

CALIFORNIA AVOCADO COMMISSION
MARKETING COMMITTEE WEB/TELECONFERENCE MEETING MINUTES
December 9, 2021

A web conference meeting of the Marketing Committee was held on Thursday, December 9, 2021, with the following people participating:

MEMBERS PARTICIPATING

Gary Caloroso
Phil Henry
Denise Junqueiro
Rachael Laenen
Andy Lyall
Ed McFadden
Doug Meyer
Peter Shore
Steve Taft
Angela Tallant
Rob Grether (Ex Officio Member)

MEMBERS NOT PARTICIPATING

Patrick Lucy
Doug O'Hara
Carson McDaniel
Debbie Willmann

CAC STAFF PARTICIPATING

April Aymami
Tom Bellamore
Zachary Benedict
David Cruz
Jan DeLyser
Angela Fraser
Ken Melban

OFFICIALLY PRESENT

Bryan Reugebrink (MullenLowe)
Candace Hollar (Mediahub)
Tyler Kirsch (MullenLowe)
Erica Sanchez (MullenLowe)
Sam Schaitberger (MullenLowe)
Temra Wald (Temra Wald Consulting)

GUESTS PRESENT

David Anderson (Anderson Food Sales and Marketing)
Jennifer Ayvazian (Fusion)
Carolyn Becker (CL Marketing)
Will Carleton
Michaela Dollar (MullenLowe)
Brittany Ferrant (Mediahub)
Kim Kurata (Kurata Communications)
Jillian McMenamin (Golin)
Steven Muro (Fusion)
Jill Netzel (Fusion)
Laura Paden (PJ/PR)
Martin Pagh Ludvigsen (MullenLowe)
Mollie Partesotti (MullenLowe)
Lecia Rdzak (Fusion)
Matt Schraut (Fusion)
Kevin Simek (Mediahub)
Chris Varvel (Henry Avocado)

ITEM #1 ROLL CALL/QUORUM

The Marketing Committee teleconference meeting was called to order at 10:02 a.m. by Chairman Gary Caloroso. A quorum was established.

ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT

Mr. Caloroso acknowledged that this was Phil Henry's last Committee meeting and thanked him for all that he has done. Ms. DeLyser noted that he has served since the beginning of the reestablishment of the Committee and will recommend to the Chair that Chris Varvel from Henry Avocado Corporation take his place on the Committee.

ITEM #3 CONSENT CALENDAR

Mr. McFadden moved to approve the Consent Calendar, including minutes from the June 16, 2021 meeting. The motion was seconded by Mr. Shore and unanimously approved.

MOTION 21-12-09-1.

ITEM #4 DISCUSSION ITEMS

2020-21 California Crop Recap – Item 4.A.

Ms. Aymami reported that for the fiscal year 2020-21 there were 260 million pounds of California avocados harvested. She advised the Committee that CAC crop estimating is on a calendar year now and this number does not include 9.5 million pounds carryout of Hass. She reminded the Committee that estimating is not a perfect science and crop volume varies significantly from our estimates from time-to-time and CAC does a great job working with the Committee's input to adjust our marketing programs throughout the year.

2021 Import Crop Performance – Item 4.B.

Mr. Caloroso asked for an update on Jalisco based on recent reports they will be coming into the U.S. Mr. Bellamore reminded it has been a number of years since parts Mexico were approved for access to the U.S. and that state-by-state access from Mexico is slowly still happening because of required protocols. Mr. Melban noted there is no final approved plan yet but it is expected to occur and may be slow in the beginning. He said the market will adjust accordingly. Mr. Caloroso added that Jalisco's existing demand is in Canada, Japan and Europe so it is unknown how much will come into the U.S.

Ms. Aymami shared that the 2021 import update through last Sunday was nearly 2.8 billion pounds. In comparison to 3 billion pounds in 2020 and there still are four more weeks to go. These are 2021 calendar year numbers and she noted that Other Imports were other varieties than Hass which includes Greenskins from the Dominican Republic.

2021-22 California Crop Forecast – Item 4C.

Ms. Aymami reported that the 2022 California pre-season crop estimate based on AMRIC Handler reporting is 306 million pounds with 291 million Hass, 9 million Lamb Hass, 5 million GEM and 1 million Other varieties. September's crop estimate total was 301.5 million. She noted these are very preliminary but is confident in the Hass numbers. Ms. Aymami mentioned that the monthly numbers for Lamb Hass, GEM and Other varieties may shift. She said the Lamb Hass has been gaining traction in volume, that it has been underestimated the last few years and may end up higher than the estimate. GEM finished at 2.5 million this year and will probably end up between 4-5 million.

The monthly projected numbers were based on the Handler survey, showing some fruit in February, kicking off in March, running through August and then winding down in September. CAC will revisit the crop numbers in February and discuss with the Committee afterwards.

2022 Import Crop Projections – Item 4.D.

Committee members agreed that numbers from Mexico were appearing slightly lower than last year. Mr. Meyer noted that through November sizing was down and heavier to 60's and smaller but that was starting to shift to larger fruit in December. There was agreement that this is encouraging for California. It was also noted that the Big Game is later in 2023 (February 13) and in Los Angeles.

No one on the committee had numbers from Chile yet. There was reference to port delays having stymied any momentum and Chile may not be much of a factor moving forward. The committee agreed that it is too early for any discussion about Peru volume and timing, they will circle back in February.

Ms. Junqueiro noted that it may still be a few years out before significant volume comes from Colombia. Ms. Tallant agreed and cited reasons such as infrastructure and growers still needing to get certified. There was consensus that Colombia would likely be similar volume to last year.

California Avocado Tracking Study – Item 4.E.

Ms. Wald presented summary results from the 2021 California Avocado Tracking Study, focusing on observations from the California market and highlighting key results from western states and the total United States. Awareness continues to be strong for California and California Avocados are seen as most premium, best tasting, freshest, safest, worth paying more for and the preferred region.

2021 Media Results and Learnings – Item 4.F.

Ms. Hollar presented an overview of the 2021 media results and shared preliminary plans for 2022, noting CAC will continue with outdoor, audio, digital, social and retail media. Ms. Sanchez from MullenLowe highlighted how advertising creative from the campaign “the best avocados have California in them” is being updated for the season.

Shop.CaliforniaAvocado.com Updates – Item 4.G.

Ms. Schaitberger presented observations from last year and the strategic approach planned for the Commission’s merchandise shop this year. Mr. Kirsch shared new merchandise launched in November and early December. In the packet was the Merchandise Shop update through October for everyone’s review. The marketing team will discuss benchmarks for this year and start reporting on actual sales and performance.

2020-21 Year-End Dashboard – Item 4.H.

Ms. DeLyser noted that the Dashboard report was included in the meeting packet for everyone’s review and to let her know if they had any questions.


Industry Updates – Item 4.I.

Mr. Melban noted that the California Avocado Grower Profitability Study was completed and is posted on CaliforniaAvocadoGrowers.com.

ADJOURN

Mr. Caloroso adjourned the web/teleconference meeting at 12:01 p.m.

Submitted by:



Jan DeLyser, CAC Staff



CALIFORNIA AVOCADO COMMISSION

AB 2720 Roll Call Vote Tally Summary

To be attached to the Meeting Minutes

Meeting Name: <i>Marketing Committee Meeting</i>	Meeting Location: <i>Zoom Web/Teleconference</i>	Meeting Date: <i>December 9, 2021</i>
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Attendees Who Voted	<u>MOTION</u> <u>21-12-9-1</u>
Gary Caloroso	Yea
Phil Henry	Not Present
Denise Junqueiro	Yea
Rachael Laenen	Yea
Andy Lyall	Yea
Ed McFadden	Yea
Doug Meyer	Yea
Peter Shore	Yea
Steve Taft	Yea
Angela Tallant	Yea
<i>Outcome</i>	Unanimous