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Calendar

For a listing of industry events and dates for the coming year, please visit:

<http://www.californiaavocadogrowers.com/commission/calendar>

Drought Resources Informational Sessions

February 19, 20, 25, 26

February 19

Time: 6:00 p.m. – 8:00 p.m.

Location: Monterey County Agricultural Commissioner's Office, 1428 Abbott Street, Salinas, CA 93901

February 20

Time: 6:00 p.m. – 8:00 p.m.

Location: Fresno County Farm Bureau, 1274 W. Hedges Ave, Fresno, CA 93728

February 25

Time: 6:00 p.m. – 8:00 p.m.

Location: Ventura County Agricultural Commissioner's Office, 555 Airport Way, Suite E, Camarillo, CA 93010

February 26

Time: 6:00 p.m. – 8:00 p.m.

Location: San Diego County Farm Bureau, 1670 E. Valley Parkway, Escondido, CA 92027

Marketing Advisory Committee Meeting

March 4

Time: TBA

Location: CAC Board Room, 12 Mauchly, Suite L, Irvine, CA 92618

California Small Farmer Conference

Registration required. [More information here.](#)

March 9-11

March 9

Time: 7:00 a.m. – 7:00 p.m.

Location: DoubleTree Sonoma Wine Country, Rohnert Park, CA

March 10

Time: 8:00 a.m. – 7:30 p.m.

Location: DoubleTree Sonoma Wine Country, Rohnert Park, CA

March 11

Time: 7:30 a.m. – 3:15 p.m.

Location: DoubleTree Sonoma Wine Country, Rohnert Park, CA

Production Research Committee Meeting

March 11

Time: TBA

Location: CAC Board Room, 12 Mauchly, Suite L, Irvine, CA 92618

CAC Board Meeting

March 20

Time: TBA

Location: CAC Board Room, 12 Mauchly, Suite L, Irvine, CA 92618

Report Documents Agriculture’s Impact on Southern California Economy

A report entitled, “Contributions of Agriculture to Employment and the Economy in Southern California,” by Jessica A. Vergati and Daniel A. Sumner of the University of California Agricultural Issues Center, examines the economic impact the agricultural industry has had in Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara and Ventura counties. Below are report highlights concerning the agricultural industry as a whole and the avocado industry in particular, using data from 2010. A complete copy of the report may be downloaded [here](#).

Overall Impact of Agriculture in Southern California

- Farm gross revenue in Southern California generates over \$9 billion, top ten among states in the U.S.
- Because of the major cities in this region, farming is a relatively small portion of employment and the economy, providing 0.4 percent of the region’s total gross product. That said, the report notes that “farming in Southern California contributes significantly to the total California agriculture, especially for horticultural crops, dairy, and selected vegetables and fruits.”
- Agricultural production and processing in the region accounts for 2.7 percent of the regional output and about 1.4 percent of employment, labor income and value added.
- Agricultural processing has a larger impact on the Southern California economy than farming.
- In 2010, Southern California agricultural industries, including farming, support activities and food processing, accounted for \$48 billion in sales and employed 160,000 people. Farming alone produced \$9 billion in sales and employed 40 thousand people. When you consider the ripple effects, the region’s agricultural industries account for about 450,000 jobs, \$25 billion in labor income and \$42 billion in value added in the regional economy. Each additional farming job creates a total 2.7 jobs in the region and each dollar of value added creates \$2.3 of economy-wide value added.
- Strawberries (\$1 billion) and avocados (\$400 million) dominated the region’s farming industry’s \$2.5 billion output (2010). Each job in these two industries generates two additional jobs in the region.
- Agriculture contributes substantial tax revenues for Southern California. If you were to reduce agriculture and processing by 10 percent, it would reduce state and local tax revenues by nearly \$400 million.

Impact of Avocado Industry on Southern California

- Avocados are the fifth most valuable commodity in the region.
- San Diego County dominated avocado production during most of the past decade (2000-2011) and produced almost two-thirds of the state's output in 2005.
- Ventura County is the second most productive county for avocado production in this region.
- In 2010, avocados accounted for approximately 15 percent of total fruit output in the region, making the avocado industry an important contributor to employment, labor income and the economy.

Of the noted 57,747 total harvested avocado production acres in California (2010), Southern California represented 51,813 acres.

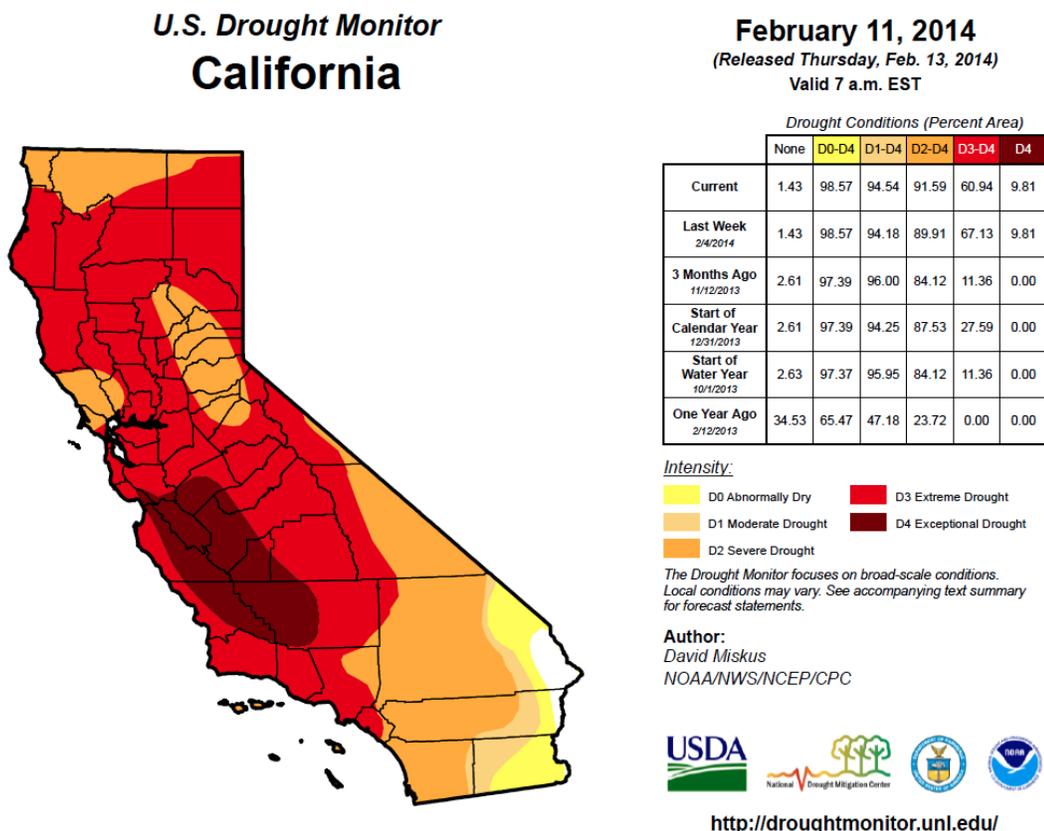
Current California Drought Conditions

The United States Drought Monitor website released this update on February 13, 2014 concerning drought conditions in California:

“During the past 7-days, the first significant storm of the wet season (since October 1) inundated parts of central California and the northern Sierra Nevada with 6-12 inches of precipitation, with locally up to 15 inches. Although there were short-term local improvements from this week's ample precipitation, the long stretch of subnormal precipitation dating back to 2011-12 wet season has accumulated large deficits, leaving rivers, lakes, reservoirs, and snow packs well below normal. Even though this storm was welcome, the central Sierra still needs 3-4 more copious storms to bring this wet season close to average. Farther north, lesser but welcome precipitation (2-4 inches) also fell on the southern Cascades, while unseasonably cold air dropped measurable snow from Portland, OR, to Seattle, WA. Unfortunately, little to no precipitation fell on southern California and the Southwest.”

The [map](#), below, notes drought conditions in California as of February 11, 2014.

More drought information can be found at: <http://droughtmonitor.unl.edu/>.



Drought Information Web Page Available

The California Department of Food and Agriculture (CDFA) [announced](#) the launch of its new [drought resources web page](#). The web page features:

- Information concerning drought assistance programs for farmers, ranchers and farmworkers
- Links to programs offering help to growers affected by the drought, including the USDA Risk Management Agency, USDA Farm Service Agency, USDA Natural Resources Conservation Service, USDA Rural Development, the U.S. Small Business Administration and the California Department of Community Services and Development
- Updates on newly available state and federal drought resources
- News items related to the California drought and the agricultural industry
- Information concerning the State Water Project Allocation and the U.S. Central Valley Project
- An interactive U.S. Drought Monitor map

The website is also available in [Spanish](#).

The Commission will continue to keep growers updated on the latest drought assistance and resource programs.

Informational Drought Sessions for Growers

To help growers, farmers and farmworkers cope with the drought, the California Department of Food and Agricultural (CDFA) and the U.S. Department of Agriculture (USDA) will host informational sessions throughout California. The sessions will provide information concerning:

- State and federal water conservation assistance programs
- Crop insurance
- On-farm management tools
- Farmworker assistance programs

Sessions will be held February 18, 19, 20, 25 and 26. [Date, time and location information is available here](#).

It is important to note that upcoming application deadlines for federal programs are as follows:

- **February 28** — USDA Risk Management Agency crop insurance programs
- **March 1** — USDA Farm Service Agency Non-insured crop insurance
- **March 3** — USDA Natural Resources Conservation Service water conservation enhancements

The CDFA has developed a comprehensive [drought-assistance web page](#) for farmers, ranchers and farmworkers as well.

Republicans Reveal Immigration Reform ‘Principles’

At a recent three-day annual retreat, Republicans distributed a one-page document outlining immigration reform principles. While the principles do not support a [special path to citizenship](#), as the approved Senate bill of last year does, it was noted in [USA Today](#) and the [New York Times](#) that Senate Democrats are encouraged by the recently released principles. But the [LA Times](#) reports that the lack of a special pathway did “draw fire from some Democrats, unions and Latino organizations.”

Highlight of the principles are as follows:

- Tighter border security
- Increased interior immigration enforcement, such as enforcing laws preventing the hiring of illegal workers, the implementation of a new visa tracking system and a more robust employment verification system
- Allow undocumented immigrants to “get right with the law” and stay in the U.S. if they:
 - Admit their culpability
 - Pass a rigorous criminal background check
 - Pay “significant” fines and back taxes
 - Learn English and civics
 - Prove they can support themselves without government assistance
 - Children brought to the U.S could apply for legal residence and citizenship upon meeting certain criteria
 - Zero tolerance for immigration law violators upon enacting immigration reform
 - Stripping presidential power to use discretion in making deportation decisions

According to the [LA Times](#), immigration bills won’t “come up until June, when most of the congressional primaries are over.”

The California Avocado Commission will continue to work with congressional leaders in support of immigration reform.

Farm Bill Passes Senate Vote

On February 4, 2014, the Senate approved the Agricultural Act of 2014 (Farm Bill) by a bipartisan 68-32 vote. The Farm Bill will now be sent to President Obama, who is expected to sign the bill.

[Highlights](#) from the Farm Bill include:

- Nearly \$4 billion in funding for specialty crop production programs, including block grants, research, pest and disease mitigation, nutrition and trade
- A \$7 billion expansion of the crop insurance program
- Elimination of direct payments to farmers
- An \$8 billion reduction in the food stamp program over the next decade

In a recent [article](#), the California Farm Bureau Federation (CFBF) noted that, “top priorities for California farmers and ranchers appeared to have been achieved in the bill.” One of those top priorities includes restoration of programs intended to help farmers and ranchers through drought emergencies.

Redesigned Welcome Email Provides California Avocado Fans with Fresh Information

In “the old days” new families were often welcomed into a neighborhood with casseroles from the welcome wagon. Nowadays neighborhoods aren’t just physical but also virtual. One of The California Avocado Commission’s virtual neighborhoods is comprised of subscribers to CAC’s recipe email newsletter. Last year about 62,000 fans joined that group, and a similar quantity is expected this year. To welcome these avocado lovers CAC sends a welcome email to make them feel at home and encourage engagement.

Recently CAC redesigned the welcome email, which is triggered when a user signs up for [CAC's recipe email](#), with fresh, timely recipes, nutrition information and more. The new design is consistent with CAC's 2013-14 advertising campaign so that it is easily recognizable.

Additionally, a new call out to raise awareness of the [My Recipes](#) functionality on CaliforniaAvocado.com was added, as the feature has gained traction with consumers on both the desktop and mobile versions of the website. The My Recipes section offers the ability for avocado lovers to save their recipes in a personalized space on the website; and plays a key part in CAC's strategy to keep consumers engaged and coming back to CaliforniaAvocado.com throughout the year.



Marketing Programs Achieve Second Highest Crop Value in CAC History

Despite increasing competition from import markets, demand for California Avocados generated \$435 million dollars in value for the 2012-13 season – the second highest crop value in CAC history. Much of that demand was generated by the Commission's integrated marketing program and premium positioning. Independent research studies indicate more consumers are concerned with the country of origin of their avocados, and that consumers in our targeted marketing areas associate California avocados with the premium qualities featured in CAC's marketing initiatives.

Throughout the year CAC reports progress on these marketing initiatives through a "Dashboard" that growers can access [here](#). Key measures such as consumer and trade "impressions" generated by various programs, which help build California avocado brand awareness, preference and demand, are outlined in an easy-to-read report.

Following are highlights from the Commission's Dashboard report of marketing initiatives for the 2012-13 season.

- Consumer advertising generated over 1.1 billion impressions with advertising messages asking consumers if they, "[Ever Wonder Why California Avocados Just Seem To Taste Better?](#)" The ads highlighted the reasons California Avocados do taste better.
- Consumer public relations worked with news bureaus, blogger ambassadors, artisan chefs, and conducted media grove tours to generate an additional 828 million impressions. One highlight was a national broadcast segment with "The Meal Makeover Moms" featuring nutritious [all-American summer holiday recipes](#) with California avocados.
- More California avocado fans engaged with CAC's digital marketing programs with an 89 percent increase in Facebook fans, a 47 percent increase in Twitter followers, a 38 percent increase in YouTube views and a 14 percent increase in mobile site visits.
- CAC added more than 60,000 new [email subscribers](#), with the majority of them joining between April and October.
- CAC merchandising activities encouraged consumer impulse purchases in grocery stores with more than 200 retail ads and 4,663 retail bins featuring California avocados.

- The Commission’s retail merchandising team enticed retailers to carry California avocados with personal outreach efforts and a specialized program for Supermarket Registered Dietitians promoting the benefits of California avocados.
- California avocados were featured in promotions in twenty-five foodservice chains, from national chains like Applebee’s to regional chains like Togo’s. These initiatives expose more consumers to creative avocado recipes, generating new fans and inspiring them to purchase avocados and make new dishes at home.

The [Commission’s Marketing Dashboard](#) provides growers with an in-depth and up-to-date look at marketing results throughout the season.

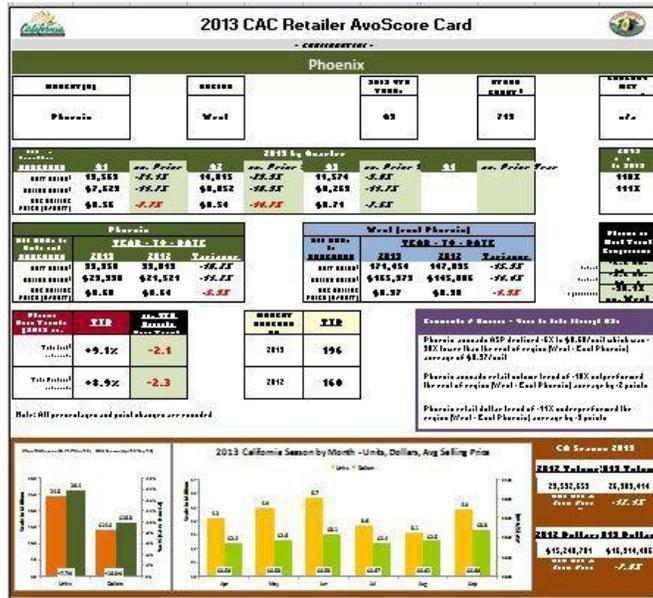
AvoScore Cards Help Retail Marketing Directors Deliver Avocado Sales Insights to Retailers

Retailers are interested in how their sales of California Avocados compare with sales in the larger marketplace. The California Avocado Commission arms the Retail Marketing Directors (RMDs) with a variety of sales data tools to provide this information and help build California avocado sales. The RMDs are able to provide insight into the retailer’s avocado category opportunities, thereby supporting CAC’s leadership position and cementing the RMD’s relationship with specific retailers.

One of the tools CAC provides RMDs is a monthly AvoScore card. Each AvoScore card supplies up-to-date, fact-based avocado business metrics and market comparatives specific to retail accounts. The topline analysis of the retailers’ California avocado business helps the RMDs determine whether they are over or underperforming in the competitive market as well as how they can maximize sales and stay ahead of the competition.

The sales information used in the AvoScore card is a compilation of cash register data reported by all major national retailers (including Walmart, Kroger and Safeway) and most regional retail chains (examples include Stater Bros., Wegmans and Publix), broken-out by all major and secondary markets in the nation. The one-page, easy-to-read format helps retailers stay up-to-date on avocado sales, volume and pricing trends for total U.S., eight regions and all major avocado markets. The AvoScore Cards also provide detailed comparative information for prior year, quarter by quarter, volume, average retail price, market advertising activity, avocado size and seasonality. This avocado category information helps RMDs identify and manage merchandising and promotional sales opportunities, with the end goal of increasing the retailers’ sales of California avocados.

The AvoScore cards are requested by the RMDs and incorporated into their retail appointments.



California Market Trends

To view all market trend graphs, including "Weekly Volume Summary," "Weekly Avocado Prices" and "U.S. Avocado Supply," please visit: <http://www.californiaavocadogrowers.com/selling-avocados>.

California Avocado Commission Weekly Volume Summary (pounds)			
	Week Ending 2/16/2014	Season-to-Date (since 11/1/13)	2014 Year to Date
Hass	1,158,075	7,126,915	6,738,315
Lamb	0	949	949
Other (Greens)	90,830	457,463	344,576
California Total	1,248,905	7,585,327	7,083,840
Florida	323,675	12,866,680	3,721,795
Chile	5,395,503	53,932,601	27,439,224
Mexico	27,765,635	408,710,940	210,460,930
Other (Imports)	780,000	14,790,000	6,430,000
Import Total	33,941,138	477,433,541	244,330,154
USA Total	35,513,718	497,885,548	255,135,789
Source(s):	California = CAC (AMRIC)		
	Florida = Florida Avocado Admin Committee		
	Chile = Comite de Paltas, Chile		
	Mexico = APEAM		
	Other Imports = HAB and USDA AMS website		

California Avocado Society Weekly Newsline* Avocado Prices				
2/18/2014				
	FOB Price	Field Price	Retail Price	Last Year FOB
California Hass	(25# carton)	(per pound)	(per each)	(25# carton)
#2's	11.00-28.00	0.27-0.92		10.00-15.00
32's-36's	30.00-31.00	1.00-1.04		19.00-22.00
40's	31.00-32.00	1.04-1.08		21.00-22.00
48's	31.00-32.00	1.04-1.08		22.00-24.00
60's	28.00-29.00	0.92-0.96	1.69	18.00-21.00
70's	24.00-25.00	0.76-0.80	1.29	16.00-17.00
84's	15.00-16.00	0.45-0.50	4/3.49	14.00-15.00
Mexican Hass				
All Sizes	14.00-30.00	N/A	2/0.99-1.79	12.00-18.00
Chilean Hass				
All Sizes	14.00-29.00	N/A	5/5.49	13.00-19.00
Peruvian Hass				
All Sizes	N/A			

*To subscribe to the Weekly Newsline, please contact California Avocado Society at (951) 225-9102 or www.californiaavocadosociety.org.

Weather: 30-Day Outlook For California's Coastal & Valley Areas

Synopsis... Flow aloft has been westerly with mild airmasses from the Pacific dominating. The next front will slide inland and will then be followed by a drier airmass on the 19th and 20th. High pressure will build to the west of central and northern California and will bring dry and warm conditions for several days. From February 27 to March 5, we will see a return of rains into northern and possibly central California. There will still be a lack of rain for southern California. None of these storms in northern California appears ready to produce heavy rains. They will mainly be just seasonably moderate ones at best. Due to the arrival of predominantly mild airmasses

from the north-central Pacific, the snow level will remain mostly higher than usual for early March. We expect below normal rainfall through March 5 in central and southern California including in the Sierra Nevada mountains. This is certainly not good news for the water supply outlook. We will struggle to maintain near normal precipitation in northern California.

In the Near-Term - Southern California Avocado Region – February 19 to March 5... It will continue to be drier than normal. Dry and warmer conditions will continue with Santa Ana winds beginning late on the 19th and continuing through the 21st. There may be hot, dry northeast winds on the 22nd. Another Santa Ana or offshore wind is possible from the 23rd to 25th.

March 6 to 20.... The current pattern of sea surface temperature anomalies in the east and central north Pacific does not support a return to above normal rainfall. Instead, there will be a continuation of the showery frontal passages we expect to see from February 27 to March 5. There is a remote chance for a significant storm with heavy rains to occur around March 15 to 18 in California. This system could be strong enough to produce rains in southern California.

El Niño influence will remain minimal through March. The current overall pattern is an improvement since January, however, it is still difficult to realize a return to normal rainfall based on *El Niño* changes over the next month.

March 6 to 20 – Southern California Avocado Region... In general, rainfall will continue to be well below normal, but there could be some showery events to increase the surface moisture slightly. It will not be as cold; daytime highs will be above normal and nighttime lows will return to normal. A few frosts are still possible between frontal passages. There is a slight chance for some late season rains occurring around March 15 to 20.

Seasonal Outlook/*El Niño* Update – March 21 to June 1... The *El Niño* shows minimal increase during March, April, May and June. There is more support now for cutoff lows to form off Baja and off the California coast that will move southeast through far southern California.

Southern California Avocado Region- March 21 to June 1... Cutoff lows will be the dominant systems that may produce rain this spring. Rainfall is expected to continue to be below normal, although a few rains from upper lows can occur in March and April this season. The fronts that come through will continue to be on the dry side or have sparse rainfall for the most part. Watch for breezy, dry conditions with higher than normal ETO in the avocado regions of the U.S. By contrast, avocado regions in southern Mexico may have more persistently rainy conditions upcoming for the summer months. The onset of their monsoon may be earlier this year. Otherwise, we expect the usual periods of coastal eddy conditions with drizzle during late April and May.

...Alan Fox, Fox Weather LLC...