

# The GreenSheet

C A L I F O R N I A   A V O C A D O   I N D U S T R Y   N E W S



Volume 30 | Issue 14 | June 17, 2014

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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>

### **Marketing Advisory Committee Meeting**

**June 17**

**Time:** 12:00 p.m. - 2:00 p.m.

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

### **Sustainable/Organic Practices in Southern California Seminar**

**June 19**

**Time:** 8:00 a.m. – 3:00 p.m.

**Location:** Pala Mesa Resort, 2001 Old Highway 395, Fallbrook, California

### **Irrigation, Salinity Management and New Tree Planting Demonstration**

**June 26**

**Time:** 10:00 a.m. – 12:00 p.m.

**Location:** Pine Tree Ranch, 19455 E. Telegraph Road, Santa Paula, CA, 93060

### **Pests and Pesticides**

Presented by the California Avocado Society, Inc., the California Avocado Commission and the University of California Cooperative Extension.

**August 5-7**

**August 5**

**Time:** 1:00 p.m. - 3:00 p.m.

**Location:** Cooperative Extension Office / Auditorium, 2156 Sierra Way, San Luis Obispo

**August 6**

**Time:** 9:00 a.m. - 11:00 a.m.

**Location:** Cooperative Extension County Office / Conference Room, 669 County Square Drive, Ventura

## August 7

**Time:** 1:00 p.m. - 3:00 p.m.

**Location:** Fallbrook Public Utility District Board Room, 990 East Mission Road, Fallbrook

## **CAC Board Meeting**

### **August 21**

**Time:** TBA

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

## **LA Times Features Article about PSHB Threat to Southern California**

California avocado growers will find a recent LA Times article of particular interest — an interview with Dr. Akif Eskalen, plant pathologist at University of California, Riverside (UCR), concerning the plight of trees in Southern California under the threat of polyphagous shot hole borer (PSHB) infestation. The article, "[Tree-killing bug invades Southern California](#)," takes readers to a neighborhood in Pasadena Glen that has been hard-hit by the PSHB and succinctly outlines the PSHB threat. As Dr. Eskalen notes in the interview, "If we can't control them they are going to wipe out all our trees."

As the article notes, Eskalen first identified PSHB in 2012 when a concerned South Gate resident noted oozing white spots on the trunk of her residential avocado tree. Since 2012, the California Avocado Commission has funded Eskalen's PSHB research and infestation surveys.

One of the biggest challenges researchers face in controlling the PSHB is its lack of discrimination — the PSHB has attacked 207 tree species (of 335) at the Huntington Botanical Gardens and Los Angeles County Arboretum and 54 percent of these trees are infected with the fungus. Because the ambrosia beetles mate with their siblings deep within the trunk, sex pheromones don't lure them out. And because their larvae are born deep within the heart of the tree, pesticides are largely ineffective.

To combat the pest, Eskalen is using DNA to identify the different species of fungi. Researchers believe two of the fungi are used as a food source and a third is used as protection against other plant pathogens. In addition, Richard Stouthamer, a UCR entomologist, researched the DNA of the beetles to identify their source of origin — Vietnam.

Eskalen, Stouthamer and Tim Thibault, Huntington's curator of woody collections, visited Vietnam in March in search of natural predators that keep PSHB in check in that region of the world. More details concerning this research trip can be found on the California avocado grower's website by clicking [here](#).

California avocado growers can read the entire LA Times article [here](#), as well as an [article concerning what to do if PSHB attack your trees](#).

## **Ways and Means Committee Provides Tax Relief for Growers**

On May 29, 2014, the House Ways and Means Committee marked up six different tax bills, including one that provides benefits for avocado growers. This bill, [HR 4718](#), makes certain bonus depreciation measures permanent.

Congressman Devin Nunes (R-Visalia) also inserted a provision into HR 4718 that provides tax relief for producers who plant trees and vines. The California Avocado Commission strongly advocated for provision, which provides a 50 percent bonus depreciation deduction for all new trees and vines planted after December 31, 2013 and includes grafting. The significant new benefit is that the tree or vine does not need to be "placed in service" (typically defined as the first crop-bearing year) in order to claim the deduction, but can instead simply be planted.

House Ways and Means Chairman Dave Camp (R-Michigan) continues to push Congress to address this bill and the five other measures as part of tax extenders legislation before the November elections. It is unclear if that timeline can be met, or if these provisions will fall into a lame duck session that is widely anticipated before Congress adjourns for the holidays. The Commission will continue to work with Congressional members on the passage of this important legislation.

## FY 2015 Agriculture Funding Moves Forward

On May 20, both the House and Senate appropriations passed fiscal year 2015 spending bills for Agriculture, Rural Development, Food and Drug Administration (FDA) and Related Agencies.

Both the Senate and House bills provide far less funds for food safety than was requested. The FDA requested a minimum of \$150 million to implement a 2011 food safety law. The House bill calls for \$25 million, and the Senate bill calls for \$23 million, for implementation.

Following are other highlights from the bills.

### House Bill

- Provides \$320 million more in allocations for discretionary spending than the senate draft bill for Agriculture Department and the Food and Drug Administration.
- Provides \$142.5 billion for Agriculture mandatory and discretionary spending — \$1.5 billion less than President Obama's request.
- Proposes cutting more than 1 million acres from the Conservation Stewardship Program, over \$200 million from the Environmental Quality Incentives Program and \$60 million from the new Agricultural Conservation Easement Program.
- Proposes cutting funding for the Rural Energy for America Program by 40 percent.
- Provides \$82.3 million in required mandatory spending for the Supplemental Nutrition Assistance Program (SNAP), with \$6.6 billion in discretionary funding.
- Offers waivers for schools struggling financially to meet new nutritional standards.

### Senate Bill

- Recommends \$20.58 billion in discretionary funding and \$20.575 of total funding.
- Includes \$100 million in disaster relief spending.
- Provides similar levels of funding for SNAP.
- Does not provide waivers for schools struggling to meet new nutritional standards, nor does the bill include provisions to add fresh white potatoes to the Women, Infants and Children supplemental nutrition program as the House bill does.

## More than 220,000 Impressions and 2,000 Contest Entries Mark Successful Cinco de Mayo Campaign

Cinco de Mayo is a key event at the beginning of the California avocado season because it is one of the top avocado consumption events of the year. To generate excitement around the event and encourage foodservice operators to use premium, hand-grown California avocados in their Cinco de Mayo menus, the California Avocado Commission (CAC) launched a nationwide integrated print, online and social media campaign.

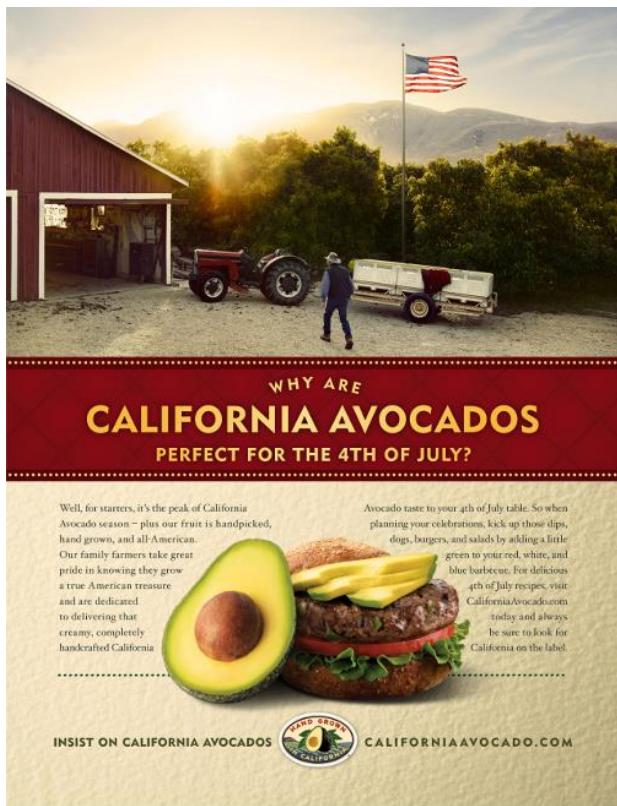
The campaign started with a culinary press release offering Cinco de Mayo menu ideas such as a *Verde Margarita*, a vegan- and vegetarian-friendly *Coconut Avocado Ceviche* and entrees like the *Grilled Chicago Steak Arepas with Avocado Crema*. The release was picked up in five trade publications generating 228,400 impressions.

In May, the Commission initiated its online and social media activity beginning with a new [Cinco de Mayo website](#) and a [campaign-themed email](#). The Cinco de Mayo "[What's Your Guacamole Style?](#)" recipe contest received more than 2,000 entries — an excellent level of participation — and was promoted widely on Facebook, Twitter, Instagram and Pinterest by the Commission and California avocado fans.

The screenshot shows a news article titled "Celebrating Cinco de Mayo with California avocados". The article discusses how California Avocados are perfect for the holiday, mentioning their versatility and popularity in various dishes like margaritas and ceviche. It includes a photo of a dish and links to social media sharing.

*Trade publication pick ups of the Commission's release generated 228,400 impressions*

## 4th of July Campaign Set to Launch



In the last two years, the California Avocado Commission (CAC) has successfully associated California avocados with the 4th of July in the minds of consumers, transforming the holiday into a major consumption event in the middle of the California avocado season and making a positive impact on avocado usage throughout the remainder of the summer. The 2014 4<sup>th</sup> of July campaign will launch in core advertising markets in mid-June with a collection of newly designed print and digital ads that resonate with hand-grown premium messaging featuring why California avocados are perfect for the 4<sup>th</sup> of July.

In order to move a significant volume of California avocados during the 4<sup>th</sup> of July, drive California avocado value and increase usage of avocados, consumer advertising will be integrated across print, digital and social media platforms. Digital advertising will appear on national epicurean websites, with print ads in epicurean and lifestyle magazines. Radio ads in core markets will encourage increased and expanded usage of avocados and TV ads will be placed throughout California.

## Grove Media Tour Brings California Avocado Hand-Grown Story to Life

One of the most effective means of reinforcing brand messaging isn't simply to *tell* the story — it's to *show* the story. On May 3, 2014 the California Avocado Commission (CAC) did just that — inviting food media, food service contacts, trade media and supermarket registered dietitians (SRD) on a seed-to-store journey of premium, hand-grown California avocados. CAC staff members joined the 21 attendees on the 2014 Grove Media Tour in Temecula, California.

The tour began with a guided tour of the Persea Nursery hosted by Alex Gonzalez, followed by a tour of Scott and Debbie McIntyre's avocado grove. After R.D. Ambassador Katie Ferraro's in-grove avocado recipe demonstration, tour attendees then enjoyed a California avocado-centric lunch. The seed-to-store journey concluded with a tour of the West Pak packing house.

The event was timed to coincide with Cinco de Mayo and led to more than 1 million social media impressions. The tour received outstanding online trade coverage the day after the event, including a two-page spread in *The Produce News*. Overall, another 40,000 online and print impressions were generated the day after the tour.

The 2014 Grove Media Tour accomplished what it set out to do — tell the unique story of the California avocado while sharing expanded usage ideas with media. As foodie blogger Anita Arambula ([Confessions of a Foodie](#)) noted, “The tour ended up being everything I thought it would be and so much more. I learned a lot about one of my favorite fruits and now that I realize that they can be used for so much more than guacamole and smashed on toast, I am looking forward to picking up plenty of California avocados for some recipe development this summer.”



CAC staff joined food media, food service contacts, trade media and SRDs for a seed-to-store California avocado journey

## Innovative California Avocado Dishes Featured at Two Chicago Culinary Industry Events

Two recent events in Chicago provided the California Avocado Commission (CAC) with the opportunity to demonstrate the benefits and value of fresh California avocados on menus, while expanding its target base of chain contacts and cementing existing relationships with culinary R&D decision makers. The events — the 2014 National Restaurant Association’s (NRA) Marketing Executive Group (MEG) Spring Summit and the International Corporate Chef Association (ICCA) and Global Culinary Innovators Association (GCIA) NRA Reception — were both held in May.

At the MEG conference, CAC representatives met with chain marketing decision-makers. CAC also sponsored the afternoon break where attendees sampled *California Avocado, Smoked Corn and Crab Bisque with Avocado-Chive Oil* and *Smoked Trout and California Avocado on California Avocado-Potato-Fennel Cake*. At the ICCA/GCIA reception, chain culinarians and menu developers enjoyed *Pork Loin with Fresh California Avocado* and *Salmon Tartare Topped with Avocado*. Both events provided CAC staff with the opportunity to confirm new and returning partnerships that will provide future promotional opportunities to place fresh California avocado items on menus.



*Smoked Trout and California Avocado on California Avocado-Potato-Fennel cake was featured at MEG*

## 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 6/15/2014	Season-to-Date (since 11/1/13)	2014 Year to Date
Hass	13,670,807	180,565,549	180,165,230
Lamb	209,872	308,066	308,066
Other (Greens)	4,140	1,427,609	1,312,204
<b>California Total</b>	<b>13,884,819</b>	<b>182,301,224</b>	<b>181,785,500</b>
Florida	549,230	14,957,615	5,812,730
Chile	0	96,753,204	70,259,827
Mexico	19,229,849	817,743,659	619,493,649
Other (Imports)	10,407,936	58,577,532	50,217,532
Import Total	29,637,785	973,074,395	739,971,008
<b>USA Total</b>	<b>44,071,834</b>	<b>1,170,333,234</b>	<b>927,569,238</b>
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

**6/9/2014**

	FOB Price	Field Price	Retail Price	Last Year FOB
<b>California Hass</b>	(25# carton)	(per pound)	(per each)	(25# carton)
#2's	13.00-32.00	0.36-1.08		7.00-25.00
32's-36's	37.00-39.00	1.28-1.36		32.00-34.00
40's	37.00-39.00	1.28-1.36	5/6.99-1.99	34.00-35.00
48's	38.00-39.00	1.32-1.36	1.69-1.79	34.00-36.00
60's	34.00-35.00	1.16-1.20	4/5.00	20.00-23.00
70's	27.00-29.00	0.88-0.96	0.99-4/3.99	12.00-15.00
84's	21.00-22.00	0.75-0.80	2/0.99-4/3.79	10.00-11.00
<b>Mexican Hass</b>				
All Sizes	22.00-36.00	N/A	5/6.99-2/3.00	14.00-33.00
<b>Chilean Hass</b>				
All Sizes	N/A	N/A		
<b>Peruvian Hass</b>				
All Sizes	22.00-34.00	N/A		

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

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

**In the Near-Term - Southern California Avocado Region - June 11-30...** Upper low pressure will continue to the west of Baja and over southern California. For most of this period, we are likely to see a deep marine layer with drizzle nights/mornings and partial afternoon clearing at the beaches. This is typical for mid-June. Late in June we are more likely to see a return of sunnier conditions. The current pattern is not favorable for thunderstorms as dry southwest by west flow will predominate. However, with the low pressure continuing off Baja, we can expect some periods of southeast flow by end of June.

**July 1 to 8...** *El Niño* is present and will continue to induce upper lows to develop off Baja. These will tend to draw moisture from Baja northward into Sonora Mexico and then into Arizona. Currently there is no indication of monsoonal activity developing into California other than a few thunderstorms occurring as a result of erratic upper lows.

**Seasonal Outlook/*El Niño* Update – July 10 to September 20...** *El Niño* will slowly increase through most of the summer and fall. This should lead to sunnier and warmer than normal conditions at the coast. The monsoonal southeast flow and thunderstorms will return and will likely occur from mid-July through the first half of September.

Tropical cyclones forming off southwest Mexico will become an issue as the summertime southeast flow pattern becomes established. Current sea surface temperatures will continue to support the development of lows to the west of southern California. The warm sea surface temperatures will also support further northward movements of tropical cyclones than is usual during July, August, and September. As we proceed from mid-July into August, the southeast flow events will entrain more moisture and result in an active and possibly wetter than normal monsoonal pattern.

In the avocado regions it will be warmer than normal during July, August and September. Upper lows will tend to induce more thunderstorms than normal with dry lightning events during mid-July. As tropical cyclones off Baja become more frequent, some recurrent periods of very hot weather become more likely. These periods would typically last for about 3 days. Although the hot days may not be abnormally hot, they will tend to be more numerous. There is also a higher risk of rain events reaching into the avocado belt from mountain thunderstorms.

Scripps Institution of Oceanography's ECPC is predicting a moderate *El Niño* from October 2014 through April 2015. With a well-defined belt of low latitude westerlies already in place from the Philippines to north of Hawaii, the pattern is already present. *El Niño* conditions are not fully developed yet and normally do not develop until the fall in our region.

There may be some confusion regarding the latest National Weather Service forecast of a moderate *El Niño* and its associated impacts on the current drought. *El Niño* is only part of the story. It should be remembered that the equatorial contributions (*El Niño*) work together with contributions from the mid-latitude sea surface temperature anomaly patterns. *El Niño* tends to accelerate the southern branch of the westerlies with the result of heavier rainfall in southern and central California. However, if the SSTA pattern in the Pacific to the west of the Pacific northwest opposes or does not support the existing *El Niño*, the *El Niño* effects could be intermittent. It may require a stronger *El Niño* to override some of these opposing contributions. In the winters of 1982-83, 1994-95, and 1997-98, the tropical and mid-latitude contributions were synergistic. At this point in time, they do not appear to be working in concert. If this indeed becomes the pattern for this winter, the contribution from *El Niño* may tend to be more localized to Baja and southern California and sidestep to the south of northern California.

The bottom line is we should simply watch this pattern develop and if you are in southern California, make preparations in case some significant rains and heavy storm events might occur.

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