## Chairman's Report

## Water Issues Present Challenges...But There is Hope

rowing avocados can be frustrating at times, and I think we all agree that it takes a certain passion and commitment to do what we do. Over the last 20 years we have dealt with everything from new invasive pests to the drastic rise in farming costs, but we have persevered and found a way to continue.

This brings me to our present and most challenging issue — water. I have seen years with low rainfall followed with a year of excessive rainfall; and I have seen low water levels in wells and reservoirs replenished with a year or two of adequate rainfall. The current situation is something I haven't seen — prolonged drought and dwindling water storage. There are many things we can do without or skimp on, but water is necessary and critical to our operations.

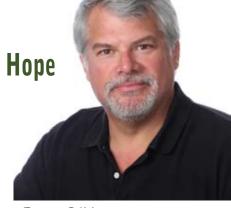
Some areas of California are worse than others, but all of California is feeling the pain. The south has adequate storage, for now, but is facing additional and more frequent cost increases. Many growers in Ventura County have wells that are holding up, but are subject to water cutbacks and allocations. Parts of Santa Barbara county are simply running out of water with no solution in the near future. Many wells in the San Luis Obispo area are going dry and growers have no choice but to stump their trees and hope for rain.

We are in a serious situation that could get worse — but not all is lost. Ken Melban and Director Charley Wolk have been tirelessly working on our behalf. Anytime a water district has contemplated raising rates or enacting cutbacks, they have lobbied for us by attending meetings and send-

ing letters. They have attended numerous Metropolitan Water District meetings to explain the importance of our operations and the importance of inexpensive, reliable quality water. I would like to thank them and the entire CAC staff for their efforts and hard work. They will continue the fight, as frustrating as it may be at times, and always have the growers' needs as their driving force.

What does the future hold in terms of rainfall? This is where I become the optimist. The latest long term weather prediction is a continued El Niño type pattern with late summer/early fall monsoonal rain. This could mean above normal rain in the mountains and avocado regions by the end of summer. This will not solve our long-term problem but it would bring some needed relief.

Now let's discuss the avocado crop. All signs point to a shorter crop this year. The Marketing Advisory Committee met a few weeks ago and the consensus of the packers was that the majority of the California crop would be picked by mid-July or early August. This is good as prices should remain steady on most sizes and Peru will be bringing in the majority of their fruit at this time. The only negative repercussion is that CAC's income will fall short of expectations. CAC's President, Tom Bellamore, has already notified his staff and they are prepared to cut back on many programs in order to maintain our present reserve levels and keep our assessment rate as low as possible. I commend Tom on his forward thinking and his staff for their willingness to sacrifice for the benefit of the growers.



Doug O'Hara

I am sure you have noticed new fruit on the trees and realize we may have a large 2016 crop. It is a little early to plan your picking strategies for next year, but if the weather prediction holds and Mother Nature cooperates we could potentially harvest one of the bigger crops in the last couple years.

Rest assured that all CAC programs are going full force. Tim Spann and Production Research are working on polyphagous shot hole borer research. Jan DeLyser and her marketing team are promoting our fruit in key markets at crucial times to help drive demand for our fruit. Ken Melban and his Industry Affairs team will continue advocating on our behalf on critical issues like water and opening new markets for our fruit. Keep up the good work, as I know you will.

In closing, I would like to stress that there is hope. As I said in the beginning of my report, we California farmers have been through many challenges and we always come back stronger. We have the privilege of growing the best avocados in the world and will continue to do so no matter what is thrown at us. I strongly believe that in the near future the reservoirs will be full, the snow pack will be deep, the rain will fall and I will be able to laugh at it all. Let's all hope for the same.