

Message from the President



Tom Bellamore

Swimming in Small Sizes

At the beginning of the 2012-13 crop year, there was considerable optimism among growers about entering the market early. There was a relatively large crop on the trees—around 500 million pounds—and the fruit seemed to be sizing nicely, giving some growers the Super Bowl “itch.”

Unfortunately, as the winter holidays passed, the market buckled under the weight of tremendous volumes from Mexico, dimming that optimism. Then, Mother Nature put the brakes on fruit development. A dry winter, unseasonable temperatures, and the heavy load on the trees combined to stall sizing, and when market prices finally recovered, the industry found itself awash in 70s and 84s. Déjà vu? Many will recall that size disparity haunted us early in the prior crop year, too.

Of the fruit harvested from November 2011 through May 2012, 60s accounted for 24 percent of the volume, 70s were 16 percent, and 84s were 8 percent. That spring it appeared we would never clear out the inventory of small sizes, which seemed to just keep coming. Compare that to this year’s harvest over

the same period. The size curve for fruit harvested from November 2012 through May 2013 shows that 27 percent, 21 percent, and 12 percent, respectively, have been 60s, 70s, and 84s. Is the high percentage of small sizes at this time of year an anomaly or a trend? That’s the question the commission’s marketing advisory committee is attempting to sort out.

In the southern portion of the growing region, the combination of a dry winter and high water prices leaves many groves short of the moisture needed to promote tree vigor and optimal sizing. It is not difficult to find stressed trees that need a rest and you find yourself wondering if they will fare any better if another winter with below-normal

rainfall follows. A lighter 2013-14 crop, should it occur, would spell some relief for the trees, but it is also possible that lack of size in the early part of the season may be a recurring problem. That was one scenario the CAC Board contemplated as it continued to work on its long-term mar-

Size Curve Comparison (November-May)		
Size	2013	2012
36+	2%	2%
40	5%	10%
48	33%	37%
60	27%	24%
70	21%	16%
84	12%	8%
96	1%	2%



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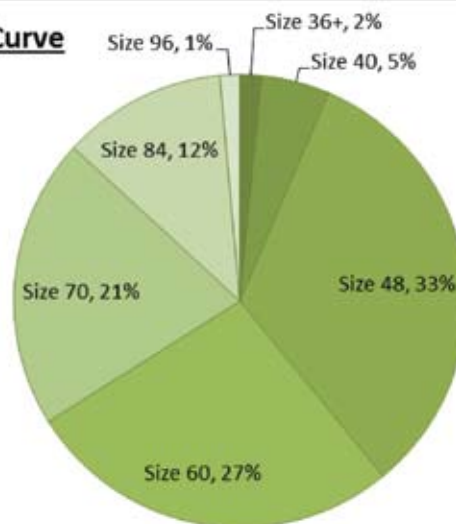
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Nov '12 - May '13 Size Curve



ket strategy at the directors meeting held in Ventura County on May 30.

Whether a trend or an isolated event, a predominance of small sizes early in the season must be addressed, if growers are to remain profitable and realize the highest value possible for their fruit. It is not sufficient to get an acceptable price on 48s and a significantly lower price on everything smaller.

Only the application of a well-conceived and flawlessly executed marketing strategy will solve the problem. The board recognized, too, that near and long-term programs will likely be needed to address the issue. Short-term activities, such as working with key retail accounts to encourage placement and promotion of size 60 and smaller fruit when inventories rise, must be built into each year's marketing plan. Those plans must be nimble enough to adjust as the season unfolds, and that requires available, uncommitted resources. Over the long-term, the commission's programs must also build demand for smaller size fruit—demand that will be there, consistently, from year to year.

As part of its continuing quest to position California avocados as a premium product, the commission board recently examined various ways to increase the inherent value

of smaller-sized fruit. Among the topics discussed in May were innovative packaging concepts, emphasis on foodservice menu development that would lead to greater utilization, and export market development, as a means of providing additional outlets for small sizes. Not one of these ideas, by itself, will transform the 70s market overnight. Doing so will take a concerted effort by the commission, the industry's packers and key trade customers committed to the California avocado brand.

Picture going into your favorite, casual-dining restaurant and seeing *California Avocado Sliders* on the menu—halved, size 70 avocados, four or six to a plate, with delicious, creative fillings where the pit once resided. A chef who once preferred size 40 or 48 avocados because of labor preparation concerns may suddenly decide that 70s are more appetizing to his customers and more profitable for his operations. It will take all of that and more to close the gap in the field price paid for 48s and 70s, and, anomaly or otherwise, there surely will be years ahead when early season, smaller size fruit make the size curve bulge disproportionately. Careful planning today will enhance our prospects for better returns when those smaller avocados are coming to market. 🥑