



DISTRICT GROWER MEETINGS

September 17-19, 2024





TODAY'S PROGRAM

Opening Remarks: Jason Cole, Chair

Crop/Budget/Pricing: Ken Melban, VP Industry Affairs & Operations

Marketing:

- Terry Splane, VP Marketing
- Zac Benedict, Director of Marketing

Advocacy/Research: Ken Melban

Question and Answer Session

2023-24 YTD

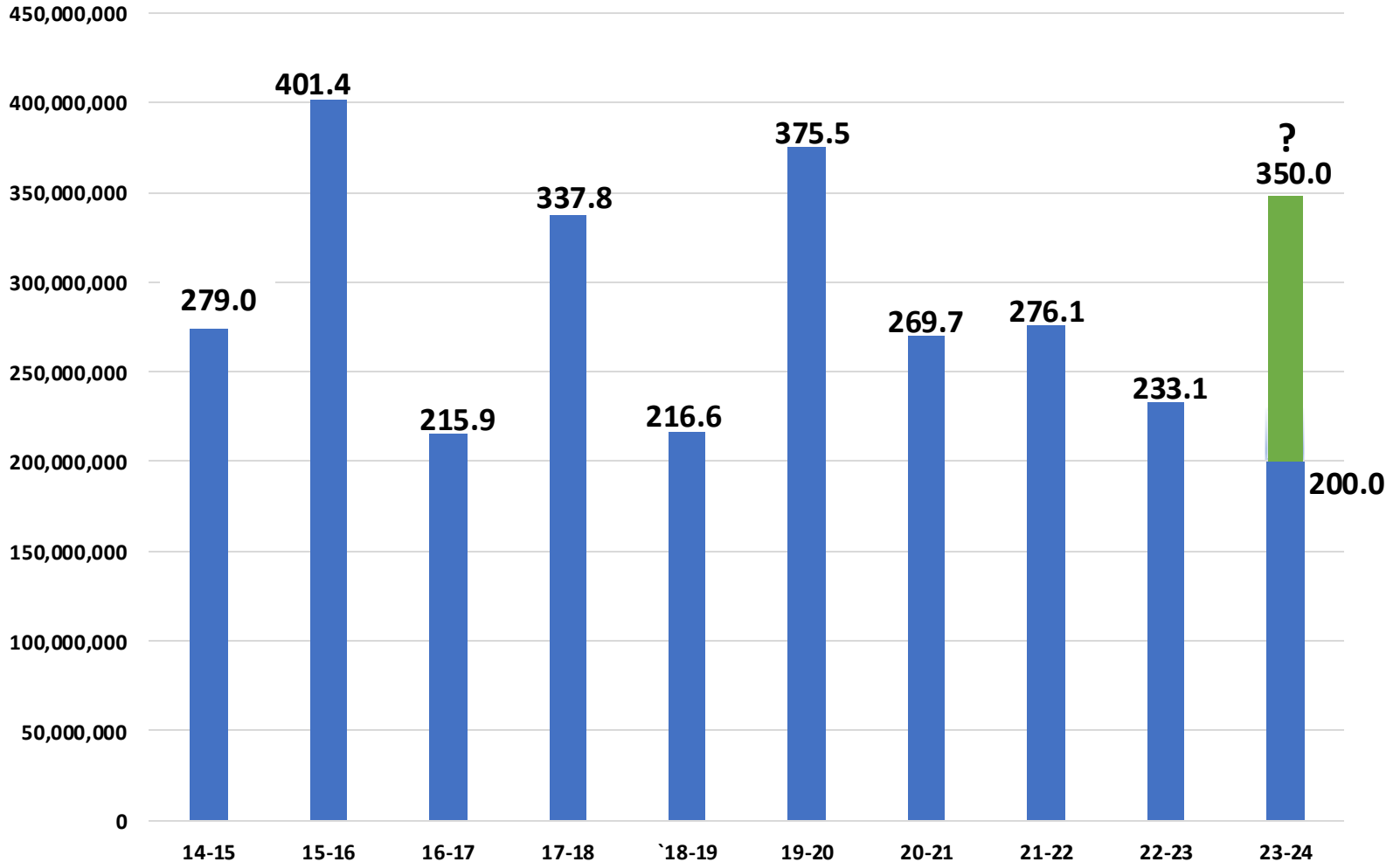
CROP/BUDGET/PRICING





TEN-YEAR LOOK (UPDATED)

Volume (millions)



10-year average: 295.5MM



2023-24 BUDGET VS. ACTUAL

BUDGET	2023-24	2023-24*	
Crop Size	200,000,000	350,000,000	
Value	\$ 1.15	\$ 1.41	
Assessment Rate	2.25%	2.25%	
CAC Assessment Revenue	\$ 5,045,625	\$ 10,826,000	
HAB Assessment Revenue	\$ 3,952,500	\$ 6,917,000	
Other Revenue	\$ 502,000	\$ 400,000	
TOTAL REVENUE	\$ 9,500,125	\$ 18,143,000	
Marketing Expenses	\$ 7,003,500	\$ 6,750,000	
Industry Affairs Expenses	\$ 1,211,475	\$ 761,475	
Production Rsrch. Expenses	\$ 273,679	\$ 243,679	
Grant Expenses	\$ 300,000	\$ 300,000	
Operations Expenses	\$ 2,867,339	\$ 2,744,846	
TOTAL EXPENSES	\$ 11,655,993	\$ 10,800,000	
REVENUE - EXPENSES	\$ (2,155,868)	\$ 7,343,000	
Beginning Reserves	\$ 7,425,954	\$ 7,435,404	
Ending Reserves	\$ 5,270,086	\$ 14,700,000	
Budgeted Marketing Spend/LB	\$ 0.0350	\$ 0.0193	<i>*2023-24 estimated</i>



FIVE-YEAR LOOK (UPDATED)

Reserves (millions)



Reserves policy
> \$5MM

*Pre-season projection
**Current projection



2024-25 PROPOSED BUDGET

BUDGET*	2024-25
Crop Size	400,000,000
Value	N/A
Assessment Rate	0.00%
CAC Assessment Revenue	\$ 0.0
HAB Assessment Revenue	\$ 7,905,000
Other Revenue	\$ 467,000
TOTAL REVENUE	\$ 8,372,000
Marketing Expenses**	\$ 9,835,000
Industry Affairs Expenses	\$ 1,224,100
Production Research Expenses	\$ 394,504
Grant Expenses	\$ 200,000
Operations Expenses	\$ 2,115,000
TOTAL EXPENSES	\$ 13,768,604
REVENUE - EXPENSES	\$ (5,396,604)
Beginning Reserves	\$ 14,700,000
Ending Reserves	\$ 9,303,396
Actual Marketing Spend/LB	\$ 0.0246

**Pending final Board approval
**2024-25 Includes 85% of Marketing Staff Personnel Expense (\$9MM is in Marketing Program Budget)*



2024 ACTUAL VS. 2025 PROPOSED

ACTUAL	2023-24*	2024-25
Crop Size	350,000,000	400,000,000
Value	\$ 1.41	N/A
Assessment Rate	2.25%	0.00%
CAC Assessment Revenue	\$ 10,826,000	\$ 0.0
HAB Assessment Revenue	\$ 6,917,000	\$ 7,905,000
Other Revenue	\$ 400,000	\$ 467,000
TOTAL REVENUE	\$ 18,143,000	\$ 8,372,000
Marketing Expenses**	\$ 6,750,000	\$ 9,835,000
Industry Affairs Expenses	\$ 761,475	\$ 1,224,100
Production Research Expenses	\$ 243,679	\$ 394,504
Grant Expenses	\$ 300,000	\$ 200,000
Operations Expenses	\$ 2,744,846	\$ 2,115,000
TOTAL EXPENSES	\$ 10,800,000	\$ 13,768,604
REVENUE - EXPENSES	\$ 7,343,000	\$ (5,396,604)
Beginning Reserves	\$ 7,435,404	\$ 14,700,000
Ending Reserves	\$ 14,700,000	\$ 9,303,396
Actual Marketing Spend/LB	\$ 0.0193	\$ 0.0246

**2023-24 estimated actuals*

***2024-25 Includes 85% of Marketing Staff Personnel Expense (\$9MM is in Marketing Program Budget)*



CAC FUTURE ASSESSMENT RATE STRUCTURE

9

- 2025-26 flat assmt. rate instead of % value?
- Currently two variables for the Board (and growers)
 - crop volume and crop price
- Flat rate provides budget stability for growers and CAC
- Target range CAC flat assmt. \$0.015 to \$0.025 per lb.
- HAB assmt. \$0.025 per lb.
- Result \$0.04 to \$0.05 per lb. CAC/HAB combined assmt.



STABILIZATION IS THE GOAL

ACTUAL	2019-20	2020-21	2021-22	2022-23	2023-24*	2024-25
Crop Size	375,507,127	269,673,227	276,138,128	233,122,627	350,000,000	400,000,000
Value	\$ 1.10	\$ 1.22	\$ 1.76	\$ 1.02	\$ 1.41	N/A
Assessment Rate	2.00%	1.75%	1.75%	1.50%	2.25%	0.00%
CAC Assessment Revenue	\$ 8,077,521	\$ 5,693,840	\$ 8,399,945	\$ 3,494,156	\$ 10,826,000	\$ 0.0
HAB Assessment Revenue	\$ 7,005,515	\$ 5,159,076	\$ 5,386,470	\$ 4,507,180	\$ 6,917,000	\$ 7,905,000
Other Revenue	\$ 386,129	\$ 599,692	\$ 812,734	\$ 545,071	\$ 400,000	\$ 467,000
TOTAL REVENUE	\$ 15,469,165	\$ 11,452,608	\$ 14,599,149	\$ 8,546,407	\$ 18,143,000	\$ 8,372,000
Marketing Expenses	\$ 10,661,812	\$ 10,750,358	\$ 8,905,379	\$ 8,106,456	\$ 6,750,000	\$ 9,835,000
Industry Affairs Expenses	\$ 671,179	\$ 779,764	\$ 650,552	\$ 778,458	\$ 761,475	\$ 1,224,100
Production Research Expenses	\$ 408,425	\$ 364,390	\$ 296,443	\$ 285,609	\$ 243,679	\$ 394,504
Grant Expenses	\$ 152,068	\$ 340,558	\$ 402,575	\$ 235,931	\$ 300,000	\$ 200,000
Operations Expenses	\$ 3,217,027	\$ 3,147,558	\$ 3,137,170	\$ 3,318,098	\$ 2,744,846	\$ 2,115,000
TOTAL EXPENSES	\$ 15,110,511	\$ 15,382,628	\$ 13,392,119	\$ 12,724,552	\$ 10,800,000	\$ 13,768,604
REVENUE - EXPENSES	\$ 358,654	\$ (3,930,020)	\$ 1,207,030	\$ (4,178,145)	\$ 7,343,000	\$ (5,396,604)
Beginning Reserves	\$ 13,983,788	\$ 14,342,442	\$ 10,406,519	\$ 11,613,549	\$ 7,435,404	\$ 14,700,000
Ending Reserves	\$ 14,342,442	\$ 10,412,422	\$ 11,613,549	\$ 7,435,404	\$ 14,700,000	\$ 9,303,396
Actual Marketing Spend/LB	\$ 0.0284	\$ 0.0399	\$ 0.0322	\$ 0.0348	\$ 0.0193	\$ 0.0246

*2023-24
estimated
actuals



HOW WILL IT IMPACT GROWERS?

Comparison % of value vs. flat rate assmt. @ \$0.02 per lb.

5-year average (2019-2024) CAC assmt. paid per lb. = \$0.024

Actual % of Value Assmt. Rate	2019-20	2020-21	2021-22	2022-23	2023-24*	
Ave. price per lb.	\$1.10	\$1.21	\$1.76	\$1.02	\$1.41	
CAC assmt. Rate	2.00%	1.75%	1.75%	1.50%	2.25%	
Ave. CAC assmt. paid per lb.	\$0.022	\$0.021	\$0.031	\$0.015	\$0.032	\$0.024
HAB assmt. per pound	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025	
Ave. CAC/HAB assmt. per lb.	\$0.047	\$0.046	\$0.056	\$0.040	\$0.057	\$0.049
CAC Assessment Revenue	\$8,077,521	\$5,693,840	\$8,399,945	\$3,494,156	\$10,826,000	\$36,491,462

Flat Assmt. Rate (hypothetical)	2019-20	2020-21	2021-22	2022-23	2023-24*	
One pound	1	1	1	1	1	
CAC assmt. Rate	\$0.02	\$0.02	\$0.02	\$0.02	\$0.02	
CAC assmt. paid per lb.	\$0.020	\$0.020	\$0.020	\$0.020	\$0.020	
HAB assmt. per pound	\$0.025	\$0.025	\$0.025	\$0.025	\$0.025	
CAC/HAB assmt. Per lb.	\$0.045	\$0.045	\$0.045	\$0.045	\$0.045	\$0.045
CAC Assessment Revenue	\$7,510,143	\$5,393,465	\$5,522,763	\$4,662,453	\$7,000,000	\$30,088,822

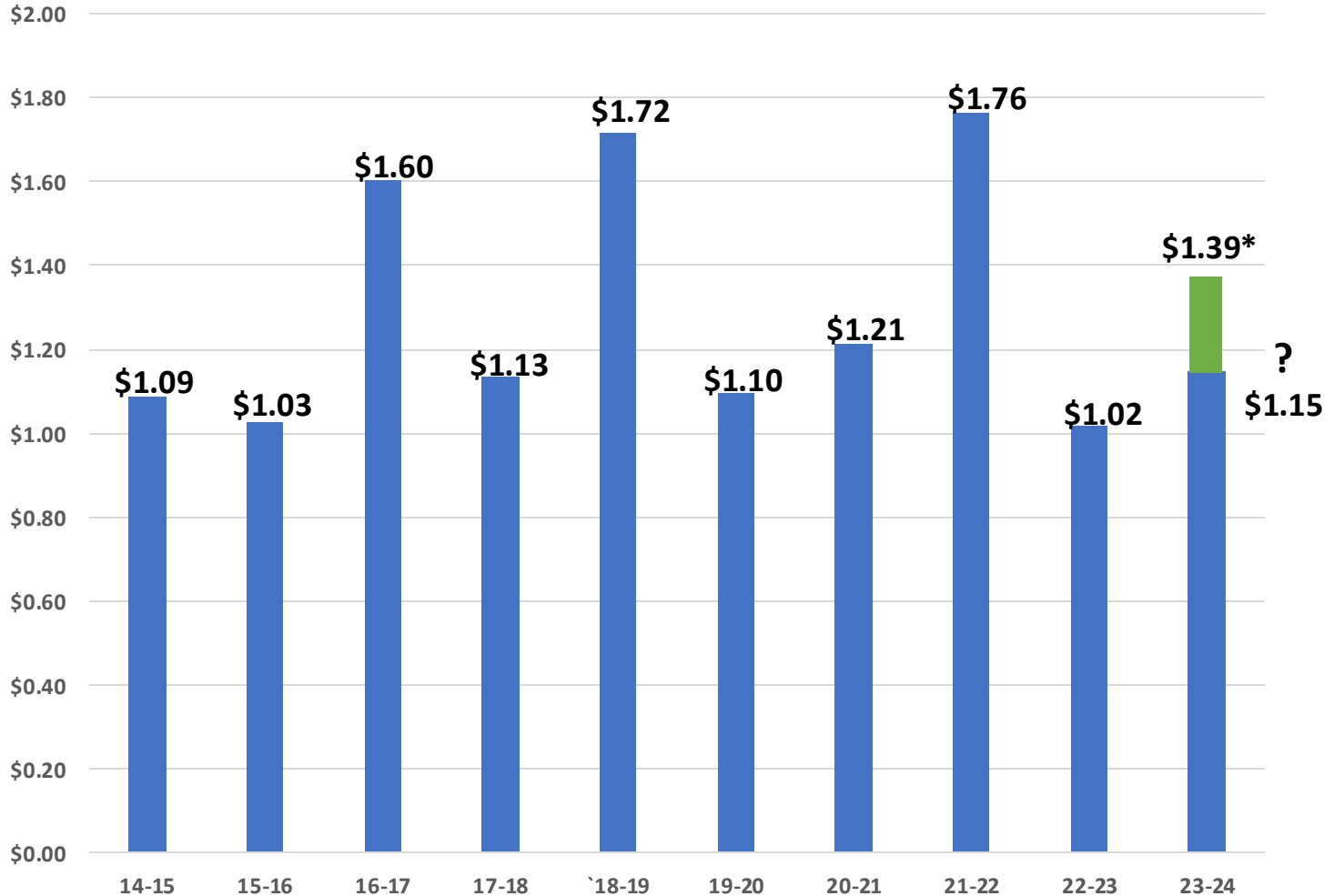
2023-24 PRICING YTD





TEN-YEAR LOOK

Price Per Pound



10-year average: \$1.31

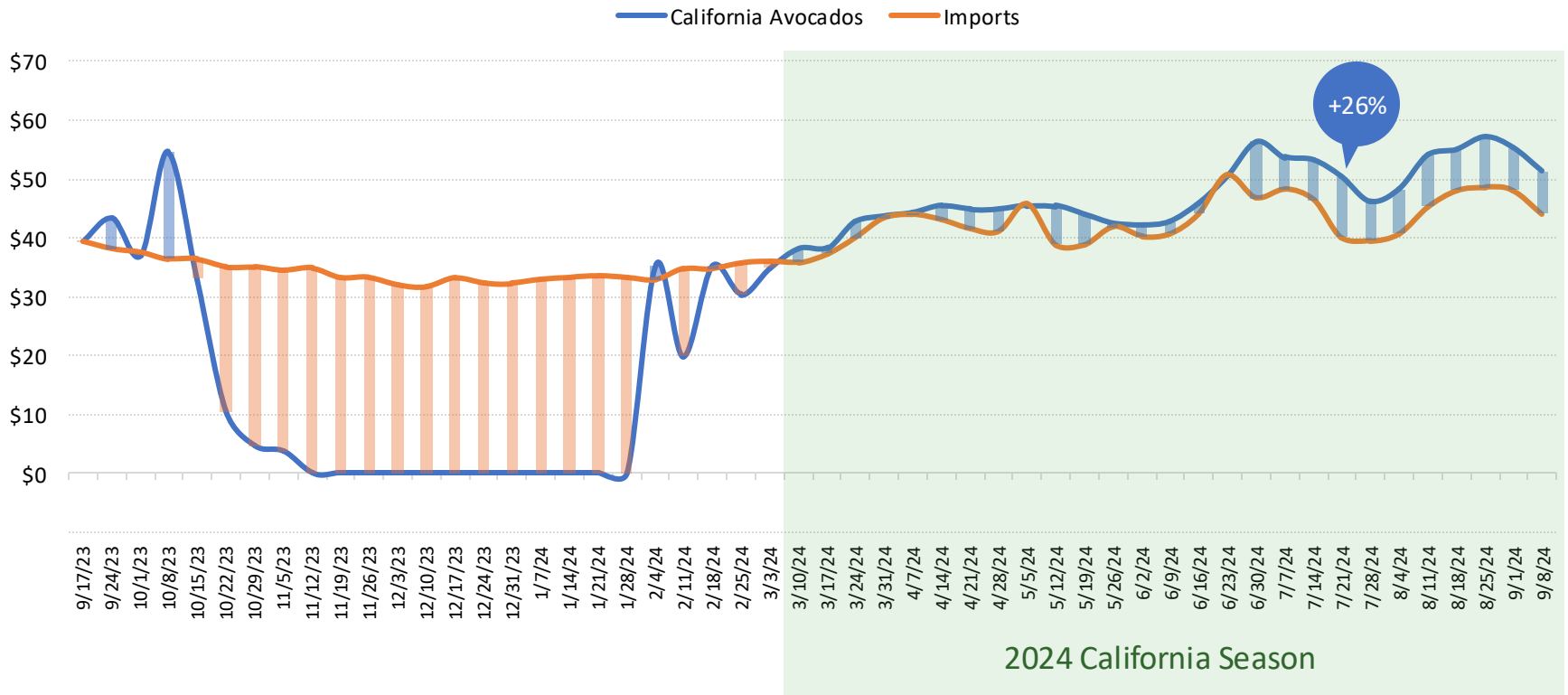
*Through July



FOB PRICE: CALIFORNIA AVOCADOS DELIVERED A PRICE ADVANTAGE WITHIN CALIFORNIA

The FOB price advantage of California Avocados averaged +10% over imports during the 2024 California Season and reached as high as +26% (w/e 7/21).

FOB of California Avocados shipped **WITHIN CALIFORNIA** by week
For 52 weeks ending 9/8/24



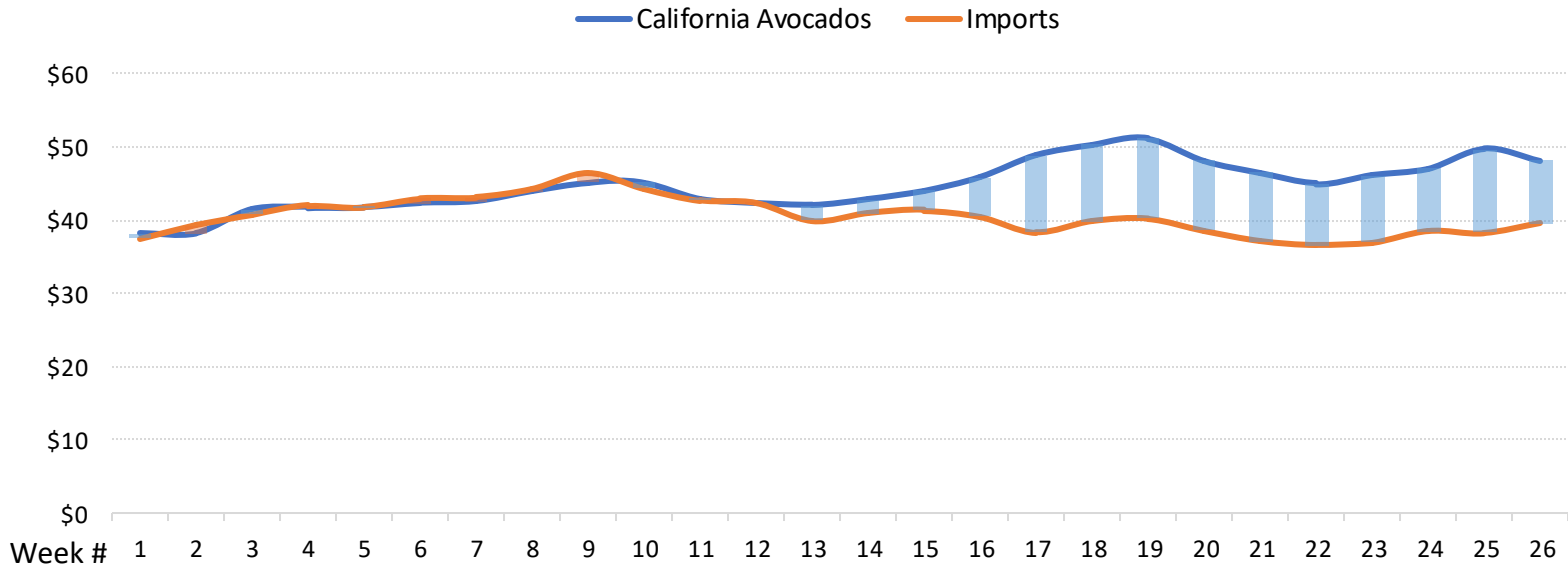
Source: AMRIC Hass #1 Conventional (pounds) 52 weeks ending 9-8-2024; California Season 27 weeks ending 9-8-2024



FOB PRICE ADVANTAGE: 4-YR AVG. WITHIN CALIFORNIA

The FOB price advantage of California Avocados averaged +11% vs. imports over the past four California Seasons.

4-Year Average FOB of California Avocados Shipped **WITHIN CALIFORNIA**
2021-2024 California Seasons



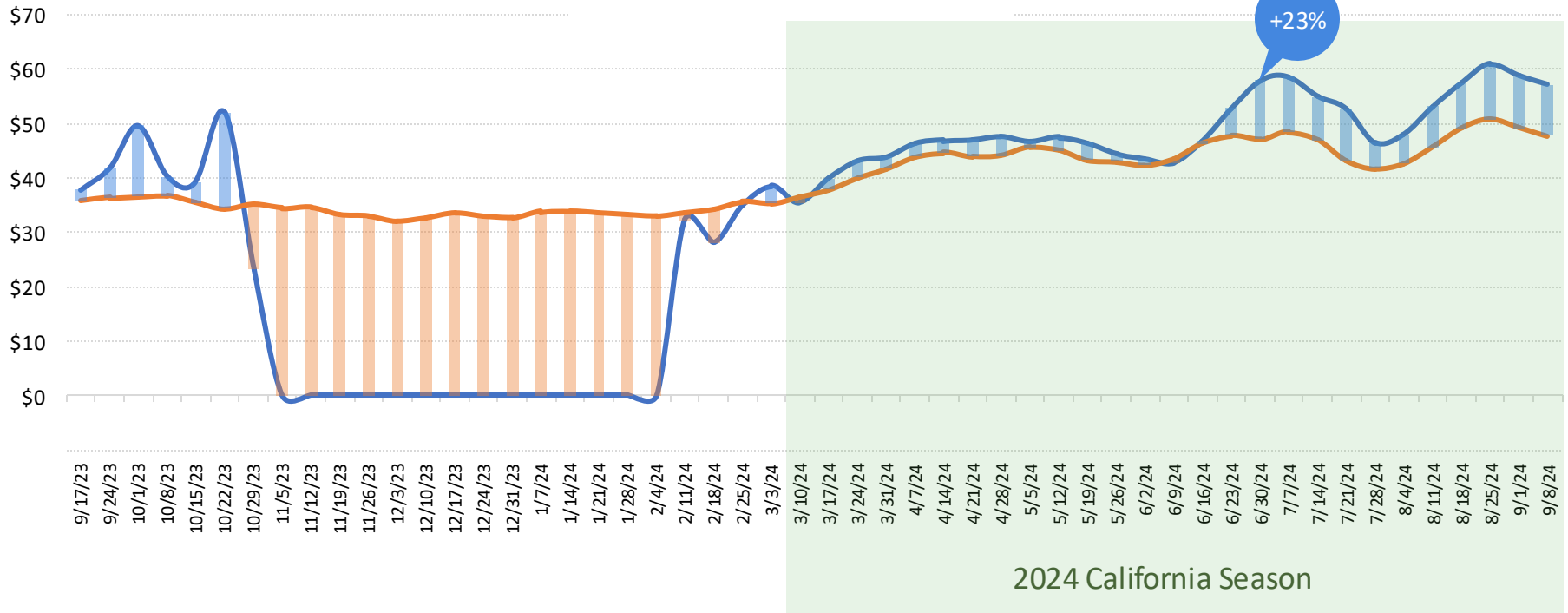


CALIFORNIA AVOCADOS DELIVERED AN FOB PRICE PREMIUM OUTSIDE CALIFORNIA

Outside of California, California Avocados delivered an average FOB price advantage of +10% over imports. This premium reached as high as +23% (w/e 6/30).

FOB of California Avocados shipped **OUTSIDE CALIFORNIA** by week
For 52 weeks ending 9/8/24

— California Avocados — Imports



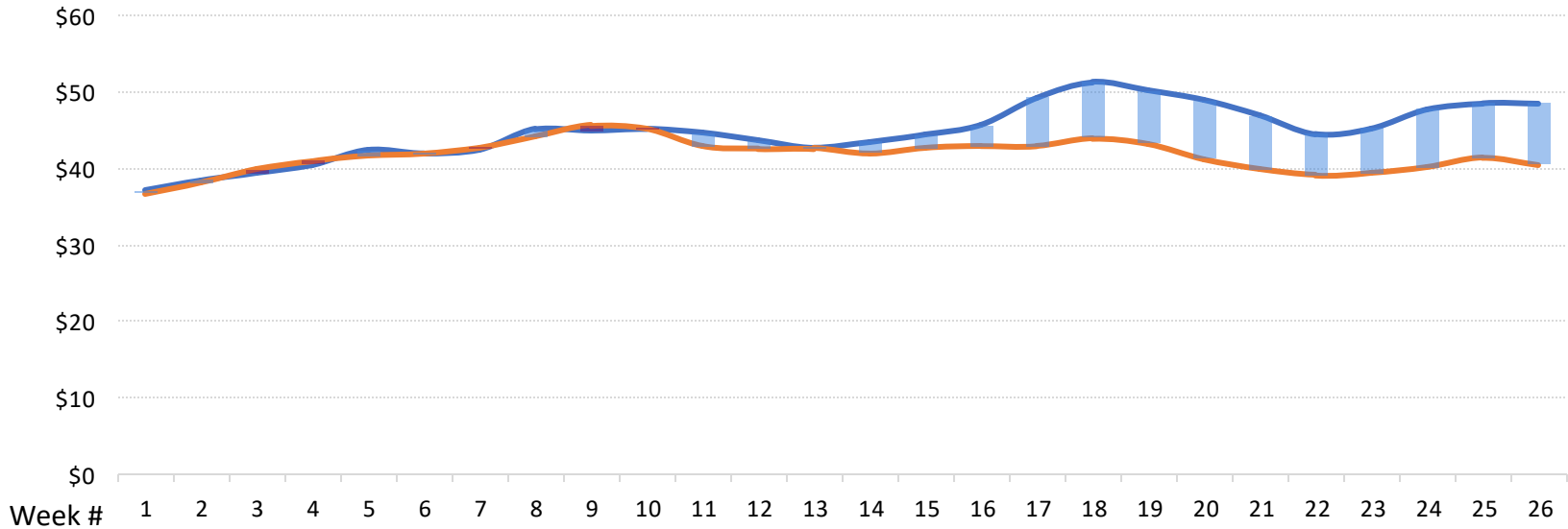
Source: AMRIC Hass #1 Conventional (pounds) 52 weeks ending 9-8-2024; California Season 27 weeks ending 9-8-2024



Outside of California, FOB price advantage of California Avocados averaged +7% vs. imports over the past four California Seasons.

4-Year Average FOB of California Avocados Shipped **OUTSIDE CALIFORNIA**
2021-2024 California Seasons

— California Avocados — Imports



MARKETING



2023-24

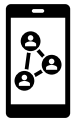
RETAIL SHOPPER MARKETING





RETAIL SHOPPER MARKETING

Goals: Reach shoppers with high-impact, branded content, displays/signage and advertisements to drive purchase intent



Email, Social Media and Web Content



Events, Demos and PR Activations



Regional Influencers



Charging Stations



YouTube



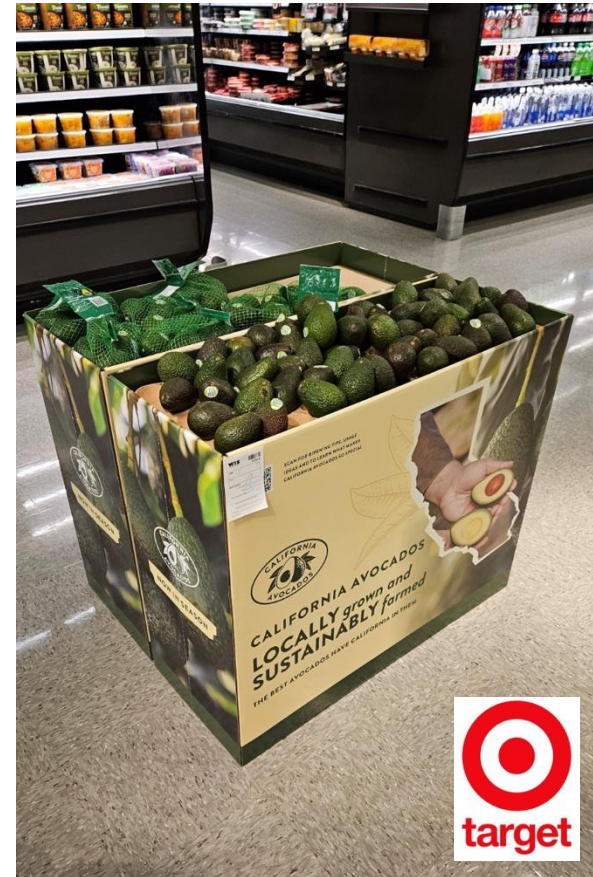
In-store Marketing and Displays



Retailer Digital Advertising & Coupons



Yelp





RETAILER DIGITAL ADVERTISING

for **U** \$1.50 off **SAFEWAY**

Avocado
7-ct.
[Offer Details](#)



Clip Coupon One time use
Expires 7/30/2024

- ✓ CALIFORNIA LOCAL & SUSTAINABLY FARMED
- ✓ ORGANIC
- ✓ PLASTIC-FREE PACKAGING



SPROUTS
FARMERS MARKET

Raley's BELL AIR NOB HILL Raley's

Shop Weekly Ad Discover Offers & Savings 7,537 Points HI, Melissa & Gareth P.


Home / Search / avocado **Avocado** Showing 1-30 of 156









Previously Purchased On Sale Personalized Offers Member Deals More Coupons Brands Category Shelf Guide Benefits Cards

Sort By | Best Match

IN SEASON CALIFORNIA AVOCADOS
RESPONSIBLY grown, BY LOCAL farmers

SHOP NOW



 <p>Save \$1.98 on 2</p> <p>Add to Cart</p> <p>2 for \$4.00 ea \$1.99 ea Hass Avocado \$2.00 / ea</p>	 <p>Add to Cart</p> <p>\$4.99 ea Avocados, Bagged 1 ea \$0.83 / ct</p>	 <p>Save \$1.50</p> <p>Add to Cart</p> <p>\$2.99 ea \$4.49 ea Organic Avocados 8 ct \$2.99 / ea</p>		
 <p>Add to Cart</p> <p>\$5.79 ea Wholly Avocado, Minis \$0.70 / ea</p>	 <p>Buy 2 or more: \$4.29 ea.</p> <p>Add to Cart</p> <p>\$4.98 ea Taylor Farms Avocado Ranch Chopped Salad Kit \$4.98 / ea</p>	 <p>Save \$2.50</p> <p>Add to Cart</p> <p>\$4.99 ea \$7.49 ea Woodstock Avocado, Organic, Diced \$3.97 / ea</p>	 <p>Save \$2.00</p> <p>Add to Cart</p> <p>\$5.99 ea \$7.99 ea Yucatan Guacamole, Mild \$3.99 / ea</p>	 <p>Add to Cart</p> <p>\$5.99 ea Wholly Guacamole, Organic, Mild \$3.99 / ea</p>



RETAILER DIGITAL ADVERTISING

Albertsons Shop ▾ Albertsons for U Weekly Ad Health Pharmacy Your Store Sign In / Up ▾

Search Products

Shopping at 1219 S Broadway Ave [Change](#)

California avocados

California avocados: sustainably grown by farmers who care.

[Shop now](#)

CALIFORNIA AVOCADOS

Sponsored

CALIFORNIA AVOCADOS
Now IN SEASON

[SHOP NOW](#)

STATER BROS.
markets

CALIFORNIA AVOCADOS

California Avocados
Satisfying avocado lovers for over 100 years.

[Shop now](#)

Walmart



SHOPPER MARKETING LIFT

**AVERAGE
SALES (\$)
LIFT: 31%**

**AD EXPOSED
SALES:
\$15.3 MM**

Retailer A (May)	20%
Retailer B (June)	24%
Retailer C (May)	21%
Retailer D (April – May)	31%
Retailer E (March & June)	March 49% / June 37%
Retailer F (June – July)	16%
Retailer G (May)	26%
Retailer H (May)	47%
Retailer I (July)	43%
Retailer J (June)	49% (+31% online)
Retailer K Club	9%
Retailer L (May – June)	33%
Retailer M (May)	79% YoY
Retailer N	39% (vs non-season)
Retailer O (May – June)	17%




YELP RETAIL CAMPAIGN

2024 Yelp Pilot Program




Sponsored Results




Albertsons 1.2 mi
 3.0 (42 reviews)
 Goleta • \$\$ • Open until 11:00 PM
 Grocery

Fresh from the grove to your grocer
 California Avocados: grown locally, enj...




Get directions

Sponsored Results



Lunds & Byerlys 1.1 mi
 4.0 (36 reviews)
 Eagan • \$\$ • Open until 10:00 PM
 Grocery

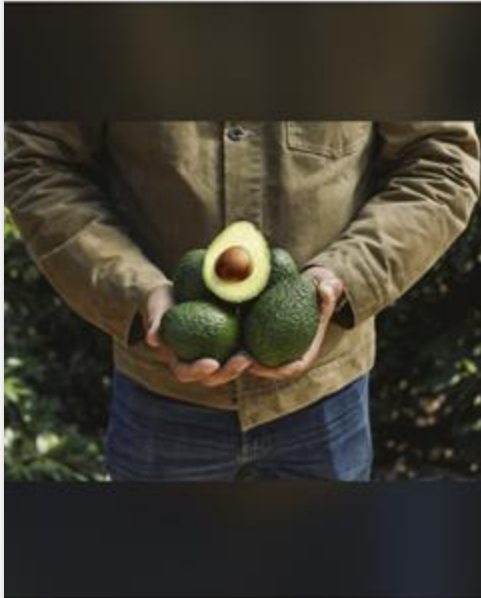
Fresh from the grove to your grocer
 California Avocados: grown locally, enj...



Get directions

18:04 50% battery

California Avocados and Vons



Fresh from the grove to your grocer

California Avocados: grown locally, enjoyed universally. The best avocados have California in them.

Get directions



2024-25

MARKETING BUDGET





- Guiding Principles
 - Achieve 2022-23 consumer advertising impressions
 - Further develop hyper-local PR
 - Disproportionally invest into trade marketing
 - Increase marketing resources at retail level
 - Utilize data-driven decisions
 - Be open to test and learn
- Applied logic to budget expansion areas
- Planning – work with each budget owner to better understand big ideas and budget ranges
- Align on overall business plan and deliverables



Marketing Investment

Program Area	2023-24 Budget	2024-25 Budget	% Increase
Consumer Marketing & Public Relations	\$3,807,500	4,563,100	20%
Trade Marketing: Retail	\$2,481,000	\$2,650,400	7%
Trade Marketing: Foodservice	\$537,500	\$650,000	21%
Marketing Activities Support & Personnel	\$177,500	\$971,500	447% (-23%)
TOTAL:	\$7,003,500	\$8,835,000	

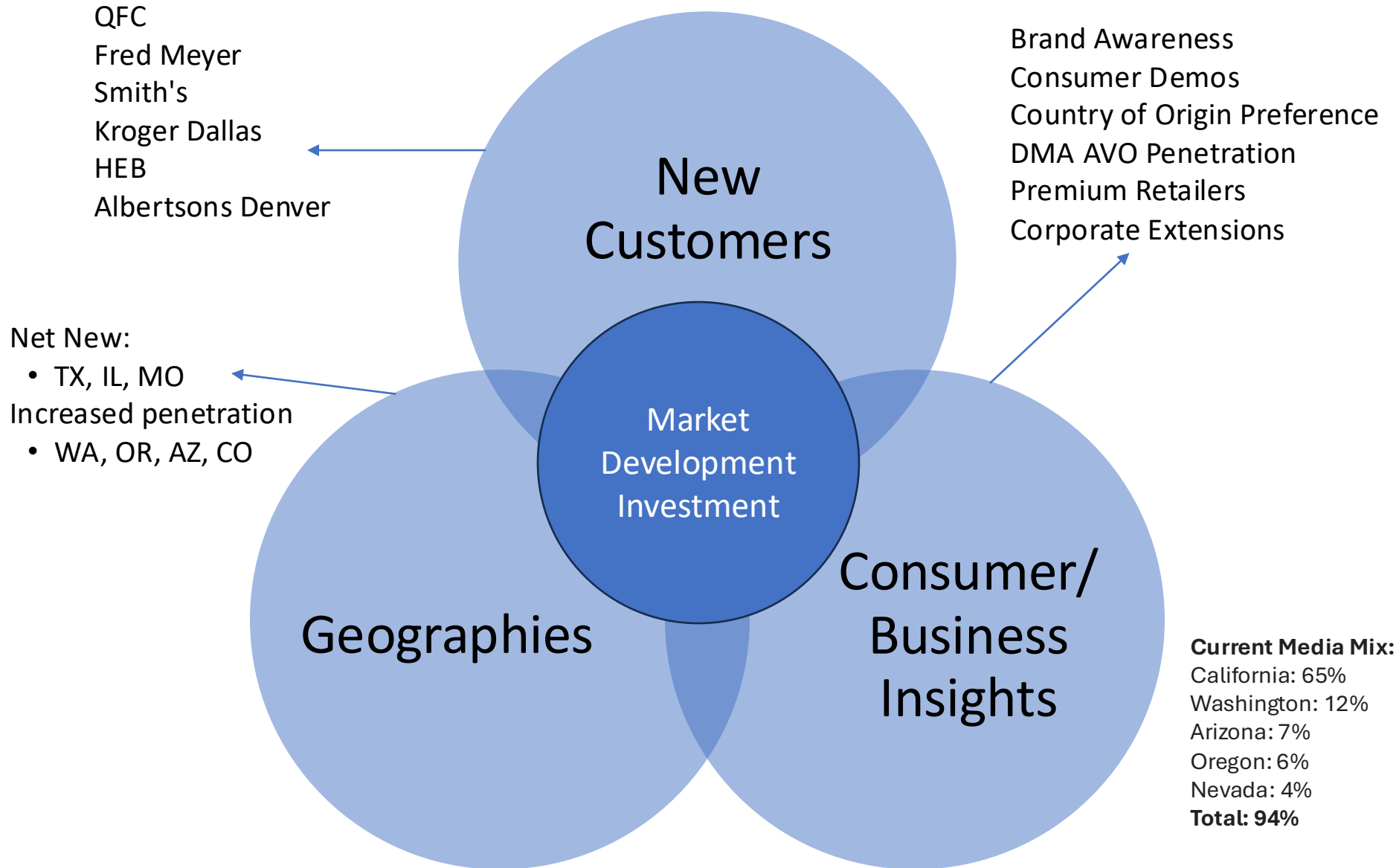
	2023-24	2024-25
Consumer Marketing	42%	43%
Trade Marketing	58%	57%

New Areas of Investment:

Hyper Local Events, Grove Tour, In-Store Merchandising, Retail Promotions

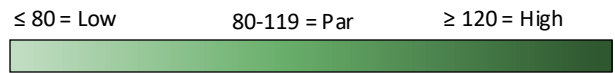
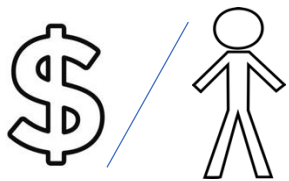
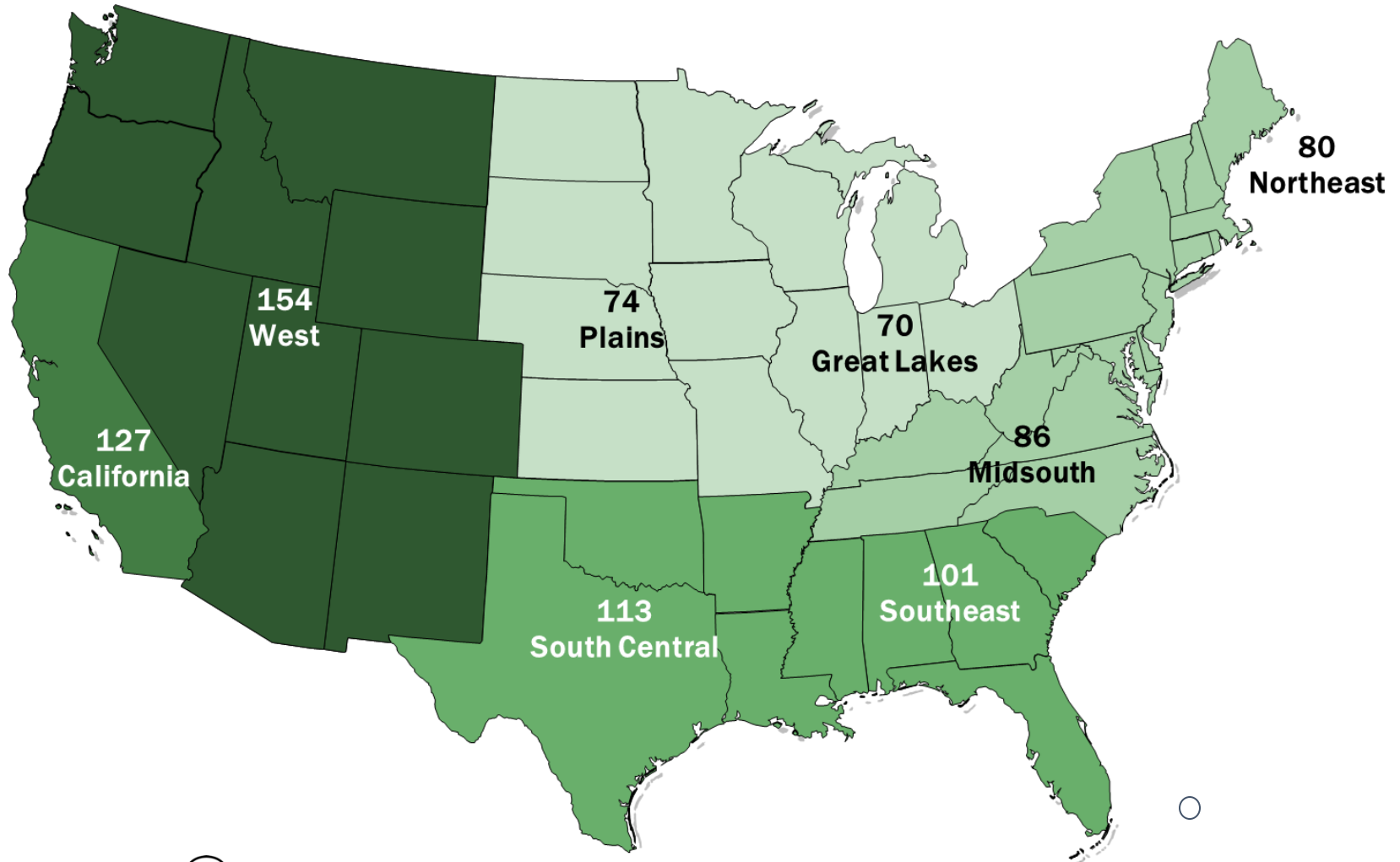


EXPANSION FRAMEWORK





CATEGORY DEVELOPMENT INDEX



Data source: IRI Consumer Network™ - 52 weeks ending 12/26/2021



MARKET LEVEL PCC

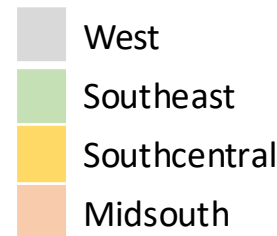
Geography	2020 PCC	2023 PCC	Change vs 2020
Phoenix/Tucson, AZ	15.4	15.14	-1.70%
Denver, CO	15.04	14.89	-1.00%
West Texas/New Mexico	13.79	14.83	7.60%
Miami/Ft. L, FL	11.4	14.38	26.10%
Dallas/Ft. Worth, TX	13.64	13.3	-2.50%
Orlando, FL	11.34	12.81	12.90%
Tampa/St. Pete, FL	10.32	12.09	17.10%
Los Angeles, CA	11.47	12.04	5.00%
Las Vegas, NV	11.03	11.81	7.00%
Portland, OR	13.07	11.76	-10.00%
San Diego, CA	11.23	11.74	4.60%
Nashville, TN	10.13	10.82	6.80%
Atlanta, GA	10.04	9.99	-0.50%
New England	9.66	9.85	1.90%
Chicago, IL	8.63	9.8	13.50%
Boise, ID	10.18	9.71	-4.60%
Jacksonville, FL	8.95	9.69	8.20%
Sacramento, CA	10.52	9.69	-7.90%
Charlotte, NC	8.8	9.6	9.00%
Seattle/Tacoma, WA	10.39	9.4	-9.50%
Houston, TX	11.08	9.33	-15.70%
Wichita, KS	9.56	9.29	-2.90%
Balt/Washington D.C.	8.86	9.23	4.30%
Raleigh/Greensboro	8.55	8.75	2.30%
Total U.S.	8.42	8.69	3.30%

Per Capita Consumption (lbs)

24 Markets above average consumption

- 9 in West 37%
- 6 in Southeast 25%
- 4 in Southcentral 17%
- 3 in Midsouth 12%

These regions also have above average CDI



ADVOCACY & PRODUCTION RESEARCH





ESCONDIDO GROWERS FOR AGRICULTURAL PRESERVATION – CONGRATULATIONS!



Eddie Grangetto speaks at Escondido’s Membrane Filtration Reverse Osmosis (MFRO) dedication ceremony

August 28, 2024

CAC has funded multiple economic benefit projects for EGAP

Avocado Farming Contribution at a Glance

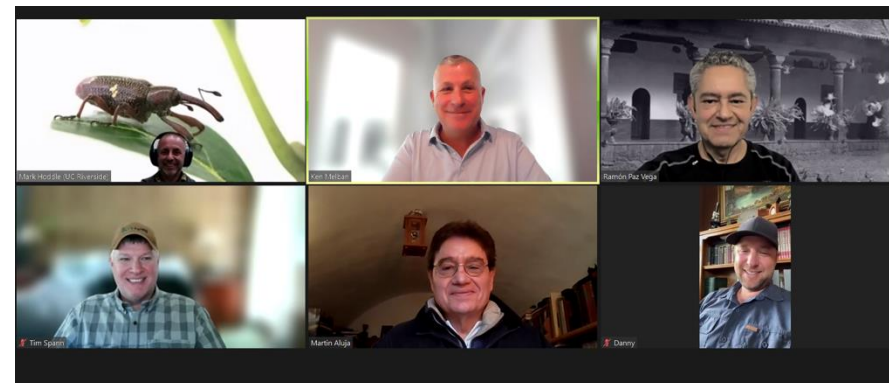
San Diego County

- \$70.3 ecosystem benefits
- \$180.2M direct output
- \$376.0M total output
- 6,566 jobs

Escondido

- \$9.0M ecosystem benefits
- \$19.0M direct output
- \$39.7M total output
- 693 jobs

- Queensland FF and Oriental FF quarantines (2023-24).
 - CAC successfully worked with USDA to remove Hass as host.
 - GEM, Lamb-Hass and Luna still listed as hosts.
- CAC working with Dr. Hoddle (UCR) in developing a project for Proactive Fruit Surveys in Mexico (Mex Fly), Hawaii (Oriental fruit fly), and Australia (Queensland fruit fly).
- Assess in field susceptibility of Hass, Gem, Lamb Hass, and Luna to fruit fly pests.
- Demonstrate FF do attack fresh fruit hanging on trees.
- If Mex-Fly, OFF, and Q-Fly quarantines in CA, fresh avocado fruit should not be quarantined.
- Timeline: 3-4 years?





PROACTIVE PEST SURVEYS

- Proactively survey fruit in the next countries in Central and/or South America (Honduras or Ecuador?) likely to petition to gain US market access.
- Imbed Dr. Hoddle to survey fruit for moth and beetle pests BEFORE export petitions begin.
- Process DNA analyses of *Stenoma catenifer* and avocado seed moth collected in Mexico, Guatemala, Honduras, Nicaragua, Costa Rica, Panama, Colombia, Ecuador, Peru, and Brazil.
- There are likely different species of "*Stenoma catenifer*" in these countries.
- We need to know "who" they are and where they live.



PROACTIVE PEST SURVEYS

- Dr. Hoddle would collect adult moths and larvae and Paul Rugman-Jones (UCR) would conduct DNA testing and work up the DNA fingerprint map for these moths.
- With this DNA fingerprint map, even if we don't have new scientific names for these moths, the DNA fingerprint will tell us what countries they are from should we detect an outbreak in CA.
- Determine where to look for natural enemies of the *Stenoma* "species" that are in CA.



RELY 280 HERBICIDE

- California registration of Rely 280 (glufosinate) herbicide for avocados granted in May 2024
 - A much need alternative to glyphosate to combat glyphosate resistant weeds
- In late August, CAC learned that BASF will cease production of Rely
 - A business decision due to shifting glufosinate supply to Liberty herbicide for corn and soybean
- Rely supply is currently good, but may not be available locally
 - Growers should purchase as much product now as possible
- CAC has spoken to DPR about a 24(c) “special local needs” registration for a generic glufosinate product and DPR is supportive
- CAC is currently trying to find a generic manufacturer willing to support this registration
- CAC is hopeful a replacement will be available under an SLN registration by spring 2025

QUESTIONS

THANK YOU!

