



# CALIFORNIA AVOCADO COMMISSION

## Annual Meetings

March 2025





# Today's Program

Welcome – Jason Cole, Chair

Pricing Data, Budget and Advocacy – Ken Melban, VP Industry Affairs & Operations

Research – Dr. Tim Spann, Research Program Consultant

## Marketing

- Terry Splane, VP Marketing
- Lori Small, Senior Marketing Manager

Question and Answer Session



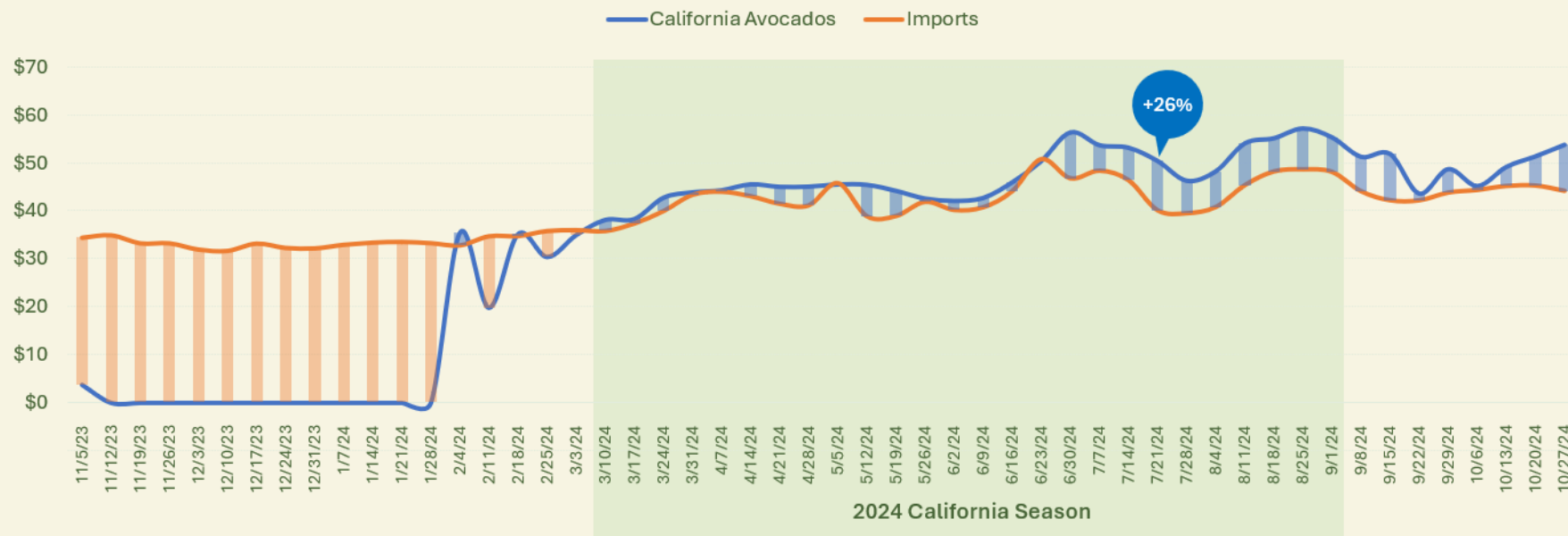
## 2024 PRICING DATA



# 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% (week ending 7/21).

## FOB Price of California Avocados Shipped **WITHIN CALIFORNIA** by Week (FY 2024)

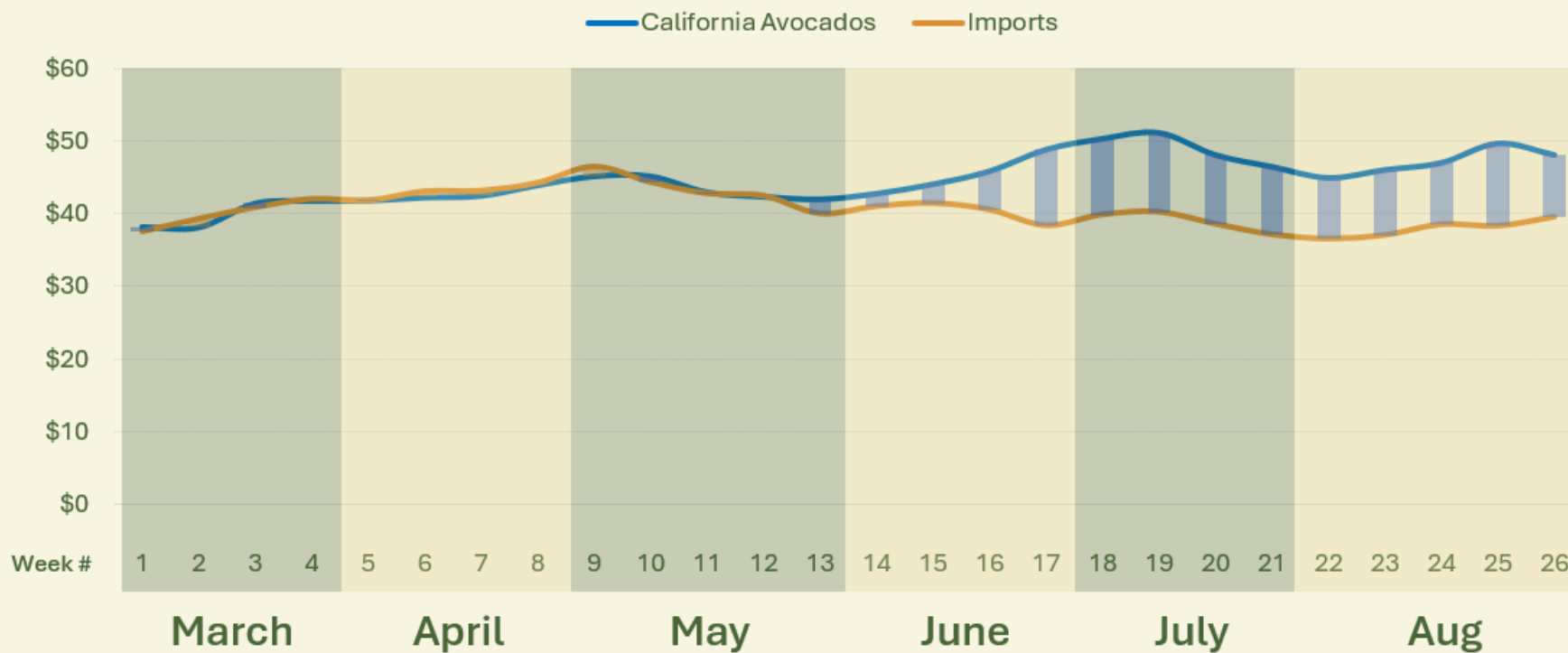


Source: AMRIC Hass #1 Conventional (pounds), California seasons 2021–2024



# FOB Price Advantage: 4-Year Weekly Average Within California

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



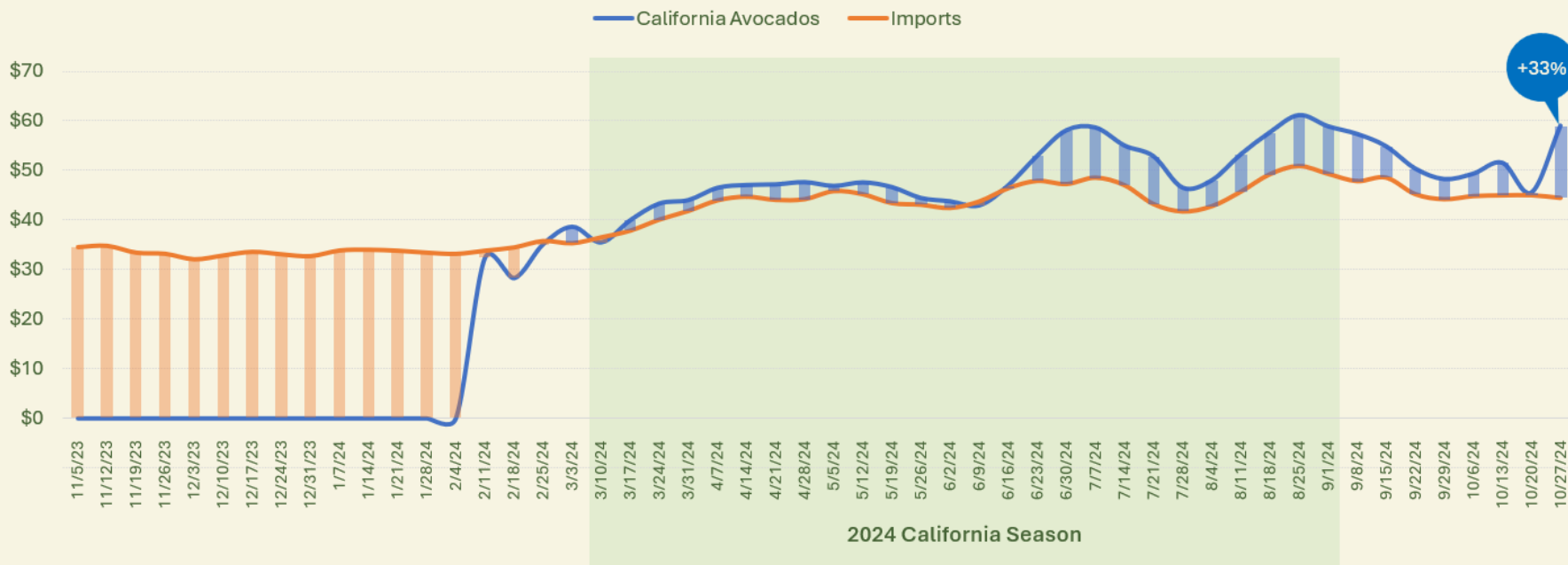
Source: AMRIC Hass #1 Conventional (pounds), California seasons 2021-2024



# FOB Price: California Avocados Delivered a Price Advantage Outside California

California avocados delivered an average FOB price advantage of +10% over imports outside of California. This price advantage reached as high as +33% (week ending 10/27).

FOB Price of California Avocados Shipped OUTSIDE CALIFORNIA by Week (FY 2024)

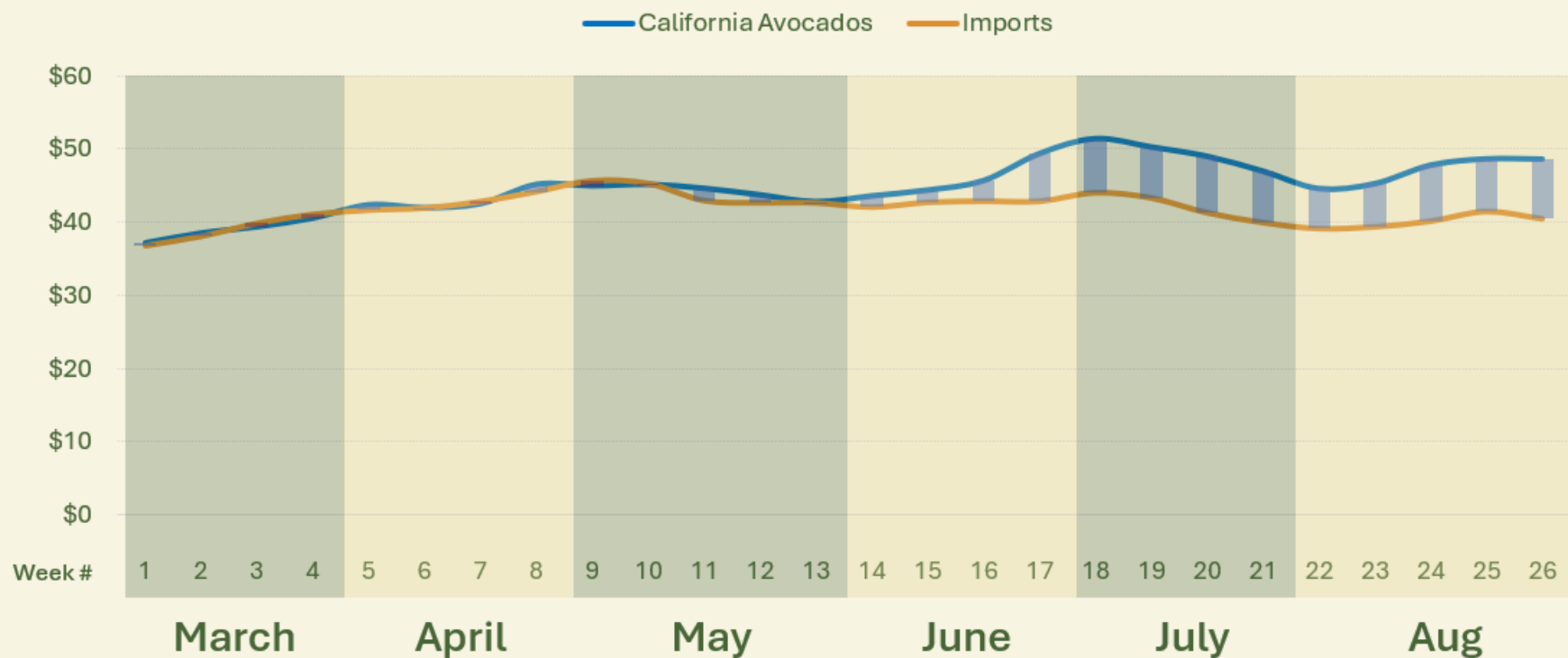


Source: AMRIC Hass #1 Conventional (pounds), fiscal year 2024; 2024 California season



# FOB Price Advantage: 4-Year Weekly Average Outside California

The FOB price advantage of California avocados averaged +7% vs. imports outside of California over the past four seasons.



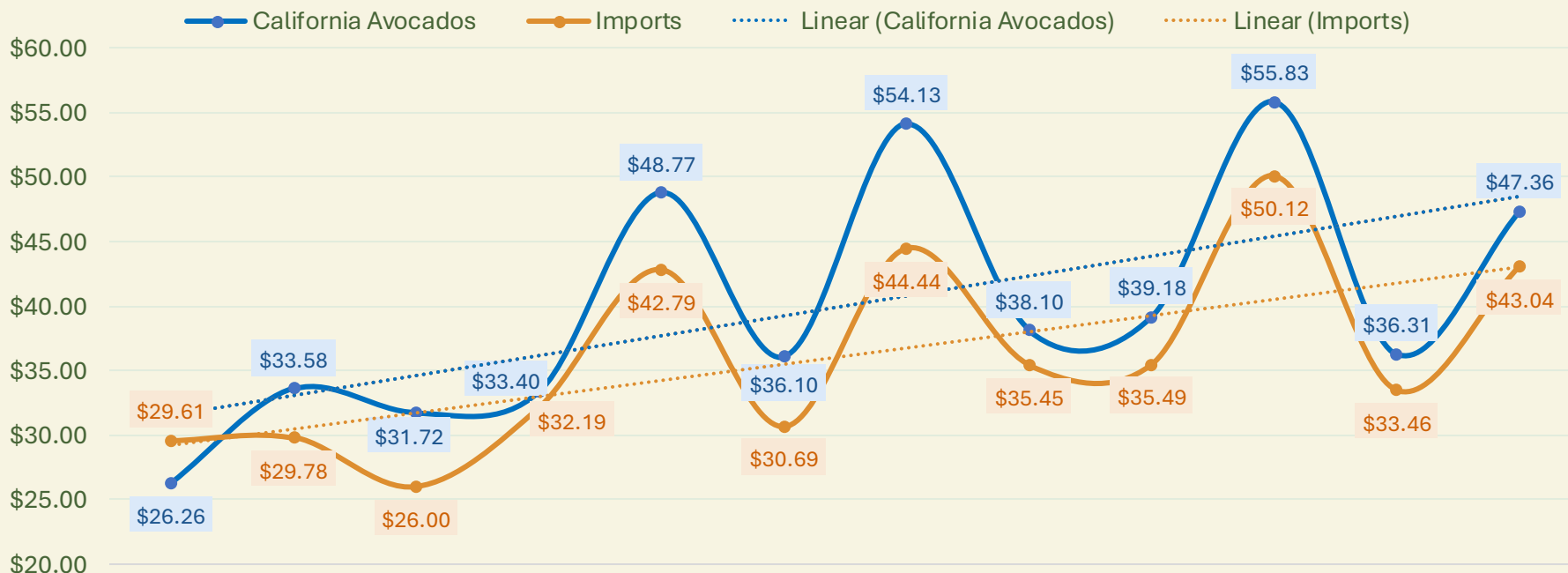
Source: AMRIC Hass #1 Conventional (pounds), California seasons 2021-2024



# California Avocados Continue to Show FOB Premium Over Imports

In the California region, FOB prices for California avocados fluctuate yearly, with 2024 showing a CAGR\* of +5.5%. This was +2.0 points higher than the rate of imports (+3.5%).

**FOB Price WITHIN CALIFORNIA**  
California Avocados vs. Imports



California Season	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Variance CA vs. Import	-11%	+13%	+22%	+4%	+14%	+18%	+22%	+7%	+10%	+11%	+9%	+10%
<b>California Avocados</b>	<b>+5.5% CAGR*</b>											
<b>Imports</b>	<b>+3.5% CAGR*</b>											

Source: AMRIC Hass #1 Conventional (pounds), California seasons 2013–2024; \*CAGR = Compound Annual Growth Rate. This is the average annual growth rate of FOB price since 2013





# 2024-25 BUDGET



# Revenues

Crop size 400 MM lbs

\$0.005/lb assessment (CAC)

\$0.025/lb assessment (HAB)

CAC Assessment Revenue	\$1,950,000	18.8%
HAB 85% Rebate Assessment Revenue (restricted)	\$7,905,000	76.2%
Subtotal Assessment Revenues	<u>\$9,855,000</u>	<u>95%</u>
Administration (Avocado Inspection Program)	\$61,000	0.6%
Grant Funding (Market Access Program)	\$250,000	2.4%
Interest Income	\$6,000	0.1%
From the Grove Income	\$60,000	0.6%
Other Income (Pine Tree Ranch)	\$140,000	1.3%
Subtotal Other Revenues	<u>\$517,000</u>	<u>5.0%</u>
Total Revenues	\$10,372,000	100%



# Expenditures

## Marketing Programs

Consumer Marketing	\$5,772,600	37.5%
Trade Marketing - Retail	\$3,615,900	23.5%
Trade Marketing - Foodservice	\$725,000	4.7%
Marketing Activities Support & Personnel	\$971,500	6.3%
Subtotal Marketing Programs	<u>\$11,085,000</u>	<u>72.0%</u>

## Non-Marketing Programs

Industry Affairs & Production Research	\$1,915,216	12.4%
Grant Programs	\$250,000	1.6%
Operations	\$2,150,328	14.0%
Subtotal Non-Marketing Programs	<u>\$4,315,544</u>	<u>100.0%</u>
Total Expenditures	\$15,400,544	
Excess Of Revenues Over (Under) Expenditures	<b>(\$5,028,544)</b>	



# 2024-25 Budget

Beginning Reserves – November 1, 2024 \$16,089,300

Estimated Ending Reserves – October 31, 2025 \$11,060,756

## Revenue

CAC Assessment Revenue (\$0.005/lb assessment) \$1,950,000 ←

HAB 85% Rebate Assessment Revenue (\$0.025/lb assessment) \$7,905,000 ←

Other \$517,000

Total Revenues \$10,372,000

## Expenditures

Marketing Programs \$11,085,000 ←

Non-Marketing Programs \$4,315,544 ←

Total Expenditures \$15,400,544

Excess Of Revenues Over (Under) Expenditures **(\$5,028,544)**



# ADVOCACY

USDA Inspections



## SITUATION BRIEF IMPORTATION OF AVOCADOS FROM MEXICO

In 1997 the United States Department of Agriculture in coordination with the California Avocado Commission (Commission) negotiated an agreement with Mexico which allowed the importation of avocados into the United States, subject to specific conditions.

The conditions included Mexico adhering to pest inspection requirements administered by USDA's Animal and Plant Health Inspection Service (APHIS) including (1) USDA employees inspecting avocado orchards in Mexico from which avocados are to be harvested for shipment to the United States, and (2) subsequently inspecting these avocados at packing facilities located in Mexico prior to shipment to the United States. All expenses related to the inspections are paid by the Mexican avocado industry.

For nearly 30 years — beginning with President Clinton and then Presidents' Bush, Obama and Trump in his first term — USDA strictly enforced this agreement which has effectively prevented extremely harmful pests (e.g. seed and stem weevils) from crossing into the United States and eventually infesting California avocado orchards and production.

All of that abruptly changed in late 2024 when APHIS unilaterally turned over all avocado orchard inspections to Mexico because the cartel endangered the safety of USDA personnel. In turn, this action has led to increased numbers of weevils and other pests being detected in Mexico packing facilities and the likelihood that some will cross the border and begin their irreversible damage to the California avocado industry.

The Commission's request of President Trump and USDA Secretary Rollins is simple and straight forward. Respectfully, reverse this reckless decision by the Biden administration that has put California's 3000 avocado growers and \$1.5 billion avocado industry in harm's way, and adopt safeguards to protect USDA inspectors from threats and possible action by the cartel.

Contact: Ken Melban; VP industry affairs & operations; 559-859-6811; [kmelban@avocado.org](mailto:kmelban@avocado.org)

*Pictures of recent weevil finds*





# Congressman Issa Meeting 2/28

- CAC letter to Secretary Rolling, February
- Grower petition – 727 signatures  
Thank you!
- Hosted by Robert Jackson, District 1 Board member
- Congressman Issa leads Congressional letter to Secretary Rollins





# DC Meetings 3/10-11

- Chairman GT Thompson, House Committee on Agriculture and staff
- Jordon Bonfitto, chief of staff, USDA's Marketing and Regulatory Programs; Maggie Linden, senior policy official; Dr. Mark Davidson, deputy administrator, plant protection and quarantine
- Staff, Senate Committee on Agriculture, Nutrition & Forestry
- Congressman Darrel Issa and staff
- Congresswoman Julia Brownley and staff
- Congressman Salud Carbajal and staff







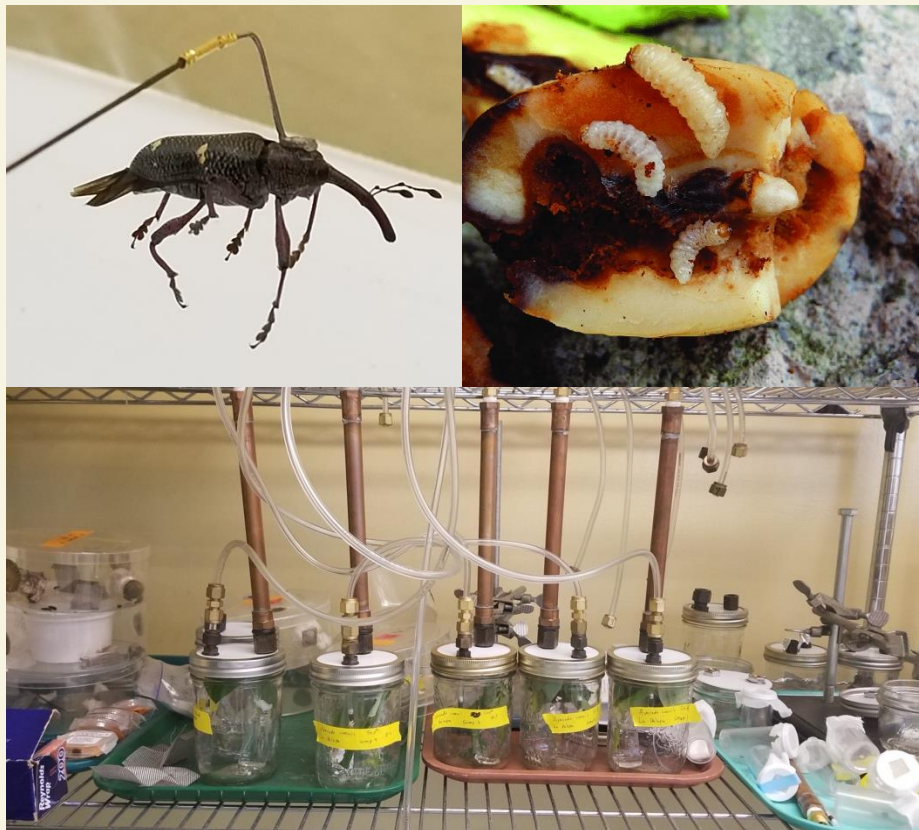
# Elevator Speech

85-90% of the total U.S. consumer demand for avocados is supplied by Mexico. We are not opposed to free trade, but trade should not create risk to American farmers. Exporting avocados into the U.S. is a privilege. If the agreed upon inspection requirements cannot be maintained due to safety concerns for USDA inspectors, then that privilege must be suspended. American farmers must be protected. America first!



# PRODUCTION RESEARCH

# Avocado seed weevil (*Heilipus lauri*) aggregation pheromone

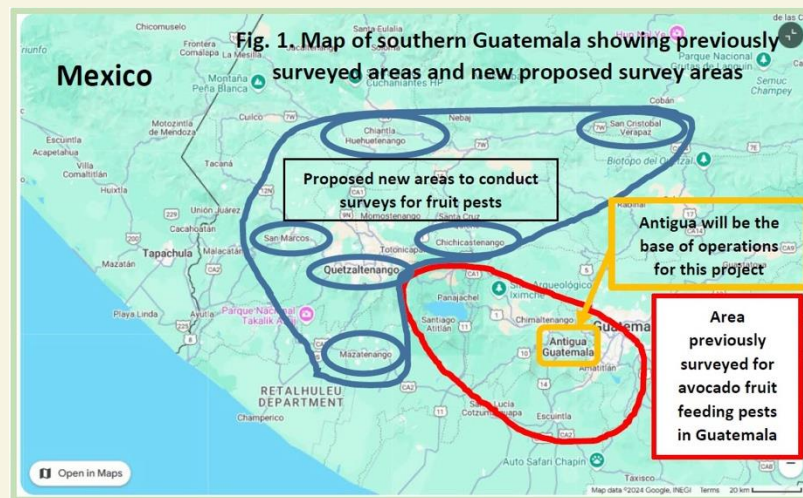


- ASW is a pest of high concern in imported fruit
- The aggregation pheromone of ASW was identified as grandisol from CAC-funded work
- Synthesis of grandisol results in mixtures of different forms (enantiomers)
- Field testing with impure grandisol has been unsuccessful
- ASW may only respond to biologically pure (+)-grandisol



# Surveys for avocado fruit feeding insects in Guatemala

- Expands on previous CAC-funded work from 2006-09
- To collect as much fruit as possible from six distinct geographic regions of southern Guatemala not previously surveyed for avocado fruit pests
- Develop a comprehensive list of avocado fruit feeding insect pests present in Guatemala
- The Guatemala PRA lists 10 fruit feeding pests, 6 of which were identified by Hoddle





# Production Research Prioritization

- Production Research Committee spent time over five meetings in 2024 to develop a list of research priorities
  - Priorities were separated into five main categories
  - High priority topics were identified within each category
- That list was distributed to the avocado research community in September 2024 with a request to submit concept proposals to address the identified priorities
- Twenty-two concept proposals were received and reviewed by the PRC, 12 were asked to submit full proposals
- PRC will meet in April to review full proposals and make funding recommendations to the Board



# Working to leverage IR-4 program support for pest management

- On March 13, Ken Melban, Danny Klittich (PRC Chair) and Tim Spann met with Kari Arnold, Regional Field Coordinator, Western Region IR-4 Project
  - IR-4 is a federally funded program established in 1963 to help special crop producers register pesticides (primarily residue analysis and toxicology studies)
- Integrated Solutions is a new IR-4 program for industries to submit requests for research to find solutions for existing problems
  - CAC is looking to submit two Integrated Solutions request for Avocado Lace Bug and Avocado Branch Canker in 2025





**MARKETING**

Winner of the 2024 Produce Business' Marketing Excellence Award 🏆



Link to view: <https://vimeo.com/1070367502/27803a3c26?share=copy>





# 2025 MARKETING CAMPAIGN EVOLUTION



# Campaign Evolution

- Building on and expanding the existing campaign strengths
  - Emphasis on local growers and driving home brand values
    - **Sustainably Farmed**
    - **Ethically Sourced**
    - **Responsibly Grown**
- Bringing the campaign out of the grove and into the neighborhood
  - Showing consumers, fresh California Avocado dishes
- The best way to add delicious local flavor to any dish is with responsibly grown California Avocados





# Campaign Testing

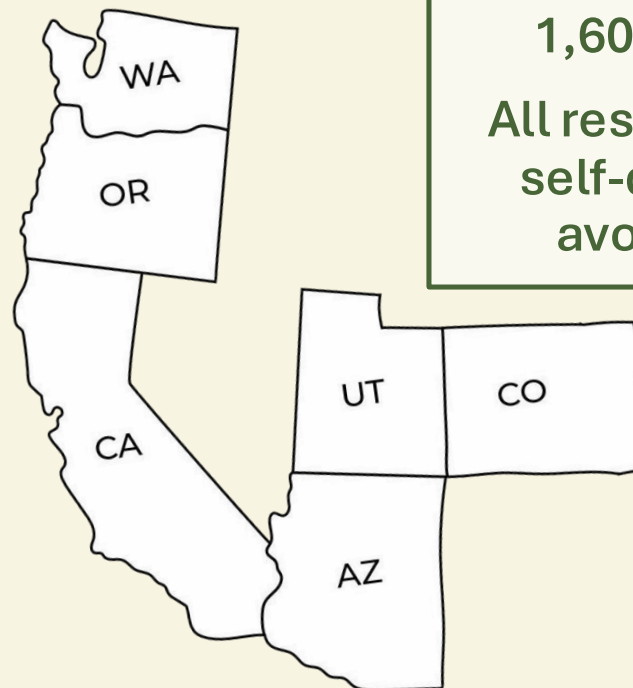
- Goal: Measure the 2024 advertising campaign and 2025 campaign evolution's impact on memorability, perceived brand value and brand preference
- Test impact of messaging and creative evolutions on overall appeal and specifically on brand/origin measures

- **PRIMARY TARGET**

- Ultra and Mega avocado users/buyers

- **SECONDARY TARGETS**

- 18-24 year olds, any race/ethnicity, ultra/mega buyers
- Hispanics, any age, ultra/mega buyers (25%)



1,602 consumers  
All respondents were  
self-defined heavy  
avocado eaters



# Campaign Evolution

CONSUMER INSIGHT

**Understanding the story behind  
our food instills pride in who we  
are and what we consume**



# 2024 Campaign Testing

## Strongly agree/Agree:

- It is important to see the environment where California Avocados are grown (85%)
- It enhances my trust in locally grown produce from California (83%)
- The California environment helps create more quality and flavorful avocados (83%)
- Knowing that California Avocados are sustainably grown makes me more likely to purchase a California Avocado (82%)
- Knowing the story behind how California Avocados are grown makes me want to purchase them more than avocados grown elsewhere (78%)



# 2025 Campaign Testing





Link to view: <https://vimeo.com/1070369570/38d8d28ebb?share=copy>



# 2025 Campaign Testing

## Strongly agree/Agree:

- This video helps me believe that California Avocados are a fresh, local product (88%)
- Seeing someone enjoying California Avocados makes me feel good (81%)
- This video helps me believe that California Avocados are a more premium product (80%)
- Watching people in this video eat avocados makes me more likely to purchase California Avocados (75%)
- Watching people in this video eat avocados makes me feel more connected to the food (73%)





Link to view: <https://vimeo.com/1070368563/010572d571?share=copy>



**RETAIL CONTENT SUPPORT**



# Regional Retail Activations

- Supporting two key retail partners through in-store influencer activations
- Confirmed retail partners:
  - April 5: Bristol Farms (Santa Barbara), includes local grove tour
  - June 12: PCC Markets (Seattle)
- Attendees to enjoy an in-store avocado-centric reception and hear from CAC, retail partner rep and a grower
- Attendees will develop content that highlights
  - California Avocado availability in our partners' stores
  - Creation of a meal at home with the fruit to inspire consumers and drive sales





**mymanabites**  · Following

Paid partnership  
Jumbo · Cookin



**mymanabites**  34w

In honor of California Avocado Month, turning local treasures into tasty treats! I made these decadent avocado-brownies using the freshest, sustainably farmed California Avocados from my recent visit to Raley's. Not only are these treats packed with the goodness of avocados, but they're also gluten-free! Perfect for satisfying your sweet tooth.

#CaliforniaAvocados  
#CaliforniaAvocadoMonth #Sponsored  
@ca\_avocados @raleys #recipe  
#dessert #brownies

Gluten Free Avocado Brownies

Ingredients:

\* 1 small ripe, Fresh California Avocado



1,123 likes

June 26, 2024



Add a comment...



Link to view: <https://vimeo.com/1070374930/4f8e66e017?share=copy>



# Retailer Come Shop With Me

- Partner with a key retailer to host influencers into their store to capture "come shop with me" style content for their social channels
- Influencers will have access to the produce floor and California Avocado displays to create their content
- Influencers will have high reach among local audience to help drive customers in-store to purchase
- Content will include both in-store content and at-home meal creation





# Retail Content Assets

- Partner with influencers to develop CAC-owned recipe-focused vertical video content for use with retailer partners
- Retailers can use the content across communications channels
  - Social media platforms
  - E-newsletters/promotional emails
  - Websites





Link to view: <https://vimeo.com/1070375469/99b8be919e?share=copy>



**Thank you**