

# Grower Profile



*New plantings at a Simpatica grove in Santa Barbara County.*

## Shared Experiences Launch Simpatica Down Avocado Path

By Tim Linden

**J**amie Johnson comes from a multi-generational farming family. Bryan Berkett comes from a multi-generational real estate family. Though these seemingly disconnected upbringings would not appear to be fertile grounds for fomenting a partnership, in fact it was a similar upbringing and value system that led them to form Simpatica and become a prominent avocado grower in California.

When they first met at a restaurant in the spring of 2012, a 20-minute chat turned into a four-hour discussion of values, culture and shared experiences. Both were influenced by their family business and both note their grandfather's had a huge impact on their lives. They both believe in a "value-driven" company where "culture" is truly more important than profits.

"The first six months we got to know each other and talked about our lifestyles and our families and what we believed in,"

said Berkett.

"The second six months we talked about values and culture and what was important to us," said Johnson. "It wasn't until after that that we started talking about the company we wanted to form."

Johnson is a fourth generation California farmer. His great grandfather, A.J. West, started the farming tradition with citrus groves in Orange County, and his grandfather, Harry Johnson, spent his career in the same business running orange, lemon, and avocado ranches as well as sitting on the Sunkist Board of Directors for over 20 years. A young Jamie fondly remembers walking the groves with his grandfather. After college, Jamie was working as a lifeguard in Newport Beach in 2004 when his grandfather asked him to work with him on their Rancho Simpatica grove. "A couple of weeks later I was working the irrigation lines on the ranch. I did that for two years."



*Simpatica's next generation of farmers enjoy spending time on the ranch.*

Johnson soon caught the avocado bug and has been in the industry ever since. He has worked within the avocado industry in several different capacities in Ventura County, built a large growing operation in Brazil, served as Chairman of the Hass Avocado Board for 3 years and bought his first avocado ranch with Berkett in Ojai in 2012.

Berkett is from a fourth generation real estate family. His grandfather believed in the value of not just buying land, but holding onto it and started the family down that path. Berkett's grandfather was his mentor in the real estate business and Berkett did quite well in real estate during the first decade after he graduated from college. But he was looking for something more fulfilling to do – and that's when he met Johnson in 2012.

Their six months of conversation covered a variety of subjects with their shared love of avocados coming to the forefront. Remembering his great grandfather's credo and value of buying and holding land, the idea of being a grower appealed very much to Berkett. While Johnson, with his family farming roots, already felt a "deep connection" to the land.

As their conversations intensified throughout 2013, they developed a business plan...of sorts. What they actually developed was a shared goal to create a value-driven company with a culture where family, employees, customers, and healthy, sustainable food come first. Once they agreed on their values, the concept of becoming a significant player in the avocado business flowed freely. Both strongly believe in the future of the California avocado industry, and as some growers exit the business, they see opportunity and very strong niche markets.

In April of 2014, their first hire was Scott Bauwens, who

was working for a prominent avocado packing house, to be their chief operating officer. Soon thereafter Aris Babayan was added to the team as director of asset management. Bauwens was happy in his position in the packing industry but also loved the idea of starting something from the ground up, creating and molding the culture from the start, and especially transitioning into the farming side of the business. Like the company's co-founders, he said, "I firmly believe in California avocados."

The team quickly set about the business of finding suitable land to buy. Using their own funds, as well as investments from friends and family, Simpatuca began exploring land-purchasing opportunities. Babayan said that within about six months, by the fall of 2014, they had closed on numerous ranches both in the northern and southern growing regions.

Johnson, who handled the farming side of the partnership, started to worry. "I didn't think we had the bandwidth to handle everything we had purchased. We were growing too fast and I believed we needed one more person."

Just as he was convinced that Bauwens and Babayan were the perfect fit, they needed a top-notch farm manager. At the time, Tyler Cobb was with a prominent avocado packing house and had worked with both Johnson and Bauwens in their previous avocado dealings. Cobb soon came aboard as director of farming operations.

"He rounded out the group and was the perfect hire," said Johnson.

Berkett admits to being a bit reluctant at first simply because he did not know Tyler. But he agrees today that the team of five – who as a group hold the vast majority of the private firm's ownership – is a perfect match. My 90-minute



interview revealed a group of compatible partners who finish each other's sentences and have the same family values and culture. One of the other partners of the operation is the Simpatica Foundation. The Foundation reaps some of the profits of the organization for the purpose of ensuring that this becomes a multi-generational firm and that the children of the employees have access to educational opportunities.

But the business goal of Simpatica is to continue to build a significant organization focused on the California avocado industry, with a keen eye toward other growing opportunities as they arise. Berkett said they are always looking at other crops, "but we have yet to pull the trigger on any crop other than California avocados."

The partners are still actively pursuing grove and land buying deals in the avocado regions of California. Most of their acreage resides in the production area stretching from Ventura to Santa Barbara, but they are entertaining opportunities elsewhere as well. "Water is the key," said Berkett.

Simpatica is interested in buying groves that have access to water – preferably two sources: well and district water. Bauwens said the company will consider any grove but it has to work for them. It has to be good land, it has to have water and it has to fit into their operational plans. "It has to be a good fit," he said.

But to date, they have found plenty of "good fits," making them a significant stakeholder within the California avocado farming industry.

It might seem difficult to manage that much land but the team of five claims to treat each acre with the same fervor that any committed grower might. They talk about it in the same manner. "No one cares about a grove as much as its owner," said Johnson.

Tyler said the realities of grove management means that any California grower with 100 acres or more has to rely on hired men to walk those acres. Simpatica is no different. The company structure has Bauwens as the point person as chief

operating officer. Cobb reports to him and oversees each ranch's operational staff, including a farming manager and a foreman at each ranch. Johnson said the company follows a strict military line of command with each successive level reporting directly to the person above, and that chain of command is never broken.

Simpatica believes it is managing its acres just as any caring and dedicated grower would. The company is currently experimenting with different acreage density. Johnson grew up planting on 20 x 20 foot spacing, and anything else seems foreign. But Cobb said 30,000 new trees were planted this past fall on several different spacing schemes including 16 x 12 and 14 x 14. While that spacing resulted in about 225 trees per acre, Cobb noted that some Chilean farms have 500-600 trees per acre. He indicated Simpatica will continue to experiment to find the right mix for each of its ranches.

Yield, they agree, is the key to success in the California avocado industry. "I don't know how anyone can survive with less than 10,000 pounds per acre," said Johnson.

Bauwens agrees and notes that although California avocado acreage has declined in recent years, increased yields could keep production close to status quo. The group laments this year's light crop and Cobb said there are cultural activities that can be undertaken to mitigate the alternate-bearing tendencies of the crop. "But you can't go out and prune all of the acres at the same time. That's impossible," he said, noting that these mitigation efforts will take time.

Time and time again, the discussion gets back to the California avocado industry and its bright future. Like a fine wine, Berkett believes the California avocado can receive a premium price in the marketplace, especially as U.S. and global consumption continue to rise. Each member of the team said, at one point or another during the interview, that California – during its time in the market – produces the best avocado there is, especially when it is sold and consumed nearby. Bauwens said CAC has done a wonderful job differentiating California fruit and Simpatica believes that is the best path to follow.

Johnson reiterated that the company is committed to the California industry. Because of its size, Johnson realizes that Simpatica has cost advantages in buying inputs, scheduling harvest crews and securing a fair price for its crop. For many in the state this is not possible, however he said he is open to working with other producers on some type of collaborative basis in an effort to extend these advantages.

In the end, the team revealed why they were eager to get their story told.

"We are not hedge fund guys," said Bauwens.

"We're not Wall Street," said Johnson.

"We're simply a group of guys that love to grow and eat what we consider is the perfect fruit – avocados," said Berkett. 🥑