

**CALIFORNIA AVOCADO COMMISSION
MARKETING COMMITTEE MINUTES
May 10, 2017**

A meeting of the Marketing Committee was held on Wednesday, May 10, 2017 in Irvine, California with the following people in attendance:

MEMBERS PRESENT

Mike Angelo
Phil Henry
Jessica Hunter
Andy Lyall
Ed McFadden
Steve Taft
Dana Thomas

MEMBERS ABSENT

Scott Bauwens
Robb Bertels
Gary Caloroso
Bob Lucy
Doug Meyer
Peter Shore
Jim Swoboda

STAFF

Monica Arnett
April Aymami
Tom Bellamore
Zachary Benedict
Dave Cruz
Jan DeLyser
Angela Fraser
Ken Melban
Tim Spann
Connie Stukenberg

GUESTS

Jennifer Anazawa
Carolyn Becker
Wayne Brydon
John Dmytriw
Candace Hollar
Peggy McCormick
Marji Morrow
Steven Muro
Lori Small
Rebecca Wojcicki

ITEM #1 ROLL CALL/QUORUM

The Marketing Committee (MC) meeting was called to order at 10:01 a.m. by acting chairman, Ed McFadden. A quorum was not present.

ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT

No public comments were offered.

ITEM #3 CONSENT CALENDAR

The February 2, 2017 Marketing Committee Minutes review and approval will be added to the next meeting agenda due to lack of quorum.

ITEM #4 DISCUSSION ITEMS

California Crop Projection, Timing and Sizing – Item 4.A.

Mr. Bellamore noted that about 90 million pounds of California Avocados have been

shipped against a forecast of 200 million pounds. Ms. Aymami presented the AMRIC handler survey.

The Committee discussed timing and the possible impact of the actual shipments running ahead of forecast. Committee members referenced advanced fruit maturity, harvest being ahead of schedule due to market conditions, tree health, heavy bloom and harvest crew availability as contributing factors. There were comments that some growers were holding fruit this year but not as much as in the past. It was agreed to keep the forecast at about 200 million pounds with current volume expected through the end of June, with a significant drop off expected in July and some supply available into August.

The Committee discussed sizing, AMRIC reports indicate the size profile is a bit larger than last year but not as much as previously expected given this year's rainfall.

Mr. Bellamore noted he and Ms. Arnett used \$1.10 per pound and 200 million when establishing the 2016-17 CAC budget last October. If crop value comes in at \$1.50 per pound then CAC could avoid deficit spending. Ms. DeLyser noted that CAC might be able to do some pre-work this year in preparation for the anticipated larger crop next season.

California Crop Projection, Timing and Sizing – Item 4.B.

California shipments have been 10 to 12 million pounds per week for the last three weeks, with shipments expected to continue at that level for about six more weeks, through the end of June, then dropping to about 7 million pounds in July. The Committee expressed support for continued strong marketing through June but cautioned against promotional commitments after July 4th.

Import Crop Estimates, Timing and Sizing – Item 4.C.

Ms. Aymami shared the U.S. avocado import projections from HAB. Input from Committee members indicated that Mexico will continue with 600 trucks per week tapering to about 400 trucks per week in mid-June. There were mixed reports on Mexico's Flora Loca crop some report high volume, others lighter volume but expect shipments of Flora Loca to start in July. A wild card for Mexico is the Mendez variety, there should be more this year.

Estimates for Peru's shipments to the U.S. are reported to be in the 150-160 million pound range with early maturity. It is expected that about 60 percent of arrivals from Peru will go to the east and gulf coast with about 40 percent to the west coast.

Chile is expected to ship low volume to the U.S. for a few more weeks and early indications are for a very big crop in the late summer through spring timeframe.

CAC Marketing Campaign Updates – Item 4.D.

Ms. DeLyser shared the Dashboard report (attached) and CAC Marketing team members presented an update featuring season-to-date activations.

Satisfaction Research Project Discussion – Item 4.E.

Ms. Morrow presented an update on the CAC Satisfaction study that is to be fielded by Deloitte in June.

Industry Updates – Item 4.F.

Mr. Bellamore updated the Committee on recent discussions related to the Gem avocado variety. CAC has done some exploration with University of California Riverside to determine licensing requirements for the production and sale of the fruit. The broader issue is the UC approach to licensing and impact on the California Avocado grower investment via CAC's Production Research Program. CAC's Production Research Committee discussed on May 9th and the CAC Board will discuss on May 18th.

Though early, Mr. McFadden commented that the bloom and set for next season looks promising.

ADJOURN

Mr. McFadden adjourned at 11:34 a.m.

Submitted by:



Jan DeLyser, CAC Staff