many years of experience in the industry can benefit the board and the CA growers. I feel marketing of our brand is very important and will help us compete with the many imports coming into the country. I also feel it is important to represent the CA growers and give them all the tools they need to be successful. It is important for CAC to do all that they can to promote our product and assist our growers and I would appreciate the opportunity to be a part of the process. Thank you.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: [Signature] DATE: 2/6/23



PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my **grove** is located in California Avocado Commission District Number 3 (Refer to enclosed **Grove District Zip Code List**)

I **own** the following number of planted avocado acres in California 70 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) n/a.

I **manage** the following number of planted avocado acres in California and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) n/a.

I **pack** my fruit with the following handlers: Index Fresh; ; ; .

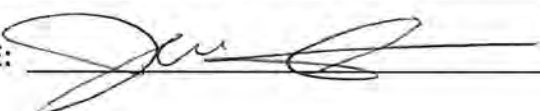
In addition, I am also involved in the avocado industry in the following capacities (*check all that apply*):

- ☐ Handler – Owner/Partner
- ☐ Handler – Officer/Director
- ☐ Handler – Employee
- ☐ Holder of a personal financial interest in the production of avocados outside of the United States.
- ☐ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: James Shafer

SIGNATURE:  DATE: 2/23/23



PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: James Shafer

GROVE CITY/CITIES: Saticoy

CAC BOARD SEAT PREFERRED:

☐

MEMBER

☒

ALTERNATE

☐

NO PREFERENCE

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. Please limit your statement to the space provided.

I'm James Shafer, grandson of Jim Lloyd-Butler,
and I want to join the California Avocado Commission's
Board of Directors as an Alternate to represent
District 3's interests on California's preferred
avocado advocacy group.

Over the past six years, I worked for a global
market intelligence and consulting firm, FrontierView,
supporting multinationals operating in emerging markets
by providing strategic planning, commercial execution,
and risk management analysis.

I now work part time for a venture capital firm, investing
in bank technologies that support community bank
growth, providing me with analytical and operational
experience. Additionally, I serve as co-manager of Penelo Santa
Clara del Norte, supporting our operations and strategy. I look
forward to leveraging that knowledge and work experience to
represent District 3.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: _____

DATE: 2/23/23



BOARD ACTION

ITEM 4.b: CONSIDER APPOINTMENT OF DISTRICT 4 PRODUCER ALTERNATE MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2023

SUMMARY:

There currently exists a District 4 producer alternate member vacancy on the CAC Board for the term ending October 31, 2023. This vacancy is the result of previous producer alternate Catherine Keeling resigning from her seat on March 14, 2023. The Commission announced the District 4 alternate vacancy in April 2023, and at the time this item was prepared, the following individuals have stepped forward as nominees for the District 4 producer alternate member position:

- Hayden McIntyre

Board vacancies, for both member and alternate seats, are filled by a majority vote of the Commission (Election Procedures, Section VII, A), with appointment being conducted at a regularly scheduled meeting as soon as practicable after the vacancy occurs (Election Procedures, Section VII, B). Nominations for appointment to a vacant seat may be solicited by the Commission prior to the meeting at which the appointment will take place and from the floor at the meeting (Section VII, B). Nominees must meet the qualifications set forth in Section IV of the Election Procedures.

While CAC has solicited nominations for the District 4 producer alternate vacancy prior to the June Board meeting, nominations will also be accepted from the floor at the upcoming meeting. Note that nominees have the option to be present during the vote to fill the vacant seat and voting may not be conducted by secret ballot (Election Procedures, Section VII, C).

A VOTE WILL BE TAKEN AT THE JUNE BOARD MEETING TO APPOINT A NOMINEE TO FILL THE DISTRICT 4 PRODUCER ALTERNATE VACANCY.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to fill the vacant District 4 producer alternate seat as required by the Election Procedures

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

- Statement of Qualifications and Disclosure of Affiliations for Hayden McIntyre



PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my **grove** is located in California Avocado Commission District Number ____ (Refer to enclosed **Grove District Zip Code List**)

I **own** the following number of planted avocado acres in California ____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **manage** the following number of planted avocado acres in California ____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **pack** my fruit with the following handlers: _____; _____; _____; _____.

In addition, I am also involved in the avocado industry in the following capacities (*check all that apply*):

- ___ Handler – Owner/Partner
- ___ Handler – Officer/Director
- ___ Handler – Employee
- ___ Holder of a personal financial interest in the production of avocados outside of the United States.
- ___ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: _____

SIGNATURE: Hayden McIntyre **DATE:** _____



PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: _____

GROVE CITY/CITIES: _____

CAC BOARD SEAT PREFERRED: ☐ MEMBER ☐ ALTERNATE ☐ NO PREFERENCE

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. Please limit your statement to the space provided.

As a third-generation grower of avocados and lemons, I take great pride in the ethics of family and farming. As the C.O.O of Sierra Pacific Farms' Northern Division, I am responsible for managing over 3,000 acres of groves across Ventura and Santa Barbara Counties. My team and I strive to maximize every grove's potential and ensure that our company's success continues for generations to come. I value the lessons I inherited from my father, who taught me to be efficient and to treat people with respect and dignity. Ryan Rochefort also played a significant role in shaping my personality, emphasizing the importance of fostering a team that is deeply committed to our shared mission. But my commitment goes beyond just the success of our company. I am a strong advocate for sustainable farming practices, such as Cover cropping, Bee friendly Farming, Use of Mulch and Biochar. These practices not only enhance the vitality of our groves but also safeguard our environment for future generations. As farmers, we are not just growers but custodians of the land. And I am proud to be a part of that legacy.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: Hayden McIntyre DATE: _____



BOARD ACTION

ITEM 5: CONSIDER RECOMMENDATION OF PUBLIC MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2024

SUMMARY:

At the March CAC Board meeting, the Public Member Selection Process was approved and, in accordance with the process, CAC management solicited applications for the currently vacant public member seat on the Commission. The Executive Committee met on May 31, 2023 and reviewed the resumes and qualifications of four individuals who had expressed an interest in the Public Member position, and voted to bring forward two individuals, Quinn Cotter and Maddie Cook, for the Board's consideration.

The next step outlined in the Public Member Selection Process states that the Board shall interview each applicant recommended by the Executive Committee. CAC management has contacted both of the recommended applicants and asked them to attend the June meeting so that the Board can complete this step in the process. Upon completion of the process, the Board may schedule a meeting to consider recommending to the Secretary of Food and Agriculture the appointment of specific applicants to one or both Public Member positions.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Complete interviews with recommended Public Member applicants and schedule a meeting to make a recommendation to the Secretary of Food and Agriculture for appointment to one or both Public Member positions
- Direct CAC management to continue advertising for the Public Member position to solicit additional applicants

STAFF RECOMMENDATION:

- Management defers to the Board's judgment on this item

EXHIBITS / ATTACHMENTS:

- CAC Public Member Selection Process
- Public Member Resume Submissions for:
 - Quinn Cotter
 - Maddie Cook



PUBLIC MEMBER SELECTION PROCESS

Commission law provides that the Commission Board of Directors shall recommend to the Secretary of Food and Agriculture the appointment of a public member and alternate public member to serve on the Board in accordance with Commission law.

The process to be utilized by the Commission for such action is as follows.

1. Solicit applications (with resumes) which demonstrate expertise in food safety, public health, nutrition, marketing, public education or other relevant experience. Preference for California residents.
2. The Executive Committee shall review the information provided by applicants and may interview applicants and/or require additional information to ensure that applicants are in compliance with Commission law and to evaluate each applicant's qualifications for the public member positions.
3. When the Executive Committee determines that one or more applicants are qualified, it shall recommend to the Board of Directors consideration of such applicants for available public member positions.
4. The Board of Directors shall interview each applicant recommended by the Executive Committee.
5. Upon completion of the process, the Board of Directors may schedule a meeting to consider recommending to the Secretary of Food and Agriculture the appointment of specific applicants to one or both public member positions.

From: [Quinn Cotter](#)
To: [CAC IAF](#)
Subject: Public Member Opportunity
Date: Tuesday, May 23, 2023 9:26:07 AM
Attachments: [image001.png](#)
[230428 California Avocado Commission Release - Public Member.pdf](#)
[Quinn Cotter Resume 2023.pdf](#)

Hi,

My name is Quinn Cotter and I am interested in the CAC Public Member opportunity. Please see attached resume.

Let me know if there is anything else you might need!

Best,

Quinn Cotter
Food Safety Associate Director
C 805 814 2727



Quinn Cotter

quinncotter@gmail.com

(805) 451 2216

Ventura, CA

Education

California Polytechnic State University, San Luis Obispo, CA

Bachelor of Science in Food Science

Professional Experience

Western Precooling System, LLC., Oxnard CA, Food Safety Associate Director,

January 2023- Current

- Builds and enforces food safety programs at 7 cooler locations.
- Ensures compliance for GFSI and customer requirements.
- Oversees sanitation program including sanitation employees.
- Handles both customer and regulatory audits.

Member of the Produce Safety Immersion Program- Class III

January 2022- December of 2023

- The Produce Safety Immersion Program is a year long program developed to build the technical capacity, critical thinking skills, and leadership attributes of the next generation of produce safety professionals. The program consists of webinars, in-person trips, peer connections and an ongoing mentorship program.

Calavo Growers Inc., Santa Paula CA, Food Safety Manager,

December 2019- December 2022

- Enforces food safety programs at the packinghouse
- Ensures compliance for GFSI and customer requirements
- Performs daily pre-operational inspections
- Responsible for all food safety paperwork upkeep and retention
- Reviews and updates SOPs and SSOPs to improve compliance
- Arranges for microbial/ pesticide residue product testing
- Completes glass and brittle plastic logs, calibration reports, temperature checks, chemical inventory
- Oversees contracted pest control programs
- Oversees sanitation program at the packinghouse including 14 employees
- Ensures key absences are covered for daily food safety tasks
- Oversees food safety compliance for over 60 growers to ensure adherence to GAP's and GHPs guidelines as well as scheduling and aiding them in 3rd party audits and CDFA audits
- Conducts mock recalls
- Aids in all audits/inspections regarding the packinghouse
 - Organic audits, social compliance audits, food safety audits, city inspections

AvoPacific, Oxnard CA, Food Safety Coordinator,

June 2019- November 2019

- Made sure employees were properly trained on food safety topics and SSOPs
- Updated food safety manual when needed to ensure regulatory compliance
- Assisted in customers approved supplier document request forms and export documents for foreign customers
- Assisted with third party audits (Organic, Kosher, PrimusGFS)
- Researched food fraud within the avocado oil industry in order to help FDA set a standard for avocado oil

Member of IFTSA Developing Solutions for Developing Countries, San Luis Obispo CA,

September 2018- January 2019

- Promotes the application of food science and technology and the development of new products and processes that are targeted at improving the quality of life for people in developing countries
- Helped my team develop a product that would nourish/benefit people in India
- Researched topics on food safety/shelf life/quality

Summer Undergraduate Research Program, San Luis Obispo CA,

June 2018- September 2018

- The overall goal of this research was to repurpose carrot mash in order to reduce food waste by modifying the polysaccharide profile as well as understanding the functional properties of carrot mash for use in food products
- Manage logs, data, materials
- Gained experience using HPLC (High Performance Liquid Chromatographer)
- Gained experience using Texture Analyzer

Relevant Skills

- Experience in Microsoft Excel, PowerPoint, Word as well as JMP
- Experience in tracking software's: Famous and Produce Pro
- Experience in sensory evaluation testing
 - Performed objective and subjective tests to evaluate flavor, texture, and appearance of various foods for industry
 - Familiarity with statistical analysis of various sensory attributes and use of RedJade Sensory Software

Certifications

- FSPCA Food Defense Awareness for the IA Rule
- Sanitary Transportation of Human and Animal Food FDA Certification
- PCQI Certified
- Foreign Supplier Verification Program (FSVP) Certification
- Produce Safety Alliance Grower Training
- HACCP Certified

Special Interest and Awards

- Past volunteer work with Surfrider Foundation, Young & Brave Foundation, Best Day Foundation, and Ventura County Rescue Mission

From: [Maddie Cook](#)
To: [CAC IAF](#)
Subject: CAC Public Member Position Application - Maddie Cook
Date: Friday, May 26, 2023 10:39:25 PM
Attachments: [image001.png](#)
[MCook Avocado Commission Resume.docx.pdf](#)

Good afternoon,

Please see my attached resume for consideration as the 2023/2024 California Avocado Commission's board of directors' public member representative. Upon hearing about this opportunity through a publication in The Packer I was immediately interested.

My recent involvement on the Fresno County Farm Bureau's board of directors, as well as an alternate for the Processing Strawberry Association Board has opened my eyes to the benefits of such opportunities. Growing up in a rural part of Trinity County, in Northern California, my parents (a logger and a school teacher) immersed me in a dedicated culture of hard work, and taking pride in one's community and the land around it. Upon graduating high school, I attended Shasta College, the local community college, while I figured out what direction to take in life. Through storied events, I wound up as the student swine unit manager living and working on the colleges 90 acre farm. This opportunity taught me many things, but most importantly, it was the first step towards showing me the incredible agricultural industry in California. After learning about the cattle, hay and nuts that predominate Northern California, I decided to go further into California's agricultural industry by moving to Fresno in order to finish my bachelors in Agricultural Business. I had no idea how much I did not know about California's Agriculture Industry, until I found myself in the middle of what seemed like a completely new world.

Since I got into the produce industry nearly four years ago, I have never hesitated to dive in further, such as finding an opportunity to get involved in my local Young Farmers and Ranchers and Farm Bureau. In such a fast paced industry, I have found that there is always something to do and learn. From ever changing regulations, to market conditions to consumer trends, I am always eager to learn more, and apply my perspective and ideas to promote the future of safe and sustainable agriculture in California. I believe that this fresh perspective, paired with my endless desire to learn more about the produce industry will be an invaluable addition to the California Avocado Commission's board of directors. Please do not hesitate to reach out to me to further discuss how I may be able to help the California Avocado Commission advocate on behalf of California avocado growers, and learn about, represent and advocate for this dynamic industry.

Thank you for your consideration,

Maddie Cook

Account Manager, FPGS
Tree Top, Inc.
220 E Second Ave. Selah, WA 98942
(530) 782-3941
maddie.cook@treetop.com

Madeline Cook

Maddie.Cook@treetop.com - (530) 782-3941 - Clovis, CA

Experience:

Tree Top, Fresno, CA

Account Manager, FPGS (July 2022-Present)

- Manage relationships with suppliers to ensure their crop is within our food safety specifications
- Serve as an alternate on the California Processing Strawberry Association Board
- Collaborate with multiple departments to eliminate inefficiencies within company processes

Fresno Madera YF&R, Fresno, CA

Social Media Coordinator (Feb 2020-Present)

- Develop copyright used to maintain an authentic and relevant social brand
- Create engaging visual content using Canva and Adobe Illustrator
- Collaborate within the executive committee to plan and advertise events
- Serve on the 2023 Fresno County Farm Bureau Board of Directors

Meridian Fine Foods, Fresno, CA

Account Manager (July 2021-July 2022)

- Identify and capitalize upon growth opportunities within each customer account
- Maintain and grow relationships with new and existing customer accounts
- Develop, implement, and maintain sales plans to meet individual and team goals
- Develop comprehensive marketing materials to drive sales
- Assist in logistics, accounting, and marketing departments as needed

Prima Wawona (Gerawan Farming), Cutler, CA

Sales Representative & Analyst (May 2019-July 2021)

- Use Excel and BI software to analyze data and communicate conclusions
- Assist in the selection and implementation of digital and physical marketing
- Lead relationships with multiple regional accounts, delivering quantitative growth

Skills:

Dependable	Eager to Learn	Authentic	Creative Problem Solving
Creative Writing	Project Management	Tenacious	Interpersonal Communication
Independent	Microsoft Proficiency	Data Analytics	Board Member Experience

Education:

California State University, Fresno

Ag. Business Degree, 2020

Vice President of Sigma Alpha, 2019

Ag. Ambassador, 2018

Shasta College

Ag. Business and Sustainable Ag. Sciences AS Degrees, 2018

California Ag. Leaders Prepared Speaking - 3rd Place, 2017

California Ag. Leaders Extemporaneous Speaking - 3rd Place, 2017



BOARD ACTION

ITEM 6.a: CONSIDER ACCEPTANCE OF 2021-22 AUDITED FINANCIAL STATEMENTS

SUMMARY:

Moss Adams has completed its audit of CAC's financial statements for the fiscal year ended October 31, 2022 and has prepared a draft report on the audited financial statements for the Committee's consideration.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Accept the CAC 2021-22 Audited Financial Statements as presented
- Do not accept the CAC 2021-22 Audited Financial Statements as presented
- Take no action

STAFF RECOMMENDATION:

- Accept the CAC 2021-22 Audited Financial Statements as presented

EXHIBITS / ATTACHMENTS:

- Draft Annual Financial Report for the years ended October 31, 2022 and 2021

DRAFT
Not to be reproduced or relied
upon for any purpose

Report of Independent Auditors and
Basic Financial Statements
with Supplementary Information

California Avocado Commission

October 31, 2022 and 2021

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Report of Independent Auditors

The Board of Directors
California Avocado Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the California Avocado Commission as of and for the year ended October 31, 2022, and the related notes to the financial statements, which collectively comprise the California Avocado Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the California Avocado Commission as of October 31, 2022, and the changes in its financial position and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the California Avocado Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Prior Year Financial Statements

The financial statements of the California Avocado Commission for the year ended October 31, 2021, were audited by another auditor, who expressed an unmodified opinion on those statements on January 28, 2022.

Emphasis of Matter – Adoption of a New Accounting Pronouncement

As discussed in Note 1 to the financial statements, effective November 1, 2021, the California Avocado Commission adopted new accounting guidance, Governmental Accounting Standards Board Statement Number 87, *Leases*. The guidance requires lessees to recognize right-to-use assets and corresponding lease liabilities and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. The financial statements have been retroactively restated in accordance with the requirements of the new accounting standard. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the California Avocado Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the California Avocado Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the California Avocado Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 25 through 28 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the California Avocado Commission's basic financial statements. The budgetary comparison schedule, combining statement of revenues, expenses, and changes in net position, and the schedule of program expenses ("Supplementary Schedules") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated [date of report] on our consideration of California Avocado Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of California Avocado Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering California Avocado Commission's internal control over financial reporting and compliance.

Irvine, California
May XX, 2023

Management's Discussion and Analysis

California Avocado Commission

Management's Discussion and Analysis

Years Ended October 31, 2022 and 2021

Introduction

Management's Discussion and Analysis (MD&A) provides an overview and analysis of the financial activities of the California Avocado Commission ("Commission") for the years ended October 31, 2022 and 2021. It has been prepared by management and is required supplementary information to the financial statements. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Financial Highlights

- The Commission's 2022 assets exceeded its liabilities as of October 31, 2022, by \$11,613,549 (total net position). This amount increased \$1,207,030 or 12% from the prior year restated amount of \$10,406,519.
- Of the total net position at the end of fiscal year 2022, net investment in capital assets decreased \$54,204 to \$25,422 or 68% from the prior year restated amount of \$79,626.
- Net position restricted for marketing at the end of fiscal year 2022 decreased \$128,407 to \$4,134,611 or 3% from the prior year amount of \$4,263,018.
- Unrestricted net position at the end of fiscal year 2022 increased \$1,389,641 to \$7,453,516 or 23% from the prior year amount of \$6,063,875. This amount made up 64% of total net position.
- The Commission's restated 2021 assets exceeded its restated liabilities as of October 31, 2021, by \$10,406,519 (total net position). This amount decreased \$3,935,923 or 27% from the prior year amount of \$14,342,442.
- Of the total net position at the end of fiscal year 2021, net investment in capital assets decreased \$53,209 to \$79,626, or 40% from the prior year amount of \$132,835.
- Net position restricted for marketing at the end of fiscal year 2021 decreased \$514,377 to \$4,263,018 or 11 % from the prior year amount of \$4,777,395.
- Unrestricted net position at the end of fiscal year 2021 decreased \$3,368,337 to \$6,063,875 or 36% from the prior year amount of \$9,432,212. This amount made up 58% of total net position.

Overview of the Basic Financial Statements

This MD&A is intended to serve as an introduction to the Commission's financial report. The Commission's financial report includes three basic financial statements: Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. The Commission's basic financial statements also include notes to the basic financial statements. Financial statements are designed to present a broad overview of the financial data for the Commission, in a manner similar to a private-sector business.

California Avocado Commission

Management's Discussion and Analysis

Years Ended October 31, 2022 and 2021

The *Statements of Net Position* present information on all assets and liabilities of the Commission, using the accrual basis of accounting, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the current financial condition of the Commission.

The *Statements of Revenues, Expenses, and Changes in Net Position* present information showing how the Commission's net position varied during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *Statements of Cash Flows* present changes in cash and cash equivalents resulting from operating, noncapital financing, capital financing, and investing activities.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the financial statements.

Other Information

In addition to the MD&A, the financial statements also present the following supplementary information: Budgetary Comparison Schedule; Combining Statement of Revenues, Expenses, and Changes in Net Position (broken down by Restricted and Unrestricted); and Schedule of Program Expenses (Restricted). Also included in the financial statements is the Independent Auditor's Report in accordance with *Government Auditing Standards*.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to California Avocado Commission, 12 Mauchly, Suite L, Irvine, California 92618; phone number: 949-341-1955.

Financial Analysis

Comparative data for the prior year ended October 31, 2021, has been presented in the accompanying financial statements (including MD&A) to facilitate financial analysis for the current year ended October 31, 2022. A comparative analysis of fiscal year 2021 with fiscal year 2020 is also presented in the MD&A. The fiscal year 2021 financial statements have been restated for the adoption of Governmental Accounting Standards Board (GASB) Statement Number 87, *Leases*, effective November 1, 2020. The fiscal year 2020 financial statements were not restated because all of the information available to restated prior year amounts were not readily available.

California Avocado Commission
Management's Discussion and Analysis
Years Ended October 31, 2022 and 2021

Statements of Net Position

	2022	As restated* 2021	2020
Current assets	\$ 13,457,580	\$ 12,469,197	\$ 16,660,466
Capital assets, net	461,285	652,590	132,835
Total assets	13,918,865	13,121,787	16,793,301
Current liabilities	1,955,954	2,169,303	2,364,891
Noncurrent liabilities	349,362	545,965	85,968
Total liabilities	2,305,316	2,715,268	2,450,859
Net position			
Net investment in capital assets	25,422	79,626	132,835
Restricted for marketing	4,134,611	4,263,018	4,777,395
Unrestricted	7,453,516	6,063,875	9,432,212
Total net position	\$ 11,613,549	\$ 10,406,519	\$ 14,342,442

* The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, Leases, effective November 1, 2020.

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. The largest portion of the Commission's assets are current assets consisting primarily of cash and cash equivalents, restricted cash, receivables, and fiduciary cash amounts held for the Avocado Inspection Program ("AIP"). Current assets at the end of fiscal year 2022 totaled \$13,457,580 and represented 97% of total assets. Current assets increased \$988,383 from the prior year amount of \$12,469,197. This increase is primarily due to higher total cash and cash equivalents at year end due to higher production value leading to an increase in assessment revenue. Total current assets cover current liabilities 6.9 times, indicating good liquidity.

Current assets at the end of fiscal year 2021 totaled \$12,469,197 and represented 95% of total assets. Current assets decreased \$4,191,269 from the prior year amount of \$16,660,466. This decrease is primarily due to a decrease in cash and cash equivalents at year end due to operating expenses exceeding operating revenues with the intent of reducing the Commission's year-end cash balance. Total current assets covered current liabilities 5.7 times, also indicating good liquidity.

California Avocado Commission Management's Discussion and Analysis Years Ended October 31, 2022 and 2021

The Commission's liabilities primarily consist of current liabilities including accounts payable, accrued liabilities, deposits due, fiduciary liability amounts held for AIP, and current amounts due for lease liabilities and compensated absences. Liabilities at the end of fiscal year 2022 totaled \$2,305,316, decreasing from a restated balance of \$2,715,268 in 2021. This decrease was due to lower non-marketing obligations owed to vendors, a decrease in compensated absences, a reduced fiduciary balance held for AIP, and payments made against long-term leases. Restated liabilities at the end of fiscal year 2021 totaled \$2,715,268, increasing from a balance of \$2,450,859 in 2020. This increase was due to higher non-marketing obligations owed to vendors and the implementation of GASB 87, *Leases*, which resulted in the recognition of right-of-use (ROU) assets and respective liabilities for ongoing lease commitments.

Net position consists of three categories: net investment in capital assets, restricted for marketing, and unrestricted. Net investment in capital assets represents the Commission's capital assets and ROU assets net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, lease commitment, or improvement of those assets. Net investment in capital assets totaled \$25,422 at the end of fiscal year 2022, decreasing \$54,204 from the prior year restated amount of \$79,626. This decrease is due to the depreciation and amortization of capital assets and ROU assets. Net investment in capital assets represents less 0.2% of total net position at October 31, 2022.

At the end of fiscal year 2021, restated net investment in capital assets totaled \$79,626, decreasing \$53,209 from the prior year amount of \$132,835. This decrease is due to the depreciation and amortization of capital assets and ROU assets. Net investment in capital assets represented 0.8% of total net position at October 31, 2021.

Restricted net position for marketing activities is subject to imposed restrictions by federal statutes governing their use. Restricted net position totaled \$4,134,611 at the end of 2022, decreasing \$128,407 from the prior year amount of \$4,263,018, and decreasing \$514,377 between 2020 and 2021. Restricted net position represented approximately 36% and 33% of total net position for the years ended October 31, 2022 and 2021, respectively.

Unrestricted net position available for future activities at the end of fiscal year 2022 totaled \$7,453,516, increasing \$1,389,641 from the prior year amount of \$6,063,875. Unrestricted net position available for future activities at the end of fiscal year 2021 totaled \$6,063,875, decreasing \$3,368,337 from the prior year amount of \$9,432,212.

California Avocado Commission
Management's Discussion and Analysis
Years Ended October 31, 2022 and 2021

Statements of Revenues, Expenses, and Changes in Net Position

	2022	As restated* 2021	2020
Operating revenues	\$ 13,862,474	\$ 10,928,909	\$ 15,153,319
Operating expenses	13,390,230	15,380,265	15,110,511
Operating income (loss)	472,244	(4,451,356)	42,808
Nonoperating revenues	734,786	521,336	315,846
Change in net position	1,207,030	(3,930,020)	358,654
Net position – beginning of year, as originally presented	-	14,342,442	13,983,788
Cumulative effect of change in accounting principle	-	(5,903)	-
Net position – beginning of year, as restated	10,406,519	14,336,539	13,983,788
Net position – end of year	<u>\$ 11,613,549</u>	<u>\$ 10,406,519</u>	<u>\$ 14,342,442</u>

* The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, *Leases*, effective November 1, 2020.

Operating revenues totaled \$13,862,474 in 2022, increasing \$2,933,565 or 27% from \$10,928,909 earned in 2021. This increase is due to an increase in assessment revenue received due to higher total production value; 276 million pounds were reported in 2022 as compared to 270 million pounds in 2021. The majority of operating revenue consisted of assessment revenue, totaling \$13,786,415 (or 99.5% of total operating revenues). The remaining portion (0.5%) was from administrative and accounting fees generated from the AIP of \$60,996 and online merchandise sales of \$15,063.

Operating revenues totaled \$10,928,909 in 2021, decreasing \$4,224,410 or 28% from \$15,153,319 earned in 2020. This decrease is due to a decrease in assessment revenue received due to a smaller total crop volume; 270 million pounds were reported in 2021 as compared to 375 million pounds in 2020. The majority of operating revenue consisted of assessment revenue, totaling \$10,852,916 (or 99.3% of total operating revenues). The remaining portion (0.7%) of was from administrative and accounting fees generated from AIP of \$61,000 and online merchandise sales of \$14,993.

Operating expenses totaled \$13,390,230 in 2022, decreasing \$1,990,035 or 13% from \$15,380,265 in 2021. This decrease was due to a reduction in marketing expenditures in response to anticipated crop volume. Operating expenses totaled \$15,380,265 in 2021, increasing \$269,754 or 2% from \$15,110,511 in 2020. This increase is primarily due to increased activities in marketing programs in 2021.

California Avocado Commission Management's Discussion and Analysis Years Ended October 31, 2022 and 2021

At the end of the fiscal year 2022, the Commission reported an ending net position of \$11,613,549, an increase of \$1,207,030 from the prior year restated amount of \$10,406,519. This is due to an increase as a result of higher total production value.

At the end of the fiscal year 2021, the Commission reported an ending restated net position of \$10,406,519, a decrease of \$3,935,923 from the prior year amount of \$14,342,442. This is due to a decrease in assessment revenue received from a smaller total crop volume as well as operating expenses exceeding operating revenue with the intent of reducing the Commission's year-end cash balance.

Capital Assets

The Commission's net investment in capital assets totaled \$25,422 as of October 31, 2022, decreasing \$54,204 from the prior year restated amount of \$79,626, and decreasing \$53,209 from \$132,835 between 2020 and 2021 (net of accumulated depreciation and amortization). These decreases represent the depreciation and amortization of capital assets and ROU assets during the respective fiscal year.

Long-Term Liabilities

At the end of fiscal year 2022, the Commission's long-term liability which consisted of compensated absences and lease liabilities amounted to \$602,893, a decrease of \$204,764 from the prior year restated balance of \$807,657. This decrease is due to the retirement and turnover of employees as well payments made toward existing leases. At the end of fiscal year 2021, the Commission accumulated a restated accrued long-term liability balance of \$807,657, an increase of \$607,452 from the prior year balance of \$200,205. This increase is due to the adoption of GASB 87, *Leases*, offset by a decrease is due payments made towards existing leases offset by an increase to compensated absences resulting from unused vacation time by employees.

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Basic Financial Statements

California Avocado Commission
Statements of Net Position
October 31, 2022 and 2021

	2022	As Restated* 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 7,809,861	\$ 6,348,950
Assessments receivable	14,894	108,801
Other receivables	333,653	394,991
Prepaid expenses and deposits	51,464	190,189
Fiduciary cash and cash equivalents, amounts held for AIP	948,364	1,020,970
Inventory	64,056	64,781
Restricted		
Cash and cash equivalents	4,089,590	4,007,771
Assessments receivable	145,698	332,744
Total current assets	13,457,580	12,469,197
NONCURRENT ASSETS		
Capital assets being amortized, net	422,227	567,061
Capital assets being depreciated, net	39,058	85,529
Total assets	13,918,865	13,121,787
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	635,382	788,713
Accounts payable and accrued liabilities, payable from restricted assets	100,677	79,928
Fiduciary liabilities, amounts held for AIP	948,364	1,020,970
Deposits	18,000	18,000
Lease liabilities, due within one year	151,164	157,087
Compensated absences, due within one year	102,367	104,605
Total current liabilities	1,955,954	2,169,303
NONCURRENT LIABILITIES		
Lease liabilities, due in more than one year	284,699	415,877
Compensated absences, due in more than one year	64,663	130,088
Total noncurrent liabilities	349,362	545,965
Total liabilities	2,305,316	2,715,268
NET POSITION		
Net investment in capital assets	25,422	79,626
Restricted for marketing	4,134,611	4,263,018
Unrestricted	7,453,516	6,063,875
Net position	\$ 11,613,549	\$ 10,406,519

*The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, Leases, effective November 1, 2020.

See accompanying notes.

California Avocado Commission
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended October 31, 2022 and 2021

	2022	As Restated* 2021
OPERATING REVENUES		
Assessment revenue	\$ 8,399,945	\$ 5,693,840
HAB rebate assessment revenue (restricted)	5,386,470	5,159,076
Administrative and accounting fees	60,996	61,000
Other operating revenues	15,063	14,993
Total operating revenues	<u>13,862,474</u>	<u>10,928,909</u>
OPERATING EXPENSES		
Marketing	8,905,379	10,750,358
Nonmarketing programs	1,349,570	1,484,712
Administration	3,135,281	3,145,195
Total operating expenses	<u>13,390,230</u>	<u>15,380,265</u>
Operating income (loss)	<u>472,244</u>	<u>(4,451,356)</u>
NONOPERATING REVENUES		
Interest income	16,492	19,744
Interest expense	(1,889)	(2,363)
Grant income	426,417	340,558
Other income	293,766	163,397
Total nonoperating revenues	<u>734,786</u>	<u>521,336</u>
Change in net position	<u>1,207,030</u>	<u>(3,930,020)</u>
NET POSITION, beginning of year, as originally presented	-	14,342,442
Cumulative effect of change in accounting principle	-	(5,903)
NET POSITION, beginning of year, as restated	<u>10,406,519</u>	<u>14,336,539</u>
NET POSITION, end of year	<u>\$ 11,613,549</u>	<u>\$ 10,406,519</u>

*The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, Leases, effective November 1, 2020.

See accompanying notes.

California Avocado Commission
Statements of Cash Flows
Years Ended October 31, 2022 and 2021

	2022	As Restated* 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 13,956,381	\$ 11,669,891
Cash payments to suppliers for goods and services	(10,936,923)	(12,999,020)
Cash payments to employees for services	(2,191,377)	(2,384,888)
Net cash provided by (used in) operating activities	828,081	(3,714,017)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from grants	451,123	106,773
Other income	330,398	163,395
Net cash provided by non-capital financing activities	781,521	270,168
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on leases	(154,081)	(161,199)
Interest paid on leases	(1,889)	(2,363)
Net cash used by capital and related financing activities	(155,970)	(163,562)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	16,492	19,744
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,470,124	(3,587,667)
CASH AND CASH EQUIVALENTS, beginning of year	11,377,691	14,965,358
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 12,847,815</u>	<u>\$ 11,377,691</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 472,244	\$ (4,451,356)
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Depreciation and amortization expense	208,285	208,505
Changes in assets and liabilities		
Decrease in assessments receivable	280,953	953,909
Decrease (increase) in prepaid expenses and deposits	138,725	(82,276)
Decrease (increase) in inventory	725	(34,246)
(Decrease) in accounts payable and accrued liabilities	(132,582)	(398,145)
(Decrease) increase in accounts payable and fiduciary liabilities	(72,606)	55,102
(Decrease) increase in compensated absences	(67,663)	34,490
Net cash provided by (used for) operating activities	<u>\$ 828,081</u>	<u>\$ (3,714,017)</u>

*The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, Leases, effective November 1, 2020.

See accompanying notes.

California Avocado Commission

Notes to Basic Financial Statements

Note 1 – Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed by the California Avocado Commission (“Commission”):

Activities of the Commission – The California Avocado Commission is authorized under California law to engage in programs of advertising, promotion, marketing research, and production research related to the sale of California grown avocados. The Commission is authorized to levy an assessment against producers of avocados for the purposes of carrying out its programs. The assessment for the years ended October 31, 2022 and 2021, was 1.75% of the gross revenues received by producers. The Commission also receives 85% of the assessments collected by the Federal Hass Avocado Board (“HAB”) on Hass avocados produced and sold in California, which is restricted for use on marketing activities. HAB is authorized under the United States Department of Agriculture (USDA) to manage research and marketing throughout the United States.

The Commission’s Board of Directors is composed of no fewer than eight and no more than ten producer members who do not handle avocados through the same legal entity under which they were elected as a producer member of the Commission, two handler members, and one public member.

Measurement focus, basis of accounting, and financial statement presentation – The Commission operates as an enterprise activity. An enterprise fund accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Board of Directors is that the costs (expenses, including depreciation) of providing services to the industry on a continuing basis be financed or recovered primarily through assessment revenues.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The principal operating revenues of the Commission are assessment revenues and administrative and accounting fees. Operating expenses for enterprise funds include the cost of marketing programs, production research, industry affairs and administrative expenses, including depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of related cash flows.

When both restricted and unrestricted resources are available for use, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed.

California Avocado Commission

Notes to Basic Financial Statements

New Accounting Standards

Issued in June 2017, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, was developed to meet the information needs of financial statement users by improving accounting and financial reporting for leases of local governments. The statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operation leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The Commission adopted GASB 87, *Leases*, retrospectively as of November 1, 2020, and accordingly the fiscal year 2021 financial statements have been restated as summarized below:

	FY 2021 as Previously Reported	Restatement Related to Adoption of GASB 87	FY 2021 as Restated
<u>Statement of Net Position</u>			
Capital assets being amortized, net	\$ -	\$ 567,061	\$ 567,061
Lease liabilities, due within one year	-	157,087	157,087
Lease liabilities, due in more than one year	-	415,877	415,877
Net investment in capital assets	85,529	(5,903)	79,626
Total net position	10,412,422	(5,903)	10,406,519
<u>Statement of Revenues, Expenses and Changes in Net Position</u>			
Administration expenses	3,147,558	(2,363)	3,145,195
Operating loss	(4,453,719)	2,363	(4,451,356)
Interest expense	-	(2,363)	(2,363)
Total non-operating revenue	523,699	(2,363)	521,336
Net position beginning of the year	14,342,442	(5,903)	14,336,539

Assets, liabilities, and net position – Cash equivalents – For purposes of the statements of cash flows, the Commission considers cash and funds invested in the Local Agency Investment Fund (LAIF) of the State of California for both restricted and unrestricted funds to be cash equivalents. Additionally, investments with original maturities of three months or less at the time of purchase are considered cash equivalents.

Investments – The Commission values its investment in accordance with the provision of GASB Statement No. 72, *Fair Value Measurement and Application*, which requires entities to use valuation techniques that are appropriate under the circumstances and for which sufficient data is available to measure fair value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool. Restricted and unrestricted cash are pooled for investment purposes.

Receivables – No allowance for uncollectible accounts has been recorded for the years ended October 31, 2022 and 2021. Management has evaluated the accounts and believes they are all collectible. Management evaluates all accounts receivable, and if it is determined that they are uncollectible, they are written off directly as a bad debt expense.

California Avocado Commission

Notes to Basic Financial Statements

Capital assets – Capital assets consist of furniture, office equipment, leasehold improvements, software, and land improvements. The Commission capitalizes assets with values of \$10,000 or more and useful lives of greater than one year. Capital assets are valued at cost, or estimated historical cost, if actual historical cost is not available. Maintenance and repairs are charged to operations in the period incurred. Contributed assets are recorded at acquisition value on the date donated. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Capital assets are depreciated on the straight-line basis, using the following asset lives:

<u>Asset Category</u>	<u>Years</u>
Furniture	5
Office equipment	3
Leasehold improvements	5 (or term of lease, whichever is less)
Software	3
Land improvements	Remaining term of the property lease

Leases – The Commission, as a lessee, recognizes a lease liability and an intangible ROU asset at the commencement of a lease, unless the lease is considered a short-term lease or transfer of ownership of the underlying assets. ROU lease assets are measure based on the net present value of the payment, using the Commission's weighted-average cost of capital, which approximates the Commission's incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact to the lease liability.

The Commission calculates the amortization of the discount on the lease liability and reports that amount as outflow of resources in that period. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations and are recognized as outflows of resources in the periods on which the obligations for the payments are incurred.

Compensated absences – Commission employees receive from 10 to 20 days of vacation each year, depending upon length of service. An employee may accumulate earned vacation time to a maximum of 40 days. Once an employee accrues 40 days of unused vacation time, the Commission compensates the employee 10 days of accrued and unused vacation time at the employee's current rate of pay. Upon termination, employees are paid for all accrued but unused vacation at their current rate of pay.

Compensated absences include accrued vacation that is available to employees in future years, either as time off or in cash (upon leaving the employment of the Commission). All compensated absences are accrued when incurred.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from such estimates.

Fiduciary and restricted assets – Fiduciary assets are held for the Avocado Inspection Program ("AIP") and are off-set by fiduciary liabilities. Restricted assets are restricted for marketing-related activities and are subject to restrictions imposed by federal statute governing their use.

California Avocado Commission

Notes to Basic Financial Statements

Net position – Net position represents the difference between assets less liabilities. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of lease liabilities, bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. Net investment in capital assets excludes debt attributable to the unspent related debt proceeds amount. At October 31, 2022 and 2021, the Commission had net investment in capital assets in the amounts of \$25,422 and \$79,626, respectively. There was no outstanding debt related to capital assets at October 31, 2022 and 2021.

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. At October 31, 2022 and 2021, the Commission had restricted net position in the amounts of \$4,134,611 and \$4,263,018, respectively, for marketing-related activities.

The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

Note 2 – Detailed Notes on Assets and Liabilities

Cash and cash equivalents – Cash and cash equivalents consisted of the following at October 31:

	2022	2021
Petty cash	\$ 240	\$ 200
Demand deposits	12,837,307	11,367,091
Local Agency Investment Fund	10,268	10,400
Total cash and cash equivalents	<u>\$ 12,847,815</u>	<u>\$ 11,377,691</u>

Investment in state investment pool – The Commission is a voluntary participant in LAIF, which is regulated by California Government Code (CGC) Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The Commission considers its investments in the LAIF pool to be a demand deposit account (cash and cash equivalent) where funds may be withdrawn and deposited at any time without prior notice or penalty.

Fair value measurement and application – GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

California Avocado Commission

Notes to Basic Financial Statements

The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Commission has the ability to access.

Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investments in an external government investment pool, such as LAIF, are not subject to reporting within the level hierarchy.

Investments authorized by the California Government Code and the Commission's investment policy – The Commission adopted CGC Section 16430 and the USDA Directive 2210.2 as its investment policy. The table below identifies the investment types that are authorized under CGC Section 16430, as well as certain provisions of CGC Section 16430 and USDA Directive 2210.2 that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
State of California Bonds and Notes	1 year	None	None
U.S. Treasury Obligations	1 year	None	None
U.S. Agency Securities	1 year	None	None
Bank Loans	1 year	None	None
Student Loan Notes	1 year	None	None
Obligations issued for Reconstruction and Development	1 year	None	None
Negotiable Certificates of Deposits	1 year	30%	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Corporate Bonds and Notes	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$75 million

California Avocado Commission

Notes to Basic Financial Statements

Disclosures relating to interest rate risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the Commission's investments by maturity:

	Remaining Maturity 12 Months or Less	
	2022	2021
Local Agency Investment Fund	\$ 10,268	\$ 10,400

Disclosures relating to credit risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of credit risk – The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the CGC 16430. The Commission had no investments in any one issuer (other than external investment pools) that represented 5% or more of total Commission investments at October 31, 2022 and 2021.

Custodial credit risk – Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. At October 31, 2022 and 2021, the bank balance of deposits was \$12,857,099 and \$11,412,786, respectively. The first \$250,000 of the bank balance was covered by the Federal Deposit Insurance Corporation (FDIC). The remaining balance was collateralized at 100% of the total amount deposited by the Commission in accordance with federal regulations set by the USDA.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

California Avocado Commission

Notes to Basic Financial Statements

Capital Assets

	As Restated* November 1, 2021	Additions	Deletions	October 31, 2022
Capital assets, being depreciated				
Furniture	\$ 187,904	\$ -	\$ -	\$ 187,904
Office equipment	61,002	-	-	61,002
Software	15,022	-	-	15,022
Land improvements	108,559	-	-	108,559
Total capital assets, being depreciated	372,487	-	-	372,487
Less accumulated depreciation for				
Furniture	125,903	32,348	-	158,251
Office equipment	61,002	-	-	61,002
Software	15,021	1	-	15,022
Land improvements	85,032	14,122	-	99,154
Total accumulated depreciation	286,958	46,471	-	333,429
Capital ROU assets, being amortized				
Buildings	699,397	-	-	699,397
Equipment	28,863	16,980	-	45,843
Total capital ROU assets, being amortized	728,260	16,980	-	745,240
Less accumulated amortization for				
Buildings	149,070	149,070	-	298,140
Equipment	12,129	12,744	-	24,873
Total accumulated amortization	161,199	161,814	-	323,013
Capital and ROU assets, net of depreciation and amortization	\$ 652,590	\$ (191,305)	\$ -	\$ 461,285

*The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, Leases, effective November 1, 2020.

California Avocado Commission

Notes to Basic Financial Statements

	As Restated* November 1, 2020	Additions	Deletions	As Restated* October 31, 2021
Capital assets, being depreciated				
Furniture	\$ 187,904	\$ -	\$ -	\$ 187,904
Office equipment	61,002	-	-	61,002
Software	15,022	-	-	15,022
Land improvements	108,559	-	-	108,559
	<u>372,487</u>	<u>-</u>	<u>-</u>	<u>372,487</u>
Total capital assets, being depreciated				
Less accumulated depreciation for				
Furniture	93,554	32,349	-	125,903
Office equipment	61,002	-	-	61,002
Software	14,187	834	-	15,021
Land improvements	70,909	14,123	-	85,032
	<u>239,652</u>	<u>47,306</u>	<u>-</u>	<u>286,958</u>
Total accumulated depreciation				
Capital ROU assets, being amortized				
Buildings	699,397	-	-	699,397
Equipment	28,863	-	-	28,863
	<u>728,260</u>	<u>-</u>	<u>-</u>	<u>728,260</u>
Total capital assets, being amortized				
Less accumulated amortization for				
Buildings	-	149,070	-	149,070
Equipment	-	12,129	-	12,129
	<u>-</u>	<u>161,199</u>	<u>-</u>	<u>161,199</u>
Total accumulated amortization				
Capital and ROU assets, net of depreciation and amortization	<u>\$ 861,095</u>	<u>\$ (208,505)</u>	<u>\$ -</u>	<u>\$ 652,590</u>

*The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, Leases, effective November 1, 2020.

Depreciation expense was \$46,471 and \$47,306 for the years ended October 31, 2022 and 2021, respectively. Amortization expense was \$161,814 and \$161,199 for the years ended October 31, 2022 and 2021, respectively.

California Avocado Commission

Notes to Basic Financial Statements

Long-Term Liabilities

	As Restated* November 1, 2021	Additions	Deletions	October 31, 2022	Amount Due within One Year
Compensated absences	\$ 234,693	\$ 134,319	\$ (201,982)	\$ 167,030	\$ 102,367
Lease liabilities	572,964	16,980	(154,081)	435,863	151,164
	<u>\$ 807,657</u>	<u>\$ 151,299</u>	<u>\$ (356,063)</u>	<u>\$ 602,893</u>	<u>\$ 253,531</u>

	As Restated* November 1, 2020	Additions	Deletions	As Restated* October 31, 2021	Amount Due within One Year
Compensated absences	\$ 200,205	\$ 131,157	\$ (96,669)	\$ 234,693	\$ 130,088
Lease liabilities	728,260	-	(155,296)	572,964	157,087
	<u>\$ 928,465</u>	<u>\$ 131,157</u>	<u>\$ (251,965)</u>	<u>\$ 807,657</u>	<u>\$ 287,175</u>

*The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, Leases, effective November 1, 2020.

Lease liabilities – The Commission recognizes a ROU asset and lease liability for all non-short-term leases (contracts of 12 months or less). At the time of commencement or conversion of a lease, the Commission includes all possible extension periods that are deemed to be reasonably certain given all available information in the term of a lease. Unless explicitly stated in the lease agreement, a discount rate is used to calculate the initial lease ROU asset and liability. Variable payments based on the future performance of the lessor or the Commission or usage of the underlying asset are not included in the measurement of lease assets or liabilities. For the fiscal years ended October 31, 2022 and 2021, all Commission leases were based on fixed payments and did not have variable payment components. For the fiscal years ended October 31, 2022 and 2021, the Commission did not have to remeasure any lease liabilities due to (1) early termination of a lease; (2) reduction in the monthly lease payment; or (3) change in the discount rate.

In November 2009, the Commission entered into a lease agreement for the current office space, within the City of Irvine, California, under a five-year lease ended November 30, 2014, which was extended to November 30, 2025. The lease agreement does not contain other renewal periods and management will evaluate extension of the lease closer to its term date. During the years ended October 31, 2022 and 2021, the Commission paid \$122,390 and \$118,301, respectively, for use of the space. The Commission used the risk-free rate from the U.S. Treasury of 0.38% as of November 1, 2020, as the discount rate in establishing the initial asset and liability. Subsequent to the 2022 fiscal year end, this office space experienced significant damage due flooding from a burst pipe, repairs of which were primarily covered by the lessor and/or insurance. No impairments to the remaining asset or liability balance were assessed as a result of this coverage. Certain rent payments were abated by the landlord for the period the space was not available to carry out operations.

California Avocado Commission

Notes to Basic Financial Statements

On July 1, 2013, the Commission entered into a lease agreement for the Pine Tree Ranch property within the City of Santa Paula, California, under a ten-year lease ending on June 30, 2023. The lease allows for an option to extend for two five-year periods based on the current market rental value of the property at the time of commencement of the option. At the time of this report, management was in negotiations to execute one of the five-year extensions. During the years ended October 31, 2022 and 2021, the Commission paid \$24,384 and \$23,600 for rent, respectively, including rent paid for a garage on the property for \$100 a month.

The Commission has entered into agreements to lease various printers, scanners, and a postage machine. The average term for each lease is three years with total payments of approximately \$1,500 per month. Some agreements allow for continuation of payments until the equipment is returned. None of the terms guarantee a buy-out of the asset. The Commission used the risk-free rates from the U.S. Treasury ranging from 0.16% to 0.20% as of November 1, 2020, as the discount rate in establishing the initial asset and liability. Two of the lease arrangements were entered into during the year ended October 31, 2022. For those leases the Commission used the risk-free rates ranging from 2.49% to 4.52%.

Principal and interest payments to be made under these leases for each of the next five years are as follows:

	Principal	Interest	Total
Years Ending October 31,			
2023	\$ 151,164	\$ 1,895	\$ 153,059
2024	134,808	1,173	135,981
2025	138,736	441	139,177
2026	11,155	4	11,159
	<u>\$ 435,863</u>	<u>\$ 3,513</u>	<u>\$ 439,376</u>

Note 3 – Other Information

Avocado Inspection Program – During February 1986, the Commission contracted with the State Department of Food and Agriculture to administer the AIP for the State of California (“State”). Since the Commission is, in substance, an agent for the State, fiduciary cash and cash equivalents, amounts held for the AIP, are offset by fiduciary liabilities, amounts held for the AIP. As of October 31, 2022 and 2021, \$948,364 and \$1,020,970, respectively, was held by the Commission for the AIP.

On October 10, 2012, the Commission entered into a lease agreement on behalf of the AIP for office space within the City of Escondido, California, under a three-year lease ended September 30, 2015, which was extended to September 30, 2023. During the years ended October 31, 2022 and 2021, the Commission paid \$19,265 and \$18,588, respectively, for office rent subsequently reimbursed by the AIP, exclusive of operating expenses.

On May 1, 2013, the Commission entered into a lease agreement on behalf of the AIP for office space within the City of Santa Paula, California, under a three-year lease ended April 30, 2016, which was extended to April 30, 2024. During the years ended October 31, 2022 and 2021, the Commission paid \$12,100 and \$12,000, respectively, for office rent subsequently reimbursed by the AIP, exclusive of operating expenses.

California Avocado Commission

Notes to Basic Financial Statements

As the Commission does not have any right to the use of such lease arrangements, no assets or corresponding liabilities have been recorded by the Commission.

Line of credit – On March 8, 2011, the Commission obtained a revolving line of credit from Bank of the West, in the amount of \$3,000,000, with a variable interest rate at prime rate plus 0.5% and a floor of 4.0%. The line of credit is set to mature on May 29, 2023. Management's intent is to renew. At October 31, 2022 and 2021, there was no outstanding balance due on the line of credit.

Risk management – *Insurance Programs of the Commission* – The Commission's coverage is as follows:

Commercial general liability – insured by Fireman's Fund Insurance – General aggregate coverage of \$2,000,000 and \$1,000,000 for each occurrence.

Automobile liability – insured by Fireman's Fund Insurance – Coverage is \$1,000,000 per bodily injury or property damage, subject to a \$300 deductible.

Crime liability – insured by Travelers Casualty and Surety – Coverage is \$1,000,000, subject to a \$5,000 deductible.

Umbrella liability – insured by Fireman's Fund Insurance – General aggregate coverage of \$5,000,000 and \$5,000,000 for each occurrence.

Travel accident liability – insured by Hartford Life Insurance Company – Coverage is \$100,000 per person and \$500,000 per aggregate limit.

Directors and officers liability and employment practices liability – insured by Great American Insurance Company – Coverage is \$5,000,000 aggregate limit, with a \$25,000 retention.

Fiduciary liability – insured by U.S. Specialty Insurance Company – Coverage is \$1,000,000 each claim and in aggregate, subject to a \$2,500 deductible.

Media content/network security and privacy – insured by Lloyds of London – Coverage is \$1,000,000 each claim and in aggregate, with a \$25,000 self-insurance retention for each loss.

Foreign liability – insured by Fireman's Fund Insurance – General aggregate coverage of \$2,000,000 and \$1,000,000 for each occurrence.

International business auto – insured by Fireman's Fund Insurance – Coverage is \$1,000,000 hired or non-owned auto liability and \$10,000 medical payment each person/accident.

International foreign voluntary workers' compensation and employer liability – insured by Fireman's Fund Insurance – Coverage is \$1,000,000 per occurrence

Workers' compensation coverage – insured by Hartford Casualty Insurance Company – Coverage is \$1,000,000 per occurrence

Cyber – insured by HSB Specialty Insurance Company – Coverage is \$1,000,000 per occurrence with a \$5,000 self-insurance retention.

California Avocado Commission

Notes to Basic Financial Statements

Adequacy of protection – During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded insured coverage. There have been no significant changes in insurance coverage during fiscal year 2022.

Employee retirement plans – The Board of Directors of the Commission implemented a defined contribution plan, California Avocado Commission Profit Sharing Plan (PSP), administered by “The Retirement Plan Company,” for eligible Commission employees effective November 1, 2000. The Commission’s payroll for the employees eligible to participate in the PSP for the plan year ended October 31, 2022, was \$1,770,715. Total payroll for the eleven employees eligible to participate in the PSP for the plan year ended October 31, 2021, was \$1,817,541. Total contributions for the years ended October 31, 2021 and 2020, were \$177,081 and \$181,754, respectively.

The Commission may make annual, discretionary contributions, as determined by the President, to the PSP. With a few exceptions, each eligible employee received an allocation of 10% of compensation, up to a maximum of \$61,000 for the plan year ended October 31, 2022, and \$58,000 for the plan year ended October 31, 2021. To receive an allocation, each employee must meet a minimum service requirement of one year and must be credited with at least 1,000 hours of service.

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Supplementary Information

California Avocado Commission

Budgetary Comparison Schedule

Year Ended October 31, 2022

(with comparative actual totals for the year ended October 31, 2021)

	2022			Variance Positive (Negative)	2021 Actual
	Original Budget	Final Budget	Actual		
REVENUES					
Assessment revenue	\$ 6,398,438	\$ 6,398,438	\$ 8,399,945	\$ 2,001,507	\$ 5,693,840
HAB rebate assessment revenue (restricted)	5,928,750	5,928,750	5,386,470	(542,280)	5,159,076
Administrative and accounting fees	61,000	61,000	60,996	(4)	61,000
Interest income	15,000	15,000	16,492	1,492	19,744
Grant income	375,000	475,000	426,417	(48,583)	340,558
Merchandise shop revenue	53,621	53,621	15,063	(38,558)	14,993
Other income	177,500	177,500	293,766	116,266	163,397
Total revenues	13,009,309	13,109,309	14,599,149	1,489,840	11,452,608
EXPENSES					
Marketing					
Consumer marketing	5,375,000	5,375,000	5,267,555	107,445	6,483,244
Merchandising	2,194,035	2,194,035	1,867,264	326,771	2,015,422
Foodservice	772,500	772,500	615,454	157,046	807,573
Consumer/Trade Living Well	145,000	145,000	144,591	409	182,047
Consumer public relations	785,000	785,000	775,329	9,671	917,953
Merchandise shop	147,330	147,330	122,423	24,907	162,747
Marketing activities support	112,500	112,500	112,763	(263)	181,372
Total marketing	9,531,365	9,531,365	8,905,379	625,986	10,750,358
Non-marketing programs					
Industry affairs	1,118,703	1,118,703	650,552	468,151	779,764
Production research	346,709	346,709	296,443	50,266	364,390
Grant expenses	375,000	475,000	402,575	72,425	340,558
Total non-marketing programs	1,840,412	1,940,412	1,349,570	590,842	1,484,712
Administration					
Administration	3,294,742	3,419,742	2,843,121	576,621	3,023,512
Information systems	111,520	111,520	85,762	25,758	76,740
Depreciation	46,463	46,463	208,287	(161,824)	47,306
Total administration	3,452,725	3,577,725	3,137,170	440,555	3,147,558
Total expenses	14,824,502	15,049,502	13,392,119	1,657,383	15,382,628
Change in net position	(1,815,193)	(1,940,193)	1,207,030	(167,543)	(3,930,020)
NET POSITION, beginning of year, as originally presented	-	-	-	-	14,342,442
Cumulative effect of change in accounting principle	-	-	-	-	(5,903)
NET POSITION, beginning of year, as restated	10,406,519	10,406,519	10,406,519	-	14,336,539
NET POSITION, ending of year	\$ 8,591,326	\$ 8,466,326	\$ 11,613,549	\$ 3,147,223	\$ 10,406,519

California Avocado Commission
Note to Supplementary Information
October 31, 2022 and 2021

Note 1 – Budgetary Information

Budgets and budgetary accounting – Each year, the California Avocado Commission (“Commission”) adopts a budget that provides for its general operations. Budgets are prepared on the accrual basis of accounting. Department Heads are responsible for preparing and presenting their departmental budgets. Each Department Head is required to meet with the President and Vice President of Finance and Administration of the Commission to review each line item. The overall combined budget is prepared by the President and Vice President of Finance and Administration of the Commission and presented to the Board of Directors. Line item transfers do not need Board of Directors approval. Any increases in a department’s budget must be approved by the Board of Directors.

California Avocado Commission
Combining Statement of Revenues, Expenses, and Changes in Net Position
Year Ended October 31, 2022

	Restricted	Unrestricted	Total
OPERATING REVENUES			
Assessment revenue	\$ -	\$ 8,399,945	\$ 8,399,945
HAB rebate assessment revenue (restricted)	5,386,470	-	5,386,470
Administrative and marketing fees	-	60,996	60,996
Other operating revenues	-	15,063	15,063
Total operating revenues	5,386,470	8,476,004	13,862,474
OPERATING EXPENSES			
Marketing	5,517,387	3,387,992	8,905,379
Nonmarketing programs	-	1,349,570	1,349,570
Administration	-	3,135,281	3,135,281
Total operating expenses	5,517,387	7,872,843	13,390,230
Operating (loss) income	(130,917)	603,161	472,244
NONOPERATING REVENUES			
Interest income	2,510	13,982	16,492
Interest expense	-	(1,889)	(1,889)
Grant income	-	426,417	426,417
Other income	-	293,766	293,766
Total nonoperating revenues	2,510	732,276	734,786
Change in net position	(128,407)	1,335,437	1,207,030
NET POSITION, beginning of year, as restated	4,263,018	6,143,501	10,406,519
NET POSITION, ending of year	\$ 4,134,611	\$ 7,478,938	\$ 11,613,549

California Avocado Commission
Schedule of Restricted Marketing Program Expenses
Year Ended October 31, 2022

	Restricted	Budget
Marketing programs		
Media-85% Rebate-Mullen	\$ 1,826,649	\$ 1,840,000
Program Administration Fees-85% Rebate-Mullen	1,565,805	1,565,805
Website & Blog - Mullen	251,249	252,140
Subtotal consumer advertising	3,643,703	3,657,945
California Avocado Video Distribution-85% Rebate-Golin	65,082	69,200
California Avocado Month-85% Rebate-Golin	-	3,500
News Bureau-85% Rebate-Golin	168,351	167,500
Media Tracking & Reporting-85% Rebate-Golin	69,769	70,000
Website Contributors & Social Support-85% Rebate -Golin	172,285	175,500
Program Administration Fees-85% Rebate-Golin	118,293	120,000
Subtotal consumer public relations	593,780	605,700
Trade Advertising-Media-85% Rebate-Fusion	263,329	265,000
Trade Advertising-Production-85% Rebate-Fusion	16,943	25,000
Conventions-85% Rebate	152,038	186,600
Booth Storage-85% Rebate	1,068	3,000
Key Account Coverage-MW/SE-Anderson-85% Rebate	88,000	88,000
Key Account Coverage-West-Becker-85% Rebate	144,539	136,000
Premiums-85% Rebate	9,858	15,000
POS Materials-85% Rebate	-	15,000
Subtotal merchandising	675,775	733,600
Media-85% Rebate-KC	69,010	71,800
Production-85% Rebate-KC	16,375	7,500
Public Relations-85% Rebate-KC	36,429	46,500
Program Administration Fees-85% Rebate-KC	41,500	50,000
Program Administration Expenses-85% Rebate-KC	23	4,000
Foodservice Events-85% Rebate-KC	274,702	279,700
Chain Promotions-85% Rebate-KC	166,090	300,700
Subtotal foodservice	604,129	760,200
Total marketing	5,517,387	5,757,445
Total program expenses	\$ 5,517,387	\$ 5,757,445

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Directors
California Avocado Commission

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the California Avocado Commission as of and for the year ended October 31, 2022, and the related notes to the financial statements, which collectively comprise the California Avocado Commission's basic financial statements, and have issued our report thereon dated [date of report].

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the California Avocado Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the California Avocado Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the California Avocado Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the California Avocado Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Irvine, California

May XX, 2023



BOARD ACTION

ITEM 6.c: **CONSIDER APPROVAL OF CAC LINE OF CREDIT**

SUMMARY:

At the March 2023 CAC Board of Directors meeting, the Board approved a motion to allow management to work with the Finance Committee to secure a line of credit in the amount of \$3 million. While management had hoped to bring official line of credit terms from Bank of the West to the June Finance Committee, Bank of the West has stated that until the 2021/22 financial statements have been approved and finalized, they are unable to finalize credit terms for CAC. This said, Bank of the West has indicated that it is most likely our existing credit terms would be extended, the details of which can be found below:

- \$3,000,000 line of credit
- Interest rate is Prime Rate plus 0.5% with a floor of 4%
- No fees

Management has reviewed other lenders and believes these terms to be consistent with other financial institutions, and, because all of CAC's banking is currently handled through Bank of the West, recommends moving forward with finalizing the line of credit with Bank of the West once the 2021/22 financials are approved.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Approve management's recommendation to secure CAC's line of credit with Bank of the West
- Do not approve management's recommendation to secure CAC's line of credit with Bank of the West
- Direct management to explore additional alternatives
- Take no action

STAFF RECOMMENDATION:

- Approve management's recommendation to secure CAC's line of credit with Bank of the West

EXHIBITS / ATTACHMENTS:

- None



BOARD ACTION

ITEM 6.d: REVIEW OF CORPORATE INSURANCE

SUMMARY:

As part of its fiduciary role, the Board is required to ensure that CAC is adequately insured against various liabilities and potential losses. The Finance Committee is tasked to review CAC's schedule of corporate insurance for the current year and bring its recommendation for next year's coverage to the Board for approval. The current schedule of insurance was approved by the 2021-22 Finance Committee and is very similar to prior year's schedule. Management believes that the current insurance schedule provides CAC with adequate coverage against potential liability and loss.

FISCAL ANALYSIS:

- The total premium for all CAC corporate liability insurance policies is estimated to be \$92,892 which is \$3,693 higher than prior year and \$3,908 lower than budget.

BOARD OPTIONS:

- Recommend approval to renew CAC's current corporate insurance schedule for 2024
- Modify CAC's corporate insurance portfolio or coverage amounts
- Direct management to obtain more information or modify the corporate insurance information
- Take no action

STAFF RECOMMENDATION:

- Recommend approval to renew CAC's current corporate insurance schedule for 2024

EXHIBITS / ATTACHMENTS:

- Premium comparison 2022-23 vs. 2021-22
- CAC's current schedule of corporate insurance

**CALIFORNIA AVOCADO COMMISSION
CORPORATE INSURANCE PREMIUMS
PREMIUM COMPARISON – 2022-23 vs. 2021-22**

	2022-23	2021-22	Difference Over (Under)
BUDGET	\$ 96,800.00	\$ 98,050.00	\$ (1,250.00)

ACTUAL

Commercial General Liability – Property, Auto (Fireman’s Fund Co)	\$ 19,944.00	\$ 19,014.00	\$ 930.00
Umbrella Liability (Fireman’s Fund Co)	\$ 6,440.00	\$ 6,079.00	\$ 361.00
Crime Liability (Travelers Casualty & Surety)	\$ 4,483.00	\$ 4,029.00	\$ 454.00
Travel Accident (Hartford Life & Accident Co)	\$ 1,443.00	\$ 1,478.00	\$ (35.00)
Directors & Officers Coverage (Great American Insurance Co)	\$ 39,919.00	\$ 38,477.00	\$ 1,442.00
Fiduciary Liability (U.S. Specialty Insurance Co)	\$ 2,488.00	\$ 2,488.00	\$ -
Errors & Omissions / Professional Liability-Media (Lloyd’s of London)	\$ 13,505.69	\$ 12,748.00	\$ 757.69
Foreign Package (Fireman's Fund Co)	\$ 2,700.00	\$ 2,700.00	\$ -
Cyber Liability (Trisura Specialty Insurance Company)	\$ 1,969.71	\$ 2,186.00	\$ (216.29)
Total	\$ 92,892.40	\$ 89,199.00	\$ 3,693.40
Over (Under) Budget	\$ 3,907.60	\$ 8,851.00	



California Avocado Commission
Schedule of Insurance
2023

Company & Policy No.	Policy Period	Coverage Limits	Type of Coverage	Premium
Fireman's Fund Insurance Co.(Allianz) Pol. # USC032997230 A.M.. Best Rating: A+ XV	1/1/23 to 1/1/24	<u>COMMERCIAL PACKAGE</u>		\$ 19,944.00
		Loc # Locations:		
		1 12 Mauchly, Bldg L, Irvine, CA. 92618		
		2 326 State Pace, Escondido, CA. 92029		
		3 27537 Commerce Center Dr, Suite 103, Temecula, CA. 92590		
		4 15875 Laguna Canyon Rd., Irvine, CA. 92618		
5 705 E. Main Street, Suite A, Santa Paula, CA. 93060				
6 19455 E. Telegraph Rd., Santa Paula, CA. 93060 (Liability only)				
PROPERTY:				
\$	845,800	Blanket Personal Property (Loc 1-5) Replacement Cost, No-coinsurance		
\$	165,000	Unnamed Location Coverage (Fulfillment Center) Included Equipment Breakdown		
\$	250,000	Blanket Business Income 180 day Extended Period of Indemnity		
Deductible(s):				
\$	1,000	Property		
	24 Hours	Business Income		
<u>EQSL:</u>				
\$	699,100	Location#1-Blanket		
\$	101,500	Location #2-Blanket		
\$	18,000	Location #3-Blanket	250,000 Location #4-Blanket	
\$	Deductible(s):			
	5%	Property Damage (\$10k min)		
	72 Hours	Business Income Waiting Period		
<u>INLAND MARINE:</u>				
\$	66,150	Scheduled Equipment (Display booths, banners & tools @Loc 1)		
Deductible:				
\$	500	Scheduled Equipment		

Company & Policy No.	Policy Period	Coverage Limits	Type of Coverage	Premium	
Fireman's Fund Insurance (Allianz) Pol. # USC015181230 A.M.. Best Rating: A+ XV	1/1/23 to 1/1/24		<u>GENERAL LIABILITY</u>		
		\$ 2,000,000	General Aggregate Limit		
		\$ 2,000,000	Products/Compl. Operations Aggregate Limit		
		\$ 1,000,000	Each Occurrence Limit		
		\$ 1,000,000	Personal & Advertising Injury Limit - Any one person or organization		
		\$ 100,000	Damage to Premises Rented to you Limit - Any one premises		
		\$ 5,000	Medical Expense Limit (Any One Person)		
		\$ 1,000,000	Employee Benefit Liability, Each Employee		
		\$ 2,000,000	Employee Benefit Liability, Aggregate		
			<u>BUSINESS AUTOMOBILE:</u>		
		\$ 1,000,000	Hired and Non Owned Auto Liability		
			Hired Auto Physical Damage Applies \$50 Comp Ded/\$250Coll Ded.		
			<u>FOREIGN PACKAGE</u>		
			<u>International General liability</u>		
			\$ 2,000,000	General Aggregate Limit	
			\$ 2,000,000	Products/Compl. Operations Aggregate Limit	
			\$ 1,000,000	Each Occurrence Limit	
			\$ 1,000,000	Personal & Advertising Injury Limit - Any one person or organization	
			\$ 50,000	Damage to Premises Rented to you Limit - Any one premises	
			\$ 5,000	Medical Expense Limit (Any One Person)	
			\$ 1,000,000	Employee Benefit Liability, Each Employee	
			\$ 2,000,000	Employee Benefit Liability, Aggregate	
				<u>International Business Auto</u>	
			\$ 1,000,000	Hired or Non-owned Auto Liability	
			\$ 10,000	Medical payments-Each Person	
			\$ 10,000	Medical payment-Each Accident	
				<u>INTERNATIONAL FOREIGN VOLUNTARY WORKERS COMPENSATION AND EMPLOYERS LIABILITY</u>	
			\$ 1,000,000	Bodily Injury, Each Accident	
			\$ 1,000,000	Bodily Injury by Disease, Policy Limit	
			\$ 1,000,000	Bodily Injury By Disease, Each Employee	
			\$ 250,000	Repatriation Expense	
				Foreign Voluntary Workers Compensation Benefits applicable according to the laws of the states, providences, territories or countries (US Nationals - State of Hire; 3rd Party National - Country of Origin)	\$ 2,700.00

Company & Policy No.	Policy Period	Coverage Limits	Type of Coverage	Premium
Fireman's Fund Insurance Company Pol.#USC02186323U A.M.. Best Rating: A+ XV	1/1/23 to 1/1/24	\$ 5,000,000 NIL	<u>UMBRELLA</u>	
			Each Occurrence & Aggregate	\$ 6,440.00
			Self Insured Retention, (SIR)	
			<u>Underlying Coverages:</u>	
			Commercial General Liability-Fireman's Fund Automobile Liability-Fireman's Fund International GL, Auto and WC Liability-Fireman's Fund Employers Liability-Hartford Casualty	
Great American Insurance Company Pol. #EPP9427767 A.M.. Best Rating: A+ XV	1/1/23 to 1/1/24	\$ 5,000,000 \$ 150,000 \$ 10,000 \$ - \$ 25,000	<u>DIRECTORS & OFFICERS / EMPLOYMENT PRACTICES LIABILITY</u>	\$ 39,919.00
			Aggregate Limit	
			Fair Labor Standard Act Defense Sub-limit	
			Pending and Prior Litigation Date: 3/11/1987	
			Donor Data Loss Crisis Fund Sub-limit	
Lloyd's of London Pol. #CR168411 A.M.. Best Rating: A XV	1/1/23 to 1/1/24	\$ 1,000,000 \$ 1,000,000 12-1-2011 \$ 25,000	<u>MEDIA LIABILITY (Cyber carved out as of 5/29/20)</u>	
			Limit of Liability Per Claim	\$ 12,576.00
			Aggregate	fees - \$929.69
			Retro Date	
			Retention	
U.S. Specialty Insurance Company Pol. #U72253006 A.M.. Best Rating: A++ XV	1/1/23 to 1/1/24	\$ 1,000,000 \$ 2,500	<u>FIDUCIARY LIABILITY</u>	
			Each claim and in the Aggregate	\$ 2,488.00
			Deductible: Each Claim including Defense	

These schedules are provided as a brief outline of your policy. You must refer to the provisions found in your policy for the details of your coverages, terms, conditions and exclusions that apply. 3 of 4

Company & Policy No.	Policy Period	Coverage Limits	Type of Coverage	Premium
TRAVEL ACCIDENT				
Hartford Life and Accident Insurance Company	1/1/23	\$ 100,000	Accidental Death and Dismemberment	\$ 1,443.00
Pol. #ETB200507	to	\$ 500,000	Aggregate Limitation	
A.M.. Best Rating: A XV	1/1/24			
CRIME				
Travelers Casualty and Surety	1/1/23	\$ 1,000,000	Employee Theft	\$ 4,483.00
Pol. #105727123	to	\$ 1,000,000	ERISA Fidelity Coverage	
A.M.. Best Rating: A++ XV	1/1/24	\$ 1,000,000	Premises Coverage	
		\$ 1,000,000	In Transit Coverage	
		\$ 1,000,000	Forgery or Alteration Coverage	
		\$ 1,000,000	Computer Fraud Coverage	
		\$ 1,000,000	Funds Transfer Fraud Coverage	
		\$ 1,000,000	Money Orders & Counterfeit Currency Fraud Coverage	
		\$ 100,000	Data Restoration Expense	
		\$ 1,000,000	Personal Accounts Forgery or Alteration	
		\$ 5,000	Claim Expense	
			Deductible(s):	
		\$ 5,000	All items with the exception of ERISA and Claims Expense which are NIL	
Cyber				
Trisura	1/1/23	\$ 1,000,000	Information Privacy/Network Security/Bus Interruption/ Cyber Extortion/ Social Eng/	\$ 1,909.00
Pol. #ATB-6604722-04	to	\$ 1,000,000	Policy Aggregate	
A.M.. Best Rating: A- IX	1/1/24		Retention(s):	
		\$ 5,000		fees - \$60.71



BOARD ACTION

ITEM 9.b: REQUEST FOR CAC TO WRITE A LETTER OPPOSING THE BL516 ROYALTY STRUCTURE

SUMMARY:

BL516 is an avocado cultivar that was discovered in the 1990s by Dr. Bob Bergh through research funded by CAC over many decades. According to some industry members BL516 shows promise as a pollinizer and since its fruit is "Hass like" has the potential to fetch higher prices than other pollinizer's fruit.

The University of California has entered into an agreement with Eurosemillas for the commercial sale of BL516. CAC has met with Eurosemillas and learned the royalty structure they are pursuing will require annual royalties based on scale of production. CAC informed Eurosemillas this royalty structure will face significant opposition from California growers and will likely result in very few, if any, sales.

CAC has been asked by a board member to write a letter to the University of California opposing the proposed royalty structure.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Approve the letter as written and submit
- Modify the letter and submit
- Take no action

STAFF RECOMMENDATION:

- Approve the letter as written

EXHIBITS / ATTACHMENTS:

- Draft letter opposing the BL516 royalty structure



June 9, 2023

University of California
Re: BL 516 Royalty Structure

Dear XXXX

The California Avocado Commission (Commission) is established in state law and authorized to represent California's 3,000 commercial growers who produce avocados on about 50,000 acres.

For many years, through the Commission, California avocado growers funded research totaling millions of dollars to University of California Riverside for development of avocado cultivars. One of these cultivars known as BL516 was discovered in the 1990s by Dr. Bob Bergh using California avocado growers' money and further subsidized by California taxpayers. It shows promise as a pollinizer and since its fruit is "Hass like" has the potential to fetch higher prices than other pollinizer's fruit.

Growers were looking forward to evaluating this new promising cultivar. Unfortunately, this all changed when we discovered that the University of California licensee, Eurosemillas, is proposing a royalty for growers unlike any previous royalty.

Most avocado cultivars have one-time royalties associated with their purchase and growers have paid these royalties for decades. For example, the Dusa avocado rootstock has been widely adopted by California avocado growers who paid a royalty of about two dollars a tree without objection.

However, it is our understanding that growers who purchase BL516 will have to agree to an annual sliding-scale royalty structure based on production size. Simply put, California avocado growers cannot afford to pay these royalty fees on top of the millions the California industry spent on developing BL516.

Based on the foregoing factors, the Commission is requesting a change to the BL516 royalty structure for California avocado growers to one that is in alignment with royalty structures for other varieties.

Respectfully submitted,

Ken Melban
Vice President, Industry Affairs & Operations

Cc: Jeff Oberman, President
Rob Grether, Chair



BOARD INFORMATION

ITEM 10: PRODUCTION RESEARCH REPORT

SUMMARY:

The Production Research Committee met on Friday, May 26, 2023. The Committee heard research reports on two recently completed projects — chloride mitigation and avocado tissue culture — heard a presentation from Gray Martin, discussed several potential projects for funding, and developed a recommendation for renewing the lease at Pine Tree Ranch.

Mr. Gray Martin, former research technician at UC Riverside, addressed the Committee about ideas he has to help improve avocado production by focusing the industry on precocious (early flowering) varieties such as GEM, Lamb Hass, Reed, and others, as opposed to non-precocious varieties such as Hass. He also discussed the recently formed group in the Fallbrook area called Avocado Growers of California. He then asked for funding in the amount of \$15,000 to support a website for the Avocado Growers of California, to support a demonstration planting in coordination with Maddock Nursery to demonstrate the concept of precocity, and to with costs associated with the Avocado Growers of California meetings. Mr. Martin was instructed that to consider a funding request a detailed proposal with a budget would need to be submitted for the Committee's consideration.

Dr. Haizhou Liu, Associate Professor of Chemical and Environmental Engineering at UC Riverside, reviewed his findings on a recent study he concluded for CAC reviewing what technologies exist for removing chloride from irrigation water. Dr. Liu discussed seven technologies that currently exist that could potentially be utilized by avocado growers. He presented pros and cons of each technology and these were used to develop a ranking of the technologies in terms of their feasibility. Three technologies – reverse osmosis, nanofiltration, and electrodialysis – ranking the highest with electrodialysis ranking the highest due to its low brine production and lower operational cost over the life of a system. The Committee had a robust discussion and Dr. Liu will be working on a proposal for a pilot study of electrodialysis technology based on the Committee's input and completing his final report for submission to CAC.

Ms. Josette Tin presented an update on the status of the avocado tissue culture technology that was developed by the Huntington Botanical Gardens with support from CAC. The Huntington has developed a successful technique for sterilizing plant tissue and establishing it in tissue culture, generating new shoots, and generating roots for numerous cultivars. They have also worked closely with the University of Queensland and have a technique for placing avocado cells into liquid nitrogen for long-term storage (cryopreservation) and successfully regenerating those cells into plants via tissue culture. Their method requires refinement to potentially optimize the system for commercial production.

The Committee then discussed the lease renewal for Pine Tree Ranch. Following the Committee's recommendation and Board support, CAC Staff met with Cal Poly Pomona (CPP) representatives in January to discuss the lease renewal. CAC staff told CPP representatives that it was CAC's desire to maintain the monthly rent at the current rate with annual increases of 3.5% and requested that CPP have a variable frequency drive

(VFD) installed on the property's well so that CAC could irrigate independent of the rest of the ranch. CPP came back to CAC with a proposal for an initial rent increase of 6% for the first year of the renewal followed by 4% increases thereafter. CAC staff responded that this was unacceptable and countered with a 4% rent increase for all years of the lease renewal. CPP then countered with a 5% initial increase followed by 4% each year thereafter. CPP also indicated that the VFD would be a non-issue and CPP would cover the cost of it since the lease agreement states that CAC is not responsible for capital improvements on the property. The PRC discussed the offer from CPP and agreed that given current inflation the proposed rent increase of 5% in the first year followed by 4% in subsequent years was acceptable. However, given CPP's track record of not following through on commitments, specifically remodeling the home on the property, the PRC felt it necessary that the lease renewal include a clause to ensure the VFD is installed. Thus, **the PRC recommends accepting CPP's offer of a 5% rent increase for the first year of the lease renewal followed by 4% each of the remaining 4-years, and including a clause in the lease renewal agreement stating the VFD must be installed by December 31, 2023, or CAC will pay \$0 monthly rent until the VFD is installed, and CAC's and CPP's grove managers will work together to ensure the VFD serves the needs of both parties.**

The Committee then considered three items regarding funding requests. The first request was from Dr. Patricia Manosalva to help pay for replacement trees for one of the rootstock trial locations planted as part of the CAC funded rootstock trials planted in 2019 and 2020. The Committee discussed the issue and concluded that there would be no value to the trial to replant the trees (not available until 2025) since they would be of such a different age from the surviving trees and the data could not be pooled from the original and replanted trees. There was no support to recommend funding the purchase of replacement trees.

Dr. Fatemeh Khodadadi, newly hired extension plant pathologist at UC Riverside (replacement for Akif Eskalen's former position), presented a proposal to the Committee entitled, "Characterization and management of avocado branch canker disease and post-harvest rots in avocado production in California." This proposal is the next step to the work CAC funded with Dr. Themis Michaelides to understand what pathogens cause avocado branch canker (ABC). At the conclusion of Dr. Michaelides' project, the PRC had asked for a proposal to screen fungicides for control of ABC; however, since the search was underway to fill the position at UC Riverside, Dr. Michaelides deferred the project to whomever was ultimately hired. Thus, when Dr. Khodadadi was hired in October 2022 she began working on developing this proposal. The proposed work will verify the presence of the pathogens identified by Dr. Michaelides; conduct lab, greenhouse, and field screenings of fungicides for control of these pathogens; investigate how salinity affects avocado tree susceptibility to ABC; and determine if any of these pathogens are potentially causing post-harvest rot of fruit. The Committee discussed the need for management tools for ABC is only becoming more urgent as stresses on trees (salinity, drought, heat) become more common. There was vigorous debate about the need to study the role salinity plays in ABC and the potential post-harvest affects of these pathogens. Dr. Khodadadi explained the efficiencies of conducting these studies at the same time as the fungicide screenings. **The PRC recommends funding the proposal as submitted with the stipulation that the Research Director work closely with Dr. Khodadadi to ensure minimal repeat of work that has already been funded with Dr. Michaelides and that a pathway to registering effective fungicides be identified.**

Lastly, the Committee heard a proposal presentation from Dr. Raquel Folgado, Huntington Botanical Gardens, on “Avocado tissue culture: Mineral studies, micrografting, and cryopreservation.” This work is a follow-up to the work previously funded by CAC that was reported on by Ms. Tin earlier in the meeting. The work would optimize the tissue culture system developed by the Huntington and further refine the cryopreservation aspects of it for long term storage of germplasm. The Committee agreed the work is valuable but believed that it is relevant to other industries as well and even to the USDA who maintains the U.S. avocado germplasm collection and the full cost of funding should not be shouldered by CAC. **The PRC recommended funding the proposal at 75% of the requested budget if the Huntington can secure the other 25% of the funding from another source.**

FISCAL ANALYSIS:

- The current CAC budget includes funding for Pine Tree Ranch through June 30, 2023. If the Board accepts the PRC’s recommendation to move forward with the lease renewal, the estimated cost for the additional four months of operation would be approximately \$26,000.
- The proposal from Dr. Khodadadi would begin July 1, 2023, and would increase the 2022-23 Production Research Budget by \$34,530 to \$320,139.
- Should the Board approve these expenditures, management believes there are funds within the existing Industry Affairs budget that could be reallocated to cover these projects with no net increase to the 2022-23 budget.

BOARD OPTIONS:

- Accept the PRC’s recommendations
- Modify the PRC’s recommendations
- Take no action

STAFF RECOMMENDATION:

- Accept the PRC’s recommendations

EXHIBITS / ATTACHMENTS:

- Updated Production Research Budget for FY 2022-23
- Pine Tree Ranch lease renewal draft

PRODUCTION RESEARCH BUDGET 2022-23 THROUGH 2025-26 PROPOSED

Production Research Budget

			Actual*
Acct Code	Investigator	Project	2022-23 Budget
Reasearch - Pest and Disease Projects			
65131	Hoddle	Phenology and Ecology of Avocado Lace Bug in Southern California	\$76,074
651xx	Khodadadi	Characterization and Management of Avocado Branch Canker Disease and Post-Harvest Decay Rots in Avocado Production in California	\$34,530
Pest and Disease Sub-total			\$110,604
Research - Breeding, Varieties, Genetics Projects			
65216	Manosalva	Commercial-scale field testing and potential release of five elite advanced rootstocks	\$89,628
Breeding and Genetics Sub-total			\$89,628
Research - Cultural Management Projects			
65321	Liu	Development of Chloride Mitigation Strategies for California Avocado Groves: Technology Review and Treatment Prediction	\$24,866
65323	Montazar	Developing tools and information on crop water use and effective irrigation management for more profitable and sustainable avocado production	\$95,041
Cultural Management Sub-total:			\$119,907
Annual totals:			\$320,139

*The 2022-23 approved Production Research Budget is \$285,609, the total shown of \$320,139 includes \$34,530 for the proposed project by Khodadadi, which if approved as submitted would require a budget amendment for the 2022-23 fiscal year.

**AMENDMENT NO. 2 TO LEASE DATED
July 1, 2013, By and Between Cal Poly Pomona Foundation, Inc., and California Avocado
Commission.**

This Amendment No. 2 to Lease is made as of this nineteenth (19th) day of April 2023 by and between Cal Poly Pomona Foundation, Inc. (Foundation), an official auxiliary organization of the California State University, and California Avocado Commission CAC, a California state government agency, organized pursuant to Chapter 5, Division 22 of the California Food and Agricultural Code.

RECITALS

- A. WHEREAS, Foundation and CAC entered into that certain Lease dated July 1, 2013, (the "Lease"), and Amendment No. 1 dated July 23, 2013, relating to Pine Tree Ranch, at 19455 E. Telegraph Road, Santa Paula, California (the "Site").
- B. WHEREAS, the parties desire to amend said Lease and Amendment No.1 to reflect certain items hereinafter provided effective July 1, 2023.

NOW THEREFORE, in consideration of the above recitals and the mutual covenants and agreements contained herein, IT IS HEREBY AGREED AS FOLLOWS:

WITNESSETH

- 1. **PREMISES:** CAC will no longer occupy nor pay monthly rent for a garage building shown on Exhibit A and Exhibit B attached hereto.
- 2. **TERM:** CAC will exercise its option to extend the term of the Ground Lease at Pine Tree Ranch for one (1) five (5) year period commencing on July 1, 2023.
- 3. **BASE RENT:** Monthly base rent for the Ground Lease shall be paid by CAC in accordance with the following schedule:
 - Year 11: \$2,095 per month
 - Year 12: \$2,179 per month
 - Year 13: \$2,266 per month
 - Year 14: \$2,357 per month
 - Year 15: \$2,451 per month
- 4. **USE OF PREMISES:** In addition to Use of Premises language in the Lease, this amendment now includes acknowledgement of enhancement and greater inclusion of Cal Poly Pomona faculty and student educational experiences. This includes opportunities for independent research projects, collaboration on CAC research projects, paid seasonal internships and field visits. Examples include, but are not limited to:

-Research projects for both undergraduate and M.S. level students on production, pest and disease management, post-harvest, and marketing, in cooperation with the CAC. Students may participate in a CAC project or develop their own project with CAC permission.

-Seasonal student internships that will fulfill the graduation requirements in the Plant Science Department could be established at Pine Tree in coordination with CAC.

-Field visits for class and laboratory enrichment, and including undergraduate and graduate students during the academic year.

CAL POLY POMONA FOUNDATION, Inc.

CALIFORNIA AVOCADO COMMISSION

By: _____

By: _____

Date: _____

Date: _____

EXHIBIT A



EXHIBIT B





Tim Spann <tim@spannag.com>

Re: Ex: Pine Tree lease renewal

1 message

Craig H Walters <chwalters@cpp.edu>

Wed, Apr 26, 2023 at 3:11 PM

To: Tim Spann <tim@spannag.com>

Cc: "Valerie J. Mellano" <vmellano@cpp.edu>, Ken Melban <kmelban@avocado.org>, leo mcguire <leomcguire88@gmail.com>, April Aymami <aaymami@avocado.org>

Hi Tim,

The Foundation countered with 5% the first year and 4% after, what do you think of that?

I don't think we need anything regarding the Pump, the agreement states :

"...CAC shall not be responsible for any capital improvements or costs associated with the well including the cost of replacement of equipment. Capital improvements shall be further defined by any improvement in excess of \$10,000 which is considered capital in nature by generally accepted accounting principles."

We need to make that upgrade anyway so the cost will be covered.

Let me know and we'll complete this.

Thanks,

Craig

Craig H Walters

Urban Farm & AGRIsapes Outreach Director

Pumpkin Festival Director

909-319-9716

From: Tim Spann <tim@spannag.com>

Date: Monday, April 24, 2023 at 4:20 PM

To: Craig H Walters <chwalters@cpp.edu>

Cc: Valerie J. Mellano <vmellano@cpp.edu>, Ken Melban <kmelban@avocado.org>, leo mcguire <leomcguire88@gmail.com>, April Aymami <aaymami@avocado.org>

Subject: Re: Ex: Pine Tree lease renewal

Hi Craig,

Thanks for sending the draft lease renewal. A couple of things we'd like to discuss. The proposed renewal starts with a 6% rent increase and then goes to 4% annually thereafter. We'd like to propose 4% for all years, including the initial year. Thus the rent structure would be:

Year 1 - \$2,055

Year 2 - \$2,137

Year 3 - \$2,222

Year 4 - \$2,310

Year 5 - \$2,402

In addition, we had discussed the variable frequency drive for the well. I know you were going to try to write that in to the budget for Pine Tree Ranch and get that taken care of. Will that be happening? If so, could we get acknowledgement of that improvement being provided by Cal Poly in the lease amendment?

Thanks,

Tim

On Thu, Apr 20, 2023 at 1:47 PM Craig H Walters <chwalters@cpp.edu> wrote:

Hi Tim,

Attached is the Amended Lease extension for Pine Tree Ranch. The main changes are a small bump in the Monthly lease payment and additional language that indicates some areas we'd like to work with the Commission on student research, etc.

Please review and let us know if it's good to go.

Thanks,

Craig

Craig H Walters

Urban Farm & AGRIsapes Outreach Director