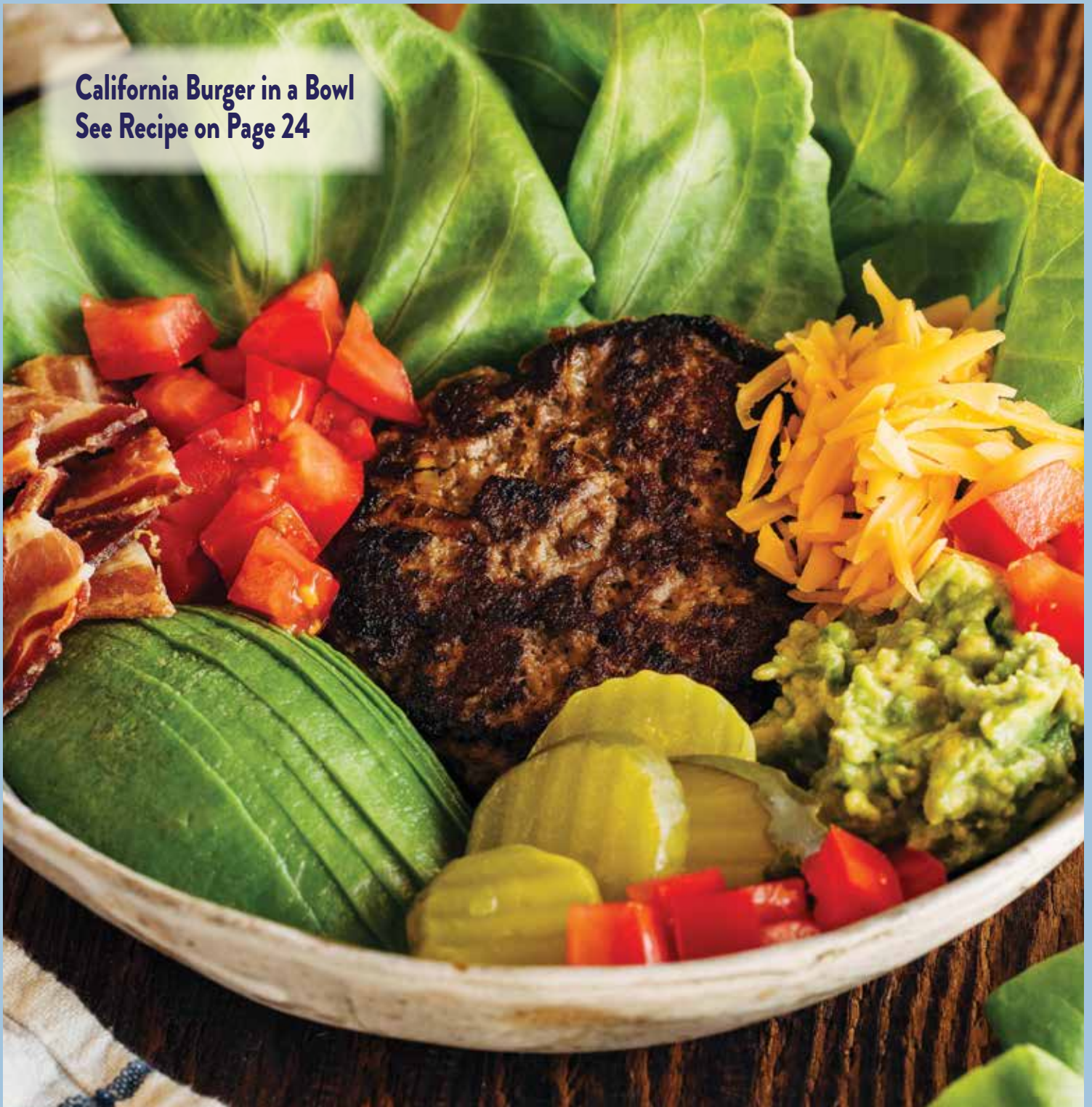


# From the **Grove**

Summer 2023

The Latest News from the California Avocado Industry

**California Burger in a Bowl**  
See Recipe on Page 24





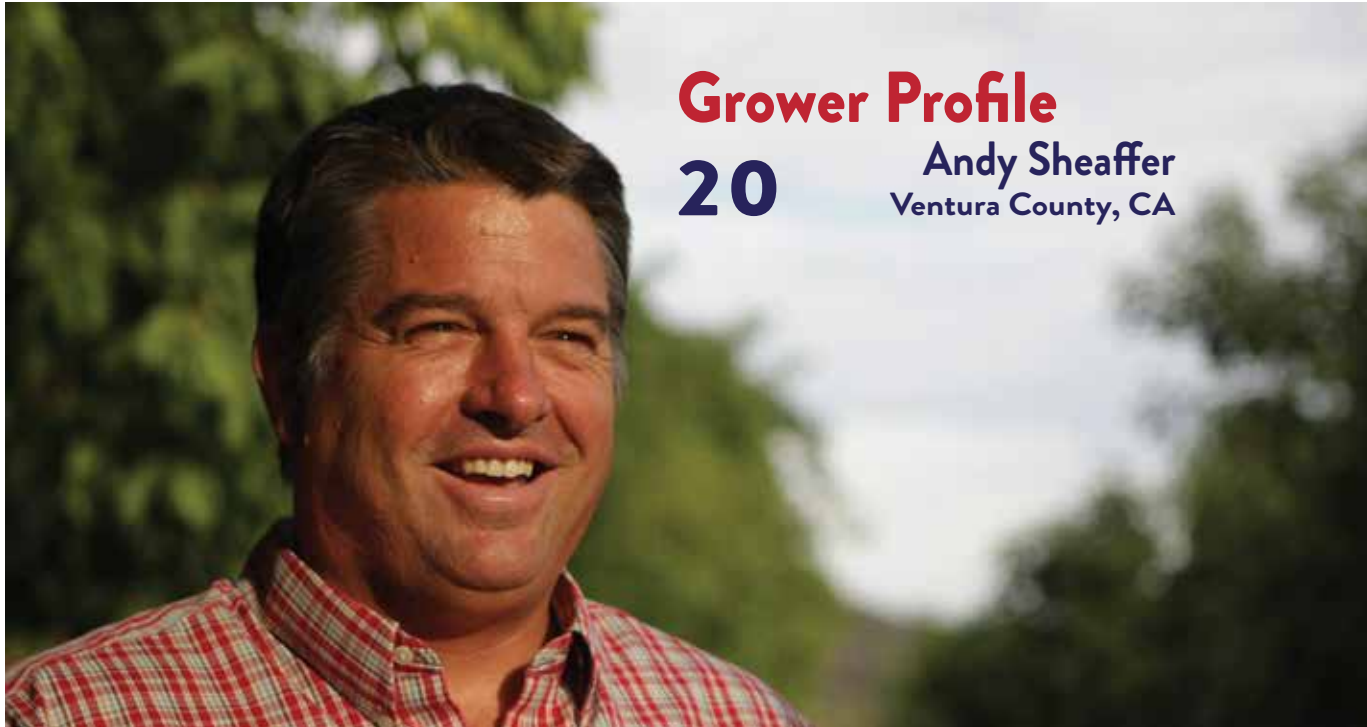
# California Avocados



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# Grower Profile

# 20

**Andy Sheaffer**  
Ventura County, CA

## From the Grove

Volume 13, Number 2

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## Supporting California Growers in Challenging Times



Jeff Oberman

**T**oday's market conditions are not acceptable. There was consensus at the Commission's June Board meeting that nobody, including Board members, stakeholders nor staff are pleased with current pricing and the increasing challenges from current and future offshore imports.

Rising production cost and difficult market conditions remain constant and the headwinds I mentioned in earlier columns are now at gale force. That said, the Commission is working hard to explore where we can help the California grower and seize opportunities where we can make a difference.

During the recent Commission Annual Meetings, we presented new strategies to support the viability of the California avocado grower. These included advocacy and marketing programs that directly tie back to our mission "to maximize grower returns by enhancing premium brand positioning for California avocados and improving grower sustainability." Each objective will have metrics that measure our success and identify areas in need of improvement. (You can see a report on our series of Annual Meetings on pages 10-12 in this issue.)

As I write this column, the 2023 season is approximately 50% complete and we need to ensure the remaining crop is marketed effectively. We will

continue to drive our promotional efforts with retail, food-service and wholesale customers until the last avocado is harvested. In addition to traditional point-of-sale and direct-to-consumer marketing efforts, we are looking at historical trends, promotional opportunities, new retail partners and providing increased data resources on pricing and point of sale strategies to help customers (buyers) succeed and ultimately deliver good returns to the grower.

There is a lot of fruit left to sell this season and some report, a good crop in the coming year. We have a motivated Leadership Team, organizational structure, and resources at the ready to provide value.

Like efforts promoting this year's crop, on the advocacy front we are providing swift action when opportunities present themselves. Recently, growers in Districts 1 and 2 approached the Commission for support during the San Diego Local Agency Formation Commission's (LAFCO) June Board Meetings. In less than a week, Commission staff, with support from CAC Board representatives, were able to develop comments to present at the hearing. Vice President of Industry Affairs



and Operations Ken Melban testified at the LAFCO hearing and sent a letter to LAFCO articulating the view of CAC and its grower members.

This water legislative advocacy example represents how the Commission can spring into action quickly when alerted of a challenge. We want to hear from you, as we are now in the planning stages for the 2023-2024 Season. Representatives on the Board have provided support for 'top-line' priorities within Marketing, Industry Affairs, Production and Outreach and we are now getting to work developing strategies to achieve these goals.

California Growers, let's work together and deliver the Commission's vision: "To be recognized as the most-desired avocado in the world by fostering a vibrant industry." 🥑



# We began in California, but we didn't stop there...

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delivering strong returns  
with global retail and  
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across 25 countries

~

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~

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~

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## Shaping the Future Success of California Avocado Growers: Your Voice Matters!



*Rob Grether*

Dear California Avocado Growers,

Your participation and engagement in shaping the future of the California Avocado Commission are essential. As we face challenges and opportunities in our industry, I urge you to connect with your district representatives and provide critical feedback and guidance on the strategic direction of the Commission.

At the upcoming board meeting in August, CAC will engage in strategic planning to chart a course that aligns with the needs and aspirations of California avocado growers. This makes the next two months an opportune time to connect with your district representatives and ensure your voice is heard during this crucial planning phase.

The board meeting will provide an ideal platform for collaborative discussions, as the newly appointed leadership of the Commission brings tremendous experience and fresh ideas. Their leadership will undoubtedly pave the way for innovation and progress, but they also recognize the value of diverse perspectives and novel approaches.

By reaching out to your district representatives, you have the opportunity to contribute your insights, concerns, and ideas. Your feedback will help shape the discussions and decisions made during the strategic

planning session, ensuring that the Commission's initiatives align with the needs and aspirations of California avocado growers.

Your district representatives serve as a vital conduit between you and the Commission. They are eager to listen, understand, and advocate for your interests. Whether it is regarding pricing challenges, market access, sustainability practices, or any other aspect of avocado cultivation, your feedback will provide them with valuable insights into the priorities that require attention.

Engagement with your district representatives is not limited to the board meeting. CAC encourages ongoing communication and collaboration. Your district representatives are available to engage in meaningful discussions, answer your questions, and provide updates on the Commission's activities. They are committed to working together with you to foster a prosperous avocado industry.

As we navigate challenges like increased global avocado production and rising costs, it is crucial that we leverage our collective wisdom and creativity. Your district representatives will play a pivotal role in advocating for policies that support California growers and address the unique challenges we face. However, they need your input and guidance to effectively

represent your interests.

CAC acknowledges the value of new ideas and new directions. The leadership of the Commission is open to hearing innovative proposals and exploring uncharted territories. Your perspectives and suggestions can shape the strategic planning process and ensure that the Commission remains responsive and adaptable to the evolving needs of the industry.

In conclusion, I implore you to connect with your district representatives and make your voice heard in the coming months. The upcoming board meeting in August presents a prime opportunity to contribute to the strategic planning process of the California Avocado Commission. Together, we can shape a resilient, sustainable, and prosperous future for California avocado growers.

Thank you for your unwavering dedication and commitment to the California Avocado Commission. By actively participating and engaging with your district representatives, we can drive positive change and secure the continued success of our industry.

Warm regards,

A handwritten signature in blue ink, appearing to read 'Rob Grether'.

Chairman, California Avocado Commission

By Ken Melban  
Vice President of Industry Affairs & Operations

## Commission Supports Detachment for Rainbow and Fallbrook Water Agencies

In May the California Avocado Commission's executive committee took action to support Rainbow Municipal Water District's and Fallbrook Public Utility District's reorganizations. In early 2020, Rainbow and Fallbrook applied with the Local Agency Formation Commission, San Diego for detachment from San Diego County Water Authority and annexation to Eastern Municipal Water District. Rainbow and Fallbrook's purpose in detachment is to stabilize customer costs.

Within the Rainbow and Fallbrook service areas are approximately 600 growers representing 20% of California's total avocado growers. They produce about 10% of the state's crop on about 5,300 acres.

CWA strongly opposes the detachment, arguing the debt for previous project costs—which had been agreed upon by Rainbow and Fallbrook—would now be reapportioned to the remaining customers. Throughout the three-year process, upon request, the Commission provided industry data to LAFCO. Commission staff also remained engaged with growers in the Rainbow and Fallbrook service areas, along with growers in the remaining



Accordingly, the Commission strongly supports LAFCO's Option One:

"Approve both reorganization proposals as submitted (no modifications) with standard conditions. No exit fees would apply given deference to the County Water Authority principal act and its silence on the topic. Approval is prefaced on prioritizing the standalone merits of the proposals and its local benefits – including direct support to agriculture in North County. Approval includes exemption findings under CEQA and subject to confirmation by registered voters within the affected territory." (LAFCO June 5, 2023 meeting; LAFCO staff 6a Agenda Report, Public Hearing: [www.sdlafco.org/home/showpublisheddocument/6896/638211259312070000](http://www.sdlafco.org/home/showpublisheddocument/6896/638211259312070000))

The Commission remains hopeful this process will be completed in accordance with existing law and in a timely manner. The Commission will oppose any legislative effort that attempts to circumvent the will of our growers.

Thank you for your thoughtful consideration of the foregoing.

Respectfully submitted,

Ken Melban  
Vice President, Industry Affairs & Operations

Cc: Rob Grether, Chair  
Jeff Oberman, President  
Michael Perricone, District #1 Board Member  
Jessica Hunter, District #1 Board Member  
Ohannes Karaoghlanian, District #2 Board Member  
John Cornell, District #2 Board Member  
Robert Jackson, District #1 Board Alternate  
Charley Wolk, District #2 Board Alternate



## Board of Directors

### District 1

Member/Jessica Hunter-**Secretary**  
Member/Michael Perricone  
Alternate/Robert Jackson

### District 2

Member/John Cornell  
Member/Ohannes Karaoghlanian  
Alternate/Charley Wolk

### District 3

Member/ Maureen Cottingham  
Member/Robert Grether-**Chair**  
Alternate/Jamie Shafer

### District 4

Member/Rachael Laenen-**Vice Chair**  
Member/Jason Cole-**Treasurer**  
Alternate/Hayden McIntyre

### District 5

Member/Will Carleton  
Member/Daryn Miller  
Alternate/James Johnson

### Handlers

Member/Gary Caloroso  
Member/Peter Shore  
Alternate/Connor Huser

### Public Member

Member/Quinn Cotter  
Alternate/Maddie Cook

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

CWA service area, such as Valley Center, Escondido, and Oceanside.

In mid-May a group of growers requested the Commission take a position supporting the detachment at the LAFCO June 5, 2023, hearing. In response, Commission staff reviewed the proposal and impact reports from Rainbow, Fallbrook and CWA. In addition, likely impacts on growers in the CWA service area but not in Rainbow and Fallbrook were considered.

After a comprehensive analysis Commission staff recommended supporting the detachment. Any action like this that may result in varying impacts

across the grower base is not taken lightly. Ultimately the recommendation was based on the belief that the benefit to growers in Rainbow and Fallbrook would be significant, and the impact on remaining CWA growers would be negligible.

At the hearing Commission staff submitted a letter and provided comments, and the matter was continued until July 10, 2023, when a LAFCO decision is expected. Any LAFCO decision will undoubtedly be challenged. If the detachment is approved, it is expected to come with a multimillion dollar exit fee for Rainbow and Fallbrook. 🥑



# CAC Opposes BL516 Royalty Structure

The University of California at Riverside, over the past few years, has looked to privatize their varietal development program through licensing agreements. As part of this privatization, the licensing rights for BL516 — an avocado cultivar developed in large part through years of Commission funding — were sold to Eurosemillas, a Spain-based company. BL516 was discovered in the 1990s by Dr. Bob Bergh at UCR and shows promise as a pollinizer with “Hass like” fruit.

Commission staff met with representatives from Eurosemillas to hear of their planned BL516 royalty structure in California. It was disappointing to learn that their proposal was for an annual sliding-scale royalty structure based on production size. Their proposed royalty scheme asks growers to pay annual royalties on top of the millions the California industry spent on developing BL516.

Based on requests from industry members the matter was placed on the Commission’s May 2023 board meeting agenda for action. The board unanimously agreed to oppose the Eurosemillas royalty structure and petition UCR to intervene.

Accordingly, the Commission has submitted a letter to Rodolfo H. Torres, Vice Chancellor, UCR, requesting a change to the BL516 royalty structure for California avocado growers to one that is in alignment with royalty struc-

tures for other varieties.

Hopefully, this will lead UCR to reevaluate Eurosemillas’ royalty structure. The Commission will continue to advocate for a royalty structure that

appropriately reflects the millions of dollars in funding already provided by California avocado farmers in the development of BL516. 🥑



## **CALIFORNIA AVOCADO COMMISSION** **2023 BOARD OF DIRECTORS ELECTION**

The Annual CAC Board Election will be held in October 2023 for one Producer Member Seat and one Producer Alternate Member Seat in each of the five CAC districts. In addition, one Handler Member Seat and one Handler Alternate Member Seat are also open. All seats in the 2023 CAC Election are for two-year terms. The California Department of Food and Agriculture (CDFA) will announce the results of the 2023 Annual CAC Board Election and seat new Board Members at the CAC Board meeting on November 16, 2023. Individuals interested in participating in the upcoming Board Election can find further information at [CaliforniaAvocadoGrowers.com/commission/cac-general-election](https://CaliforniaAvocadoGrowers.com/commission/cac-general-election).

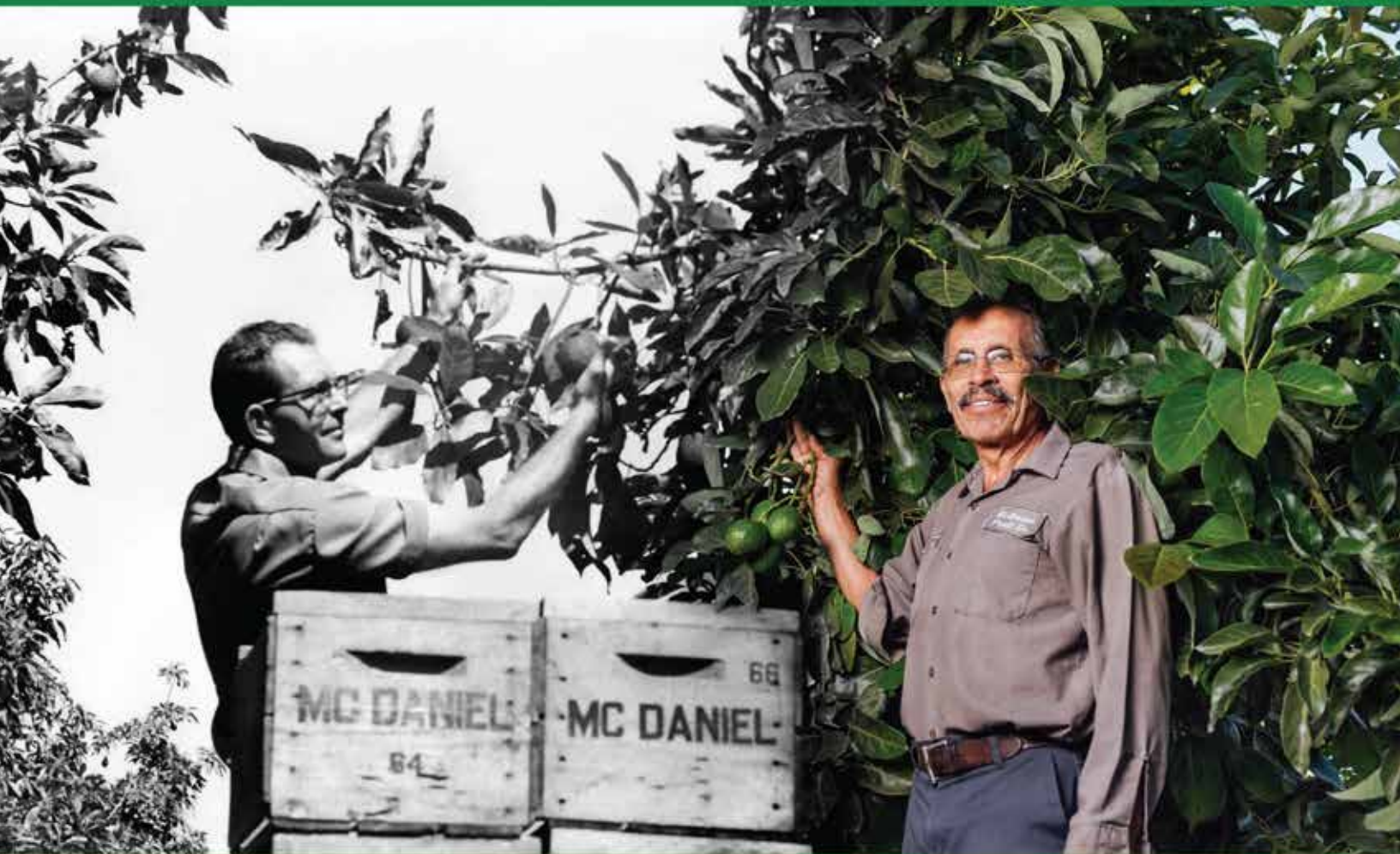
### **SUMMARY OF OPEN SEATS\***

<u>District</u>	<u>Member</u>	<u>Alternate</u>
1	Michael Perricone	Robert Jackson
2	Ohannes Karaoghlanian	Charley Wolk
3	Rob Grether	Jamie Shafer
4	Jason Cole	Hayden McIntyre
5	Daryn Miller	James Johnson
Handler	Peter Shore	Connor Huser

*\* Names shown are incumbents presently holding producer/handler seats*

### **2023 ELECTION SCHEDULE**

July 14	Election announcement / self-nomination notice sent to all Producers and Handlers
August 28	Deadline for receipt of signed nomination petitions, candidate disclosure statements & affidavits and requests for voter access mailings at CAC
September 5	Deadline for CAC receipt of voter access mailings
September 25	CAC mails ballots to producers and handlers
October 25	Deadline for receipt of ballots by CDFA
November 9	CDFA advises CAC staff of election results
November 16	CDFA announces election results to CAC Board and seats new Board Members and Alternates



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# CAC Annual Meetings Return After COVID-19 Hiatus

By Tim Linden

**A**fter a three-year absence because of pandemic restrictions, the California Avocado Commission's traditional series of three spring annual meetings returned in April, sporting a new look.

Of course, growers were well aware of the Commission's biggest change, which was the makeup of its leadership team. Jeff Oberman, who was hired as president and CEO last fall, kicked off each of the three meetings with the introduction of himself and the two other members of senior leadership.

Oberman came to the position with a solid resume as he spent about 25 years in association management, including more than 20 years with United Fresh, and also served five years as a vice president of sales and strategic programs with PRO\*ACT, a leading distributor of fresh produce.

Ken Melban is no stranger to CAC as he has been with the organization for 12 years, but he was promoted in the last six months to vice president of industry affairs and operations. In this role, he continues to lead the Commission's industry affairs programs but has also taken on the financial and administrative operations of the organization.

The newest member of the management team is Terry Splane as vice president of marketing. He has an impressive 30-year background in food marketing, having recently

served as the Impossible Foods head of partner success & strategy as that became one of the fastest growing brands in the plant-based food category.

Oberman emphasized that the team wants to hear from the grower community as it wants to be laser focused on the needs of California avocado growers. He said CAC is analyzing every dollar it spends to make sure it is using those dollars wisely. He added that CAC is taking a more collaborative approach in the industry affairs arena to leverage activity by other groups and achieve positive outcomes at a lower cost. On the marketing front, he said the Commission's budget is designed to maximize the dollars spent directly on promotion, concentrating on retail and foodservice buyers who are proven supporters of California avocados and its premium pricing position. In the research arena, Oberman said the "focus is on efforts that have a high likelihood for adding value to California avocado growers."

The current challenging market conditions did not escape Oberman's gaze as he noted that world avocado supplies have led to lower prices for growers. He said labor issues also are a concern as it appears that Congress will once again avoid addressing the issue with meaningful immigration reform. Long-term water solutions as well as an ever-growing supply

of imported avocados are additional headwinds facing California growers.

But the produce industry veteran said there also are some positives to point to and opportunities to explore. On the plus side is the tremendous amount of rain that the state – and all the avocado growing districts – received this year. Oberman said that rain was good for the 2023 crop but it also has the potential of creating a very good crop in 2024. Production research has produced some promising results both in rootstock work as well as irrigation and water management.

Oberman said CAC also wants to engage with other producing countries to highlight marketing opportunities in markets other than the United States. As foreign producers continue to increase their production, Oberman said they must launch promotional efforts in other countries to grow worldwide consumption.

Melban followed Oberman to the podium and shared information that had been compiled by and provided by Cirad. His presentation illustrated that worldwide avocado supplies are currently outpacing demand and it will take several years for supply and demand to get in sync again. “We are at a tipping point,” he said.

Crunching the numbers to give a 40,000-foot view of the situation, Melban revealed that there are 1.2 million acres of avocados planted worldwide. As of 2020, avocados were in eighth place in terms of tonnage for global trade of fresh fruits. When measured in dollars, the avocado was in fourth place, only trailing fresh bananas, grapes and apples.

Those are impressive numbers; the challenges come when examining the supply curve vs. demand. “Over the last six years, we have seen a 50% increase in planted acres across the globe,” he said, noting that global acreage skyrocketed from 317,000 hectares in 2016 to 492,000 ha in 2022.

Those acreage increases are largely coming from Latin America, but other regions, including the Mediterranean, Africa and Oceania, have joined the avocado planting frenzy.

As those groves mature and produce fruit at an increasing yield per acre rate, it is seemingly undeniable that consumption will lag behind. However, Melban noted that there are opportunities for significant increases in consumption. For example, California consumes avocados at a rate of 10.5 pounds per per-

son per year, which is 25% greater than the rest of the country. And Mexico is a world leader at a per capita consumption rate of close to 18 pounds.

The challenge lies in the fact that 50% of total world avocado production is sold in the United States, which is clearly the most lucrative market.

Melban said the U.S. avocado marketing model, which revolves around the establishment of the Hass Avocado Board two decades ago, is working. In his presentation, he revealed that CAC’s senior leadership is proactively working with world avocado leaders to encourage the development of equally robust marketing efforts in the European Union and Asia. “The U.S. can no longer be the only cash cow,” he said, noting that the key to success is investing in marketing by these other producing countries.

Melban, who continues to wear the legislative affairs hat for the Commission, reported on an effort in the California Legislature to require all foreign-produced fruits and vegetables sold in California to self-attest that the products are grown and packed in compliance with California’s labor laws and the state’s specific health and environmental laws.

While this seems like a noble effort, Melban called it a “heavy lift” and pointed out that the California supermarket industry is opposed to the bill. CAC has taken no position. “The last thing we want to do is pick a fight with the people



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who buy the majority of your product,” he told the growers.

He did report on a positive effort in the U.S. Congress to help offset costs related to specific wildfire damage. CAC is currently working with congressional leaders to broaden the scope of the bill.

Another legislative/regulatory issue that CAC is involved in revolves around sustainability. He said consumers and produce buyers care about the issue and want their food to be produced in an environmentally friendly way. Melban said CAC is involved in this effort to “tell our own story before someone else does.” CAC wants avocado growers to get credit for what they are already doing. Melban said the Commission is pursuing funding to assist in developing an avocado sustainability program, which would provide details and documentation that will help tell the California avocado grower sustainability story.

Splane spent his time at the podium both introducing himself and giving an overview of CAC’s marketing philosophy. He noted he has a love for agriculture, which was nurtured as a young kid on the family farm in the state of Washington.

Concerning the marketing model being followed by CAC, he said it begins with the realization that there is a finite budget and so CAC must use a very targeted approach. “Who’s the right target? What’s the right marketing mix? What message resonates for the greatest results,” he asked and answered.

He noted that CAC continues to focus on what he called “Premium Californians” as the primary target for California avocados. He said the “locally sourced” message resonates well with this group, who are defined as avocado purchasers who will pay a premium for high quality foods. As a group, Premium Californians over-index on education and income. Their median age is 35 and they are major consumers of social media.

He explained that the marketing process includes creating awareness, getting consumers to consider buying, and then converting them to purchase. Splane went through the various avenues and strategies CAC is employing this season to move the crop. He noted that the California-centric message the Commission has utilized over the last few years is once again center stage.

He called CAC’s marketing strategy “insight driven” noting that it is based on market and consumer research. For example, sustainability is an important factor in purchasing decisions for all generations, but it is particularly important for younger shoppers. Research shows that 65% of baby boomers consider sustainability important, while 75% of Generation Z are influenced by the sustainability piece.

Tim Spann, who manages CAC’s research program director for CAC, discussed the association’s philosophy when it comes to spending research dollars. He said about six years ago the board shifted the emphasis from new varietal and rootstock research to an effort that relied heavily on input

from growers. “We want to fund the research that growers need,” he said. “Not just what the researchers want to do.”

He added that CAC is focused on one- to three-year projects that result in a production advantage. Additionally, CAC encourages researchers to go out and find additional sources of funding so CAC isn’t carrying the full load of a research project. “We want to maximize every dollar that comes out of the pockets of growers,” he said, adding that communicating the results are just as important as achieving them. To this end, CAC uses its publications, webinars and field days to publicize results and progress.

Recently Spann said ongoing projects have involved pests and diseases (Avocado Branch Canker, Avocado Seed Weevils, Ecology of the Avocado Lace Bug), commercial-scale field testing of five advanced rootstock selections and cultural management practices involving water use and irrigation.

During the meeting in San Luis Obispo, two researchers from Cal Poly SLO – Rashaan Souikane and Lauren Garner – reported on the ongoing rootstock test being conducted in the campus-owned avocado grove. The Cal Poly team is working in conjunction with UC Riverside researchers to analyze the performance of five rootstocks over various grove conditions. The rootstocks were developed over many years at UCR but have never been commercialized. It’s still early in the effort, but to date, there has not been significant difference between the test rootstocks and the industry standard, Dusa.

The Cal Poly researchers did note some interesting observations that they will continue to follow. Hass avocado trees on PP45 rootstock had significantly greater vigor with respect to height and trunk circumference above and below the graft union compared to those on Dusa. There were no significant differences in overall health, heat damage and salinity damage detected between the UCR experimental rootstocks and Dusa. None of the experimental rootstocks evaluated displayed grafting incompatibilities with the Hass scion.

Ali Montazar, who is with University of California Cooperative Extension, reported on a water use and effective irrigation management project. He noted that 12 mature avocado sites in different climates are being studied with various row orientations and slopes, tree spacings (108 to 360 trees/ac), soil textures (sandy loam to silty loam), elevations (from 160 to 1,500 ft. above sea level), and water sources (Colorado River, wells and reclaimed water). The first year’s data show tremendous variability in tree water needs among locations as well as throughout the season within a given grove.

Spann reported that this is a new project, with the data presented by Montazar representing only one year of research and only from half of the sites. The remaining sites were established this year. He said it was too early to draw any “conclusions” from the data as there are two more years of data collection remaining. 🍌



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# Bagged Avocado Study Provides Commission with Important Purchasing Behavior Data

In just the past four years, sales of bagged avocados have increased by 82%. As bagged avocados have become increasingly important in the avocado industry with retail dollar sales continuing to expand, the California Avocado Commission launched a 2023 analysis of bagged avocados. The study measured the impact of bagged avocado purchase behaviors on retail sales trends during and outside the California avocado season and provided additional data comparing retail category growth during the same comparative seasonal time frames.

The analysis showed that bagged avocados drove average weekly sales growth for the category during the 2022 California avocado season, posting a long-term growth rate of +86% for average weekly dollars and a +93% rate for average weekly units during the California season as compared to 2019. Bagged avocados also generated a higher market basket ring at retail. On average, when shoppers added bagged avocados to their shopping basket, they spent an additional \$59 at retail, which is a market basket premium of 107%. In other words, the total value of the retail market basket more than doubled when shoppers purchased bagged avocados.

Further, according to the 2022 California Avocado Tracking Study, nearly two-thirds (63%) of surveyed avocado shoppers in the West said if they saw California on the packaging of bagged avocados, they would be more likely to buy it. Shoppers stated the top reason for purchasing bagged avocados was that they present a better value. They also consider the bags to be more convenient and select bagged avocados when they are entertaining or preparing a particular dish.

To better understand avocado category dynamics — such as the importance of bagged avocados — and determine how best to promote California avocados, the 2023 bagged avocado study collected data from a 52-week period (ending 2/26/23), a 26-week California season (ending 8-28-22) and

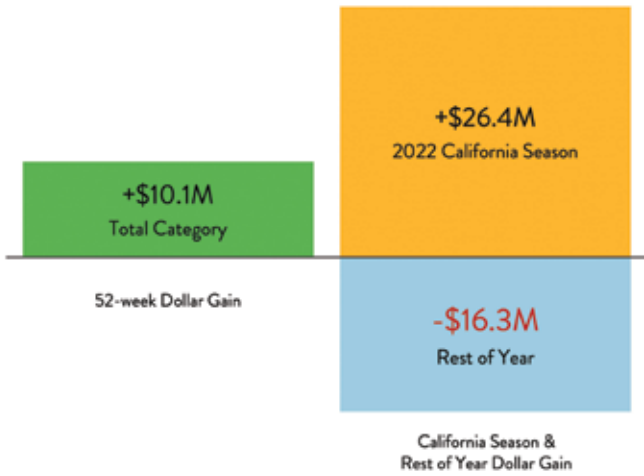
a 26-week non-California season (ending 2-27-22) and compared them to both the prior year and 2019. Further, data was gathered from the California region and compared to the “total U.S. minus California.” To examine purchase trends, household panel data was collected concerning household penetration, repeat buyers, buying rate, purchase occasions, spend per trip, and avocado purchases, and then measured change for all metrics as compared to the prior year. Retail sales data included dollar sales, units, distribution and sales velocity for the total avocado category, bagged avocados and bulk avocados. This comprehensive data set included Circana (formerly IRI) retail scan data and the National Consumer Panel, a continuous household purchasing consumer panel that consists of a representative sample of U.S. households who electronically record all purchases.

The Commission derived several key insights from the study that will help California avocado marketers and retailers better understand the underlying purchase behaviors driving sales in the retail marketplace, as well as the expanding importance of bagged avocados. According to the study, the 2022 California avocado season drove retail category dollar sales growth. During the 52 weeks ending 2/26/23, the California avocado season brought in more than \$26 million in incremental category dollars offsetting the \$16 million decline seen during the rest of the year. This peak season growth was specifically driven by higher sales velocity in the California region.

The Commission’s retail marketing directors and marketing team will utilize the insights from this study to provide retailers and handlers with critical information about California avocado sales opportunities. Ultimately, by using data to inform its promotional activities the Commission can more effectively capitalize on consumer behaviors to encourage California Avocados brand loyalty and purchases of the Golden State fruit. 🥑



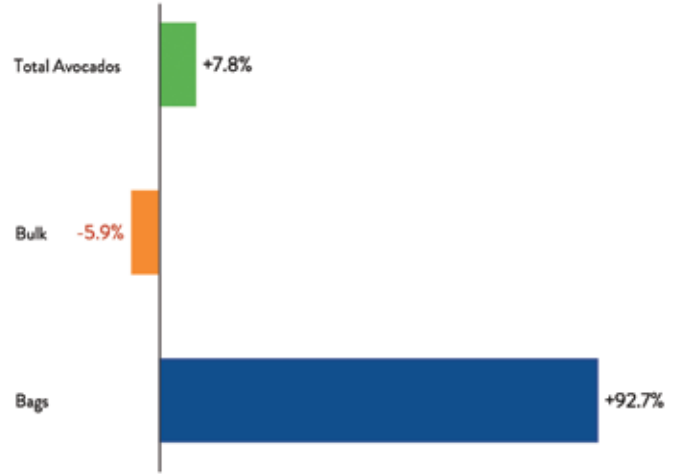
### California Region Dollar Sales Growth 52-weeks ending 2-26-2023



Source: Circana, 52-weeks ending 2-26-2023 vs. 52-weeks ending 2-27-2022

The California avocado season drove retail category sales growth offsetting the decline seen during the non-California season.

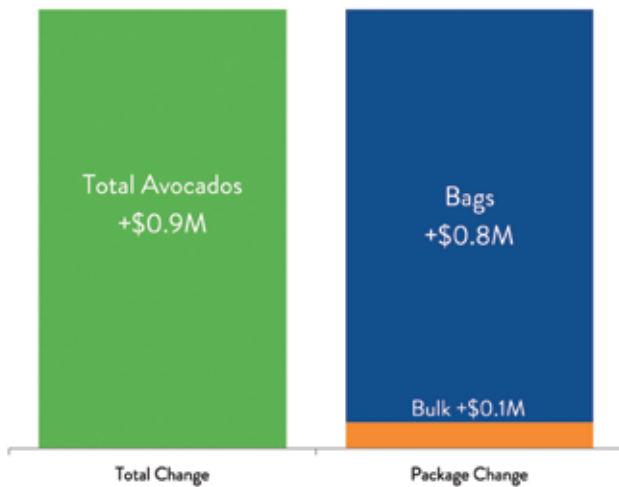
### California Region Avg/Week Unit Change 2022 vs. 2019 California Season



Source: Circana, 2022 California Season vs. 2019

Bagged avocados posted a +93% average weekly uptick in weekly units during the California season when comparing the 2022 and 2019 seasons.

### California Region Avg/Week Incremental \$ Change 2022 vs. 2019 California Season



Source: Circana, 2022 California Season vs. 2019

Bagged avocados accounted for the vast majority of change in incremental dollars when comparing the 2022 and 2019 seasons.

### California Region Market Basket Value 2022 California Season



Source: Circana, Consumer Network/National Consumer Panel

On average, shoppers spent an additional \$59 when bagged avocados were in their shopping basket.

# Commission Hosts Regulatory Tours

By Ken Melban,  
Vice President of Industry Affairs & Operations

**T**he number of regulations California farmers comply with is daunting. As your advocate, the California Avocado Commission pursues opportunities to provide state and federal agencies with an overview of growers' good stewardship practices as regulations affecting California avocado growers are considered. The Commission believes that by telling our story concerning how avocados are sustainably grown in California and how farmland is stewarded by those who work it, we can effectively educate policymakers, consumers, and other stakeholders about our farming practices.

In May the Commission hosted two separate regulatory grove tours. First, the Commission partnered with the California Citrus Quality Council in hosting a tour of California avocado and citrus production areas in Ventura County. Attendees included senior staff from the Environmental Protection Agency, United States Department of Agriculture's Animal Plant and Health Inspection Service and Foreign Agriculture Service along with the California Department of Agriculture.

Next, we joined with the Crop Protection Action Coalition for Trade — a coalition of U.S. farmer organizations committed to truth and transparency about American farming practices — to host an avocado grove tour in Escondido. Participants included the same agencies mentioned previously, along



with other state and national commodity representatives. The discussion focused on current integrated pest management practices and the challenges farmers face as input costs and import volumes increase.

By hosting agency staff in an avocado grove, the Commission has an opportunity to help legislative decision makers better understand production agriculture and the challenges farmers face. Almost all participants for both tours had never been to an avocado grove. Getting them out of their Washington, D.C. and Sacramento offices helps them develop a meaningful understanding of how farmers make decisions in areas like utilization of crop protection materials, efficient water use and ensuring the health and safety of employees.

As stated previously, much of the discussion focused on rising farming costs coupled with increasing import volumes. A double whammy. Agency staff were told as costs go up, and competition stiffens, the cost of regulatory compliance is increasing too.

The Commission's goal with these regulatory tours is to establish and/or improve relations with officials tasked with creating and enforcing regulations impacting California avocado farming. While there are no guarantees these relationships will prove helpful in the future, hopefully if an issue comes up affecting avocados, they will consider, "How will this impact California avocado farmers and is it necessary?" 🥑



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# Grower Profile



## Andy Sheaffer: A Man of Many Talents

By Tim Linden

**A**ndy Sheaffer is clearly a guy who likes to figure things out. This is a skill that has served him well during a varied career doing underwater construction projects, rock excavation on cliffs, and, most recently, transitioning conventional avocado orchards to organic production.

Sheaffer was born in 1968 in Carpinteria, CA, and grew up in the pleasant coastal town with a relatively bucolic childhood. “My dad was a boatbuilder and very creative and mechanically inclined, so I grew up around lots of interesting projects and people and was always encouraged to try new things and not be afraid of challenges. I became a certified diver when I was 16 and after high school, I went to college at UCSB (University of California, Santa Barbara) on a partial athletic scholarship and competed on the track and field team. I was an average student in college and really didn’t know what I wanted to do,” he admits. “I majored in geography with an emphasis on hydrology. I also took a lot of history classes.”

He did have a college experience that would eventually become a very important reflection point in his life. “While in college, I was on the track and field team as a hammer and discus thrower,” he said. “I had a successful throwing career and earned first team all American and competed in the 1992 Olympic trials in New Orleans.”

His athletic experience led him and a handful of teammates to spend a summer in Europe competing in track meets. “At one point we were near Zermatt, Switzerland. Perched on the side of the slopes leading up to the Matterhorn, I saw this machine that fascinated me. I spent an entire day hiking up to it to see what it was.”

It was fascinating, but not yet life changing.

Finishing his studies in 1990 when the U.S. economy was

in bad shape, job prospects for the newest geography grad were not great. “The only jobs available were working in an office for a county somewhere processing data,” he recalls. “That didn’t appeal to me. I was always mechanically oriented and I wanted to work outside.”

Through a family connection, Sheaffer found employment as a laborer with a marine construction company in Newport Beach. He stayed with the company for six years. “I learned a lot about marine construction and did a lot of construction-oriented diving,” he said. “We built sea walls and docks and rebuilt piers, moorings and marine railways. The company worked primarily in Newport Beach, Huntington Harbor, Dana Point and in some local lakes.”

While he gained a tremendous amount of knowledge and learned how to do a lot of new things, Sheaffer did not see a long-range future with the company. “It was a small family company, and they had a daughter that was going to take over and I wasn’t that interested in settling in Orange County,” he said. “I didn’t think there was a lot of room for me to advance.”

Instead, he secured his contractor’s license with the help of his employers and started his own company in which he operated tractors and did a lot of unique jobs such as demolition and backhoe work in difficult environments. Over the years, that machine on the side of the hill in the Alps continued to



intrigue Sheaffer. In 1996, he found what he had learned was a walking excavator for sale and bought it. He brought that back to his parents' property and began figuring out how to operate it. He soon became an expert and started a company featuring the walking excavator and what he calls "spider work".

The spider excavator allowed for work on steep hillsides which led to opportunities for rockfall mitigation work, including hanging wire-mesh drapery, building rockfall and avalanche fences, and stabilizing steep slopes. He eventually owned eight of them and trained many different employees how to operate and use this mechanical spider. "We took jobs all over the country," he said. "We worked in Malibu, Big Sur, Hawaii, Kentucky...all over the place."

Indirectly, the "spider" also got him into the avocado business. "The only connection is that people who knew me thought I'd be a good fit for this avocado ranch that we ended up buying. The property is challenging and big and steep. And they knew I did a lot of work on steep hills."

In 2008, Andy and Kathy Sheaffer did buy the 750-acre ranch situated between Ventura and Carpinteria that is called Vista Punta Gorda. "It is a challenging piece of property," he reiterated. "It rises from sea level to 1800 feet and has a complicated water system. It requires a lot of flexibility."

He noted that the idea of farming always appealed to him. "I don't have much background in farming though I did participate in the FFA (Future Farmers of America) program in high school. In the back of my mind, I wanted to own a place, but land prices were expensive, and I didn't seriously consider it when I was younger."

When the husband-and-wife team bought the property, they had been married about a half a dozen years and had three kids – a daughter and two sons. At this point the rockfall mitigation company was doing well and Sheaffer set about to improve the ranch.

"It had a lot of old trees," he remembers, with about 60% of the ranch under cultivation. "It was about two-thirds avocados and the other third lemons."

The Sheaffers' ranch has gone through many changes over their 15 years of ownership. Today, there are about 330 acres of avocados and 90 acres of lemons. For a while, Andy experimented with bananas and a few other tree crops, but they were not very lucrative and distracted from the main business of selling avocados and lemons.

After he took over the operation of the property in 2008, Sheaffer studied it for a few years before making major changes. "When we took over, it was being run conventionally," he said, noting they maintained the status quo for three years as they studied farming practices as well the possibility of transitioning from conventional to organic farming practices.

That concept was considered in direct relation to Kathy de-



*After the Thomas Fire, the Sheaffers applied hydromulch on the slopes above the town of La Conchita before the heavy rains came to prevent soil erosion.*

veloping autoimmune problems, which were quite debilitating. The couple started researching the issue and found lots of information connecting glyphosate (the active ingredient in some weed-killer herbicides) to autoimmune problems.

They immediately stopped using glyphosate products and began the transition to regenerative, organic farming practices in 2011/12. "I learned a lot," he said. "I took seminars and classes and read hundreds of books on how to farm regeneratively. Most of the books and information involves broadacre and row crops so I had to glean the information and figure out how to apply it to tree crops and specifically avocados."

Sheaffer did learn a lot...information that he is very willing to impart to others. One big learning is that it is much more difficult to transition an old tree from conventional to organic practices than to start off on day one using only organic techniques. "The old trees are used to being fed conventional products and it is harder for them to adapt," he said.

"You can't farm organically by replacement," he explained. "You can't expect to replace a conventional NPK unit with an organic one; it doesn't work for several reasons but mainly because it will break the bank. When you are growing organically, you have to pay closer attention to balancing nutrition and using synergistic inputs because you can't rely on rescue chemistry to save you."

Sheaffer pays very close attention to the soil and the leaves, frequently taking tissue samples and having them analyzed by a lab in what is called a "sap test."

He suspects that very few avocado growers – conventional or organic – use this tissue sampling practice. He explains it in detail but it is impossible for this writer to relay the concept in



about 39,000 new avocado trees,” he said. “They are filling out to the point that it is now easier to manage weeds. This year, with all the rain, they are looking great.”

Like virtually every other California avocado grower, Sheaffer is resigned that 2023 is a difficult year. “The market is tough this year. Nobody is making money this season,” he said in early June. “We size picked about 15% of our fruit earlier in the season and we are going to start picking again soon. Mexico has had a big crop and they have a big flora loca crop this summer. I don’t think our market is going to get much better.”

But he reminds himself that 2022 was a very good marketing year, even though he only had about 100 acres

anything but the broadest terms. The leaves are ground down and pressed to extract the sap which is then tested with sophisticated equipment. It is relatively expensive and, in fact, Sheaffer said the test is difficult to interpret. But the measurements let him know how his trees are doing and where their nutrient deficiencies or excesses lie. Each end of the spectrum can reduce your yields, with high yields being the ultimate goal for any avocado grower. Sheaffer takes a sap test two to three times a year for every block in his grove.

He appears to have figured out the art of organic farming as his yields have consistently been in the 8,000 to 12,000 pounds per acre range.

In 2015, after about 18 years in the construction business, Sheaffer sold that company and began concentrating all of his work energy on his ranch. “That business required me to be gone a lot,” he said. “I did have other people who ran those machines but on the most difficult jobs, I had to be there. It required me to be gone a lot and we had three young kids at home. I was missing out on a lot of things. I promised my wife that when the opportunity to get out arose, I would.”

For a couple of years after selling the construction company, life was good as his trees improved and he continued stumping old trees and converting lemon blocks to avocados.

But in December of 2017, the Thomas Fire delivered a tremendous blow to Ventura and Santa Barbara County growers. Vista Punta Gorda lost 200 acres of trees. “Those were primo trees,” Sheaffer said. “It was a devastating blow for us.”

Five years later, all the trees have been replanted with the ranch increasing the density on most acres from 120 trees per acre to between 170 and 200 trees per acre. “We’ve planted

in full production. “That makes it a bit tougher,” he said. “You are still farming 400 acres but only getting returns on 100.”

Sheaffer believes the future is bright for California growers that have decent volume and especially bright for California organic avocados. He said California fruit, including organic avocado, deserve the premium they typically command. “California organic avocados will certainly deliver a premium,” he believes. “Consumers have more confidence in U.S. organic certification than in organic fruit certified in other countries.”

Sheaffer is not yet ready to make a prediction about the 2024 crop, but the bloom was excellent and he said there is a possibility, it could be a big California crop.

Though they didn’t come from a farming family, Andy and Kathy Sheaffer are creating one. While Andy is on the ranch working with the crops, Kathy helps on food safety and organic certification paperwork. And all of their children enjoy working on the ranch and helping out when they can. He reported that his oldest child, Olivia, who attends Iowa State studying for a degree in fashion merchandising and design, is home from college, and at that moment was out in the groves collecting tissue samples for the ranch’s next sap test. His middle son, Augie, is at Cal Poly San Luis Obispo pursuing a degree in ag engineering. His youngest son, Eli, is still in high school.

The Sheaffers are also passing this love for agriculture onto their nieces and nephews. “During COVID we had nine nieces and nephews hanging out at the ranch and staying with us for five months or so,” he said. “They did their studies and also worked in the groves. They all learned something and had a great time.” 🥑

# Summer 2023 Recipes

**R**ecently a member of the California Avocado Commission Board commended the significant effort the Commission puts into creating and sharing new recipes as part of its consumer and retail programs and added that growers might enjoy an opportunity to try the recipes. The Commission encourages growers to visit [CaliforniaAvocado.com/recipes/](http://CaliforniaAvocado.com/recipes/) where many of the recipes are posted. You also can explore recipes that match your specific dietary lifestyle or preferences based on dietary choices, recipe types or your preferred protein pairing.

For this edition of From the Grove, the Commission is highlighting two recipes. The first recipe, California Burger in a Bowl, was developed by the Commission team for use in retail programs and for sharing on [CaliforniaAvocado.com](http://CaliforniaAvocado.com), due to the high volume of web searches for burger bowl reci-

pes. By developing a recipe around the popular “burger bowl” concept, the Commission can encourage retail demand for California avocados with an on-trend recipe that also brings traffic to the consumer website. This easy-to-make recipe also was approved by the Produce for Better Health Foundation because it combines four different produce ingredients in one dish and meets their nutrition requirements.

The second recipe, Miso Avocado Green Goddess Salad, was developed by trusted influencer and California Avocado Brand Advocate Remy Park. Remy, the creator of the Veggiekins blog, is known for her unique vegan recipes and stunning food photography. Her recipes and social media influence help CAC reach targeted avocado shoppers interested in plant-forward usage ideas. This recipe features California avocados in both the salad base and the dressing, giving consumers multiple usage ideas in a single recipe.

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## California Burger in a Bowl

Serves: 4

Total time: 20 minutes

All of the ingredients of a classic cheeseburger — except the bun — are combined in this loaded burger bowl recipe. That means fewer calories and carbs than a traditional burger. This entree can be prepared quickly and you can easily vary the ingredients to adapt the recipe to how you prefer your burgers. Of course, the California avocados are what make it a California Burger Bowl!

### Ingredients:

- 1 ½ lb. lean (80/20) ground beef
- ¼ cup minced yellow or white onions
- ¼ tsp. steak seasoning or seasoned salt, or to taste
- 2 tsp. Worcestershire sauce
- 1/8 tsp. ground black pepper
- 1 head butter lettuce, leaves separated and washed
- 2 ripe, Fresh California Avocados, seeded, peeled and halved
- 2 large or 4 small tomatoes, diced
- 1 cup shredded cheese (Cheddar or your choice)
- ½ cup drained dill or sweet pickle chips, 1 tsp. pickle juice reserved
- ½ cup diced cooked bacon, optional
- Burger condiments such as mayonnaise, mustard, ketchup, optional

### Instructions:

1. Combine ground beef, onions, steak seasoning and Worcestershire sauce. Form into burger patties, smoothing the edges for even cooking.
2. Heat a large cast iron skillet or griddle to medium high. Place the burger patties in the hot skillet. In the center of each patty make a deep thumbprint. (This helps the centers cook at the same rate as the rest of the burgers.) Cook for 3 to 5 minutes, then flip the patties to the other side. Cook an additional 3 to 5 minutes on the other side depending on how well done you prefer your burger. Sprinkle with pepper and keep warm.
3. Line four entrée-size bowls with butter lettuce leaves around the sides and along the bottom.
4. Mash one avocado half and stir in the pickle juice. Divide mashed avocado among the bowls. Slice or dice the remaining avocados.
5. Add the cooked burger patties, tomatoes, cheese, pickle chips and diced avocados to the bowl. (You can place each ingredient in its own section or layer them all.)
6. Serve with your favorite burger condiments.

*\*\*Large avocados are recommended for this recipe. A large avocado averages about 8 ounces. If using smaller or larger size avocados adjust the quantity accordingly. As with all fruits and vegetables, wash avocados before cutting. For full nutrition information, serving suggestions and variations check out the recipe at <https://californiaavocado.com/recipe/california-burger-in-a-bowl/>.*

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## Miso Avocado Green Goddess Salad

Recipe created by Remy Park, Veggiekins, for the California Avocado Commission

Serves: 4

Total time: 10 minutes

This refreshing and crunchy Green Goddess Salad has a super creamy must-try dressing made with ripe California avocados. This twist on the viral salad recipe is totally vegan and nut-free. It uses a few key Japanese ingredients to make the dressing, and the salad is made with plenty of herbs, greens, peppers and a secret ingredient: California avocados. It's crunchy, spicy, citrus-y, tangy, umami and rich!

### Ingredients:

- 1 head green cabbage, finely sliced
- 4 Persian cucumbers, finely sliced
- 1 cup sliced sugar snap peas
- 3 green onions, finely sliced
- 1 cup Miso California Avocado Dressing (see make-ahead recipe below)
- 1/8 tsp. toasted sesame seeds, for garnish
- 1/2 ripe, Fresh California Avocado, seeded, peeled and sliced

### Instructions:

1. Combine cabbage, cucumbers, snap peas and green onions into a large mixing bowl.
2. Pour Miso California Avocado Dressing over the veggies and toss to combine.
3. Top salad with toasted sesame seeds and avocado slices.

### Miso California Avocado Dressing Ingredients

- 1/4 cup. lime juice
- 2 cloves garlic, chopped
- 1 small shallot, chopped
- 1 small serrano pepper, finely sliced
- 1/4 oz. chives, chopped
- 2 Tbsp. rice vinegar
- 2 Tbsp. nutritional yeast
- 1 Tbsp. white miso paste, or more to taste
- 1 Tbsp. tamari
- 2 tsp. toasted sesame oil
- 2 Tbsp. olive oil
- 1 cup (tightly packed) spinach
- 1 ripe, Fresh California Avocado, seeded and peeled
- 1/8 tsp. salt, or to taste

### Miso California Avocado Dressing Instructions

1. Add all ingredients to a blender and blend until completely smooth, using a spatula in between blending to scrape down the sides of the blender. Season with salt, as needed, and set aside until ready to serve.
2. Reserve and refrigerate extra dressing for another use.



Recipe image used on social media

*\*\*Large avocados are recommended for this recipe. A large avocado averages about 8 ounces. If using smaller or larger size avocados adjust the quantity accordingly. As with all fruits and vegetables, wash avocados before cutting. For full nutrition information, serving suggestions and variations check out the recipe at <https://californiaavocado.com/recipe/miso-avocado-green-goddess-salad/>*



A new "high density" planting of Hass on Dusa rootstock. The spacing is 7-meters x 7-meters (23-feet x 23-feet). Note the "shelterbelt" (windbreak) in the background.

# A Glimpse into Avocado Production In New Zealand

By Tim Spann, PhD  
Spann Ag Research & Consulting

**T**he 10<sup>th</sup> World Avocado Congress was held in New Zealand April 2-5, 2023, with 1,160 attendees from 33 different countries. Prior to the Congress, there were two days of optional field tours available for attendees. On Saturday, April 1, I attended an orchard tour in Katikati in the Bay of Plenty region, and on Sunday, April 2, I visited an orchard in Glenbrook across the bay directly south of Auckland.

New Zealand's primary growing region is the Bay of Plenty, which has a relatively warm climate and fertile soils. Whanga-

rei and the Far North are secondary growing regions. All these growing regions are on the country's North Island.

In Katikati we visited the grove of Maria and Andrew Watchorn. Maria and Andrew both come from the financial world and have been "orcharding" since 2005. They currently own about 20 hectares (50 acres) of groves, all situated approximately 65 feet above sea level and 300 feet from the coast on sandy loam soils. Tree spacings vary by grove (they have purchased neighboring properties over the years), ranging from 50 x 60 feet to their closest spacing of 23 x 23 feet,



*A demonstration of the Hydralada lift platform used for pruning. The Hydraladas used by Maria and Andrew have a maximum height of 8 meters (26 feet).*

which is a new planting on clonal Dusa rootstock.

November through March (summer) is irrigation season and all water is drawn from a pond on the property that is spring fed. All water use is strictly controlled and they are only permitted to draw a certain volume of water from the pond annually. All the pumps on the pond are fitted with telemetry and are monitored by the local council to ensure they stay within their permitted allotment. Maria and Andrew are okay with this as they view their primary job as being guardians of the land (a common theme we heard a lot in New Zealand). To this end, they have spent a lot of time and money over the past few years restoring the area around their pond by planting 2,000 native plants to ensure the health of the ecosystem with plans to plant an additional 2,000 plants.

Because their grove spacings are wide, the trees are large. They maintain their widest spacing trees at about 30 feet tall because they harvest and prune using 8-meter (26 feet) Hydraladas (“cherry pickers”). Pruning is done twice per year, including flower pruning. When they prune, they remove all vertical wa-

ter shoots first. While removing the water shoots, they are looking at the canopy to determine what wood to leave for fruiting in the next season and what wood to remove. A key goal is sunlight penetration to the orchard floor to help warm the soil. Any limbs with fruit that need to be pruned will be flagged, then strip picked and removed after harvest. Pruning costs for the widely spaced trees is NZ\$2,500 per hectare, whereas for the “high density” Dusa trees it is NZ\$5,300. They said according to their experience the yield is the same so the “high density” planting is not as profitable due to the pruning cost.

New Zealand avocado production is primarily for export and harvesting is done based on export orders, with the primary markets being southeast Asia (China and Thailand). However, they carefully monitor their spray

program and their orchards are fully export compliant for all markets that New Zealand currently has access to. Flowering and fruit set occurs in October-November and harvest takes place from October through March/April. Their average yields are 24 metric tons per hectare (approximately 24,000



*Maria Watchorn shows off a silver fern, the national symbol of New Zealand.*



*A particularly large Hass tree held together with threaded rods.*

pounds per acre). An old orchard they sold in order to purchase an adjacent orchard produced 50 metric tons per hectare on a 3-year average with the highest production being 59 metric tons per hectare.

Maria and Andrew inject phosphorous acid once per year as a maintenance program for phytophthora control. They will do two injections per year on particularly weak trees or to rejuvenate old, debilitated trees as they have been doing on a recently purchased orchard.

All fertilization is done with dry granular fertilizer applied by hand and dosed specifically for each tree's needs. Because they do not irrigate year-round, dry granular fertilizer is their best option to ensure the trees receive the fertilizer they need when they need it.

Although yields are high, Maria and Andrew do face challenges. Like California, land cost is very high and it was evident from what we saw from the bus windows that urban sprawl is encroaching on New Zealand's agricultural land just like in California. Where they are located, cold springs and frosts are common

so they install automated frost protection systems using micro-sprinklers on all newly planted trees. Labor costs are very high, which is one reason they prune like they do since the open trees keep their harvesting costs down (NZ\$1.60 to NZ\$1.75 per 5.5 kg tray). The cool wet climate is also favorable to many fruit rots and fungal pathogens so they apply eight to 10 copper sprays per year. All spraying is done with ground-based sprayers using 325 gallons per acre for pesticides and about 100 gallons per acre for foliar fertilizer applications. In total, production costs average NZ\$15-18,000 per hectare (approximately US\$3,650 to US\$4,450 per acre) not including packing fees.

Lastly, wind is a tremendous challenge throughout New Zealand's growing regions. Growers must plant extensive windbreaks ("shelter belts") around and throughout their groves to reduce fruit drop and wind scarring. Within their windbreaks, wind speeds during February and March still reach 25 miles per hour and average 8 miles per hour.



*A trellised Hass avocado tree in the orchard of David French.*

The grower we visited on Sunday, April 2, was David French whose grove is in the Glenbrook area south of Auckland. David is primarily a kiwi fruit grower. Kiwi fruit are grown under large net structures in New Zealand and David decided to try these structures for growing avocados in addition to the standard windbreaks. David's grove was developed beginning in 2004 when he planted the windbreak trees. The avocados were planted in 2005. In 2009 most of the fruit and flowers were lost due to frost so overhead sprinklers were added on 2-meter-tall posts for frost protection. In 2011 another frost occurred but the trees had overgrown the 2-meter-tall sprinklers so the sprinklers were raised to 5 meters and no frosts have occurred since then.

David's greatest struggle with growing under the net canopy is pruning. Due to the structure, he must maintain the trees at about 5.5 meters tall. He initially tried pruning the trees to an open vase, but that didn't work out. He then tried removing just the tallest limb per tree each year, but that also didn't work to keep the trees in bounds. Since then, he has simply been topping the trees to keep them at about 5.5 meters tall, but he is starting to lose



*The avocado grove of David French showing the “shelterbelt” and protective net canopy.*



*A Hass avocado tree growing under a protective net structure. Note the overhead sprinklers for frost protection.*

the lower leaves on the trees and is losing production. His best yield has been 10 metric tons per hectare (10,000 pounds per acre).

David said his greatest frustration is that avocado growing is not as regimented as kiwi fruit growing. He is now trying to grow avocados on trellises under the protective net structure to try to bring some of the discipline of kiwi fruit growing to avocados.

It was clear from these grove visits that the fertile soil and abundant rainfall of New Zealand allows for very good avocado production. However, like everywhere they have plenty of challenges including high winds, high production costs and changing weather patterns. New Zealand's dependence on the export market can also lead to volatile market conditions from season to season. 🥑

# 2022 Regional Retail Avocado Category Development Drivers

## California and the West Region Study Highlights

In late 2022, the Hass Avocado Board conducted an in-depth analysis of retail avocado category data from calendar year 2021, the last full year of data that was available at the time. This information was compared to data from calendar year 2018 to understand changes over time. The Regional Retail Category Development Drivers report is the most current avocado category study that provides regional category development data as well as detailed consumer demographic information.

Below are key learnings from the study, focusing on California and the West region. The analysis demonstrates strong avocado category development in California and the West, confirming the value of decades of marketing by the California Avocado Commission and other organizations. Note, the information provided below is for all avocados sold at retail in the U.S. regardless of origin; when California is mentioned in this article it refers to the region of California and sales of any avocado, not only California avocados.

### Key Research Learnings

The avocado category continues to be highly developed in the West and California, the two regions where much of the California avocado crop is distributed. A Category Development Index measures each region's share of total U.S. avocado volume compared to its share of the total U.S. population. The West Category Development Index is 154, the highest in the country. The California CDI is 127, the second highest in the country. The region that had the strongest CDI growth was the Southeast.

Between 2018 and 2021 the retail avocado category grew by an incremental \$435 million, which was an increase of 17.7%. The California region saw a 32% increase in avocado dollar sales over the 3-year period, which accounted for nearly one-third of total U.S. incremental dollar sales. The average amount that avocado shoppers spent on avocados per shopping trip increased 5% since 2018 in the total U.S.; the California region led this growth with the highest average dol-



lar sales per trip as well as the strongest growth, up 20.8%.

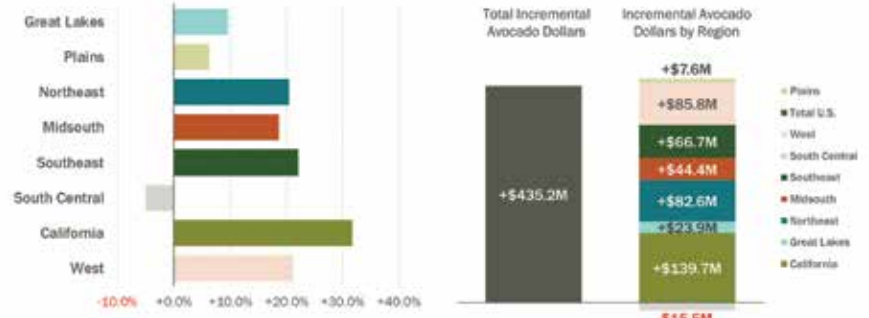
The California and West regions exceeded the total U.S. and all other regions on other category purchase dynamics measures, including household penetration, average annual purchases per household, annual number of shopping trips when avocados were purchased and percent of repeat buyers.

An important overall conclusion of the study is that the avocado category in the United States has room for growth and opportunities exist to use different strategies in different regions.

The research also provides data about consumer demographics, market basket value, avocado shopper segmentation, regional profiles and purchase trends for the total U.S. and by region. With this information the California Avocado Commission and other associations can develop a deeper understanding of category dynamics and shopper purchase behaviors. Ultimately, understanding shopper purchasing helps uncover opportunities for growth and aids in effective sales and marketing. 🍷

Data source: IRI Consumer Network™ (now known as Circana), reported by the Hass Avocado Board.

## Avocado Dollar Growth % Change and Incremental Sales 2021 vs. 2018



## Average Avocado Dollars per Trip in 2021



## Regional Avocado Purchase Trends

	Total U.S.	West	California	South Central	Southeast	Midsouth	Northeast	Plains	Great Lakes
CDI:	154	127	113	101	86	80	74	70	
Household Penetration	57.9%	71.8%	73.8%	63.0%	54.1%	49.2%	52.7%	52.3%	50.2%
Average Annual Spend per Household	\$39.63	\$47.79	\$58.41	\$30.79	\$38.10	\$36.00	\$41.92	\$28.36	\$28.90
Annual Purchase Trips	13.2	15.5	15.8	11.0	14.2	12.4	13.3	11.2	10.9
Spend per Trip	\$3.01	\$3.08	\$3.69	\$2.81	\$2.69	\$2.90	\$3.15	\$2.53	\$2.66
Repeat Buyers	82.9%	86.7%	87.2%	83.4%	82.5%	80.5%	81.7%	80.6%	80.1%

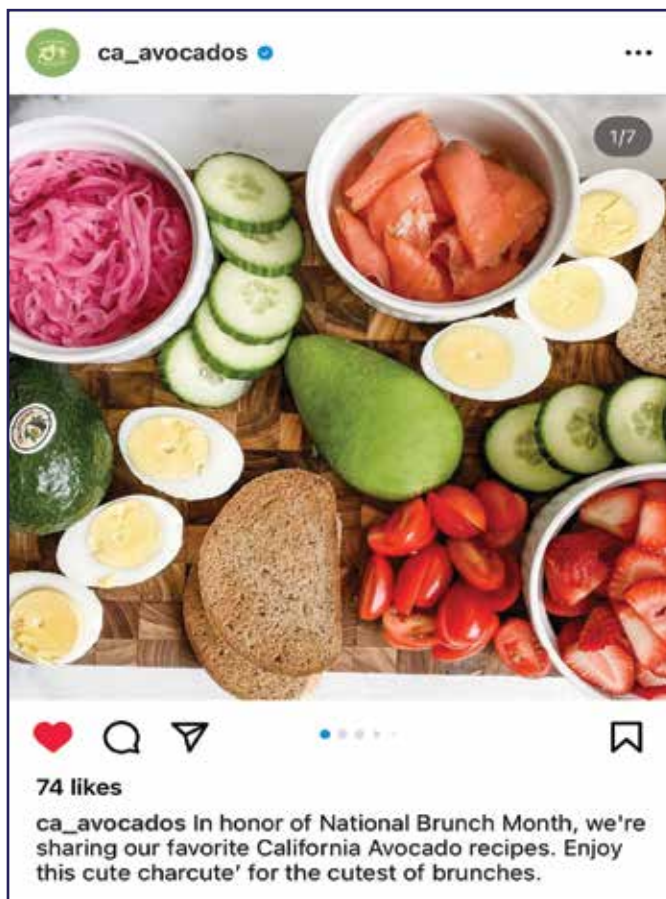
■ Above Total U.S. Average    ■ Below Total U.S. Average

# Commission's Consumer Marketing Engages Avocado Purchasers Across a Range of Channels

**T**o encourage demand for and loyalty to California avocados, the California Avocado Commission delivers compelling imagery and brand messaging across a variety of platforms ranging from outdoor, digital and audio advertising to custom digital content, social media and consumer marketing via customized retailer programs.

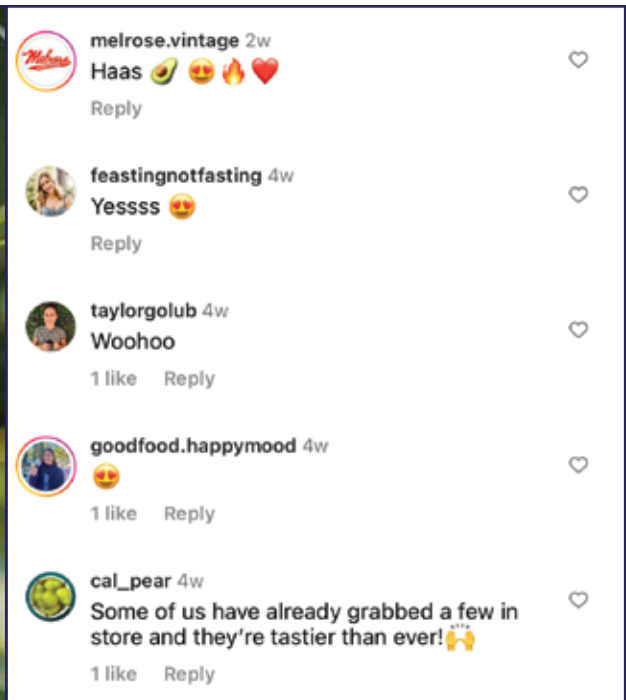
The Commission's consumer public relations outreach began in March and will continue throughout the season. The CAC team timed its initial press outreach around International Women's Day in March, then celebrated the start of the California avocado season with a season opener press release in April themed around "five things to know about California avocados." In June, public relations efforts centered on celebrating California Avocado Month during peak season.

Originally slated to begin in March, the Commission's consumer media program was adjusted for an April launch due to insufficient California avocado volume in the marketplace caused by harvesting delays due to weather and challenging market conditions. Consumer media, which will continue through August, was targeted at avocado shoppers in California and the West who are willing to pay more for premium brands and those avocado purchasers who buy the most (i.e., "super-users," "mega-users," and "ultra-users"). The campaign— which includes digital, audio and outdoor advertising, custom content and social media posts — continues to leverage the equity built with "the best avocados have California in them" creative.



*California avocado social media posts also tap into cultural moments and trends, such as brunch and charcuterie boards, to build brand awareness and encourage usage.*





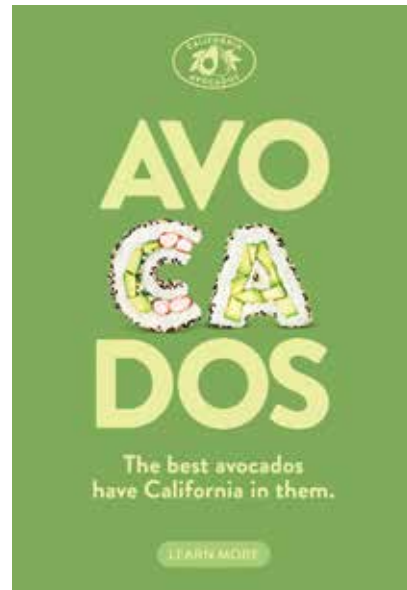
The Commission's social media posts built anticipation for the start of the California avocado season.

To reach targeted consumers on their preferred platforms, the Commission is placing ads on popular video streaming channels including Hulu and YouTube, as well as services such as Tremor video and VideoAmp. Video and digital ads are supplemented with recipe videos featuring iconic State and National Parks in California (the Redwoods, Trona Pinnacles and Mendocino Headlands). Audio advertising on iHeart radio, Spotify and Pandora raised awareness of California avocado seasonal availability and now is focused on the fruit's locally grown freshness.

To demonstrate how California avocados can be enjoyed in a variety of snack and meal options, the Commission produced custom content for popular digital channels. On Food52, influencer Gaby Dalkin demonstrated via video how to create her Wild-caught Salmon and California Avocado Lettuce Wraps while delivering key California Avocados brand messaging. And Tastemade developed a "Four Course California" meal concept showcasing new recipe videos inspired by iconic National Parks located across the Golden State.

To reach consumers on the go, billboards and wallscapes featuring the bold "the best avocados have California in them" creative were placed in high-visibility locations. CAC's outdoor advertising campaign also included a BART full train wrap to engage commuters in the San Francisco Bay Area, as well as ads placed on Volta charging stations in high-traffic locations and the parking lots of supermarkets merchandising California avocados.

Retailer-specific advertising, including social media support, remains a significant part of the consumer marketing program. To ensure consumers can easily locate fruit where



Example of one of many digital ads running this season.

it is available, the marketing activity is timed to align with the distribution of California avocados at each participating retailer. Customized retailer marketing support includes digital advertising and programs with the mobile directions app Waze, which directs consumers to retail store locations on their routes where the fruit is in distribution. To round out the retailer advertising, social media posts are placed across the Commission's social channels promoting the online store locator on the Commission's consumer website, as well as the fruit's seasonal availability. 🥑

# Retail & Foodservice Early Season Promotions

Local and regional retailers and foodservice operators are important partners in purchasing and promoting California avocados, especially during early season and late season when volume can be significant but not large enough to fulfill the requirements of larger chains. The following are examples of 2023 California avocado retail and foodservice promotions that started before June, along with a preview of the creative assets one very large club account will be using this year. The fall edition of From the Grove will highlight promotions that take place in June and later.



*Sprouts' display contest featured signage calling out locally grown California avocados.*



*California avocado sampling at Gelson's stores.*



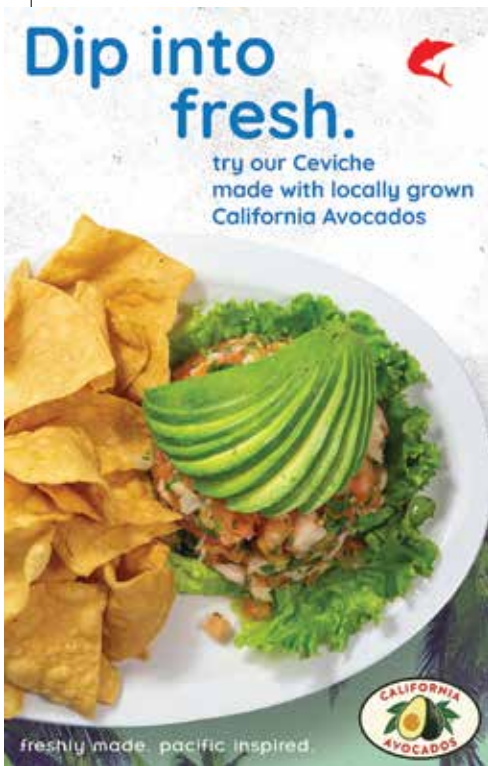
*Mollie Stone's held a Cinco de Mayo-themed sales and display contest.*

## Creative Sets

### California Avocado Spring 2023



Sam's Club used a set of digital ads to announce availability of California avocados in spring. They also featured the tagline for the Commission's advertising campaign.



Erik's DeliCafé social media post example.

Wahoo's Fish Tacos promoted California avocados online and in their stores with the point-of-purchase ad.



Flame Broiler announced the arrival of California avocado season.



Buckhorn BBQ & Grill's online menu noted, "We proudly serve Fresh California Avocados" and featured the California Avocados brand logo.

## Lots of Challenges & Opportunities Associated with 2023

**T**he 2023 avocado season is a difficult one by all accounts as growers have been hit with several issues that are adversely affecting this year's marketing situation, most notably smaller-than-average fruit and an oversupply problem that has depressed prices on all fruit...especially the small sizes. But there also appears to be a general feeling among handlers that this large supply of avocados that has been in the marketplace since the beginning of the year does create opportunities and promotions at price points that can expand the customer base for the category.

Specifically discussing the current FOB price in mid-June was Patrick Lucy, president of Del Rey Avocado Company, Fallbrook. "We have a pretty stagnant situation. I do not expect things to change much throughout the summer."

He said there is an abundance of small fruit from Mexico and California's fruit has also had trouble sizing. And even Peru, which typically has larger fruit from its mostly young trees, has been hit with cool weather that has affected sizing, dropping the average size a slot or two.

In mid-June, Lucy said conventional 48s from California were returning an FOB price in the \$35 to \$36 range. While that could allow a grower to recoup his costs and even make money, the problem is most growers

have a lot of smaller fruit and there has been a significant drop off in price for 60s, 70s and 84s. In fact, a carton of 84-count California avocados could be purchased for an FOB price under \$20 in early June.

At these prices, most growers are seeing average grove quotes for their crop at \$1 per pound or lower, a far cry from last year's record average of double

that or more.

Lucy did not have encouraging words for the rest of the season. "We should be picking California fruit well into September," he said. "The market could get a little better but Mexico still has a big crop and Peru's volume is just getting started and they will be in the deal for at least the next couple of months."

### UPDATE:

*Editor's Note:* The "Handlers' Report" on these two pages was written as the result of interviews conducted in early June when the market price for avocados was at a low point. A couple of the interviewees did weigh in again as the market price improved later in the month.

"I think it (a strong market) is a short-term situation," said Patrick Lucy of Del Rey Avocado Company, noting that Mexico's Flor Loca crop would have more volume by mid-July. He also said that Peru's heavy shipping period had been delayed but would also come into the market in big numbers as the summer progresses. He added that California growers and packers were taking advantage of the stronger market in early July but the industry "can only harvest and pack around 13-16 million pounds a week at maximum capacity so there will still be good volume (of California fruit) through July and into August."

Peter Shore of Calavo Growers Inc. also commented on the stronger market, but cautioned in early July that increased volumes appeared to be coming from all origins over the next several weeks. He did note that California's size curve coupled with Lamb Hass in the late June/early July time period was allowing many California growers to take advantage of the "better-than-expected summer market."

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Peter Shore, vice president of production for Calavo Growers Inc., Santa Paula, said the cool weather has delivered a double blow to California growers. In the first place, the weather has delayed the crop shortening the marketing season for growers. And the continuing cold weather has not helped the fruit size to its full potential.

On the other hand, Shore said the weather has created an excellent quality crop with great ripening characteristics. He noted that each season has its own peculiarities and they are always different.

Gary Clevenger, managing member, Freska Produce International, was very direct in his assessment of the 2023 season for California growers. "There is an oversupply of avocados which has depressed the prices all year," he said. "And the weather has been lousy. We've had cool weather for a month and a half that lasts all day with a thick cloud cover. The weather pattern has definitely changed, which is concerning."

He said the grove prices and the size of the fruit are a huge disappointment compared to last year, but he did remind that last year was an anomaly. "We've never had a market like last year," he said, noting that many factors combined to put growers in a great situation. There was an undersupply of fruit early in the season that allowed California to market a significant amount of fruit in the spring. There was also a U.S. government-imposed halt to shipments from Mexico because of a threat to a USDA inspector. Then the Texas governor impacted shipments for a week by creating a truck inspection snafu. And on top of all that, Mexico's crop fell short of estimates by about 10 percent. It was a perfect storm that led to a great marketing situation and record returns for many growers.

An issue that has Clevenger shaking his head this season is the reduced

FOB price being paid by buyers for the GEM variety. The Freska executive said many California growers have planted this variety because of several advantages including it yields better, is less susceptible to wind damage and produces a slightly larger average fruit size.

Clevenger said it looks similar to a Hass and eats as well, but buyers are asking for a discount. "We have a lot more GEMs this year than we have had in the past and they are not selling as well," he said.

He added that production of the GEM will continue to increase so some educational effort has to be made to inform the buyers that from a consumer's perspective there is no difference between a Hass and a GEM.

Gahl Crane, sales director for Eco Farms, Temecula, CA, acknowledged that 2023 is a challenging marketing year price-wise, but he said retail support has been good and much higher than last year...including support from some national chains for California's fruit. "I strongly disagree that retailers have not been supporting us this year," he said. "We've seen avocados being a leading item on ad and in-store. We have strong volume this year from multiple origins and that has been accompanied with strong retail promotions."

But Crane added that there is an undersupply of 48s, which is the retail community's favorite size. Moving throughout the summer, he expects very good ad support but does not expect the FOB price to get much stronger, except on the larger fruit.

Speaking specifically of organic avocados, he said there will be good volume from California and Mexico but again, there could be an undersupply of organic 48s and 40s. "We will need Peru organics to fill the supply gap on the larger sizes."

Carson McDaniel of McDaniel Fruit Company, Fallbrook, CA, was an-

other handler focusing on the opportunities rather than the challenges for this season. "We should have peak volume of 12-14 million pounds of California avocados in June and July, with strong supplies through August."

He said the cooler growing conditions have resulted in "phenomenal quality" and virtually no heat drop. "There are many retailers that love to switch to California avocados as soon we can supply them and that is what is happening right now."

McDaniel did call it "a challenging market that is significantly lower than last year. What we can do is offer the best programs possible to maximize returns to the grower. It's always a shock when the price drops so much but there are a lot of avocados in the market. I don't see an opportunity for a dramatic swing in the field price for this year."

But McDaniel does believe that the long-term prospect for California avocados is good. "We have a very desirable product," he said.

Though Mission Produce, Oxnard, CA, wasn't interviewed for this story, CEO Steve Barnard did take an optimistic view of the future in the public company's press release discussing its second quarter financial report. In part, he said: "Our fiscal second quarter performance was driven by improved sales volumes resulting from a more normal pricing environment versus last year's record high pricing. We delivered a 19% increase in sales volumes year over year, and we continued to see sequential improvement in both volumes and per-unit margins relative to fiscal first quarter.... Despite the impact of lower prices on per unit margins in the short-term, a more rational pricing environment is advantageous for long-term consumption growth and allows Mission to leverage our global distribution footprint to penetrate new growth markets." 🍷



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