

# CALIFORNIA AVOCADO COMMISSION



## 2018 ANNUAL REPORT



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## CHAIRMAN'S MESSAGE

California avocado growers are a resilient bunch. Despite a season plagued with drought, epic fires, floods, freeze events and extreme heat coupled with high winds we harvested 338 million pounds of premium California avocados and secured an average price of \$1.13 per pound. Our resiliency is the result of decades of hard work, collaboration and proactive preparation. There's very little we haven't encountered — and we learn from the challenges that face us.

Our resiliency is also due, in no small part, to the experience and experimentation of our Industry Affairs and Production Research teams.

**INDUSTRY AFFAIRS.** This year, as labor shortages continued to intensify, the California Avocado Commission (CAC) continued to advocate for sensible legislative options for agricultural guest worker programs and provided growers with critical updates about immigration legislation and workplace enforcement actions by Immigration and Customs Enforcement.

To strengthen our position in the market, the Commission expanded sustainability and food safety initiatives to meet increasing demands — by consumers, legislators, retailers and foodservice

chains — for transparency. CAC developed an expansive sustainability profile of California avocado cultural management practices to share with constituents. To prepare California avocado growers for the implementation of the Food Safety Modernization Act Produce Safety Rule, CAC updated its Food Safety manual to align with Primus' GFS audit, hosted Produce Safety Alliance training sessions and conducted on-farm readiness reviews with the Food and Drug Administration and the California Department of Food and Agriculture.



**John Lamb**  
Chairman

### COMMISSION BOARD — STRATEGIC PRIORITIES:

- 🍷 Quality improvement
- 🍷 Add dimension to brand and targets
- 🍷 Pursue domestic and global premium market opportunities
- 🍷 Improve industry alignment with focus on enhancing quality and availability of information
- 🍷 Strengthen partnerships on issues
- 🍷 Conduct effective production research and share the knowledge generated

In response to the increased frequency of wildfires in the state, CAC partnered with Southern California Edison concerning fire prevention initiatives — the Public Safety Power Shutoff protocol and vegetation management — in order to effectively aid in preserving public safety while

addressing the impact of these policies on California avocado growers.

On the international front, Industry Affairs successfully pressed for Canada's Light Brown Apple Moth quarantine requirements on California avocado shipments to be removed. Development of Asian markets also was a critical focus this year. CAC secured \$123,000 of Foreign Agricultural Services Market Access Promotion funding for limited promotional activities in Japan, explored market opportunities in Thailand and India, and utilized the Commission's marketing dollars for retail promotions in Korea. To counteract delays in accessing Chinese markets caused by tariffs and stalled trade negotiations, Commission staff worked ceaselessly to maintain existent contacts and keep the process moving.

The Commission also secured inclusion of GEM as an insurable variety covered by federal crop insurance and advocated for a project to update GEM maturity release dates.



The Commission hosted Produce Safety Rule training sessions for growers to prepare them for on-site audits.

**PRODUCTION RESEARCH.** This year, several CAC-funded research projects reached conclusion providing valuable insights for growers.

- Findings indicated that ProGibb LV Plus® plant growth regulator, when applied at the cauliflower stage of inflorescence, significantly increased total yield and fruit size and thus could result in substantial increases in net dollar returned per acre for the grower

- The high density avocado production study — which examined impacts on production, cost of labor, water usage and pruning best practices — determined this method is a viable way for Hass and Lamb Hass growers to increase income per acre especially in regions with high water costs



The Commission hosted Food and Drug Administration and California Department of Food and Agriculture personnel to showcase California avocado growers' commitment to food safety.

- Research indicated that the Shot Hole Borer – Fusarium dieback pest-disease complex causes less damage to avocado trees than native vegetation and that pruning and sanitation practices can effectively control the pest-disease vector
- The Pine Tree Ranch soil moisture sensor trial calibrated the “sweet spot” depth at which avocado trees take up water and noted the efficacy of sensors based on cost and how user-friendly the technology is
- The Online Avocado Decision Support Tool — a user-friendly website housing digital tools to help growers make grove-specific decisions about fertilizers — was launched



The Commission shared results from the first year of its soil moisture sensor study, which is being conducted at its Pine Tree Ranch demonstration grove.



## Board of Directors

### District 1

Member/Jessica Hunter-**Secretary**  
Member/ Ryan Rochefort  
Alternate/Michael Perricone

### District 2

Member/Leo McGuire  
Member/ Ohannes Karaoghlanian  
Alternate/Bob Schaar

### District 3

Member/ John Lamb  
Member/ Robert Grether-**Treasurer**  
Alternate/John Lloyd-Butler

### District 4

Member/ Ed McFadden  
Member/ Jason Cole  
Alternate/Bryce Bannatyne Jr.

### District 5

Member/Rick Shade-**Chairman**  
Member/ Tyler Cobb-**Vice Chair**  
Alternate/Randy Douglas

### Handlers

Member/Egidio “Gene” Carbone  
Member/Gary Caloroso  
Alternate/Vacant Seat

### Public Member

Nina Ames

To contact a CAC representative, please visit:  
[CaliforniaAvocadoGrowers.com/Commission/your-representatives](http://CaliforniaAvocadoGrowers.com/Commission/your-representatives)

As massive wildfires, and then mudslides, swept through California avocado growing regions, the Commission compiled and distributed fire recovery best practices and timely information about federal aid disaster programs.

Collaboration has long been a strong suit of the Production Research team



*Dr. Timothy Spann, CAC research director, attended the Avocado Brainstorming meeting in South Africa where he met with leading industry researchers and toured local packinghouses and research groves to learn about the latest advances in avocado cultural management and technologies.*

and this year was no different. CAC assembled avocado branch canker experts for grove tours and ideation sessions in which experts shared their expertise and brainstormed means of combatting the increase in occurrence and severity of the disease. The Commission also traveled farther abroad to the Avocado Brainstorming meeting held in South Africa where some of the industry's most notable researchers shared the latest information

about new grove mapping technologies, fruit set, trellising techniques and laurel wilt. While in South Africa, Dr. Timothy Spann toured the Allesbeste Boerdery, Kwekery and Padstal farming operations to examine firsthand contemporary micro cloning techniques, high density groves and mechanical hedging and pruning. He also visited Westfalia Fruit and Westfalia Technological Services to explore their phytophthora root rot research projects, rootstock selection process, the efficacy of using shade netting and the possibility of utilizing the Maluma variety and phytophthora-tolerant Bounty rootstock in California.

Our continued success will lie as much in our experience, as it does in our ability to experiment. As growers, we must continue to blend tried-and-true cultural management practices, cutting-edge technologies and evolving strategies. As an organization, we will continue to streamline our structure and prepare for a transition to new leadership. Our new board is a strong example. Balanced and diversified with members representing the older and younger generations of growers — it can build off our storied past to construct a secure future.

And through it all, the Commission will continue to support our vision to *grow the most desired avocado in the world by fostering a vibrant industry* — collecting data, conducting research, collaborating abroad, crafting marketing programs, advocating on our behalf and seeking opportunities to advance our position in the market.

## PRESIDENT'S LETTER

Like California avocado growers, the Commission is firmly rooted in the present — but refuses to be limited by it. We value experience gleaned from the past, while working diligently to explore new ideas that will pave sustainable paths for the future.

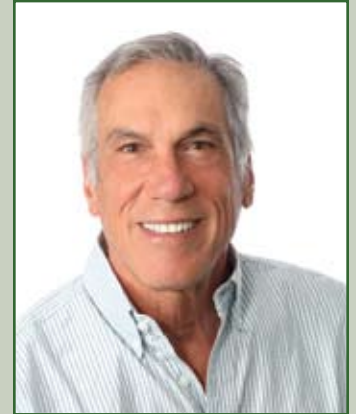
As our industry has changed — with imported avocados dominating the market, labor shortages compounded by legislative standstills, more intense and frequent weather events and a shift to consumer engagement on digital platforms — so has the Commission evolved. We have streamlined our organization, and the Commission (like the Board) has become a rich mix of veteran personnel and emerging talent whose strategic direction is steeped in experience and flush with ideas that bring new opportunities to our doorstep.

The success of our marketing programs gives credence to our approach. And we have the data to back it up. The Commission has long utilized external research experts to examine our marketing programs and evaluate their efficacy. It is a process that lays bare our challenges and opportunities with equal frankness.

This year Dr. Richard Sexton, a distinguished professor of agricultural and resource economics, and his colleagues at UC Davis evaluated the economic impacts of the Commission's advertising and promotion programs from 2013-17. His econometric modeling demonstrated that, on average, a dollar of grower investment in promotions returned \$2.63 in additional profits. The same study indicated that the real producer price has remained steady — or even increased — over this same period. Further, the research validated the

Commission's "premium positioning" marketing strategies and future direction.

In recent years, the California Avocado Commission has increasingly shifted marketing funds from traditional, broad-reaching media to targeted digital online vehicles. While the amount of internal data the Commission can collect in the form of media impressions, clicks, likes, shares, comments and visits has greatly expanded in the digital age, we requested the assistance of an outside entity to effectively assess the impact of our digital advertising. We engaged The Nielsen Company, LLC, to specifically isolate the impact of digital ad exposure. The study determined that CAC's shift from traditional mass media to targeted digital media vehicles is working. Unaided awareness of California as an avocado growing region increased significantly in households with less than \$75,000 in income, among Hispanics, women and the Commission's targeted 25 – 34 age group. In addition, the results indicated that 40 years of CAC marketing in western states (Arizona, California, Colorado, Nevada, Oregon, Utah, Washington) have led to very high (80 – 90 percent range) ratings



**Tom Bellamore**  
President

*The Commission released a digital one-of-a-kind California Avocado Summer Soundtrack Cookbook featuring a collection of recipes inspired by various musical genres with West Coast roots.*



of California avocado aided awareness, favorability, purchase intent and willingness to recommend.

It was, of course, gratifying to see external data validate the strategic vision and direction of the Commission's marketing programs. It was doubly gratifying to witness the wins our marketing programs secured this year despite devastating weather events and increased import volumes during California's peak season.

To generate excitement for the California avocado season, the Commission hosted an #OpeningSharemony social media campaign centered on the official start of the Winter Olympics. As Olympians from different nations' teams entered the arena during the opening ceremony, CAC shared posts showcasing California avocado guacamole recipes featuring ingredients specific to the country. The Commission ensconced itself in one of the most tweeted-about moments of the winter games, securing 19,500 social engagements, 87,000 video views and 1,280,000 social impressions.

Renowned registered dietitian Mitzi Dulan, an award-winning sports nutritionist (including her stint as the team sports nutritionist for the 2015 World Series Champions Kansas City Royals and the Kansas City Chiefs) also shared athlete-themed California avocado posts on behalf of the Commission during the Winter Olympics. As part of the Commission's in-person media relations program, which secures critical trade coverage, CAC hosted a luncheon at Dulan's home, showcasing California avocado usage and marketing programs with local trade media guests.

The Commission's summer consumer public relations campaign generated more than 461 million impressions — fueled by wide-ranging events and one-of-a-kind California avocado-branded assets that captured the attention of avocado fans eager for unique recipes featuring their favorite fruit. During California Avocado Month, select vendors at two popular food halls — one in Los Angeles, CA and the other in Portland, OR — showcased the versatility of California avocados in a robust selection of global cuisines. Artisanal

chocolatier Compartés handcrafted a limited-edition *California Avocado Toast Chocolate Bar* and the Commission released a first-ever *California Avocado Season Summer Soundtrack Cookbook* that showcased a collection of recipes inspired by the Golden State's unique regional music.

Even as the California avocado season was nearing



*Compartés unique California Avocado Toast Chocolate Bar was a darling of the media with ten unique media outlets requesting exclusive mailers in order to provide editorial coverage and Bustle showcasing the artisanal treat in an article titled, "Compartés's Avocado Toast Chocolate Bar Combines Everything Good In This World Into One Snack."*



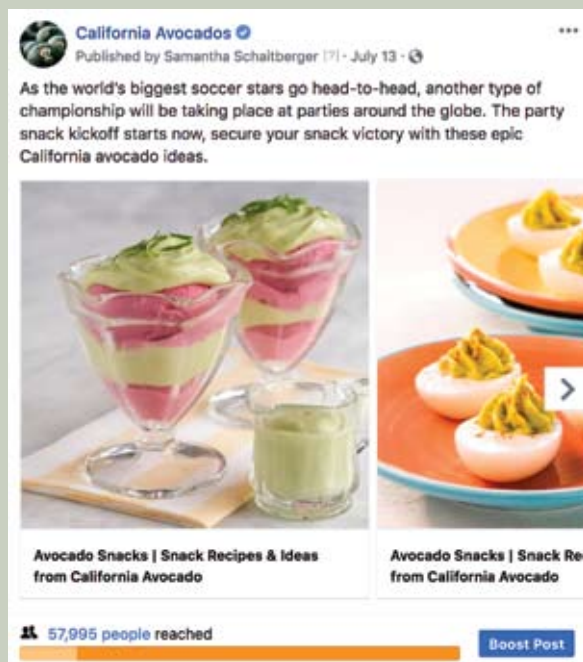
conclusion, fans continued to engage with the Commission on its social media platforms — sharing, liking, pinning and retweeting posts that showcased the fruit’s versatility, seasonality and nutritional value. In September and October, the Commission garnered more than 1.5 million impressions on its Facebook, Twitter and Instagram platforms.

To welcome new fans into the fold, CAC launched a four-part Welcome Series for new email subscribers increasing the average open rate to nearly 70 percent and boosting the average click through performance for the first email by 78 percent from benchmark.

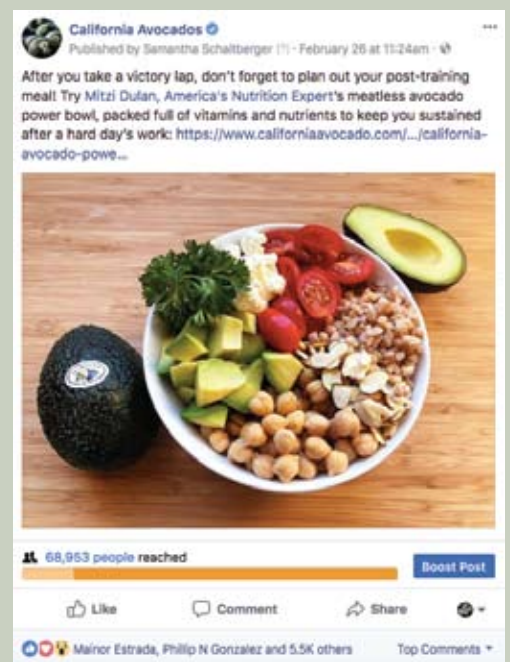
We also secured several consumer ad campaign firsts including a custom California mixtape on the Pandora and Spotify digital music platforms, as well as a sponsorship opportunity with Disney California Adventure’s Food and Wine Festival.

The successful marketing season closed with a well-earned seventh consecutive Marketing Excellence Award from *Produce Business*.

Never one to sit on our laurels, the Commission also launched a multi-level foodservice research project to identify opportunities and barriers to success in this sector. We were pleased to discover that patrons have very high positive expectations for foods and beverages identified as being from California — noting they perceived them to be “fresh,” “healthy” and of “premium quality” — all facets emphasized in California avocado brand



*Engaging social media posts during popular sporting events — such as the Winter Games Opening Ceremony and the world soccer championships — immerse California avocados in trending digital conversations and provide fans with relevant nutrition information and unique recipes.*



messaging. The biggest selling point for the foodservice sectors? The avocado’s versatility. These insights clearly align with our current and future marketing strategies and delineate a clear path to future opportunities in this sector.

These victories confirmed what the external research data reported: the Commission’s trackable, malleable and targeted marketing program works and its future direction is sound. These present victories and clear indicators of opportunity for the future are of no small comfort as the Commission slowly transitions our leadership from the hands of our veterans to the shoulders of our youthful peers. The Commission’s emerging leaders are well acquainted with our history, have proactively assessed and managed our present challenges with data-backed tactics and are uniquely well-versed in strategies that resonate with the Gen Z and millennial consumers who will be an increasingly influential market in the coming years. We are ready for the future.

# 2018 MARKETING HIGHLIGHTS AT A GLANCE

## MAKING AN IMPRESSION

- 1.54 billion consumer public relations impressions
- 440.3 million consumer media impressions
- 343.2 million consumer ad impressions (print, outdoor, social/social retail, digital/digital retail, in-store audio)
- 9.9 million consumer impressions for Registered Dietitian Nutritionists program
- 7.6 million trade public relations impressions

## MELDING WEST COAST MUSIC WITH CALIFORNIA AVOCADOS

- More than 25 million targeted consumer impressions using audio (digital radio) advertising
- First-of-its-kind custom California mixtape on Pandora and Spotify

## ENGAGING FANS WITH EVERYTHING AVOCADO ON CALIFORNIAAVOCADO.COM

- More than 2.6 million consumer website visits and 757,000 visits to The Scoop blog
- CAC continues to build a California avocado fan base steeped in information about California avocado growers, the nutritional value of the fruit and its versatility in a wide range of recipes suited to diverse dietary lifestyles

## BROADENING SOCIAL MEDIA REACH WITH MORE FOLLOWERS

- Facebook 1% increase (333,400)
- Twitter 11% increase (20,200)
- YouTube 63% increase (1.31 million)
- Instagram 14% increase (42,300)

## RETAIL AND FOODSERVICE PROMOTIONS

- Nearly 40 retail promotions including demo programs, sales and display contests, feature ad programs and digital coupons
- More than 5 million impressions from CAC retail health and wellness programs
- 21 foodservice chain promotions, including 6 new participating chains

**CALIFORNIA AVOCADO COMMISSION**

Annual Financial Report  
and Independent Auditor's Report

For the years ended October 31, 2018 and 2017



Certified  
Public  
Accountants

CALIFORNIA AVOCADO COMMISSION

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## **Independent Auditor's Report**

Board of Directors  
California Avocado Commission  
Irvine, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the California Avocado Commission (Commission), as of and for the years ended October 31, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Avocado Commission, as of October 31, 2018 and 2017, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audits were conducted for the purpose of forming an opinion on the Commission's basic financial statements. The budgetary comparison schedule, combining statement of revenues, expenses and changes in net position, and schedule of program expenses (Schedules), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2019, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

*Macias Gini & O'Connell LLP*

Newport Beach, California

January 31, 2019

**CALIFORNIA AVOCADO COMMISSION**  
Management's Discussion and Analysis  
For the Years Ended October 31, 2018 and 2017  
(Unaudited)

**INTRODUCTION**

Management's Discussion and Analysis (MD&A) provides an overview and analysis of the financial activities of the California Avocado Commission (Commission) for the years ended October 31, 2018 and 2017. It has been prepared by management and is required supplementary information to the financial statements. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

**FINANCIAL HIGHLIGHTS**

- The Commission's 2018 assets exceeded its liabilities as of October 31, 2018 by \$12,219,328 (total net position). This amount increased \$1,102,554 or 10% from the prior year amount of \$11,116,774.
- Of the total net position at the end of fiscal year 2018, net investment in capital assets increased \$155,774 to \$235,793 or 195% from the prior year amount of \$80,019.
- Net position restricted for marketing at the end of fiscal year 2018 decreased \$116,880 to \$3,190,777 or 4% from the prior year amount of \$3,307,657.
- Unrestricted net position at the end of fiscal year 2018 increased \$1,063,660 to \$8,792,758 or 14% from the prior year amount of \$7,729,098. This amount made up 72% of total net position.
- The Commission's 2017 assets exceeded its liabilities as of October 31, 2017 by \$11,116,774 (total net position). This amount increased \$482,442 or 5% from the prior year amount of \$10,634,332.
- Of the total net position at the end of fiscal year 2017, investment in capital assets increased \$25,616 to \$80,019 or 47% from the prior year amount of \$54,403.
- Net position restricted for marketing at the end of fiscal year 2017 increased \$417,430 to \$3,307,657 or 14% from the prior year amount of \$2,890,227.
- Unrestricted net position at the end of fiscal year 2017 increased \$39,396 to \$7,729,098 or .5% from the prior year amount of \$7,689,702. This amount made up 70% of total net position.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

This MD&A is intended to serve as an introduction to the Commission's financial report. The Commission's financial report includes three basic financial statements: Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows. The Commission's basic financial statements also include notes to the basic financial statements. Financial statements are designed to present a broad overview of the financial data for the Commission, in a manner similar to a private-sector business.

The *Statements of Net Position* present information on all assets and liabilities of the Commission, using the accrual basis of accounting, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the current financial condition of the Commission.



**CALIFORNIA AVOCADO COMMISSION**  
Management's Discussion and Analysis  
For the Years Ended October 31, 2018 and 2017  
(Unaudited)

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the Commission's net position varied during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *Statements of Cash Flows* present changes in cash and cash equivalents resulting from operating, non-capital financing, capital financing and investing activities.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the financial statements.

**OTHER INFORMATION:**

In addition to the MD&A, the financial statements also present the following supplementary information: Budgetary Comparison Schedule; Combining Statement of Revenues, Expenses and Changes in Net Position (broken down by Restricted and Unrestricted); Schedule of Program Expenses (Restricted) and the Independent Auditor's Report in accordance with *Government Auditing Standards*.

**FINANCIAL ANALYSIS**

Comparative data for the prior year ended October 31, 2017, has been presented in the accompanying financial statements (including MD&A) to facilitate financial analysis for the current year ended October 31, 2018. A comparative analysis of fiscal year 2017 with fiscal year 2016 is also presented in the MD&A.

**STATEMENTS OF NET POSITION:**

	<b>2018</b>	<b>2017</b>	<b>2016</b>
Current assets	\$14,047,999	\$13,155,432	\$13,052,257
Capital assets, net	235,793	80,019	54,403
<b>Total assets</b>	<b>14,283,792</b>	<b>13,235,451</b>	<b>13,106,660</b>
Current liabilities	1,991,645	2,047,856	2,425,146
Noncurrent liabilities	72,819	70,821	47,182
<b>Total liabilities</b>	<b>2,064,464</b>	<b>2,118,677</b>	<b>2,472,328</b>
Net position:			
Net investment in capital assets	235,793	80,019	54,403
Restricted for marketing	3,190,777	3,307,657	2,890,227
Unrestricted	8,792,758	7,729,098	7,689,702
<b>Total net position</b>	<b>\$12,219,329</b>	<b>\$11,116,774</b>	<b>\$10,634,332</b>

**CALIFORNIA AVOCADO COMMISSION**  
Management's Discussion and Analysis  
For the Years Ended October 31, 2018 and 2017  
(Unaudited)

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. The largest portion (98%) of the Commission's assets are current assets consisting primarily of cash and cash equivalents, restricted cash and cash equivalents, receivables and fiduciary cash amounts held for the Avocado Inspection Program (AIP). Current assets at the end of fiscal year 2018 totaled \$14,047,999, increasing \$892,567 from the prior year amount of \$13,155,432. This increase is primarily due to higher total production volume which is reflected in the increased cash and assessment receivable balance. Total current assets cover current liabilities 7.1 times, indicating good liquidity.

At the end of fiscal year 2017, the largest portion (99%) of the Commission's assets are current assets consisting primarily of cash and cash equivalents, restricted cash and cash equivalents, receivables and fiduciary cash amounts held for the Avocado Inspection Program (AIP). Current assets at the end of fiscal year 2017 totaled \$13,155,432, increasing \$103,175 from the prior year amount of \$13,052,257. This increase is primarily due to higher reimbursable grant expenses which is reflected in the increased other receivables balance. Total current assets cover current liabilities 6.4 times, indicating good liquidity.

The Commission's liabilities primarily consist of current liabilities including accounts payable, accrued liabilities, deposits due and fiduciary liability amounts held for AIP. Liabilities at the end of fiscal year 2018 totaled \$2,064,464 decreasing from a balance of \$2,118,677 in 2017. This decrease was due to lower marketing and non-marketing obligations owed to vendors. Liabilities at the end of fiscal year 2017 totaled \$2,118,677 decreasing from a balance of \$2,472,328 in 2016. This decrease was due to lower marketing and non-marketing obligations owed to vendors.

Net position consists of three categories: Net investment in capital assets, restricted for marketing and unrestricted.

Net investment in capital assets represents the Commission's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets totaled \$235,793 at the end of fiscal year 2018, increasing \$155,774 from the prior year amount of \$80,019. This increase is due to the acquisition of capital assets. Net investment in capital assets represents 1.9% of total net position.

At the end of fiscal year 2016, net investment in capital assets totaled \$80,019, increasing \$25,616 from the prior year amount of \$54,403. This increase is due to the acquisition of capital assets. Net investment in capital assets represents 0.7% of total net position.

Restricted net position for marketing activities is subject to imposed restrictions by federal statute governing their use. Restricted net position totaled \$3,190,777 at the end of 2018, decreasing \$116,880 from the prior year amount of \$3,307,657, and increasing \$300,550 from 2016. Restricted net position represents 26% of total net position.

Unrestricted net position available for future activities at the end of fiscal year 2018 totaled \$8,792,758, increasing \$1,063,6602 from the prior year amount of \$7,729,098. Unrestricted net position available for future activities at the end of fiscal year 2017 totaled \$7,729,098, increasing \$39,396 from the prior year amount of \$7,689,702.

**CALIFORNIA AVOCADO COMMISSION**  
Management's Discussion and Analysis  
For the Years Ended October 31, 2017 and 2016  
(Unaudited)

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION:**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Operating revenues	\$15,107,394	\$12,161,600	\$17,348,241
Operating expenses	14,390,030	12,193,171	13,144,755
Operating income (loss)	<u>717,364</u>	<u>(31,571)</u>	<u>4,203,486</u>
Non operating revenues	385,190	514,013	288,686
Change in net position	<u>1,102,554</u>	<u>482,442</u>	<u>4,492,172</u>
Net position – beginning of year	11,116,774	10,634,332	6,142,160
Net position – end of year	<u><b>\$12,219,328</b></u>	<u><b>\$11,116,774</b></u>	<u><b>\$10,634,332</b></u>

Operating revenues totaled \$15,107,394 in 2018, increasing \$2,945,794 or 24% from \$12,161,600 earned in 2017. This increase is due to an increase in assessment revenue received due to a larger total crop volume; 338 million pounds were reported in 2018 as compared to 216 million pounds in 2017. The majority of operating revenue consisted of assessment revenue, totaling \$15,046,395 (99.6%). The remaining portion of \$61,000 (0.4%) was from administrative fees generated from AIP.

Operating revenues totaled \$12,161,600 in 2017, decreasing \$5,186,641 or 30% from \$17,348,241 earned in 2016. This decrease is due to a decrease in assessment revenue received due to smaller total crop volume; 216 million pounds were reported in 2017 as compared to 401 million pounds in 2016. The majority of operating revenue consisted of assessment revenue, totaling \$12,100,603 (99.5%). The remaining portion of \$60,997 (0.5%) was from administrative fees generated from AIP.

Operating expenses totaled \$14,390,030 in 2018, increasing \$2,196,859 or 18% from \$12,193,171 in 2017. This increase is primarily due to increased activities in marketing programs in 2018. Operating expenses totaled \$12,193,171 in 2017, decreasing \$951,584 or 7% from \$13,144,755 in 2016. This decrease is primarily due to decreased activities in marketing programs in 2017.

At the end of the fiscal year 2018, the Commission reported an ending net position of \$12,219,329, an increase of \$1,102,555 from the prior year amount of \$11,116,774. This is primarily due to an increase in assessment revenue received due to a larger total crop volume.

At the end of the fiscal year 2017, the Commission reported an ending net position of \$11,116,774, an increase of \$482,442 from the prior year amount of \$10,634,332. This is primarily due to a greater decrease in expenditures for marketing programs than the decrease in assessment revenue received.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The Commission's net investment in capital assets totaled \$235,793 as of October 31, 2018, increasing \$155,774 from the prior year amount of \$80,019, and \$25,616 from \$54,403 in 2016 (net of accumulated depreciation). This increase represents the acquisition of capital assets during the fiscal year.

**CALIFORNIA AVOCADO COMMISSION**  
Management's Discussion and Analysis  
For the Years Ended October 31, 2017 and 2016  
(Unaudited)

**COMPENSATED ABSENCES**

At the end of fiscal year 2018, the Commission accumulated an accrued compensated absences balance of \$198,848; an increase of \$18,073 from the prior year balance of \$180,775. This increase is due to unused vacation time by employees. At the end of fiscal year 2017, the Commission accumulated an accrued compensated absences balance of \$180,775; an increase of \$17,301 from the prior year balance of \$163,474. This increase is due to unused vacation time by employees.

**CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to California Avocado Commission, 12 Mauchly, Suite L, Irvine, California 92618; phone number 949-341-1955.

## **BASIC FINANCIAL STATEMENTS**

**CALIFORNIA AVOCADO COMMISSION**

Statements of Net Position

October 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Current assets:</b>		
Cash and cash equivalents	\$ 9,148,103	\$ 8,527,091
Assessments receivable	303,509	1,574
Other receivables	140,840	158,767
Prepaid expenses	61,033	59,753
Fiduciary cash and cash equivalents, amounts held for AIP	827,085	816,486
Restricted:		
Cash and cash equivalents	3,031,587	3,544,216
Assessments receivable	<u>535,842</u>	<u>47,545</u>
Total current assets	14,047,999	13,155,432
<b>Noncurrent assets:</b>		
Capital assets being depreciated, net	<u>235,793</u>	<u>80,019</u>
Total assets	<u>14,283,792</u>	<u>13,235,451</u>
<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	643,879	819,312
Accounts payable and accrued liabilities, payable from restricted assets	376,652	284,104
Fiduciary liabilities, amounts held for AIP	827,085	816,486
Deposits	18,000	18,000
Compensated absences, due within one year	<u>126,029</u>	<u>109,954</u>
Total current liabilities	1,991,645	2,047,856
<b>Noncurrent liabilities:</b>		
Compensated absences, due in more than one year	<u>72,819</u>	<u>70,821</u>
Total noncurrent liabilities	<u>72,819</u>	<u>70,821</u>
Total liabilities	<u>2,064,464</u>	<u>2,118,677</u>
<b>Net position:</b>		
Net investment in capital assets	235,793	80,019
Restricted for marketing	3,190,777	3,307,657
Unrestricted	<u>8,792,758</u>	<u>7,729,098</u>
Net position	<u>\$ 12,219,328</u>	<u>\$ 11,116,774</u>

See accompanying notes to the basic financial statements.

**CALIFORNIA AVOCADO COMMISSION**  
**Statements of Revenues, Expenses and Changes in Net Position**  
**For the Years Ended October 31, 2018 and 2017**

	<u>2018</u>	<u>2017</u>
<b>Operating revenues:</b>		
Assessment revenue	\$ 8,660,863	\$ 7,951,777
HAB rebate assessment revenue (restricted)	6,385,531	4,148,826
Administrative and marketing fees	61,000	60,997
Total operating revenues	<u>15,107,394</u>	<u>12,161,600</u>
<b>Operating expenses:</b>		
Marketing	9,612,755	7,028,805
Nonmarketing programs	1,550,413	1,579,060
Administration	3,226,862	3,585,306
Total operating expenses	<u>14,390,030</u>	<u>12,193,171</u>
Operating income (loss)	<u>717,364</u>	<u>(31,571)</u>
<b>Nonoperating revenues:</b>		
Interest income	26,864	28,320
Grant Income	255,063	323,618
Other income	103,263	162,075
Total nonoperating revenues	<u>385,190</u>	<u>514,013</u>
Change in net position	1,102,554	482,442
Net position, beginning of year	<u>11,116,774</u>	<u>10,634,332</u>
Net position, end of year	<u>\$ 12,219,328</u>	<u>\$ 11,116,774</u>

See accompanying notes to the basic financial statements.

**CALIFORNIA AVOCADO COMMISSION**  
**Statements of Cash Flows**  
For the Years Ended October 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 14,345,688	\$ 12,261,206
Cash payments to suppliers for goods and services	(11,893,302)	(9,333,067)
Cash payments to employees for services	(2,541,829)	(2,799,818)
Net cash (used) provided by operating activities	<u>(89,443)</u>	<u>128,321</u>
<b>Cash flows from non-capital financing activities:</b>		
Proceeds from grants	255,064	323,618
Other Income	103,263	161,835
Net cash provided by non-capital financing activities	<u>358,327</u>	<u>485,453</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	(176,766)	(35,676)
Proceeds from sale of assets	-	240
Net cash used by capital and related financing activities	<u>(176,766)</u>	<u>(35,436)</u>
<b>Cash flows from investing activities:</b>		
Interest on investments	26,864	28,320
Net increase in cash and cash equivalents	118,982	606,658
Cash and cash equivalents, beginning of year	<u>12,887,793</u>	<u>12,281,135</u>
Cash and cash equivalents, end of year	<u>\$ 13,006,775</u>	<u>\$ 12,887,793</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 717,364	\$ (31,571)
<b>Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:</b>		
Depreciation expense	20,991	10,060
Changes in assets and liabilities:		
(Increase) decrease in assessments receivable	(790,232)	290,790
(Increase) decrease in other receivables	17,927	(93,176)
(Increase) decrease in prepaid expenses	(1,280)	305,869
Increase (decrease) in accounts payable and accrued liabilities	(82,885)	(272,945)
Increase (decrease) in fiduciary liabilities	10,599	(98,007)
Increase (decrease) in compensated absences	18,073	17,301
Net cash provided by operating activities	<u>\$ (89,443)</u>	<u>\$ 128,321</u>

See accompanying notes to the basic financial statements.



## CALIFORNIA AVOCADO COMMISSION

Notes to Basic Financial Statements

October 31, 2018 and 2017

### (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the California Avocado Commission (Commission):

#### (a) *Activities of the Commission*

The California Avocado Commission is authorized under California law to engage in programs of advertising, promotion, marketing research, and production research related to the sale of California grown avocados. The Commission is authorized to levy an assessment against producers of avocados for the purposes of carrying out its programs. The assessment for the years ended October 31, 2018 and 2017, was 2.30% of the gross revenues received by producers. The Commission also receives 85% of the assessments collected by the Federal Hass Avocado Board (HAB) on Hass avocados produced and sold in California, which is restricted for use on marketing activities.

The Commission's Board of Directors is composed of no fewer than eight and no more than ten producer members who do not handle avocados through the same legal entity under which they were elected as a producer member of the Commission, two handler members and one public member.

#### (b) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The Commission operates as an enterprise activity. An enterprise fund accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Board of Directors is that the costs (expenses, including depreciation) of providing services to the industry on a continuing basis be financed or recovered primarily through assessment revenues.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Commission are assessment revenues and administrative and marketing fees. Operating expenses for enterprise funds include the cost of marketing programs, production research, industry affairs and administrative expenses, including depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of related cash flows.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

(c) **Assets, Liabilities, and Net Position**

**1. Cash Equivalents**

For purposes of the statements of cash flows, the Commission considers cash and funds invested in the Local Agency Investment Fund (LAIF) of the State of California for both restricted and unrestricted funds to be cash equivalents. Additionally, investments with original maturities of three months or less at the time of purchase are considered cash equivalents.

**2. Investments**

The Commission values its investment in accordance with the provision of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which requires entities to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool. Restricted and unrestricted cash are pooled for investment purposes.

**3. Receivables**

No allowance for uncollectible accounts has been recorded for the years ended October 31, 2018 and 2017. Management has evaluated the accounts and believes they are all collectible. Management evaluates all accounts receivable, and if it is determined that they are uncollectible, they are written off directly as a bad debt expense.

**4. Capital Assets**

Capital assets consist of furniture, office equipment, leasehold improvements, software, and land improvements. The Commission capitalizes assets with values of \$10,000 or more and useful lives of greater than one year. Capital assets are valued at cost, or estimated historical cost, if actual historical cost is not available. Contributed assets are recorded at acquisition value on the date donated. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Capital assets are depreciated on the straight-line basis, using the following asset lives:

<u>Asset Category</u>	<u>Years</u>
Furniture	5
Office equipment	3
Leasehold improvements	5 (or term of lease, whichever is less)
Software	3
Land Improvements	Remaining term of the property lease

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

**5. Compensated Absences**

Commission employees receive from 10 to 20 days of vacation each year, depending upon length of service. An employee may accumulate earned vacation time to a maximum of 40 days. Once an employee accrues 40 days of unused vacation time, the Commission compensates the employee 10 days of accrued and unused vacation time at the employee's current rate of pay. Upon termination, employees are paid for all accrued, but unused vacation at their current rate of pay.

Compensated absences include accrued vacation that is available to employees in future years, either as time off or in cash (upon leaving the employment of the Commission). All compensated absences are accrued when incurred.

**6. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from such estimates.

**7. Fiduciary and Restricted Assets**

Fiduciary assets are held for the Avocado Inspection Program (AIP) and are off-set by fiduciary liabilities. Restricted assets are restricted for marketing-related activities and are subject to restrictions imposed by federal statute governing their use.

**8. Net Position**

Net position represents the difference between assets less liabilities. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. Net investment in capital assets, excludes debt attributable to the unspent related debt proceeds amount. At October 31, 2018 and 2017, the Commission had net investment in capital assets in the amounts of \$235,793 and \$80,019, respectively. There was no outstanding debt related to capital assets at October 31, 2018 and 2017.

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At October 31, 2018 and 2017, the Commission had restricted net position in the amounts of \$3,190,777 and \$3,307,657, respectively, for marketing-related activities.

The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

**(2) DETAILED NOTES ON ASSETS AND LIABILITIES**

**(a) Cash and Cash Equivalents**

Cash and cash equivalents consisted of the following at October 31:

	<b>2018</b>	<b>2017</b>
Petty cash	\$ 200	\$ 200
Demand deposits	12,996,692	12,877,854
Local Agency Investment Fund	9,883	9,739
Total cash and cash equivalents	<b>\$ 13,006,775</b>	<b>\$ 12,887,793</b>

***Investment in State Investment Pool***

The Commission is a voluntary participant in LAIF, which is regulated by CGC Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The Commission considers its investments in the LAIF pool to be a demand deposit account (cash and cash equivalent) where funds may be withdrawn and deposited at any time without prior notice or penalty.

The total amount invested by all public agencies in LAIF as of October 31, 2018, was \$20.2 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at October 31, 2018, had a balance of \$84.7 billion. Of that amount, 2.42% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 201 days as of October 31, 2018.

The total amount invested by all public agencies in LAIF as of October 31, 2017, was \$20.4 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at October 31, 2017, had a balance of \$72.0 billion. Of that amount, 3.64% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 184 days as of October 31, 2017.

***Fair Value Measurement and Application***

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Commission has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investments in an external government investment pool, such as LAIF, are not subject to reporting within the level hierarchy.

***Investments Authorized by the California Government Code and the Commission's Investment Policy***

The Commission adopted California Government Code (CGC) Section 16430 and the United States Department of Agriculture (USDA) Directive 2210.2 as its investment policy. The table below identifies the investment types that are authorized under CGC Section 16430, as well as certain provisions of CGC Section 16430 and USDA Directive 2210.2 that address interest rate risk and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
State of California Bonds and Notes	1 year	None	None
U. S. Treasury Obligations	1 year	None	None
U. S. Agency Securities	1 year	None	None
Bank Loans	1 year	None	None
Student Loan Notes	1 year	None	None
Obligations issued for Reconstruction and Development	1 year	None	None
Negotiable Certificates of Deposits	1 year	30%	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Corporate Bonds and Notes	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$65 million

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

***Disclosures Relating to Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the Commission's investments by maturity:

<b>Investment Type</b>	<b>Remaining Maturity 12 Months or Less</b>	
	<b>2018</b>	<b>2017</b>
Local Agency Investment Fund	\$ 9,883	\$ 9,739

***Disclosures Relating to Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

***Concentration of Credit Risk***

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the CGC 16430. The Commission had no investments in any one issuer (other than external investment pools) that represented 5% or more of total Commission investments at October 31, 2018 and 2017.

***Custodial Credit Risk***

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. At October 31, 2018, the bank balance of the deposit was \$13,242,325. \$500,000 of the bank balance was covered by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of \$12,742,325 was collateralized at 100% of the total amount deposited by the Commission in accordance with the federal regulation under US Department of Agriculture.

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

**(b) Capital Assets**

	<b>November 1, 2017</b>	<b>Additions</b>	<b>Deletions</b>	<b>October 31, 2018</b>
<b>Capital assets, being depreciated:</b>				
Furniture	\$ 26,160	\$ 161,744	\$ -	\$ 187,904
Office equipment	61,002	-	-	61,002
Software	-	15,022	-	15,022
Land Improvements	108,559	-	-	108,559
Total capital assets, being depreciated	<u>195,721</u>	<u>176,766</u>	<u>-</u>	<u>372,487</u>
<b>Less accumulated depreciation for:</b>				
Furniture	26,160	2,696	-	28,856
Office equipment	61,002	-	-	61,002
Software	-	4,173	-	4,173
Land Improvements	28,541	14,122	-	42,663
Total accumulated depreciation	<u>115,703</u>	<u>20,991</u>	<u>-</u>	<u>136,694</u>
Capital assets, net of depreciation	<u>\$ 80,018</u>	<u>\$ 155,775</u>	<u>\$ -</u>	<u>\$ 235,793</u>
	<b>November 1, 2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>October 31, 2017</b>
<b>Capital assets, being depreciated:</b>				
Furniture	\$ 26,160	\$ -	\$ -	\$ 26,160
Office equipment	61,002	-	-	61,002
Land Improvements	72,884	35,676	-	108,560
Total capital assets, being depreciated	<u>160,046</u>	<u>35,676</u>	<u>-</u>	<u>195,722</u>
<b>Less accumulated depreciation for:</b>				
Furniture	26,160	-	-	26,160
Office equipment	61,002	-	-	61,002
Land Improvements	18,481	10,060	-	28,541
Total accumulated depreciation	<u>105,643</u>	<u>10,060</u>	<u>-</u>	<u>115,703</u>
Capital assets, net of depreciation	<u>\$ 54,403</u>	<u>\$ 25,616</u>	<u>\$ -</u>	<u>\$ 80,019</u>

Depreciation expense was \$20,991 and \$10,060 for the years ended October 31, 2018 and 2017, respectively.

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

(c) **Long-term Liabilities**

	November 1, 2017	Additions	Deletions	October 31, 2018	Amount Due within One Year
Compensated absences	\$ 180,775	\$ 144,102	\$ (126,029)	\$ 198,848	\$ 126,029

	November 1, 2016	Additions	Deletions	October 31, 2017	Amount Due within One Year
Compensated absences	\$ 163,474	\$ 127,256	\$ (109,955)	\$ 180,775	\$ 109,954

(3) **OTHER INFORMATION**

(a) **Avocado Inspection Program**

During February 1986, the Commission contracted with the State Department of Food and Agriculture to administer the Avocado Inspection Program (AIP) for the State of California (State). Since the Commission is, in substance, an agent for the State, fiduciary cash and cash equivalents, amounts held for AIP are offset by fiduciary liabilities, amounts held for AIP. As of October 31, 2018 and 2017, \$827,085 and \$816,486, respectively, was held by the Commission for the AIP.

(b) **Line of Credit**

On March 8, 2011, the Commission obtained a revolving line of credit from Bank of the West, in the amount of \$3,000,000, with a variable interest rate at prime rate plus 0.5% and a floor of 4.0%. The original maturity date for the line of credit was February 15, 2013, which was extended to February 28, 2019, under the same terms as the original agreement. At October 31, 2018 and 2017, there was no outstanding balance due on the line of credit.

(c) **Risk Management**

**Insurance Programs of the Commission**

The Commission utilizes insurance broker Brown & Brown of California, Inc., to obtain its insurance coverage from various insurers. The Commission's coverage is as follows:

*Commercial General Liability* - insured by Fireman's Fund Insurance – General aggregate coverage of \$2,000,000 and \$1,000,000 for each occurrence.

*Automobile Liability* - insured by Fireman's Fund Insurance – Coverage is \$1,000,000 per bodily injury or property damage, subject to a \$500 deductible.

*Crime Liability* - insured by Travelers Casualty & Surety – Coverage is \$1,000,000, subject to a \$5,000 deductible.



**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

*Umbrella Liability* - insured by American Insurance Company – General aggregate coverage of \$5,000,000 and \$5,000,000 for each occurrence.

*Travel Accident Liability* - insured by Hartford Life Insurance Company – Coverage is \$100,000 per person and \$500,000 per aggregate limit.

*Directors and Officers Liability and Employment Practices Liability* - insured by Great American Insurance Company – Coverage is \$5,000,000 aggregate limit, with a \$25,000 retention.

*Employed Lawyers Professional Liability* - insured by Federal Insurance Company – Coverage is \$1,000,000 aggregate limit, with a \$5,000 retention.

*Fiduciary Liability* - insured by Lloyds of London – Coverage is \$1,000,000 each claim and in aggregate, subject to a \$2,500 deductible.

*Media Content/Network Security and Privacy* - insured by Lloyds of London – Coverage is \$1,000,000 each claim and in aggregate, with a \$25,000 self insurance retention for each loss.

*Foreign Liability* - insured by Fireman’s Fund Insurance Company – General aggregate coverage is \$2,000,000 and \$1,000,000 for each occurrence.

*International Business Auto* - insured by Fireman’s Fund Insurance – Coverage is \$1,000,000 hired or non-owned auto liability and \$10,000 medical payment each person/accident.

*International Foreign Voluntary Workers’ Compensation and Employer Liability* – insured by Fireman’s Fund Insurance Company – Coverage is \$1,000,000 per occurrence

*Workers’ Compensation Coverage* – insured by Hartford Casualty Insurance Company – Coverage is \$1,000,000 per occurrence

**Adequacy of Protection**

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded insured coverage. There have been no significant changes in insurance coverage during fiscal year 2018.

**(d) Employee Retirement Plans**

The Board of Directors of the Commission implemented a defined contribution plan, California Avocado Commission Profit Sharing Plan (PSP), administered by “The Retirement Plan Company,” for eligible Commission employees effective November 1, 2000. The Commission’s payroll for the twelve employees eligible to participate in the PSP for the plan year ended October 31, 2018, was \$1,856,977. Total payroll for the twelve employees eligible to participate in the PSP for the plan year ended October 31, 2017, was \$2,100,815. Total contributions for the years ended October 31, 2018 and 2017 were \$195,698 and \$222,581, respectively.

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

The Commission may make annual, discretionary contributions, as determined by the President, to the PSP. With a few exceptions, each eligible employee received an allocation of 10% of compensation, up to a maximum of \$55,000, for each of the plan years ended October 31, 2018 and 2017. To receive an allocation, each employee must meet a minimum service requirement of one year and must be credited with at least 1,000 hours of service.

**(e) *Operating Leases***

On November 5, 2009, the Commission entered into a lease agreement for the current office space, within the City of Irvine, California, under a five-year lease ending November 30, 2014, which was extended an additional five years ending November 30, 2019. During the years ended October 31, 2018 and 2017, the Commission paid \$72,733 and \$70,630, respectively, for office rent, exclusive of operating expenses.

On September 15, 2011, the Commission entered into an agreement to lease a postage machine under a three-year lease ended on October 1, 2014, which was extended to December 31, 2019, with quarterly payments due at the end of each quarter of \$275. Quarterly payments began January 1, 2012. During the years ended October 31, 2018 and 2017, the Commission paid \$956 and \$1,544, respectively, including tax, for this lease.

On February 9, 2015, the Commission entered into an agreement to lease two printers under a three-year lease agreement ended on January 31, 2018, with monthly payments of \$441 beginning February 1, 2015. The original lease was terminated as of August 31, 2017. On September 1, 2017, the Commission entered into an agreement to lease two new printers under a three-year lease agreement ending on August 31, 2020, with monthly payments of \$575. During the years ended October 31, 2018 and 2017, the Commission paid \$6,959 and \$6,354, respectively, including tax, for this lease.

On October 19, 2016, the Commission entered into an agreement to lease a printer under a three-year lease agreement ending on September 30, 2019, with monthly payments of \$499 beginning October 1, 2016. During the years ended October 31, 2018 and 2017, the Commission paid \$6,819 and \$6,988 including tax, for this lease.

On July 1, 2013, the Commission entered into a lease agreement for the Pine Tree Ranch property within the City of Santa Paula, California, under a ten-year lease ending June 30, 2023. During the year ended October 31, 2018 and 2017, the Commission paid \$21,400 and \$20,720 for rent, respectively, including rent paid for a garage on the property for \$100 a month.

**CALIFORNIA AVOCADO COMMISSION**  
Notes to Basic Financial Statements (Continued)  
October 31, 2018 and 2017

The annual requirements to amortize the operating lease obligations as of October 31, 2018, are as follows:

<b>Year Ending October 31,</b>	<b>Office Spaces</b>	<b>Printers</b>	<b>Postage Machine</b>	<b>Pine Tree Ranch</b>	<b>Total</b>
2019	74,836	12,389	1,101	22,104	110,430
2020	6,251	5,750	183	22,836	35,020
2021	-	-	-	23,600	23,600
2022	-	-	-	24,384	24,384
2023	-	-	-	16,608	16,608
<b>Total</b>	<b>\$ 81,087</b>	<b>\$ 18,139</b>	<b>\$ 1,284</b>	<b>\$ 109,532</b>	<b>\$ 210,042</b>

**SUPPLEMENTARY INFORMATION**

**CALIFORNIA AVOCADO COMMISSION**  
 Budgetary Comparison Schedule  
 For the Year Ended October 31, 2018  
 (with comparative actual totals for the year ended October 31, 2017)

	2018				2017 Actual
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	
<b>Revenues:</b>					
Assessment revenue	\$ 9,250,312	\$ 9,250,312	\$ 8,660,863	\$ (589,449)	\$ 7,951,777
HAB rebate assessment revenue (restricted)	7,410,938	7,410,938	6,385,531	(1,025,407)	4,148,826
Administrative and marketing fees	61,000	61,000	61,000	-	60,997
Interest income	15,000	15,000	26,864	11,864	28,320
Grant revenue	240,983	363,983	255,063	(108,920)	323,618
Other income	97,000	97,000	103,263	6,263	162,075
<b>Total revenues</b>	<b>17,075,233</b>	<b>17,198,233</b>	<b>15,492,584</b>	<b>(1,705,649)</b>	<b>12,675,613</b>
<b>Expenses:</b>					
<b>Marketing:</b>					
Consumer marketing	6,045,098	6,045,098	5,647,828	397,270	4,134,305
Merchandising promotions	2,152,277	2,152,277	1,793,335	358,942	1,360,270
Foodservice	934,000	934,000	831,868	102,132	665,418
Consumer public relations	1,150,000	1,150,000	1,139,745	10,255	573,445
Consumer registered dietitian nutritionist program	122,000	122,000	122,464	(464)	93,127
Marketing activities support	96,625	96,625	77,515	19,110	202,240
<b>Total marketing</b>	<b>10,500,000</b>	<b>10,500,000</b>	<b>9,612,755</b>	<b>887,245</b>	<b>7,028,805</b>
<b>Non-marketing programs:</b>					
Industry affairs	1,003,905	1,003,905	828,263	175,643	652,602
Production research	469,435	469,435	464,158	5,277	602,839
Grant expenses	240,983	363,983	257,992	105,991	323,619
<b>Total non-marketing programs</b>	<b>1,714,323</b>	<b>1,837,323</b>	<b>1,550,413</b>	<b>286,911</b>	<b>1,579,060</b>
<b>Administration:</b>					
Administration	3,223,109	3,223,109	3,113,533	109,576	3,466,340
Information systems	130,145	130,145	92,338	37,810	108,906
Depreciation	14,400	14,400	20,991	(6,591)	10,060
<b>Total administration</b>	<b>3,367,654</b>	<b>3,367,654</b>	<b>3,226,862</b>	<b>140,795</b>	<b>3,585,306</b>
<b>Total expenses</b>	<b>15,581,977</b>	<b>15,704,977</b>	<b>14,390,030</b>	<b>1,314,951</b>	<b>12,193,171</b>
<b>Change in net position</b>	<b>1,493,256</b>	<b>1,493,256</b>	<b>1,102,554</b>	<b>(390,702)</b>	<b>482,442</b>
Net position, beginning of year	11,116,774	11,116,774	11,116,774	-	10,634,332
<b>Net position, ending of year</b>	<b>\$ 12,610,030</b>	<b>\$ 12,610,030</b>	<b>\$ 12,219,328</b>	<b>\$ (390,702)</b>	<b>\$ 11,116,774</b>

See accompanying note to supplementary information.

**CALIFORNIA AVOCADO COMMISSION**

Note to Supplementary Information

October 31, 2018 and 2017

**(1) BUDGETARY INFORMATION:**

***(a) Budgets and Budgetary Accounting:***

Each year, the California Avocado Commission (Commission) adopts a budget that provides for its general operations. Budgets are prepared on the accrual basis of accounting. Department Heads are responsible for preparing and presenting their departmental budgets. Each Department Head is required to meet with the President and Director of Finance and Administration of the Commission to review each line item. The overall combined budget is prepared by the President and Director of Finance and Administration of the Commission and presented to the Board of Directors. Line item transfers do not need Board of Directors approval. Any increases in a department's budget must be approved by the Board of Directors.

**CALIFORNIA AVOCADO COMMISSION**  
Combining Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended October 31, 2018

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
<b>Operating revenues:</b>			
Assessment revenue	\$ -	\$ 8,660,863	\$ 8,660,863
HAB rebate assessment revenue (restricted)	6,385,531	-	6,385,531
Administrative and marketing fees	-	61,000	61,000
Total operating revenues	<u>6,385,531</u>	<u>8,721,863</u>	<u>15,107,394</u>
<b>Operating expenses:</b>			
Marketing	6,508,660	3,104,095	9,612,755
Nonmarketing programs	-	1,550,413	1,550,413
Administration	-	3,226,862	3,226,862
Total operating expenses	<u>6,508,660</u>	<u>7,881,370</u>	<u>14,390,030</u>
Operating income	<u>(123,129)</u>	<u>840,493</u>	<u>717,364</u>
<b>Nonoperating revenues:</b>			
Interest income (loss)	6,249	20,615	26,864
Other income	-	358,326	358,326
Total nonoperating revenues	<u>6,249</u>	<u>378,941</u>	<u>385,190</u>
Change in net position	(116,880)	1,219,434	1,102,554
Net position, beginning of year	<u>3,307,657</u>	<u>7,809,117</u>	<u>11,116,774</u>
Net position, ending of year	<u>\$ 3,190,777</u>	<u>\$ 9,028,551</u>	<u>\$ 12,219,328</u>

# CALIFORNIA AVOCADO COMMISSION

## Schedule of Program Expenses For the Year Ended October 31, 2018

	<b>Restricted</b>	<b>Budget</b>
<b>Marketing Programs:</b>		
Media-Flex-85% Rebate	\$ 230,093	\$ 300,000
Media-85% Rebate-Mullen	1,867,995	1,650,000
Program Administration Fees-85% Rebate-Mullen	1,609,585	1,609,598
<b>Subtotal Consumer Advertising</b>	<b>3,707,673</b>	<b>3,559,598</b>
Artisan Chef Program-85% Rebate-Golin	69,714	145,000
American Summer Holidays-85% Rebate-Golin	90,545	62,000
California Avocado Month-85% Rebate-Golin	177,557	187,000
News Bureau-85% Rebate-Golin	265,270	263,000
Media Tracking & Reporting-85% Rebate-Golin	78,338	70,000
Blog & Social Media Support-85% Rebate-Golin	52,428	43,000
Blogger Advocates-85% Rebate-Golin	42,711	42,000
Program Administration Fees-85% Rebate-Golin	110,965	81,000
Program Administration Expenses-85% Rebate-Golin	2,218	7,000
<b>Subtotal Consumer Public Relations</b>	<b>889,745</b>	<b>900,000</b>
Trade Advertising-Media-85% Rebate-Fusion	297,463	300,000
Trade Advertising-Production-85% Rebate-Fusion	58,371	60,000
Recipe Development-85% Rebate	14,031	2,500
Dues-85% Rebate	9,305	11,653
Sponsorship-Northwest-85% Rebate	4,183	4,045
Sponsorship-Southwest-85% Rebate	13,187	13,475
Trade Sponsorship Opportunities-85% Rebate	23,948	22,158
Conventions-85% Rebate	110,369	185,000
Booth Storage-85% Rebate	7,971	10,000
Program Admin/Strategy/Planning -85% Rebate-PJ/PR	24,000	24,000
Retailer Communications-Expenses-85% Rebate	13,284	18,645
Retailer Communications-Fees-85% Rebate-PJ/PR	77,000	77,000
Fresh Summit/Retail Campaigns-85% Rebate	16,110	18,700
Fresh Summit/Retail Campaigns-85% Rebate-PJ/PR	68,163	71,645
Key Account Coverage-MW/SE-Anderson-85% Rebate	92,332	92,000
Key Account Coverage-NE-Krumrine-85% Rebate	27,451	29,050
Key Account Coverage-NW-Becker-85% Rebate	48,621	51,500
Co-Marketing Photo Shoot-85% Rebate	-	20,000
Retail Trade Promotions-85% Rebate	3,837	4,000
Retail Trade Promotions-85% Rebate-Fusion	23,259	33,500
Planning & Program Administration-85% Rebate-Fusion	52,047	45,000
Premiums-85% Rebate	10,819	30,000
POS Materials-85% Rebate	18,166	40,000
Storage/Fulfillment-85% Rebate	55,229	135,000
<b>Subtotal Trade Advertising</b>	<b>1,069,147</b>	<b>1,298,871</b>
Media-85% Rebate-KC	108,414	108,000
Production-85% Rebate-KC	10,515	20,000
Public Relations & Collateral Mat-85% Rebate-KC	63,624	70,000
Foodservice Events-85% Rebate-CDCA	25,181	30,000
Foodservice Events-85% Rebate-KC	326,735	300,000
Chain Promotions-85% Rebate-CDCA	5,497	30,000
Chain Promotions-85% Rebate-KC	242,317	320,000
Culinary Education Program-85% Rebate-KC	1,950	2,000
Program Administration Fees-85% Rebate-KC	44,550	50,000
Program Administration Expenses-85% Rebate-KC	3,085	4,000
<b>Subtotal Foodservice</b>	<b>831,868</b>	<b>934,000</b>
Festivals-Carpinteria-85% Rebate	5,784	7,000
Festivals-Others-85% Rebate	4,443	7,000
<b>Subtotal Marketing Planning &amp; Other</b>	<b>10,227</b>	<b>14,000</b>
<b>Total Marketing</b>	<b>6,508,660</b>	<b>6,706,469</b>
<b>Total Program Expenses</b>	<b>\$ 6,508,660</b>	<b>\$ 6,706,469</b>



**Independent Auditor's Report on Internal Control Over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Board of Directors  
California Avocado Commission  
Irvine, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the California Avocado Commission (Commission), as of and for the year ended October 31, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated January 31, 2019.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Newport Beach, California  
January 31, 2019

# INDUSTRY STATISTICAL DATA

## 10 YEAR INDUSTRY STATISTICAL DATA FROM 2008/09 THROUGH 2017/18

YEAR	BEARING ACRES	VOLUME	CROP VALUE	PRICE PER POUND (¢)	DOLLARS PER BEARING ACRE	POUNDS PER BEARING ACRE
08/09	64,555	174.5	\$199,625,988	114.4	\$3,092	2,703
09/10	58,268	534.5	\$402,770,893	75.35	\$6,912	9,173
10/11	57,532	302.5	\$460,209,682	152.1	\$7,999	5,258
11/12	59,629	462.3	\$381,852,467	82.6	\$6,404	7,753
12/13	57,838	500.2	\$435,023,142	87.0	\$7,521	8,648
13/14	57,219	297.5	\$333,216,563	112	\$5,823	5,199
14/15	51,478	279.0	\$303,160,400	108.6	\$5,889	5,420
15/16	51,902	401.4	\$412,332,493	102.7	\$7,944	7,733
16/17	51,249	215.9	\$345,875,896	160.2	\$6,749	4,213
17/18	49,986	337.8	\$383,136,193	113.4	\$7,665	6,758

**Footnotes:**

Bearing acres based on CAC's acreage inventory, attrition factors and other sources

Industry statistical data from 1971-72 through 2017-18 are available on [CaliforniaAvocadoGrowers.com/industry/industry-statistical-data](http://CaliforniaAvocadoGrowers.com/industry/industry-statistical-data)

## CALIFORNIA AVOCADO POUNDS & DOLLARS BY VARIETY NOVEMBER 2017 THROUGH OCTOBER 2018

Month	Hass Pounds	Lamb Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Others Dollars	Total Dollars	Avg \$/lb
1st QTR	8,701,454	795	662,514	9,364,763	9,819,170	950	283,616	10,103,736	1.079
2nd QTR	106,089,520	203	864,307	106,954,030	113,213,581	232	812,184	114,025,997	1.066
3rd QTR	162,060,387	5,376,792	636,776	168,073,955	178,640,793	5,515,908	531,119	184,687,820	1.099
4th QTR	47,687,040	5,615,775	156,696	53,459,511	66,405,162	7,718,682	194,796	74,318,640	1.390
Total	324,538,401	10,993,565	2,320,293	337,852,259	368,078,706	13,235,772	1,821,715	383,136,193	1.134
Grand Total								383,136,193	1.134
Y-T-D (%)	96.06%	3.25%	.69%	100.00%	96.07%	3.45%	.48%	100.00%	
Y-T-D AVG \$/LB					1.134	1.204	0.785	1.134	

## TOTAL US VOLUME AND CALIFORNIA PRICE PER POUND FROM 2008/09 THROUGH 2017/18

YEAR	CA VOLUME (MM LBS.)	TOTAL US VOLUME (MM LBS.)	CA AVERAGE PRICE PER POUND (¢)
08/09	174.5	1,145	114.40
09/10	534.5	1,350	75.35
10/11	302.5	1,227	152.10
11/12	462.3	1,589	82.60
12/13	500.2	1,684	87.00
13/14	297.5	1,941	112.00
14/15	279.0	2,184	108.60
15/16	401.4	2,348	102.70
16/17	215.9	2,174	160.2
17/18	337.8	2,483	113.4

**Footnotes:**

Total US Volume represents the estimated volume of fresh avocados sold in the US from the November through October time period



# 2018 ANNUAL REPORT

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[CaliforniaAvocadoGrowers.com](http://CaliforniaAvocadoGrowers.com)

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