

New Leader Takes the Reins

I am honored and humbled to be your new California Avocado Commission (CAC) Chairman. For those of you who do not know me, I am a fifth-generation farmer (third-generation in avocados) from Ventura County. I have served the CAC board as a member and alternate for about as long as you can consecutively serve on the Commission. I would like to welcome the new executive committee: Vice Chairman Ohannes Karaoghlanian, Treasurer Rob Grether and Secretary Jessica Hunter. We and the rest of the board will do our best to serve the growers' interests in the next year.

I have frequently heard that no two years in the avocado business are the same. I hope we never have a repeat of this past year. Growers in California suffered drought, fires, floods, freeze, extreme heat, extreme winds, high water costs, supply disruptions, labor shortages, more winds and fires. Other than that, it was a great year. We are certainly a resilient bunch!

Due to many of the extreme events listed above, our upcoming year will be very challenging. Crop estimates at this point are 160 million pounds, or roughly half last year's crop. To put this in perspective, the Hass Avocado Board's (HAB) initial 2018 estimate for the total Hass market was 2.65 billion pounds, compared to nearly 2.2 billion pounds the year before, an increase of more than 20 percent. At this level, California will only be about 6 percent of the market in 2019. And yet we are determined to remain relevant and get a premium for California fruit.

The challenge facing CAC is how to differentiate California fruit, to be sold at a premium, in a world awash in avocados. Your Commission has been planning for this since the heat hit us in July. Certainly we won't have the budget to do promotions outside of our core market, which is mostly in the west. Jan DeLyser and her team have developed a tiered marketing plan that targets retailers and food service accounts that will maximize grower returns. This approach has worked quite well over the past few seasons, and we are confident in CAC's ability to deliver again.

Every five years the Commission employs Dr. Rich Sexton, professor of Econometrics at UC Davis, to perform a study to review the efficacy of the Commission's marketing expenditures. Dr. Sexton reported at the last board meeting that the return to growers was between \$1.62 and \$3.64 for each dollar spent in promotion of our fruit. There is nothing in the produce industry that can come close to the growth in avocados over the past years. In most commodities, the growth can only come as a result of reduced pricing. The avocado industry has enjoyed steady-to-rising prices over the past 15 years (with variability within seasons to be sure). Per capita consumption has gone from less than 3 pounds in 2003 to more than 7 pounds by 2016. My conclusions from the study are that the California avocado grower is getting tremendous return on our marketing and promotion efforts.

For those of you who do not know the staff at the Commission, I would en-



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courage you to get to know them. Tom Bellamore has assembled a top-notch group of professionals to work for you, the California avocado grower. From marketing to industry affairs to production research, finance and support, the key people have a proven track record as leaders in the industry. Please consider getting involved. I got on the Commission because I thought it would help my understanding of the avocado industry and help me make better business decisions. While that has certainly been the case, even more important are the friendships and connections I have made with growers throughout the state. I would like to thank two outgoing board members: Rick Shade, the past chairman who has done an exemplary job, and Gene Carbone, who has been a handler member on the board for years. His insight and statistical analysis will be greatly missed.

As I conclude writing, a gentle rain has begun falling in Ventura County, and hopefully throughout the state. I know we all hope for a wet, warm winter. Our trees need it and so do we. Despite all of the challenges facing our industry, I remain confident that the California avocado growers can and will be able to compete and overcome these difficulties to continue to produce the finest avocados in the world. 🥑