



# AGENDA

## California Avocado Commission Board of Directors Meeting

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### Meeting Information

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**Date:** November 14, 2024

**Time:** 8:00 a.m.

**Location:** Hybrid Meeting

**Physical Meeting Location:**  
California Avocado Commission  
12 Mauchly, Suite L  
Irvine, CA 92618

**Web/Teleconference URL:**

<https://californiaavocado.zoom.us/j/83533809677?pwd=McbMTGJlJ521wQxsa3nKX8BiszT58pn.1>

**Conference Call Number:** (669) 900-6833

**Meeting ID:** 835 3380 9677

**Passcode:** 868758

**Meeting materials will be posted online at least 24 hours prior to the meeting at:**  
<https://www.californiaavocadogrowers.com/commission/industry-calendar>

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### Board Member and Alternate Attendance

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**As of Friday, November 8, 2024, the following individuals have advised the Commission they will participate in this meeting:**

Victor Araiza, *Member*

Jason Cole, *Member*

Maureen Cottingham, *Member*

John Dmytriw, *Member*

Rob Grether, *Member*

Robert Jackson, *Member*

James Johnson, *Member*

Ohannes Karaoghlanian, *Member*

Peter Shore, *Member*

Al Stehly, *Member*

Tina Wolferd, *Alternate*

Time	Item
8:00 a.m.	<ol style="list-style-type: none"> <li data-bbox="350 163 1544 323"> <b>1. Call to Order – Ben Kardokus, CDFCA Presiding</b> <ol style="list-style-type: none"> <li data-bbox="444 205 1544 277">a. Announcement of Election Results and Introduction of New Members and Alternates</li> <li data-bbox="444 289 748 323">b. Roll Call/Quorum</li> </ol> </li> <li data-bbox="350 361 1544 478"> <b>2. Opportunity for Public Comment</b>            Any person may address the Board at this time on any subject within the jurisdiction of the California Avocado Commission.         </li> <li data-bbox="350 516 1544 676"> <b>3. Election of Officers</b> <ol style="list-style-type: none"> <li data-bbox="444 558 1544 630">a. Instructions on How Nominations and Voting for Board Officers will be Conducted</li> <li data-bbox="444 642 1081 676">b. Nominations and Election of Chairperson</li> </ol> </li> <li data-bbox="350 714 1544 831"> <b>4. Chairperson Takes Gavel and Presides</b> <ol style="list-style-type: none"> <li data-bbox="444 756 1544 789">a. Nominations and Election of Vice-Chairperson, Secretary, and Treasurer</li> <li data-bbox="444 802 954 831">b. Chairperson’s Opening Remarks</li> </ol> </li> <li data-bbox="350 869 1544 1071"> <b>5. Consent Calendar</b> <ol style="list-style-type: none"> <li data-bbox="444 911 1544 982">a. Consider approval of Board of Director’s meeting minutes of October 10, 2024</li> <li data-bbox="444 995 1318 1029">b. Consider Approval of Proposed 2024-25 Meeting Schedule</li> <li data-bbox="444 1041 976 1071">c. 2023-24 Financial and crop update</li> </ol> </li> <li data-bbox="350 1108 781 1138"><b>6. Board member orientation</b></li> <li data-bbox="350 1176 1544 1335"> <b>7. Chairman’s Report</b> <ol style="list-style-type: none"> <li data-bbox="444 1218 1013 1251">a. Update on USDA import inspections</li> <li data-bbox="444 1264 1544 1297">b. Recommend Member and Alternate to Serve on Hass Avocado Committee</li> <li data-bbox="444 1310 1455 1335">c. Recommend Members to Serve on Avocado Sustainability Advisory</li> </ol> </li> <li data-bbox="350 1373 1544 1533"> <b>8. Industry Affairs</b> <ol style="list-style-type: none"> <li data-bbox="444 1415 1373 1449">a. Hass Avocado Board Avocado Sustainability Advisory update</li> <li data-bbox="444 1461 1544 1533">b. Consider research proposal, “Does artificial pollination improve yield of ‘Hass’ and ‘GEM’ avocado?”</li> </ol> </li> <li data-bbox="350 1570 922 1650"> <b>9. Marketing</b> <ol style="list-style-type: none"> <li data-bbox="444 1612 922 1650">a. Tracking study key takeaways</li> </ol> </li> <li data-bbox="350 1688 1544 1976"> <b>10. Closed Session</b> <ol style="list-style-type: none"> <li data-bbox="444 1730 1544 1976">           a. Closed session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a)(1)           <ol style="list-style-type: none"> <li data-bbox="542 1856 1544 1976">i. The Board may go into closed session to discuss and make recommendations regarding appointment, employment or dismissal of an employee.</li> </ol> </li> </ol> </li> </ol>

Time	Item
	b. Closed session regarding pending and/or ongoing litigation pursuant to Government Code Section 11126(e)
	<b>11. Return to open session and announce action taken in closed session, if any.</b>
<b>2:00 p.m.</b>	<b>12. Adjourn Meeting</b>

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## Disclosures

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The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at [aaymami@avocado.org](mailto:aaymami@avocado.org). Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at <https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes> and <http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices>.

If you have questions on the above agenda, please contact April Aymami at [aaymami@avocado.org](mailto:aaymami@avocado.org) or 949-341-1955.

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## Summary Definition of Conflict of Interest

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It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following *Summary Definition of Conflict of Interest* may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.



**BOARD ACTION**

**ITEM 5.a: Consider approval of Board of Director's meeting minutes of October 10, 2024**

**SUMMARY:**

The minutes of the Board of Directors' regular meeting of October 10, 2024 are attached for the Board's review and approval.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Approve minutes as presented
- Amend minutes
- Take no action

**STAFF RECOMMENDATION:**

- Approve minutes as presented

**EXHIBITS / ATTACHMENTS:**

- Minutes of the Board of Directors' regular meeting of October 10, 2024

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
October 10, 2024**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, October 10, 2024 with the following people present:

**MEMBERS PRESENT**

Victor Araiza  
Jason Cole  
Maureen Cottingham  
John Dmytriw  
Robert Jackson  
Ohannes Karaoghlanian  
Rachael Laenen  
Daryn Miller  
Peter Shore

**ALTERNATES PRESENT**

John Berns  
Maddie Cook  
James Johnson  
Hayden McIntyre

**MEMBERS ABSENT**

Quinn Cotter  
Will Carleton  
Jessica Hunter  
Rob Grether

**ALTERNATES ABSENT**

Jaime Serrato  
Tina Wolford

**OFFICIALLY PRESENT**

Vickie Carpenter, *USDA*  
Mark Hoddle, *UC Riverside*  
Ben Kardokus, *CDFA*  
George Soares, *KSC*  
Tim Spann, *Spann Ag*

**STAFF PRESENT**

April Aymami  
Zac Benedict  
Dave Cruz  
Stacia Kierulff  
Ken Melban  
Lori Small  
Terry Splane  
Cristina Wede

**GUESTS PRESENT**

David Anderson  
Carolyn Becker  
Laura Bertagnolli  
Rick Carey  
Dan Coxe  
John Haskett  
Kathleen Johnson  
Danny Klittich  
Kim Kurata  
Katelynn Molchan  
Marji Morrow  
Steven Muro  
Doug O'Hara  
Pam Ortega  
Laura Paden  
Barbara Pierce  
Adriane Rippberger  
Joanne Robles-Swanson  
Angel Sanudo  
Jamie Shafer  
Silvia Standke

**ITEM #1 CALL TO ORDER**

**Roll Call/Quorum – Item 1.a.**

Jason Cole, CAC chairman, called the meeting to order at 8:04 a.m. with a quorum present.

**Introductions – Item 1.b.**

April Aymami, CAC director of industry affairs and operations, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, CAC staff and known guests participating in the meeting. She requested all other guests to announce themselves so that all participants could be recorded in attendance.

**ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT**

There was no public comment.

**ITEM #3 CONSENT CALENDAR**

Mr. Cole introduced the consent calendar items and asked for questions or comments. With no comments on the consent calendar items, the following motion was put forward:

**MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Items 3.a, 3.b., and 3.c. as presented.***

***(Miller/Araiza) MSC Unanimous***

***MOTION 24-10-10-1***

The Consent Calendar is included in the October 2024 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 3.a, 3.b. and 3.c.

**ITEM #4 – CLOSED SESSION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION OF PERFORMANCE, OR DISMISSAL OF AN EMPLOYEE PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 11126(a)**

*The Board may go into closed session to discuss and make recommendations regarding appointment, employment, or dismissal of an employee – Item 4.a*

Mr. Cole convened a Closed Session of board members, alternates, legal counsel, and the CDFA representative at 8:10 a.m.

*Return to open session and announce action taken in closed session, if any – Item 4.c.*

Mr. Cole returned to open session at 9:16 a.m. and announced that the board had taken action regarding employee compensation during closed session:

**ITEM #5 TREASURER'S REPORT**

*Auditor's Letter of Engagement for 2023-24 Financial Audit – Item 5.a.*

Maureen Cottingham, CAC treasurer, reported on the letters of engagement provided by Moss Adams for the 2023-24 Financial Statement Audit & Fiscal and Compliance Assessment. Ms. Cottingham informed the Board that the letters have been reviewed by the Finance Committee.

**MOTION:**

***The CAC Board of Directors approves the Auditor's Letters of Engagement, as presented.***

***(Laenen/Shore) MSC Unanimous***

***MOTION 24-10-10-2***

The Auditor's Letters of Engagement is included in the October 2024 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 5.a.

*2023-24 Profit Sharing Plan Contributions – Item 5.b.*

Ms. Cottingham reported that the Finance Committee reviewed the estimated 2023-24 Profit Sharing Plan contributions, and they are according to plan.

*Financial Institution Review – Item 5.c.*

Ms. Cottingham commented that this item was discussed in the last Board meeting and the current bank being used by CAC is not meeting the needs of the Commission. CAC staff has asked for consideration in looking into other banking options. Ms. Cottingham stated that this was reviewed in yesterday's Finance Committee meeting and recommended that this task be delegated to the Finance Committee.

**MOTION:**

***The CAC Board of Directors moves to delegate the financial institution review and establishment of new bank accounts and line of credit to the Finance Committee.  
(Johnson/Miller) MSC Unanimous***

**MOTION 24-10-10-3**

**CAC Reserves Policy – Item 5.d.**

Ms. Cottingham reminded the Board that the CAC Reserves Policy has a targeted minimum fiscal year-end reserve balance equal to six months of average operating costs, or an amount not less than five million dollars. Ms. Cottingham reported that the Finance Committee recommended that CAC maintain the existing Reserves Policy.

**Finance Committee Recommendation on 2024-25 Budget and Assessment Rate – Item 5.e.**

Ms. Cottingham commented that the Finance Committee discussed next year's budget and assessment rate at length. The Finance Committee did not make a recommendation to the Board because they felt that the Board would discuss the options in depth during this meeting on agenda item 8.

**ITEM #6 CHAIRMAN'S REPORT**

**September 17-19 District grower meetings – Item 6.a.**

Mr. Cole commented on the September district grower meetings and gave a recap of the discussions. He stated that in the south, districts 1 and 2, there were good discussions, and the potential zero percent assessment was well received. Mr. Cole stated that at the Ventura meeting, there was concern with the potential zero assessment due to next year's larger crop and CAC should have funds to spend on more marketing.

Mr. Cole informed the Board that during the Ventura meeting, a grower requested a straw poll be taken of attendees to see if they wanted a zero assessment, and no hands were raised. When asked for a show of hands for a one cent (\$0.01) assessment, all hands were raised. Mr. Cole said that the idea of a one cent assessment was presented during the meeting in San Luis Obispo, to which there was no objection. He commented that this was just an update, and the Board will discuss the assessment rate during agenda item 8.

Ohannes Karaoghlanian, CAC Board member, commented that the growers in the north are in a more financially stable position to support the one cent assessment. He stated that the southern growers are looking forward to a zero assessment, at least for this upcoming year.

**Funding for Districts – Item 6.b.**

Mr. Cole stated that he would like to create funding for districts in the amount of twenty thousand dollars for the district directors to have discretionary money that can be used for items such as festivals, sponsorships, etc. to keep CAC relevant within the district local communities. He noted that the district funds had been added as a line item in the proposed 2024/25 budget, presented for approval under agenda item 7.

Ken Melban, CAC vice president of industry affairs and operations, commented that from a management perspective, CAC will make sure that the requests meet with all requirements of

the organization before funding can be approved. Mr. Melban also stated that a policy and procedures will be created, and the Executive Committee will be involved in reviewing the policy.

**ITEM #7 CONSIDER APPROVAL OF PROPOSED 2024-25 CAC BUSINESS PLAN AND BUDGETS**

Mr. Cole commented on the Mexican fruit flow in the U.S. and what it may look like during California avocado season. He mentioned that there was potential for Mexican fruit to spill over to the California peak season.

A handler member commented that the Mexican crop is two and half billion pounds currently and they are behind due to crop maturity and other factors. Mexico's peak season is October through April, and their fruit can hold on the tree just like California fruit, leading to potential overlap with the California season.

The Board discussed the marketing plans for next year for retail promotions, consumer tracking, sustainability, awareness, preference, consumption, etc. and the process for execution of the one million dollar 'war chest' funds to market California fruit successfully. Mr. Cole asked the Board if there was an appetite to potentially increase the one million dollar 'war chest' amount to move California fruit. He mentioned that a budget amendment can be done later, however, he wanted the opportunity for the Board to discuss the option of adding funds to the 2024-25 budget now before it is approved.

The Board continued to discuss new California avocado trees being planted, HAB funds, CAC reserves, potential assessment funds, etc. to verify if additional funds should be added to next year's marketing budget. Mr. Cole stated that the question to the Board is whether they would like to change the budget or approve as is.

A request was made that the marketing team create a proposed budget amount that the Board can review with more strategic detail and present at a future Board meeting.

Mr. Cole reminded the Board that the budget must be approved today for USDA whether the Board decides to make changes or not. If the Board approves the budget as is today, a budget amendment can be processed later for the proposed additional marketing proposal. Mr. Cole asked if there were any further questions or comments. Hearing none, he asked for motion to approve as presented:

**MOTION:**

***The CAC Board of Directors approves the Proposed 2024-25 CAC Business Plan and Budgets, as presented.***

***(Jackson/Johnson) MSC Unanimous***

***MOTION 24-10-10-4***

The Proposed 2024-25 Business Plan and Budgets are included in the October 2024 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 7.



**ITEM #8 ESTABLISH ASSESSMENT RATE FOR 2024-25 FISCAL YEAR**

Mr. Cole commented on the feedback received from the September district meetings and reminded the Board that the assessment rate can be placed at any rate. For example, one cent (\$0.01), half a cent (\$0.005), quarter cent (\$0.0025), zero (\$0.00), etc. Based on the recent September district meetings, the consensus from the southern growers is to have a zero-assessment rate for year 2024-25 while the consensus from the northern growers is to have a one cent assessment rate for year 2024-25.

Mr. Cole also informed the Board that he received an email from a grower, Norman Kachuck MD, FAAN, the following night and he asked that it be read out loud during the meeting. The following is the email verbiage read to the Board from Mr. Kachuck: "Please allow growers a waiver of this next year's assessment. I am now four years into annual losses that have nearly got us loaned up to our maximum LTVs. And without strategic asset management decisions on those in our favor, and the CAC waiver, and sale prices on market over \$1.70/lb through June, I don't know if we'll be able to get through. And you really don't want to lose 400 acres of beautiful crop for the future assessments when we really need it."

Ohannes Karaoghlanian, CAC board member, commented that the growers in the south are excited about a zero-assessment but he understands the concerns for the future. He proposes having a zero-assessment rate for one year and then reevaluate the situation for the next year so if we need to raise the assessment, we can. He wants a break for the growers.

Rachael Laenen, CAC board vice chair, commented that she strongly opposes the zero-assessment rate. She said it is smart to look at a rate that we can consider for two years, whether it is one cent or a half cent, so it gives stability in terms of budgeting and gives growers certainty beyond just one year.

Mr. Cole also congratulated CAC Board Vice Chair, Rachael Laenen, on being accepted to class fifty-four of the California Ag Leadership Program.

The Board discussed an appropriate assessment rate that aligns with the grower response at the district meetings, HAB assessment, and the CAC reserve policy. After a lengthy Board discussion, the consensus was to set the assessment rate for 2024-25 at \$0.005 per pound.

Mr. Cole asked if there were any further questions or comments. Hearing none, he asked for motion to approve as presented:

**MOTION:**

***The CAC Board of Directors moves to set the 2024-25 California Avocado Commission (CAC) Assessment Rate at 0.5 cent(s) per pound of sales for all avocado varieties during any full or partial month the Federal Hass Avocado Promotion, Research, and Information Order (Order) is in effect with a Hass Avocado Board (HAB) assessment rate of 2.50 cents per pound. Should the HAB assessment be eliminated, or should the assessment rate change from 2.50 cents per pound, the CAC assessment rate shall be adjusted to provide that the combined CAC and HAB gross assessment is 3.00 cents per pound of sales for all avocado varieties for the remainder of the CAC fiscal year.***

***(Araiza/Laenen) MSC 10 Yea/1 Nay***

***MOTION 24-10-10-5***

**ITEM #9 INDUSTRY AFFAIRS REPORT**

**Potential Research Projects – Item 9.a.**

Dr. Tim Spann, CAC research program consultant, gave an update on the glufosinate issue. In March 2024, CAC received a registration for a product called Rely herbicide with the active ingredient glufosinate-ammonium and it took about five years for this product to be registered. However, in August 2024 he received word that the manufacturer of this product will no longer continue making it. There was a conversation with the California Department of Pesticide Regulation (DPR) about whether they would consider a section 24(c) special local needs registration. DPR confirmed they would consider a section 24(c) for a generic glufosinate product. Loveland Products has the same product as Rely, just a different product label and Loveland sent CAC a letter of support to the DPR. Dr. Spann is happy to report that this information was sent to the DPR last night. Hopefully by the first of next year, we will have confirmation on the Loveland product.

Dr. Spann also gave an update on GEM and Lamb-Hass being removed as potential hosts for fruit flies. He said based on CAC's efforts, Hass is no longer recognized as a host, but USDA will not extend the non-host status to other varieties without data. Dr. Spann stated that research needs to be conducted where both the fruit flies and the avocado varieties exist, with fruit available on the trees. Dr. Mark Hoddle with UC Riverside is involved in this research and has reached out to his colleagues in Mexico. There are two locations that have both GEM and Lamb-Hass trees and they are working on gaining access to these trees to move forward on the trials to establish that both the GEM and Lamb-Hass are not hosts. Dr. Hoddle commented that they would like to repeat these trials in Hawaii with the Oriental fruit fly and Australia with the Queensland fruit fly.

Mr. Melban commented that with the effort being done on the fruit flies, there were conversations with Dr. Hoddle to review other native avocado growing areas to find out what pests exist that are not on CAC's radar. The idea would be to influence pest risk assessments from countries that are trying to gain access to the U.S. and ultimately if a pest is brought into California groves, Dr. Hoddle will have a better understanding of how to combat them.

Dr. Hoddle commented on the two-year program supported by CAC in Guatemala from 2007 through 2009. The goal of that program was to find the sex pheromone for the avocado seed moth. As part of the surveys conducted there, not only was the sex pheromone found and demonstrated that it worked but several other species of moth were found that no one had seen before. The new species were catalogued, and the findings were the bulk of the USDA risk assessment report for the Guatemalan fruit. Based on the new species, there have been discussions on doing further surveys in other central or south American countries that are petitioning to send fruit to the U.S. to survey for additional pests and natural enemies as a means of being proactive.

Mr. Melban stated that he wanted to get a consensus from the Board on a project to proactively survey other areas for pests. This project would go through the Production Research Committee review process before coming to the Board for funding this upcoming year. There is no current

budget item in place for this project, the idea is to have the conversation to see if the Board believes this project is worthwhile.

Mr. Cole commented that he feels strongly about this project. He stated that Dr. Hoddle has been successful in doing this kind of work for us in the past and no one else is going to do this work for us of cataloguing, verifying pheromones, natural enemies, etc.

The Board continued to discuss the potential research project with Dr. Mark Hoddle and the consensus was to move forward to create a proposal for the PRC to review and provide a recommendation to the Board.

Danny Klittich, CAC Production Research Committee chairman, commented that they sent out the PRC priorities list to the research community recently to gather more proposals on smaller projects than the projects just discussed. Any project proposals received would be reviewed by the Committee, with recommendations presented to the Board in early 2025.

*Update on USDA import inspections – Item 9.b.*

Mr. Cole provided an update on the USDA import inspections. He reminded the Board about the issue in Mexico with the safety of the inspectors. There was a move being made to shift the inspection responsibilities from USDA to local Mexican government USDA counterpart. Upon becoming aware of this situation, CAC responded very quickly and issued a press release stating CAC's position to keep everything in place and sent it to the USDA. During the September district meetings, the Mexico Daily News had an article that implied that all inspection responsibilities have now been transferred to the Ministry of Agriculture in Mexico. The information was not correct but that was the plan going forward. CAC has reached out to USDA, sending a letter to Secretary Vilsack and has not yet received a response.

Mr. Melban provided the Board with a copy of the bipartisan letter sent out to the Secretary of Agriculture, Tom Vilsack. He stated that CAC has also been in contact with Secretary Ross from the California Department of Food and Agriculture. He will do a write-up on the situation to stay transparent on future conversations with these agencies.

The *Letter to the Secretary of Agriculture Vilsack* is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

The *CAC Operations and Industry Affairs Activities* is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

**ITEM #10 DEFORESTATION**

*Opportunity for Public Comment limited to the topic of Deforestation – Item 10.a.*

Mr. Cole stated that Robert Jackson, CAC board member, requested to discuss this topic in an official capacity at the Board level during this meeting. Mr. Cole opened the floor for the opportunity for public comment limited to the topic of deforestation.

Joanne Robles-Swanson, Avocado Growers of California, commented that she is looking for united communication as an industry with CAC as the representative, regarding illegal

deforestation. Ms. Robles-Swanson stated there is a social responsibility for the industry to address this issue because it may make the consumer believe growers are complacent with illegal deforestation in Mexico, and this can have negative repercussions.

Board discussion – Item 10.b.

Mr. Jackson commented that as the California Avocado Commission, it is our responsibility to take positions on items of enormous social significance and impacts. He stated that he heard that up to one hundred and ten thousand acres have been illegally deforested in Mexico and these are public national park lands. Mr. Jackson believes it is the drug cartels in Mexico that are illegally deforesting to plant avocado trees. He stated that it is incumbent upon CAC as an organization to take a stand and do something affirmative to show that we will not allow the products from these deforested lands to enter the U.S. Mr. Jackson offered potential solutions: 1. Have USDA adopt regulations prohibiting imported avocados from illegally deforested lands. 2. CAC, with the assistance with the CDFA, implement rules and regulations that require packing and shipping facilities based in the U.S. to verify that imported avocados from Mexico are not from illegally deforested land. 3. Urge the USDA to have Mexico enforce their own laws, but more importantly, the USDA have American citizens responsible for overseeing inspections.

A handler member replied to Mr. Jackson stating that the lands that import avocados to the U.S. are not public national park lands, they are private lands, and they have a land use permit issued by the Mexican government to grow avocados. Climate Rights International (CRI) may have identified lands that were deforested but these were growers that had land use permits issued by the Mexican government. It was noted that fruit certified for import to the U.S. must have a land use permit to grow avocados for the U.S. and USDA also must verify the farm protocols/work plan to import to the U.S. Mexican avocados would not be able to be imported to the U.S. without first going through these protocols.

Mr. Cole stated that it looked as if CRI was taking anecdotal testimony and to backup that their claims and using satellite imagery and tracking numbers that shows fruit coming to the U.S. The fruit imported to the U.S. is not illegally deforested fruit, it is permitted fruit cleared by both governments.

Mr. Jackson stated that the CRI attorneys that he contacted assured him that they have reports and evidence of illegally deforested public lands being used for avocados. Mr. Jackson is basing his assertions on these reports so he will request the reports to be sent to him for further review.

Mr. Cole said that the question before the Board is, does CAC take a position on this issue and what does that position look like. Mr. Cole commented that CAC can write a letter to the USDA enforcing our opposition to importation of avocados that are produced on illegally deforested land and hope Mexico abides by their own rules and regulations but beyond that, he doesn't know what else CAC can do since it is a land use issue in Mexico.

James Johnson, CAC board alternate, commented that we do not know enough information to take a position on this issue. Mr. Jackson agreed that we need more information before taking a position. The Board consensus was that there were not enough facts available for CAC to take a position on this matter at this time.

**ADJOURN MEETING**

Mr. Cole adjourned the meeting at 12:16 p.m. The next regularly scheduled Board meeting will be held on November 14, 2024.

Respectfully submitted,

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Stacia Kierulff, CAC Human Resource Manager

I certify that the above is a true statement of the Minutes of October 10, 2024 approved by the CAC Board of Directors on November 14, 2024.

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Daryn Miller, CAC Board Secretary

**EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES**

- EXHIBIT A    Consent Calendar
- EXHIBIT B    Letter to the Secretary of Agriculture Vilsack
- EXHIBIT C    CAC Operations and Industry Affairs Activities
- EXHIBIT D    October 10, 2024 Board Meeting AB 2720 Roll Call Vote Tally Summary



**CALIFORNIA AVOCADO COMMISSION**  
**AB 2720 Roll Call Vote Tally Summary**  
*To be attached to the Meeting Minutes*

<b>Meeting Name:</b> <i>California Avocado Commission Regular Board Meeting</i>	<b>Meeting Location:</b> <i>Hybrid – Irvine</i>	<b>Meeting Date:</b> <i>October 10, 2024</i>
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<i>Attendees Who Voted</i>	<u><i>MOTION 24-10-10-1</i></u>	<u><i>MOTION 24-10-10-2</i></u>	<u><i>MOTION 24-10-10-3</i></u>	<u><i>MOTION 24-10-10-4</i></u>	<u><i>MOTION 24-10-10-5</i></u>
Robert Jackson	Yea	Yea	Yea	Yea	Yea
Victor Araiza	Yea	Yea	Yea	Yea	Yea
Ohannes Karaoghlanian	Yea	Yea	Yea	Yea	Nay
Jason Cole	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
John Berns	Yea	Yea	Yea	Yea	Yea
Maureen Cottingham	Yea	Yea	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Yea	Yea	Yea
Daryn Miller	Yea	Yea	Yea	Yea	Yea
James Johnson	Yea	Yea	Yea	Yea	Yea
Peter Shore	Yea	Yea	Yea	Yea	Yea
John Dmytriw	Yea	Yea	Yea	Yea	Yea
Maddie Cook	Yea	Yea	Yea	Yea	Yea
<b><i>Outcome</i></b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>Unanimous</b>	<b>10 Yea 1 Nay</b>



# AGENDA <sup>EXHIBIT A</sup>

## California Avocado Commission Board of Directors Meeting

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### Meeting Information

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**Date:** October 10, 2024

**Time:** 8:00 a.m.

**Location:** Hybrid Meeting

**Physical Meeting Location:**  
California Avocado Commission  
12 Mauchly, Suite L  
Irvine, CA 92618

**Web/Teleconference URL:**

<https://californiaavocado.zoom.us/j/85126248469?pwd=esacjhIp7Kuhp91AjBsXZf8rxQmnJP.1>

**Conference Call Number:** (669) 900-6833

**Meeting ID:** 851 2624 8469

**Passcode:** 675104

**Meeting materials will be posted online at least 24 hours prior to the meeting at:**

<https://www.californiaavocadogrowers.com/commission/industry-calendar>

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### Board Member and Alternate Attendance

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**As of Friday, October 4, 2024, the following individuals have advised the Commission they will participate in this meeting:**

Victor Araiza, *Member*

John Berns, *Alternate*

Jason Cole, *Member*

Maddie Cook, *Alternate*

Maureen Cottingham, *Member*

John Dmytriw, *Member*

Rob Grether, *Member*

Robert Jackson, *Member*

Ohannes Karaoghlanian, *Member*

Rachael Laenen, *Member*

Hayden McIntyre, *Alternate*

Daryn Miller, *Member*

Peter Shore, *Member*

Tina Wolferd, *Alternate*

8:00 a.m.

**1. Call to Order**

- a. Roll Call/Quorum

**2. Opportunity for Public Comment**

Any person may address the Board at this time on any subject within the jurisdiction of the California Avocado Commission.

**3. Consent Calendar**

- a. Consider approval of Board of Director's meeting minutes of August 15, 2024
- b. 2023-24 Financial and crop update
- c. Acceptance of Final 2023 Report of Independent Accountants on Management's Assertions on Compliance with Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs*

**4. Closed session regarding the appointment, employment, evaluation of performance, or dismissal of an employee pursuant to California Government Code Section 11126(a)(1)**

- a. The Board may go into closed session to discuss and make recommendations regarding appointment, employment or dismissal of an employee.
- b. Vice President's Performance Reviews pursuant to Section 11126(a)(1) of the California Government Code.
- c. Return to open session and announce action taken in closed session, if any.

**5. Treasurer's Report**

- a. Auditor's Letters of Engagement for 2023-24 Financial Audit
- b. 2023-24 Profit Sharing Plan Contributions
- c. Financial Institution Review
  - i. Consider delegation to the Finance Committee of final approval to establish new bank accounts and line of credit
- d. CAC Reserves Policy
- e. Finance Committee Recommendation on 2024-25 Budget and Assessment Rate

**6. Chairman's Report**

- a. September 17-19 District grower meetings
- b. Funding for Districts

**7. Consider Approval of Proposed 2024-25 CAC Business Plan and Budgets****8. Establish Assessment Rate for 2024-25 Fiscal Year**



**9. Industry Affairs Report**

- a. Potential Research Projects
- b. Update on USDA import inspections

11:00 a.m.

**10. Deforestation**

- a. Opportunity for Public Comment limited to the topic of Deforestation
- b. Board discussion

12:00 p.m.

**11. Adjourn Meeting****Disclosures**

The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action. For more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at [aaymami@avocado.org](mailto:aaymami@avocado.org). Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This meeting schedule notice and agenda is available on the internet at <https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes> and <http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices>.

If you have questions on the above agenda, please contact April Aymami at [aaymami@avocado.org](mailto:aaymami@avocado.org) or 949-341-1955.

**Summary Definition of Conflict of Interest**

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, the following *Summary Definition of Conflict of Interest* may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest. EXHIBIT A

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.

**ITEM 3.a: Consider approval of Board of Director's meeting minutes of August 15, 2024**

**SUMMARY:**

The minutes of the Board of Directors' regular meeting of August 15, 2024 are attached for the Board's review and approval.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Approve minutes as presented
- Amend minutes
- Take no action

**STAFF RECOMMENDATION:**

- Approve minutes as presented

**EXHIBITS / ATTACHMENTS:**

- Minutes of the Board of Directors' regular meeting of August 15, 2024

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
August 15, 2024**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, August 15, 2024 with the following people present:

**MEMBERS PRESENT**

Victor Araiza  
Will Carleton  
Jason Cole  
Quinn Cotter  
Maureen Cottingham  
John Dmytriw  
Rob Grether  
Jessica Hunter  
Robert Jackson  
Ohannes Karaoghlanian  
Rachael Laenen  
Daryn Miller  
Peter Shore

**ALTERNATES PRESENT**

John Berns  
Jamie Johnson

**MEMBERS ABSENT**

None

**ALTERNATES ABSENT**

Maddie Cook  
Hayden McIntyre  
Jaime Serrato

**OFFICIALLY PRESENT**

David Anderson, *Anderson  
Food Sales & Marketing*  
Vickie Carpenter, *USDA*  
Carolyn Becker, *CL  
Marketing*  
Kathleen Johnson, *PJ/PR*  
Kim Kurata, *Kurata  
Communications*  
Dennis Manderfield, *CDFA*  
Laura Paden, *PJ/PR*  
George Soares, *KSC*  
Tim Spann, *Spann Ag*

**STAFF PRESENT**

April Aymami  
Zac Benedict  
Dave Cruz  
Stacia Kierulff  
Ken Melban  
Lori Small  
Terry Splane  
Cristina Wede

**GUESTS PRESENT**

Dan Coxe  
Emiliano Escobedo  
Nikki Ford  
Danny Klittich  
John McGuigan  
Marji Morrow  
Steven Muro  
Matt Nelson  
Barbara Pierce  
Adriane Rippberger  
Joanne Robles-Swanson  
Jamie Shafer  
Matt Schraut  
Gina Widjaja  
Tina Wolford  
Charley Wolk  
17607434724

**ITEM #1 CALL TO ORDER****Roll Call/Quorum – Item 1.a.**

Jason Cole, CAC chairman, called the meeting to order at 8:02 a.m. with a quorum present.

**Introductions – Item 1.b.**

April Aymami, CAC director of industry affairs and operations, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, CAC legal counsel, CAC staff and known guests participating in the meeting.

**ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT**

Dan Coxe, District 2 grower submitted a letter to chairman Jason Cole from the Avocado Growers of California (AGC) addressing items from CAC's June planning meeting and asking for item updates. Mr. Coxe requested to have his letter shared with the Board and his letter added to the meeting minutes.

Ohannes Karaoghlanian, CAC Board member shared that Reuben Hofshi, past CAC Board member and industry leader, has passed away.

Mr. Cole asked if there were any other comments. Hearing none, he moved to the next agenda item.

Public Comment Written Statement – Dan Coxe is attached to the permanent copy of these Minutes and identified as EXHIBIT A.

### **ITEM #3 CONSENT CALENDAR**

Mr. Cole introduced the consent calendar items and asked for questions or comments. With no comments on the consent calendar items, the following motion was put forward:

#### **MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Items 3.a through 3.e as presented.***

***(Laenen/Cottingham) MSC Unanimous***

**MOTION 24-8-15-1**

The Consent Calendar is included in the August Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Items 3.a through 3.e.

### **ITEM #4 CONSIDER APPOINTMENT OF PRODUCER ALTERNATE MEMBER TO FILL EXISTING DISTRICT 2 VACANCY FOR TERM ENDING OCTOBER 31, 2025**

Mr. Cole reported there are two candidates who submitted nomination documents for the District 2 producer alternate member vacancy, Rex Kenyon and Tina Wolferd. Mr. Kenyon was not in attendance at the Board meeting. Ms. Wolferd was in attendance virtually and introduced herself.

Mr. Cole asked the Board if there were any other nominations from the floor. Hearing no other nominations, the Board discussed the two current candidates. Ohannes Karaoghlanian, CAC Board member nominated Tina Wolferd.

#### **MOTION:**

***The CAC Board of Directors moves to appoint Tina Wolferd as District 2 producer alternate member with term ending October 31, 2025.***

***(Karaoghlanian/Araiza) MSC 11 Yea/1 Abstain***

**MOTION 24-8-15-2**

The District 2 Candidate Statements and Disclosure Forms are included in the August 2024 Board Packet and are attached to the permanent copy of these Minutes and identified as EXHIBIT B, Item 4-1 through 4-5.

### **ITEM #5 CONSIDER APPOINTMENT OF HANDLER ALTERNATE TO FILL EXISTING VACANCIES FOR TERMS ENDING OCTOBER 31, 2025**

Mr. Cole commented that CAC has not received any applications for this seat and asked if there were any nominations from the Board for the handler alternate member seat. No nominations were received.

### **ITEM #6 CODE OF CONDUCT**

Proposed modifications – Item 6.a.

Mr. Cole reminded the Board that a Code of Conduct and Ethics policy for the Board of Directors was approved at the November 2023 meeting. At that meeting, Robert Jackson, CAC

Board member requested to work with George Soares, CAC legal counsel and Ken Melban, CAC vice president of industry affairs and operations to clarify language in the Duty to support section of the document.

The recommended language under the Code and Conduct and Ethics documents Responsibilities of Members; item 2. Duty of Loyalty; d. Duty to support is as follows:

*“ii. When not representing CAC, if a Member expresses an opinion that is inconsistent with positions taken by CAC, the Member shall state that the opinion is not being communicated on behalf of CAC. When not representing CAC, if a Member expresses an opinion that is inconsistent with positions taken by CAC, the Member shall state that the opinion is not being communicated on behalf of CAC.”*

The Board discussed the proposed additional language and legal counsel clarified that it applies to both oral and written statements. Mr. Cole reminded the Board again that the Code of Conduct and Ethics policy has already been approved by the Board, the added language is only to clarify the specific section. Mr. Cole asked if there was any further discussion and heard none.

**MOTION:**

***The CAC Board of Directors approves the proposed additional language in the Code of Conduct and Ethics as presented.***

***(Grether/Jackson) MSC Unanimous***

**MOTION 24-8-15-3**

The Code of Conduct and Ethics is included in the August 2024 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Items 6.a-1 through 6.a-6.

**ITEM #7 INDUSTRY AFFAIRS/OPERATIONS**

**APHIS Operational Work Plan – Item 7.a.**

Ken Melban, vice president of industry affairs and operations reported that he reached out to the APHIS executive director in April of this year regarding USDA’s thoughts on deforestation. In the conversation with the APHIS executive director, he shared that coming out of the 2022 security breach in Mexico, the Mexican embassy state department recommended the USDA give up responsibility for the inspections in Mexico and transfer the responsibility to the Mexican government. APHIS executive director stated that when a work plan is opened, the tendency is to reduce the plan to make it less onerous.

Mr. Melban commented that in June, CAC received a call from a New York Times reporter that had been present at a press conference in Mexico City stating that an announcement was made that governments were going to be working towards a process where Mexico takes over the responsibility for the inspection services. The press conference comments were verified. In response, CAC issued a press release stating CAC’s position that the inspection responsibilities should move away from the USDA. Mr. Melban commented that it is not USDA American employees processing the inspections, but Mexican nationals that are hired by the US government. Mr. Melban said it was important to bring the Board up to speed with this situation and the deforestation concerns that we all share. Mr. Melban stated CAC is prepared to do whatever the Board deems necessary to fight against this change.

Mr. Cole commented that this is an APHIS program (Animal and Plant Health Inspection Service), and USDA’s concern is looking for pests that are a threat. Mr. Cole stated that these inspections have been running for many years and there have been no findings in terms of

pests. The mitigation efforts and spraying regiment that has been employed in Mexico has been working.

Robert Jackson, CAC Board member commented that if CAC is going to make sustainability a key emphasis in our marketing and mission statement, CAC needs to take a stance on deforestation in Mexico.

Mr. Cole commented that the Commission is using the term 'sustainable' because we were approved by the government to use it, but Mexico is also approved to use the term 'sustainable'. Mr. Cole commented that there are many different definitions of sustainable.

Mr. Melban commented that if he was to make a recommendation, it would be for Mr. Cole and himself to travel to Washington DC and meet with officials to let them know that the responsibility cannot be removed from USDA. Mr. Melban does not anticipate that deforestation would be discussed at that point because it is critical to maintain the oversight with USDA.

Robert Grether, CAC Board member commented that this discussion should remain relevant to California growers and relevant to the marketing that is effective in moving California fruit. He stated that the recommendation to have Mr. Cole and Mr. Melban travel to Washington DC to focus solely on the phytosanitary aspect is the right plan.

The Board continued to discuss the USDA inspectors, deforested land issues, sustainability questions and export certifications. Mr. Cole reminded the Board that no action can be taken action on these items today, but they can be added as an item to the next Board meeting agenda.

Public Records Act requests – Item 7.b.

Mr. Melban informed the Board that CAC has received three separate requests for public records under the Public Records Request Act. He stated that CAC is working with our legal counsel on these requests.

Mr. Melban provided an updated report on activities for industry affairs and operations for the last few months. The activities list was placed on the screen for the Board to review. Mr. Melban commented on item 13 on the list stating that CAC has received approval from the USDA to budget marketing salaries against HAB revenue for the 24-25 fiscal year. With no questions on the activities list, Mr. Melban introduced Dr. Tim Spann for an update on the fruit fly quarantine.

Dr. Tim Spann updated the Board on GEM and Lamb Hass being removed as potential hosts for the fruit flies. He said based on CAC's efforts Hass is no longer recognized as a host but USDA will not extend the non-host status to other varieties without data. Dr. Spann said that their initial effort is to collect data for GEM and Lamb Hass as prominent varieties being affected by the quarantines. The research needs to be done where both the fruit flies and the avocado varieties exist. Hawaii has been identified with the oriental fruit fly and they found one Lamb Hass grove that is lined up as a research location. Dr. Mark Huddle is involved in this research and has reached out to his colleagues in Mexico to find other research locations. Dr. Spann said that there has been discussion with the USDA on what data they need to accept the other varieties.

Mr. Melban commented that they have been coordinating with the USDA and will be meeting in the next week to work on a plan to reach back out to the USDA to verify that we are tracking to achieve the goal to remove the other varieties.

Dr. Spann reported the Production Research Committee has been meeting regularly and each member was tasked with creating their own list of priorities for research. As a group, they came

together and prioritized all member list items. The final priority list should be completed by the next PRC meeting in September. Then the list will be sent out to the research community to vet interest from researchers in the priority topics.

Mr. Cole commented on Guatemala fruit, stating in his opinion, the biggest threat to California growers is the current systems approach that may be put into place regarding importation. Mr. Cole said that when Dr. Hoddle went to Guatemala in 2004 to prove that one moth used avocados as a host, during the research, Dr. Hoddle discovered four new species of moths that use avocados as a host. Proactive research needs to be done to verify other pests that are a threat to avocados.

Mr. Melban said CAC submitted comments on the Guatemala Pest Risk Assessment they are in review with USDA and APHIS.

Mr. Melban reported CAC has received comments from a couple of packers asking to add additional two GEM PLUs to mirror the Hass PLUs sizing.. He said CAC's role is to facilitate a discussion among packers but ultimately it is a packers decision. T  
The CAC Operations/Industry Affairs Activities is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

#### **ITEM #8 MARKETING**

##### Update on 2023-24 activities and approved incremental marketing spend – Item 8.a.

Terry Splane, vice president of marketing commented on sustainability and how it has complemented locally grown in the marketing messaging and brand. He said there is value and benefit in the brand with where we are today. Mr. Splane gave a quick summary of the presentation and informed the Board that his team will be presenting the marketing plan details.

Mr. Splane reviewed the Volume Absorption Plan and Late-Season Retail Promotions slides with the Board reflecting the calculations used. Rob Grether, CAC Board member commented that he is appreciative of these two slides for transparency of the CAC marketing strategy for a better understanding.

Zac Benedict, CAC marketing director presented the communications and media portion of the plan to be ahead of next year. Mr. Benedict discussed what was working, what wasn't working, how we can optimize with retargeting and test-and-learn new ads.

Carolyn Becker, CAC retail marketing director provided an overview of the anatomy of a retail promotion. Ms. Becker went through the four steps of retail promotion starting with plannings, retail marketing meetings, putting promotion ideas into action and promotion execution. She also discussed the online and mobile app shopper marketing campaign, digital coupons, social media and in-store activations.

Kathleen Johnson, PJ/PR discussed the retail communication support process. Ms. Johnson went through the setup, pitch, activations and post-activation wrap-up. Ms. Johnson also reviewed the Albertsons-Vons-Pavilions case study for the California avocado month.

Laura Paden, PJ/PR explained that the retail program works as an extension of the CAC marketing team with trusted relationships. She clarified the bounty of benefits that display the extension of CAC marketing and RMD teams, extension of retailer marketing teams, cross-functional engagement and bonus benefits.

Kim Kurata, Kurata Communications provided an overview of the foodservice side of the marketing promotions. Ms. Karata discussed the foodservice anatomy of a promotion showing



the steps from operator engagement, promotion period and menu items, promotion activities, handler/supplier connection, promotion agreement, menu promotion and tracking results. She reviewed the chain promotion stores and locations along with the strong promotions and support.

Mr. Melban commented on the 2024-25 marketing budget presentation slide stating that the USDA has a policy that programs should provide proposed budgets sixty days in advance but with CAC having a fiscal year beginning November 1<sup>st</sup>, it is difficult to fulfill that request. As such, the marketing team used guiding principles and applied initial logic to budget expansion areas to support what the USDA needs to approve our budget November 1<sup>st</sup>.

Mr. Splane discussed the marketing budget and new areas of investment comparing the current 2023-24 budget to the estimated 2024-25 budget program areas. The significant marketing investment area that changed is the marketing activities support & personnel that will now include 85% of marketing personnel costs such as salaries, benefits, etc. that derive from the HAB budget.

Mr. Cole reminded the Board that the HAB marketing budget is set. He said of the 2.5 cents per pound of HAB funds, CAC receives 85%, which must be spent on CAC marketing. He added the goal is to maximize the HAB funds and keep the CAC assessment low.

Mr. Splane discussed the strategic trade promotion budget. He explained that the ask is for one million dollars outside of the budget to develop new business and geographies to sell through the incremental crop. The preference is to spend the funds in marketing development areas open to pure retailer expansion.

Mr. Cole explained that CAC has 2.3 million in reserves that are earmarked from HAB for marketing expenditures and the additional one million dollars would be coming out of the reserves.

The Marketing Presentation slides are attached to the permanent copy of these Minutes and identified as EXHIBIT D.

### **ITEM #9 2024-25 Planning**

#### **CAC management review of priorities – Item 9.a.**

Mr. Melban said the CAC priorities are in the Board packet item 9.a and 9.b-1 through 9.b-10. Mr. Melban stated the underlined language modifications are modest and highlighted in the document.

Mr. Cole reminded the Board that the priorities and strategic intent is not an action item for today's meeting. However, if there is anything that needs to be addressed, we can discuss it because this will develop the business plan in October.

The Board continued to discuss proposed 2024-25 objectives and strategies, CAC management review of priorities and the verbiage in the document to wordsmith the underlined sections of the strategic intent of the business plan.

#### **Consider approval of preliminary 2024-25 CAC budget – Item 9.d**

Mr. Melban reported on the 2024-25 projection and budget with comparison to 2023-24. He said this was discussed in the finance committee and CAC has excess monies in reserves shown on agenda item 9.d-2 of the Board packet. Mr. Melban said the finance committee is recommending a zero percent (0%) CAC assessment rate, which will allow for CAC to live off

the reserves on the industry affairs and operations side for a year with a projected four hundred million pound crop.

The Board discussed the projection and budget for 2024-25 examining the crop estimate, revenues, expenditures, estimated ending reserves and assessment rate.

**MOTION:**

***The CAC Board of Directors approves the preliminary 2024-25 budget with the addition of the one million dollar marketing strategic trade promotions budget and the CAC zero percent assessment rate as presented.***

***(Grether/Miller) MSC Unanimous***

**MOTION 24-8-15-4**

2024-25 Business Plan Strategic Intent slides are included in the August 2024 Board Packet and are attached to the permanent copy of these Minutes and identified as EXHIBIT B, Items 9.a. and 9.b-2 through 9.b-10.

2024-25 CAC Budget is included in the August 2024 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Item 9.d-1 and 9.d-2.

**ITEM #10 CLOSED SESSION REGARDING PENDING AND/OR ONGOING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 11126(e).**

The Board began closed session at 12:20pm. The Board returned from closed session at 1:20pm with no action taken.

Mr. Cole asked if there were any further questions or comments and there were none.

**ADJOURN MEETING**

Mr. Cole adjourned the meeting at 1:21 p.m. The next regularly scheduled Board meeting will be held on October 10, 2024.

Respectfully submitted,

\_\_\_\_\_  
Stacia Kierulff, CAC Human Resources Manager

I certify that the above is a true statement of the Minutes of August 15, 2024 approved by the CAC Board of Directors on October 10, 2024.

\_\_\_\_\_  
Daryn Miller, CAC Board Secretary

**EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES**

- EXHIBIT A Opportunity for Public Comment Statements
- EXHIBIT B August 15, 2024 Board Packet
- EXHIBIT C CAC Operations/Industry Affairs Activities
- EXHIBIT D Marketing Presentation
- EXHIBIT E August 15, 2024 Board Meeting AB 2720 Roll Call Vote Tally Summary



**CALIFORNIA AVOCADO COMMISSION**  
**AB 2720 Roll Call Vote Tally Summary**  
*To be attached to the Meeting Minutes*

<b>Meeting Name:</b> <i>California Avocado Commission Regular Board Meeting</i>	<b>Meeting Location:</b> <i>Hybrid – Irvine</i>	<b>Meeting Date:</b> <i>August 15, 2024</i>
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<i>Attendees Who Voted</i>	<u>MOTION 24-8-15-1</u>	<u>MOTION 24-8-15-2</u>	<u>MOTION 24-8-15-3</u>	<u>MOTION 24-8-15-4</u>
Jessica Hunter	Yea	Abstain	Yea	Yea
Robert Jackson	Yea	Yea	Yea	Yea
Victor Araiza	Yea	Yea	Yea	Yea
Ohannes Karaoghlanian	Yea	Yea	Yea	Yea
Jason Cole	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
Rob Grether	Yea	Yea	Yea	Yea
Maureen Cottingham	Yea	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Yea	Yea
Daryn Miller	Yea	Yea	Yea	Yea
Will Carleton	Yea	Yea	Yea	Yea
Peter Shore	Yea	Yea	Yea	Yea
John Dmytriw	Yea	Yea	Yea	Yea
Quinn Cotter	Yea	Yea	Yea	Yea
<b>Outcome</b>	<b>Unanimous</b>	<b>11 Yea/1 Abstain</b>	<b>Unanimous</b>	<b>Unanimous</b>

**ITEM 3.b:      2023-24 FINANCIAL UPDATES**

**SUMMARY:**

Attached is the financial performance report as prepared by CAC's outsourced accounting firm, Signature Analytics, for the month ending August 30, 2024. The report includes CAC income statements and statements of net position, including year-to-date actual versus budget comparisons.

**FISCAL ANALYSIS:**

- Not applicable

**COMMITTEE OPTIONS:**

- Discussion item only

**STAFF RECOMMENDATION:**

- Not applicable

**EXHIBITS / ATTACHMENTS:**

- Financial Performance Report for the month ending August 30, 2024
- 2023-24 Pounds & Dollars by Variety Report (November 2023 through August 2024)



California Avocado Commission

# MONTHLY REPORT

## August 2024



SIGNATURE  
ANALYTICS

# EXECUTIVE SUMMARY

CAC Total Revenue has exceeded budget by \$8M or 87% year-to-date due to higher than expected Assessment Revenue. Although the timing of the harvest had been slightly delayed, it has exceeded expectations with 344.9M lbs harvested year-to-date. CAC and HAB Assessment revenue exceeded budget by \$5.6M and \$2.6M, respectively. Pine Tree Ranch Crop revenue has also exceeded budget by \$47K.

On the expense side, Marketing expenses accounted for \$5.5M of the total \$8.4M in expenses and were \$599K lower than budget due to lower Retail & Consumer Promotions of \$511K and Consumer Marketing costs of \$88K. Marketing expenses overall are currently 65% of total expenses vs. a budget of 67%.

Total Operations expenses at \$2.2M year-to-date consist mainly of Personnel expenses of \$1.4M that were under budget by \$29K. Additionally, Commissioner expenses were down \$44K to budget due to lower Board travel and meeting expenses. Operations accounted for 26% of total spending vs. a budget of 25%.

Industry Affairs expenses of \$536K were under the budget by \$44K due to lower than expected Grower Communication costs (\$32K) and Industry Statistics and Information costs (\$13K). Industry Affairs accounted for 6.4% of total spending which met the budget target.

Overall, the organization experienced a \$8.77M surplus as compared to a \$66K budgeted surplus. This \$8.7M variance is driven by the larger than expected harvest at a higher value than budgeted, driving \$8.27M in additional assessment revenue. That combined with the lower than expected Consumer Marketing costs is producing favorable financial results overall. At August 31, 2024 the total cash balance is \$12.8M.

## Crop Information

For the period of November 2023 through July 2024, CAC assessment reports indicate 292.7M pounds of California avocados (all varieties) were harvested at an average price per pound of \$1.43. Approximately 52.2M pounds were reported to AMRIC as harvested in August 2024 with an estimated average price per pound of \$1.72. This would bring the total estimated harvested through August 2024 to 344.9M pounds at an average price per pound of \$1.44.

*Laura Bertagnolli*

Laura M. Bertagnolli  
Consulting CFO

DocuSigned by:  
*April Ayzami*  
70EBFF68AC04459...

October 3, 2024 | 12:31 PM PDT

DocuSigned by:  
*Ke [Signature]*  
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October 3, 2024 | 9:22 AM PDT

DocuSigned by:  
*Terry Splane*  
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October 3, 2024 | 8:09 AM PDT

# Key Performance Indicators (KPIs)

## California Avocado Commission

	<b>FY2024 YTD</b>	<b>FY2024 YTD Budget</b>	<b>vs Budget</b>
Total Revenue	\$17,164,935	\$9,166,018	87%
Surplus/(Deficit)	\$8,768,607	\$65,769	13232%
Marketing Expense %	65.1%	66.6%	-1.5%
Operation Expense %	26.2%	25.1%	1.1%
Industry Affairs Expense %	6.4%	6.4%	0.0%
Mktg Exp % of Revenue	32%	66%	-34%
Op Exp % of Revenue	13%	25%	-12%
Ind Aff Exp % of Revenue	3%	6%	-3%
Cash on Hand	\$12,763,853		
Current Ratio	13.56:1		

## California Avocado Commission Statement of Financial Position As of August 31, 2024

	Total
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
10001-000 Petty Cash	-
10010-000 BMO Checking (5241) - CAC	3,747,164
10110-000 BMO Money Market (5407) - CAC	9,005,626
10210-000 Cash - LAIF - CAC	11,064
<b>Total Bank Accounts</b>	<b>\$ 12,763,853</b>
<b>Accounts Receivable</b>	
12901-000 Misc Receivables (A/R)	25,800
<b>Total Accounts Receivable</b>	<b>\$ 25,800</b>
<b>Other Current Assets</b>	
11001-000 CAC Assessment Receivable	1,917,800
11002-000 HAB Assessment Receivable	2,329,300
12004-000 Due from Avocado Inspection Program	3,671
12701-000 Grant Receivable	235,931
12801-000 Voluntary Life Benefit Receivable	-
13001-000 Prepaid Deposits	11,353
13002-000 Prepaid Expenses	50,417
Misc Receivable (old non-AR)	-
<b>Total Other Current Assets</b>	<b>\$ 4,548,471</b>
<b>Total Current Assets</b>	<b>\$ 17,338,125</b>
<b>Fixed Assets</b>	
15001-000 Furniture	26,160
15002-000 Accumulated Depreciation-Furniture	(26,160)
15101-000 Office Equipment	61,002
15102-000 Accumulated Depreciation-Office Equip.	(61,002)
15301-000 Software	15,022
15302-000 Accumulated Depreciation-Software	(15,022)
15401-000 Land Improvements	108,559
15402-000 Accumulated Depreciation-Land Improvements	(108,559)
<b>Total Fixed Assets</b>	<b>\$ -</b>
<b>Other Assets</b>	
16001-000 Mauchly Office Lease	634,985
16002-000 Mauchly Amortization	(478,854)
16003-000 Pine Tree Lease	117,985
16004-000 Pine Tree Amortization	(9,832)
16101-000 Quadiant Capital Lease	3,436
16102-000 Quadiant Amortization	(2,555)



16103-000 CBE 2020 Sharp Capital Lease	-
16104-000 CBE 2020 Sharp Amortization	-
16105-000 CBE 2022 Sharp Capital Lease	13,544
16106-000 CBE 2022 Sharp Amortization	(5,748)
16107-000 CBE 2020 Ricoh Capital Lease	-
16108-000 CBE 2020 Ricoh Amortization	-
16109-000 CBE 2022 Ricoh Capital Lease	13,653
16110-000 CBE 2022 Ricoh Amortization	(6,826)
17000-000 Merchandise Shop Inventory	-
<b>Total Other Assets</b>	<b>\$ 279,786</b>
<b>TOTAL ASSETS</b>	<b>\$ 17,617,911</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20001-000 Accounts Payable (A/P)	905,339
<b>Total Accounts Payable</b>	<b>\$ 905,339</b>
<b>Other Current Liabilities</b>	
20002-000 Accounts Payable - Clearing	-
20009-000 Miscellaneous Payable	-
20101-000 Accrued Expenses	154,913
21011-000 Section 125 Payable	-
21021-000 Vacation Payable - Short Term	59,801
21031-000 Deferred Compensation Payable	-
24001-000 ST Lease Liability - LACA1	132,663
24002-000 ST Lease Liability - CAPO1	14,725
24101-000 ST Lease Liability - MAF11	909
24102-000 ST Lease Liability - CBE 2020 Sharp	-
24103-000 ST Lease Liability - CBE 2022 Sharp	5,296
24104-000 ST Lease Liability - CBE 2020 Ricoh	-
24105-000 ST Lease Liability - CBE 2022 Ricoh	4,744
<b>Total Other Current Liabilities</b>	<b>\$ 373,051</b>
<b>Total Current Liabilities</b>	<b>\$ 1,278,390</b>
<b>Long-Term Liabilities</b>	
28011-000 LT Lease Liability - CAPO1	95,422
28110-000 LT Lease Liability - MAF11	-
28111-000 LT Lease Liability - LACA1	33,464
28112-000 LT Lease Liability - CBE 2022 Sharp	2,726
28114-000 LT Lease Liability - CBE 2022 Ricoh	2,298
<b>Total Long-Term Liabilities</b>	<b>\$ 133,911</b>
<b>Total Liabilities</b>	<b>\$ 1,412,301</b>
<b>Equity</b>	
32000-000 Retained Earnings	4,441,572
32010-000 Net Assets	-

<b>32011-000 Net Assets-Restricted for Marketing</b>		2,951,115
<b>32012-000 Net Assets-Invested in Leased Assets</b>		42,715
<b>32013-000 Net Assets-Unrestricted</b>		-
<b>Total 32010-000 Net Assets</b>	<b>\$</b>	<b>2,993,831</b>
<b>Net Revenue</b>		8,770,207
<b>Total Equity</b>	<b>\$</b>	<b>16,205,610</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$</b>	<b>17,617,911</b>

**California Avocado Commission**  
**Statement of Activities - Summary**  
 August 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
40001-000 CAC Assessment Revenue-Current Year	10,514,265	4,872,318	5,641,947	116%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	6,448,432	3,817,870	2,630,562	69%
40012-000 HAB Rebate Assess. Revenue-Prior Year	(3,024)	-	(3,024)	
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	50,830	(25,415)	-50%
Total 46000-000 Grant Funding	-	300,000	(300,000)	-100%
48001-000 Interest Income	9,249	5,000	4,249	85%
48003-000 Other - Pine Tree Ranch Crop Income	121,979	75,000	46,979	63%
48009-000 Other Income - Misc	47	-	47	
48009-118 Other Income - From the Grove	47,350	45,000	2,350	5%
<b>Total Revenue</b>	<b>\$ 17,164,935</b>	<b>\$ 9,166,018</b>	<b>\$ 7,998,918</b>	<b>87%</b>
<b>Gross Profit</b>	<b>\$ 17,164,935</b>	<b>\$ 9,166,018</b>	<b>\$ 7,998,918</b>	<b>87%</b>
<b>Expenditures</b>				
<b>50000-000 Marketing</b>				
<b>51000-000 Consumer Marketing</b>				
Total 51000-000 Consumer Marketing	\$ 3,220,988	\$ 3,309,215	\$ (88,227)	-3%
Total 52000-001 Trade Relations	\$ 589,069	\$ 541,226	\$ 47,843	9%
Total 52010-000 Retail & Consumer Promotions	\$ 666,064	\$ 1,177,250	\$ (511,186)	-43%
Total 52200-000 Data, Research & Analysis	\$ 245,338	\$ 238,250	\$ 7,088	3%
Total 52400-000 Administration & Other	\$ 48,195	\$ 33,720	\$ 14,475	43%
Total 52000-000 Trade - Retail	\$ 1,548,666	\$ 1,990,446	\$ (441,780)	-22%
Total 53000-000 Trade - Foodservice	\$ 391,308	\$ 455,590	\$ (64,282)	-14%
Total 54000-000 Consumer Public Relations	\$ 182,749	\$ 192,500	\$ (9,751)	-5%
Total 59000-000 Marketing Activities Support	\$ 117,903	\$ 113,000	\$ 4,903	4%
<b>Total 50000-000 Marketing</b>	<b>\$ 5,461,614</b>	<b>\$ 6,060,751</b>	<b>\$ (599,137)</b>	<b>-10%</b>
<b>64000-000 Industry Affairs</b>				
Total 64000-001 Industry Statistics and Information	\$ 51,592	\$ 65,075	\$ (13,483)	-21%
Total 64100-000 Grower Communications	\$ 89,467	\$ 121,975	\$ (32,508)	-27%
Total 64200-000 Issues Management	\$ 168,025	\$ 168,700	\$ (675)	0%
Total 64300-000 Legal & Governance	\$ 132,552	\$ 88,000	\$ 44,552	51%
Total 64400-000 Demonstration Grove	\$ 48,540	\$ 71,105	\$ (22,565)	-32%
Total 64500-000 Education & Outreach	\$ 1,769	\$ 2,350	\$ (581)	-25%
Total 64800-000 Other Industry Affairs	\$ 43,917	\$ 62,300	\$ (18,383)	-30%
<b>Total 64000-000 Industry Affairs</b>	<b>\$ 535,863</b>	<b>\$ 579,505</b>	<b>\$ (43,642)</b>	<b>-8%</b>
<b>65000-000 Production Research</b>				
Total 65000-000 Production Research	\$ 79,486	\$ 141,526	\$ (62,040)	-44%
<b>65400-000 Industry Research Support</b>				
Total 65400-000 Industry Research Support	\$ -	\$ 32,500	\$ (32,500)	-100%
<b>66010-000 Grant Programs</b>				
Total 66010-000 Grant Programs	\$ 117,428	\$ -	\$ 117,428	
<b>70000-000 Operations</b>				
Total 71100-000 Office Expense	\$ 172,435	\$ 302,553	\$ (130,118)	-43%
Total 71200-000 Professional Fees	\$ 334,141	\$ 362,350	\$ (28,209)	-8%
Total 71301-000 Salaries/Wages	\$ 1,090,076	\$ 1,092,700	\$ (2,624)	0%
Total 71311-000 Pension Expense	\$ 91,369	\$ 98,020	\$ (6,651)	-7%
Total 71321-000 Payroll Tax & Work Comp	\$ 84,139	\$ 83,940	\$ 199	0%
Total 71331-000 Benefits	\$ 184,009	\$ 204,060	\$ (20,051)	-10%
Total 71300-000 Personnel Expenses	\$ 1,449,593	\$ 1,478,720	\$ (29,127)	-2%
Total 71400-000 Commissioner Expenses	\$ 25,256	\$ 70,250	\$ (44,994)	-64%
Total 73000-000 Information Technology	\$ 80,156	\$ 70,393	\$ 9,763	14%
Total 78000-000 Depreciation, Interest & Other Operations	\$ 138,152	\$ 1,700	\$ 136,452	8027%
<b>Total 70000-000 Operations</b>	<b>\$ 2,199,734</b>	<b>\$ 2,285,966</b>	<b>\$ (86,232)</b>	<b>-4%</b>
<b>Total Expenditures</b>	<b>\$ 8,394,125</b>	<b>\$ 9,100,248</b>	<b>\$ (706,123)</b>	<b>-8%</b>
<b>Net Operating Revenue</b>	<b>\$ 8,770,810</b>	<b>\$ 65,769</b>	<b>\$ 8,705,041</b>	<b>13236%</b>
<b>Total Other Expenditures</b>	<b>\$ 2,203</b>	<b>\$ -</b>	<b>\$ 2,203</b>	
<b>Net Revenue</b>	<b>\$ 8,768,607</b>	<b>\$ 65,769</b>	<b>\$ 8,702,838</b>	<b>13232%</b>

**California Avocado Commission**  
**Statement of Activities - Detail**  
 August 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
40001-000 CAC Assessment Revenue-Current Year	10,514,265	4,872,318	5,641,947	116%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	6,448,432	3,817,870	2,630,562	69%
40012-000 HAB Rebate Assess. Revenue-Prior Year	(3,024)	-	(3,024)	
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	50,830	(25,415)	-50%
46000-000 Grant Funding			-	
46020-000 USDA Grant - FAS MAP Korea - Revenue		160,000	(160,000)	-100%
46021-000 USDA Grant - FAS MAP China - Revenue		140,000	(140,000)	-100%
<b>Total 46000-000 Grant Funding</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ (300,000)</b>	<b>-100%</b>
48001-000 Interest Income	9,249	5,000	4,249	85%
48003-000 Other - Pine Tree Ranch Crop Income	121,979	75,000	46,979	63%
48009-000 Other Income - Misc	47		47	
48009-118 Other Income - From the Grove	47,350	45,000	2,350	5%
<b>Total Revenue</b>	<b>\$ 17,164,935</b>	<b>\$ 9,166,018</b>	<b>\$ 7,998,918</b>	<b>87%</b>
<b>Gross Profit</b>	<b>\$ 17,164,935</b>	<b>\$ 9,166,018</b>	<b>\$ 7,998,918</b>	<b>87%</b>
<b>Expenditures</b>				
<b>50000-000 Marketing</b>				
<b>51000-000 Consumer Marketing</b>				
51001-072 Media Planning & Buying, Media Cost Reporting-Curious Plot	1,335,174	1,521,640	(186,466)	-12%
51002-000 Production	2,923	-	2,923	
51002-072 Strategy, Campaign Creative Development & Production-Curious Plot	452,555	453,616	(1,061)	0%
51004-072 Consumer Marketing - Retail-Curious Plot	813,182	772,626	40,556	5%
51801-072 Account Administration-Curious Plot	192,226	158,333	33,893	21%
55101-000 Email Content	704	-	704	
55101-072 Consumer Email Marketing-Curious Plot	112,567	121,000	(8,433)	-7%
55103-072 Social Media & Content Marketing-Curious Plot	286,532	256,875	29,657	12%
57002-000 Consumer Research	25,125	25,125	-	0%
<b>Total 51000-000 Consumer Marketing</b>	<b>\$ 3,220,988</b>	<b>\$ 3,309,215</b>	<b>\$ (88,227)</b>	<b>-3%</b>
<b>52000-000 Trade - Retail</b>				
<b>52000-001 Trade Relations</b>				
52001-066 Trade Advertising-Media-Fusion	112,380	120,000	(7,620)	-6%
52002-066 Trade Advertising-Production-Fusion	35,752	24,600	11,152	45%
52022-000 Dues	21,653	13,505	8,148	60%
52024-000 Sponsorships-Southern California Locations	4,865	1,350	3,515	260%
52042-000 Conventions	23,255	-	23,255	
52043-000 Booth Storage	304	911	(608)	-67%
52052-081 Program Admin/Strategy/Planning-PJ/PR	21,000	21,000	-	0%
52053-081 Retail Communications - Retail Resources-Fees-PJ/PR	8,000	8,000	-	0%
52055-081 Key Account Marketing Communications-Fees-PJ/PR	157,860	147,860	10,000	7%
52071-075 Key Account Coverage-TX/MW/SE-Anderson	79,000	79,000	-	0%
52075-013 Key Account Coverage-SW/NW-Becker	125,000	125,000	-	0%
<b>Total 52000-001 Trade Relations</b>	<b>\$ 589,069</b>	<b>\$ 541,226</b>	<b>\$ 47,843</b>	<b>9%</b>
<b>52010-000 Retail &amp; Consumer Promotions</b>				
52113-000 Co-Marketing Photo Shoot	2,393	13,000	(10,607)	-82%
52124-000 Retail Performance Programs-Retail Promotions	337,637	675,000	(337,363)	-50%
52125-000 Retail Brand Awareness Programs	177,693	270,000	(92,307)	-34%
52129-000 Retailer Social Media Advertising Support	12,750	45,000	(32,250)	-72%
52131-000 Retail Merchandising Services (POS Placement)		7,000	(7,000)	-100%
52132-000 Retail Identity Programs-Display Bins	46,674	55,000	(8,326)	-15%
52301-000 Premiums	4,313	-	4,313	
52303-000 Storage/Fulfillment	25,744	27,250	(1,506)	-6%
54205-000 Retail Content Development-CAC	58,861	85,000	(26,139)	-31%
<b>Total 52010-000 Retail &amp; Consumer Promotions</b>	<b>\$ 666,064</b>	<b>\$ 1,177,250</b>	<b>\$ (511,186)</b>	<b>-43%</b>
<b>52200-000 Data, Research &amp; Analysis</b>				
52202-000 Retail POS Scan Data-IRI	66,031	62,000	4,031	7%
52204-066 Data Analysis & Retail Research-FUSION	74,530	84,500	(9,970)	-12%
52206-086 Inventory Reporting-AVMA	2,250	2,250	-	0%
52211-066 California Avocado Market Analysis-Fusion	48,002	38,000	10,002	26%

52213-066 Retail Support, Consultation, Planning, Program & Data Admin-Fusion	54,525	51,500	3,025	6%
<b>Total 52200-000 Data, Research &amp; Analysis</b>	<b>\$ 245,338</b>	<b>\$ 238,250</b>	<b>\$ 7,088</b>	<b>3%</b>
<b>52400-000 Administration &amp; Other</b>				
52140-098 Grower Communications-GingerRoot	4,300	8,720	(4,420)	-51%
52401-000 Travel Expenses - Marketing	31,930	10,500	21,430	204%
52411-000 Office Expenses - Marketing	11,965	14,500	(2,535)	-17%
<b>Total 52400-000 Administration &amp; Other</b>	<b>\$ 48,195</b>	<b>\$ 33,720</b>	<b>\$ 14,475</b>	<b>43%</b>
<b>Total 52000-000 Trade - Retail</b>	<b>\$ 1,548,666</b>	<b>\$ 1,990,446</b>	<b>\$ (441,780)</b>	<b>-22%</b>
<b>53000-000 Trade - Foodservice</b>				
53101-070 Public Relations-KC	53,921	77,900	(23,979)	-31%
53103-000 Foodservice Events	979	-	979	
53103-070 Foodservice Events-KC	161,978	161,100	878	1%
53104-000 Chain Promotions	18,399	-	18,399	
53104-070 Chain Promotions-KC	116,232	178,700	(62,468)	-35%
53105-070 Culinary Education Program-KC	1,260	1,600	(340)	-21%
53801-070 Program Administration Fees-KC	37,400	35,800	1,600	4%
53802-070 Program Administration Expenses-KC	1,139	490	649	132%
<b>Total 53000-000 Trade - Foodservice</b>	<b>\$ 391,308</b>	<b>\$ 455,590</b>	<b>\$ (64,282)</b>	<b>-14%</b>
<b>54000-000 Consumer Public Relations</b>				
54001-072 Brand Advocates & Chef Partners (PR)-Curious Plot	24,926	25,000	(74)	0%
54102-000 Local Media Outreach/Pitching/Experiential & Reporting	2,530	-	2,530	
54102-072 Local Media Outreach/Pitching/Experiential & Reporting (Cision) (PR)-Curious Plot	55,958	52,500	3,458	7%
54206-000 Brand Advocates	99,334	115,000	(15,666)	-14%
<b>Total 54000-000 Consumer Public Relations</b>	<b>\$ 182,749</b>	<b>\$ 192,500</b>	<b>\$ (9,751)</b>	<b>-5%</b>
<b>59000-000 Marketing Activities Support</b>				
51803-000 Marketing/Planning	1,928	500	1,428	286%
51803-067 Marketing Planning/Special Projects-RoMo	109,715	107,500	2,215	2%
52134-000 Export Program	6,260	5,000	1,260	25%
<b>Total 59000-000 Marketing Activities Support</b>	<b>\$ 117,903</b>	<b>\$ 113,000</b>	<b>\$ 4,903</b>	<b>4%</b>
<b>Total 50000-000 Marketing</b>	<b>\$ 5,461,614</b>	<b>\$ 6,060,751</b>	<b>\$ (599,137)</b>	<b>-10%</b>
<b>64000-000 Industry Affairs</b>				
<b>64000-001 Industry Statistics and Information</b>				
64001-000 AMRIC Operation	1,199	13,500	(12,301)	-91%
64001-130 AMRIC Operation-Hooman Mohammadpour	9,600	8,750	850	10%
64002-000 Crop Forecasting and Analysis	3,619	5,650	(2,031)	-36%
64002-104 Crop Forecasting And Analysis-Land IQ	37,175	37,175	-	0%
<b>Total 64000-001 Industry Statistics and Information</b>	<b>\$ 51,592</b>	<b>\$ 65,075</b>	<b>\$ (13,483)</b>	<b>-21%</b>
<b>64100-000 Grower Communications</b>				
64105-000 Online Information	1,999	3,000	(1,001)	-33%
64105-098 Online Information-GingerRoot	12,500	8,250	4,250	52%
64105-099 Online Information-Fishhook		4,000	(4,000)	-100%
64106-000 Publications	480	2,500	(2,020)	-81%
64106-067 Publications-ROMO	1,125	2,250	(1,125)	-50%
64106-085 Publications-Fox Wthr	1,100	1,100	-	0%
64106-098 Publications-GingerRoot	7,200	11,875	(4,675)	-39%
64106-118 Publications-Champ	48,014	54,000	(5,986)	-11%
64107-000 Annual Meeting	12,649	20,000	(7,351)	-37%
64108-000 Annual Report		8,500	(8,500)	-100%
64108-098 Annual Report-GingerRoot	4,400	6,500	(2,100)	-32%
<b>Total 64100-000 Grower Communications</b>	<b>\$ 89,467</b>	<b>\$ 121,975</b>	<b>\$ (32,508)</b>	<b>-27%</b>
<b>64200-000 Issues Management</b>				
64202-000 Field/Technical Support	42,698	43,000	(302)	-1%
64204-000 Research Program Coordination & Outreach	84,382	84,500	(118)	0%
64206-000 Legislative & Regulatory Advocacy	38,733	38,800	(67)	0%
64211-000 Sustainability Project	2,212	2,400	(188)	-8%
<b>Total 64200-000 Issues Management</b>	<b>\$ 168,025</b>	<b>\$ 168,700</b>	<b>\$ (675)</b>	<b>0%</b>
<b>64300-000 Legal &amp; Governance</b>				
64301-000 Elections	4,764	5,000	(236)	-5%
64302-000 Legal Support	127,698	83,000	44,698	54%
64303-000 Governance Support	91	-	91	
<b>Total 64300-000 Legal &amp; Governance</b>	<b>\$ 132,552</b>	<b>\$ 88,000</b>	<b>\$ 44,552</b>	<b>51%</b>
<b>64400-000 Demonstration Grove</b>				
64401-000 Pine Tree - Rent	500	20,750	(20,250)	-98%
64402-000 Pine Tree - Grove Management	23,190	28,600	(5,410)	-19%
64403-000 Pine Tree - Utilities	(3,260)	4,500	(7,760)	-172%
64404-000 Pine Tree - Property Tax & Insurance	2,372	2,100	272	13%

64405-000 Pine Tree - Miscellaneous Expense	1,740	-	1,740	
64406-000 Pine Tree - Crop Harvesting	23,998	12,000	11,998	100%
64407-000 Pine Tree - Crop Hauling		500	(500)	-100%
64408-000 Pine Tree - CAC Assessment		1,405	(1,405)	-100%
64409-000 Pine Tree - HAB Assessment		1,250	(1,250)	-100%
<b>Total 64400-000 Demonstration Grove</b>	<b>\$ 48,540</b>	<b>\$ 71,105</b>	<b>\$ (22,565)</b>	<b>-32%</b>
64500-000 Education & Outreach				
64501-000 Field Meetings, Seminars & Workshops	932	1,000	(68)	-7%
64502-000 Pine Tree Ranch Field Days	837	1,350	(513)	-38%
<b>Total 64500-000 Education &amp; Outreach</b>	<b>\$ 1,769</b>	<b>\$ 2,350</b>	<b>\$ (581)</b>	<b>-25%</b>
64800-000 Other Industry Affairs				
64801-000 Coalition Dues, Sponsorships , Registrations & Rep	20,650	20,100	550	3%
64801-086 Industry Reports-AVMA	360	400	(40)	-10%
64803-000 Travel Expenses - Industry Affairs	18,327	30,000	(11,673)	-39%
64804-000 Office Expenses - Industry Affairs	843	7,500	(6,657)	-89%
64901-000 Misc IA Exps (Theft Reward)	3,738	4,300	(562)	-13%
<b>Total 64800-000 Other Industry Affairs</b>	<b>\$ 43,917</b>	<b>\$ 62,300</b>	<b>\$ (18,383)</b>	<b>-30%</b>
<b>Total 64000-000 Industry Affairs</b>	<b>\$ 535,863</b>	<b>\$ 579,505</b>	<b>\$ (43,642)</b>	<b>-8%</b>
65000-000 Production Research				
65100-000 Pest & Disease				
65131-000 Phenology and Ecology of Avocado Lace Bug		30,572	(30,572)	-100%
<b>Total 65100-000 Pest &amp; Disease</b>	<b>\$ -</b>	<b>\$ 30,572</b>	<b>\$ (30,572)</b>	<b>-100%</b>
65200-000 Breeding, Varieties & Genetics				
65215-000 Commercial-Scale Field Testing of Advanced Rootstock	44,814	67,221	(22,407)	-33%
65217-000 CAL POLY - Commercial-scale field testing and potential release of five elite advanced rootstocks	1,145	10,206	(9,061)	-89%
<b>Total 65200-000 Breeding, Varieties &amp; Genetics</b>	<b>\$ 45,959</b>	<b>\$ 77,427</b>	<b>\$ (31,468)</b>	<b>-41%</b>
65300-000 Cultural Management				
65323-000 Develop tools and info on crop water use	33,527	33,527	-	0%
<b>Total 65300-000 Cultural Management</b>	<b>\$ 33,527</b>	<b>\$ 33,527</b>	<b>\$ -</b>	<b>0%</b>
<b>Total 65000-000 Production Research</b>	<b>\$ 79,486</b>	<b>\$ 141,526</b>	<b>\$ (62,040)</b>	<b>-44%</b>
65400-000 Industry Research Support				
65403-000 FFAR Fellow Sponsor - Landesman		32,500	(32,500)	-100%
<b>Total 65400-000 Industry Research Support</b>	<b>\$ -</b>	<b>\$ 32,500</b>	<b>\$ (32,500)</b>	<b>-100%</b>
66010-000 Grant Programs				
66015-000 Export Marketing				
66020-000 USDA Grant - FAS MAP Korea	50,063	-	50,063	
66021-000 USDA Grant - FAS MAP China	67,365	-	67,365	
<b>Total 66015-000 Export Marketing</b>	<b>\$ 117,428</b>	<b>\$ -</b>	<b>\$ 117,428</b>	
<b>Total 66010-000 Grant Programs</b>	<b>\$ 117,428</b>	<b>\$ -</b>	<b>\$ 117,428</b>	
70000-000 Operations				
71100-000 Office Expense				
71101-000 Office Rent - CAC Mauchly, Irvine	(0)	108,319	(108,319)	-100%
71102-000 Rent-CAM, Ins, Prop Tax	25,208	21,350	3,858	18%
71104-000 Rent-Offsite Storage	6,931	7,750	(819)	-11%
71111-000 Insurance-Liability	86,887	93,084	(6,197)	-7%
71121-000 Office Expenses - Operations	1,962	2,900	(938)	-32%
71122-000 Office Supplies	1,927	3,000	(1,073)	-36%
71123-000 Janitorial	5,130	5,750	(620)	-11%
71131-000 Office Utilities	11,115	12,000	(885)	-7%
71141-000 Bank & Payroll Fees	8,371	13,150	(4,779)	-36%
71151-000 Equipment Maintenance & Expense	5,168	15,050	(9,882)	-66%
71161-000 Telephone	6,853	6,600	253	4%
71162-000 Employee Communication Expense	12,000	12,000	-	0%
71181-000 Postage & Courier Service	882	1,600	(718)	-45%
<b>Total 71100-000 Office Expense</b>	<b>\$ 172,435</b>	<b>\$ 302,553</b>	<b>\$ (130,118)</b>	<b>-43%</b>
71200-000 Professional Fees				
71201-000 CPA-Financial Audits	37,800	40,000	(2,200)	-6%
71203-000 CPA-Assessment Audits		28,500	(28,500)	-100%
71207-000 CDFA Fiscal and Compliance Audit	9,922	14,500	(4,578)	-32%
71211-000 Calif. Department of Food & Ag.-CDFA	66,837	68,300	(1,463)	-2%
71221-000 Dept. of Ag-USDA/AMS	47,177	50,000	(2,823)	-6%
71235-000 Legal-Ballard/Rosenberg-Labor Issues	540	-	540	
71236-000 Outsourced Accounting	150,620	125,000	25,620	20%
78301-000 Pension Adm & Legal	21,245	36,050	(14,805)	-41%
<b>Total 71200-000 Professional Fees</b>	<b>\$ 334,141</b>	<b>\$ 362,350</b>	<b>\$ (28,209)</b>	<b>-8%</b>
71300-000 Personnel Expenses				

71301-000 Salaries/Wages				
71302-000 Salaries/Wages - IA & Ops	504,448	498,700	5,748	1%
71303-000 Salaries/Wages - Marketing	585,628	594,000	(8,372)	-1%
<b>Total 71301-000 Salaries/Wages</b>	<b>\$ 1,090,076</b>	<b>\$ 1,092,700</b>	<b>\$ (2,624)</b>	<b>0%</b>
71311-000 Pension Expense				
71312-000 Pension Expense - IA & Ops	56,295	49,870	6,425	13%
71313-000 Pension Expense - Marketing	35,074	48,150	(13,076)	-27%
<b>Total 71311-000 Pension Expense</b>	<b>\$ 91,369</b>	<b>\$ 98,020</b>	<b>\$ (6,651)</b>	<b>-7%</b>
71321-000 Payroll Tax & Work Comp				
71322-000 Payroll Tax & Work Comp - IA & Ops	39,462	39,370	92	0%
71323-000 Payroll Tax & Work Comp - Marketing	44,677	44,570	107	0%
<b>Total 71321-000 Payroll Tax &amp; Work Comp</b>	<b>\$ 84,139</b>	<b>\$ 83,940</b>	<b>\$ 199</b>	<b>0%</b>
71331-000 Benefits				
71332-000 Benefits - IA & Ops	91,840	111,930	(20,090)	-18%
71333-000 Benefits - Marketing	92,168	92,130	38	0%
<b>Total 71331-000 Benefits</b>	<b>\$ 184,009</b>	<b>\$ 204,060</b>	<b>\$ (20,051)</b>	<b>-10%</b>
<b>Total 71300-000 Personnel Expenses</b>	<b>\$ 1,449,593</b>	<b>\$ 1,478,720</b>	<b>\$ (29,127)</b>	<b>-2%</b>
71400-000 Commissioner Expenses				
71403-000 Travel Expenses - Board Members	7,408	40,000	(32,592)	-81%
71404-000 Board Meeting Expenses	15,066	27,250	(12,184)	-45%
71405-000 HAB BOLD Participation	2,783	3,000	(217)	-7%
<b>Total 71400-000 Commissioner Expenses</b>	<b>\$ 25,256</b>	<b>\$ 70,250</b>	<b>\$ (44,994)</b>	<b>-64%</b>
73000-000 Information Technology				
73001-000 Network Maintenance	27,442	31,673	(4,231)	-13%
73002-000 Network Hardware, Software & Licenses	17,838	8,920	8,918	100%
73003-000 IT Support & Consulting	12,114	14,200	(2,086)	-15%
73004-000 Accounting & Assessment System	15,955	7,400	8,555	116%
73005-000 IT Services	6,808	8,200	(1,393)	-17%
<b>Total 73000-000 Information Technology</b>	<b>\$ 80,156</b>	<b>\$ 70,393</b>	<b>\$ 9,763</b>	<b>14%</b>
78000-000 Depreciation, Interest & Other Operations				
78101-000 Travel Expenses - Operations	1,119	1,200	(81)	-7%
78401-000 Membership Dues & Registration	264	300	(36)	-12%
78501-000 Dues, Education, Training, Recruitment & Other	133	200	(68)	-34%
79001-000 Amortization Expense	132,733	-	132,733	
79100-000 Interest Expense	3,905	-	3,905	
<b>Total 78000-000 Depreciation, Interest &amp; Other Operations</b>	<b>\$ 138,152</b>	<b>\$ 1,700</b>	<b>\$ 136,452</b>	<b>8027%</b>
<b>Total 70000-000 Operations</b>	<b>\$ 2,199,734</b>	<b>\$ 2,285,966</b>	<b>\$ (86,232)</b>	<b>-4%</b>
<b>Total Expenditures</b>	<b>\$ 8,394,125</b>	<b>\$ 9,100,248</b>	<b>\$ (706,123)</b>	<b>-8%</b>
<b>Net Operating Revenue</b>	<b>\$ 8,770,810</b>	<b>\$ 65,769</b>	<b>\$ 8,705,041</b>	<b>13236%</b>
Other Expenditures				
99999-000 Suspense	2,203		2,203	
<b>Total Other Expenditures</b>	<b>\$ 2,203</b>	<b>\$ -</b>	<b>\$ 2,203</b>	
<b>Net Other Revenue</b>	<b>\$ (2,203)</b>	<b>\$ -</b>	<b>\$ (2,203)</b>	
<b>Net Revenue</b>	<b>\$ 8,768,607</b>	<b>\$ 65,769</b>	<b>\$ 8,702,838</b>	<b>13232%</b>

## CALIFORNIA AVOCADO COMMISSION POUNDS & DOLLARS BY VARIETY

November 2023 Through August 2024

Month	Hass Pounds	Lamb Pounds	Gem Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Gem Dollars	Others Dollars	Total Dollars	Avg \$/Lb
Nov 2023	32,150		0	14,285	46,435	\$33,700	0	\$	\$3,769	\$37,469	\$0.807
Dec 2023	1,945		0	31,708	33,653	\$5,770	0	\$	\$21,964	\$27,734	\$0.824
Jan 2024	154,510		0	52,526	207,036	\$129,076	0	\$	\$40,703	\$169,779	\$0.820
<b>1st QTR</b>	<b>188,605</b>	<b>0</b>	<b>0</b>	<b>98,519</b>	<b>287,124</b>	<b>\$168,546</b>	<b>0</b>	<b>0</b>	<b>\$66,436</b>	<b>\$234,982</b>	<b>\$0.818</b>
Feb 2024	2,319,879		0	35,940	2,355,819	\$2,542,582	0	\$	\$28,647	\$2,571,229	\$1.091
Mar 2024	18,710,691		158,109	10,371	18,879,171	\$23,353,592	0	\$225,508	\$26,676	\$23,605,776	\$1.250
Apr 2024	49,397,415		1,223,713	20,702	50,641,830	\$63,243,687	0	\$1,570,305	\$24,558	\$64,838,550	\$1.280
<b>2nd QTR</b>	<b>70,427,985</b>	<b>0</b>	<b>1,381,822</b>	<b>67,013</b>	<b>71,876,820</b>	<b>\$89,139,861</b>	<b>0</b>	<b>\$1,795,813</b>	<b>\$79,881</b>	<b>\$91,015,555</b>	<b>\$1.266</b>
<b>1st Half</b>	<b>70,616,590</b>	<b>0</b>	<b>1,381,822</b>	<b>165,532</b>	<b>72,163,944</b>	<b>\$89,308,407</b>	<b>0</b>	<b>\$1,795,813</b>	<b>\$146,317</b>	<b>\$91,250,537</b>	<b>\$1.264</b>
May 2024	65,300,778		2,491,367	95,951	67,888,096	\$81,430,440	0	\$3,246,782	\$106,577	\$84,783,799	\$1.249
Jun 2024	75,684,158	99,138	969,449	59,541	76,812,286	\$113,348,271	\$180,203	\$1,773,780	\$67,270	\$115,369,524	\$1.502
Jul 2024	71,065,335	3,993,900	552,843	265,277	75,877,355	\$109,491,308	\$5,650,613	\$872,256	\$245,747	\$116,259,924	\$1.532
<b>3rd QTR</b>	<b>212,050,271</b>	<b>4,093,038</b>	<b>4,013,659</b>	<b>420,769</b>	<b>220,577,737</b>	<b>\$304,270,019</b>	<b>\$5,830,816</b>	<b>\$5,892,818</b>	<b>\$419,594</b>	<b>\$316,413,247</b>	<b>\$1.434</b>
Aug 2024	44,751,687	6,237,269	29,916	90,959	51,109,831	\$76,217,112	\$9,197,544	\$44,525	\$113,892	\$85,573,073	\$1.674
<b>4th QTR</b>	<b>44,751,687</b>	<b>6,237,269</b>	<b>29,916</b>	<b>90,959</b>	<b>51,109,831</b>	<b>\$76,217,112</b>	<b>\$9,197,544</b>	<b>\$44,525</b>	<b>\$113,892</b>	<b>\$85,573,073</b>	<b>\$1.674</b>
<b>2nd Half</b>	<b>256,801,958</b>	<b>10,330,307</b>	<b>4,043,575</b>	<b>511,728</b>	<b>271,687,568</b>	<b>\$380,487,131</b>	<b>\$15,028,360</b>	<b>\$5,937,343</b>	<b>\$533,486</b>	<b>\$401,986,320</b>	<b>\$1.480</b>
<b>Total</b>	<b>327,418,548</b>	<b>10,330,307</b>	<b>5,425,397</b>	<b>677,260</b>	<b>343,851,512</b>	<b>\$469,795,538</b>	<b>\$15,028,360</b>	<b>\$7,733,156</b>	<b>\$679,803</b>	<b>\$493,236,857</b>	<b>\$1.434</b>
Year-to-Date % of Crop	95.22%	3.00%	1.58%	.20%	100.00%	95.25%	3.05%	1.57%	.14%	100.00%	
Year-to-Date Average \$/lb						\$1.435	\$1.455	\$1.425	\$1.004	\$1.434	



**ITEM 3.c:      **Acceptance of Final 2023 Report of Independent Accountants on Management’s Assertions on Compliance with Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs*****

**SUMMARY:**

Each year the Commission engages our auditing firm to complete an examination of CAC’s compliance with Section V.D. of the Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs. This examination is completed as part of the annual audit services, and was completed for the 2022-23 fiscal year in January 2024. In June 2024, USDA AMS requested that the CAC Board formally approve the final examination report, which is attached here for the Board’s review and approval as part of the Consent Calendar at the October 10, 2024 meeting.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Approve examination report
- Take no action

**STAFF RECOMMENDATION:**

- Approve examination report as presented

**EXHIBITS / ATTACHMENTS:**

- Final 2023 Report of Independent Accountants on Management’s Assertions on Compliance with Section V.D. of the Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs



**REPORT OF INDEPENDENT ACCOUNTANTS**

**CALIFORNIA AVOCADO COMMISSION –  
EXAMINATION - 2023**

October 31, 2023



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**Report of Independent Accountants on Management’s Assertions on Compliance with Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs***

Board of Directors  
California Avocado Commission

We have examined California Avocado Commission (the “Commission”) management’s assertion that the Commission complied with the following compliance requirements regarding for the year ended October 31, 2023:

1. No funds were used for the purpose of influencing governmental policy or action, per 7 U.S.C. Section 7804(k) of the Hass Avocado Promotion, Research, and Information Act (Act) related to the use of assessments for the purpose of influencing legislation, as the term is defined in Section 4911(d) of the Internal Revenue Code and Title 26 of the United States Code.
2. The Commission’s investment policy is in compliance with the AMS investment policy, as stated in the Guidelines, Appendix 3 – Directive 2210.2 “Investment of Public Funds” dated February 7, 2011.
3. Funds are used only for projects and other expenses authorized in a budget approved by the United States Department of Agriculture (USDA), per Section II of the of the Guidelines for AMS Oversight Of Commodity Research And Promotion Programs (Guidelines).
4. Funds are used only in accordance with the rules, regulations and policies of the Act, the Guidelines, and the Hass Avocado Promotion, Research, and Information Order (Order).
5. No violations of the Act, Order or the Guidelines.
6. Complied with allowability provisions of the Code of Federal Regulations (7 CFR Part 1219) – Hass Avocado Promotion, Research, and Information Order.
7. Complied with Section 7804 subsection B part (8) of the Hass Avocado Promotion, Research and Information Act and Section 1219.2 subsection (b) of the Hass Avocado Promotion, Research and Information Order.
8. Expended assessment funds for purposes authorized by the Hass Avocado Promotion, Research and Information Act and Order.

The Commission’s management is responsible for its assertions. Our responsibility is to express an opinion on management’s assertions about the Commission’s compliance with the compliance requirements referred to above based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guidelines. Those standards and the Guidelines require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions about compliance with the compliance requirements referred to above are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Commission's compliance with the compliance requirements referred to above.

In our opinion, management's assertions that the Commission complied with the compliance requirements referred to above for the year ended October 31, 2023, are fairly stated, in all material respects.

The purpose of this report is to examine management's assertions about compliance with the compliance requirements referred to above relative to the Commission's application of AMS Guidelines for the year ended October 31, 2023. The report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Moss Adams LLP". The signature is written in black ink on a white background.

Irvine, California  
April 26, 2024

**California Avocado Commission  
Schedule of Findings and Questioned Costs  
Year Ended October 31, 2023**

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**Part A – Attestation Findings**

None reported



**ITEM 5.a: AUDITOR'S LETTERS OF ENGAGEMENT FOR 2023-24 FINANCIAL AUDIT**

**SUMMARY:**

The Letter of Engagement (LOE) for the 2023-24 Financial Statement Audit Service from Moss Adams LLP is attached here for Committee review. The LOE confirms the understanding between the Commission and Moss Adams regarding the services and deliverables that Moss Adams will provide, the audit objectives to be achieved, schedule and timing of testwork, and fees for services to be performed. The LOE includes audit services only where an opinion is rendered on the financial statements. Moss Adams will conduct the audit in accordance with auditing standards generally accepted in the U.S. and also with standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

In conjunction with the Financial Statement Audit, the U.S. Department of Agriculture (USDA) requests that that Moss Adams examine whether the Commission complied with the requirements of Section V.D. of the Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs, dated January 2020, for the year ended October 31, 2024.

In addition to the annual Financial Statement Audit, the Commission will engage Moss Adams to perform a fiscal and compliance assessment for fiscal year 2023-24. This is a requirement set by the California Department of Food and Agriculture (CDFA) in 2009 which aims to assess the Commission's compliance with its General Rules for Travel and Other Expenditures. The LOE for 2023-24 CDFA Fiscal and Compliance Assessment from Moss Adams also is attached for Committee review.

**FISCAL ANALYSIS:**

- If the Committee accepts the Moss Adams LOEs for the financial statement audit, USDA AMS compliance examination and CDFA compliance assessment, the cost would be approximately \$51,000

**BOARD OPTIONS:**

- Accept the Moss Adams LOEs for 2023-24 Financial Statement Audit & Fiscal and Compliance Assessment.
- Seek a different audit/accounting firm to perform the required services

**STAFF RECOMMENDATION:**

- Accept the LOEs as presented



**EXHIBITS / ATTACHMENTS:**

- Letter of Engagement for 2023-24 Financial Statement Audit Services from Moss Adams
- Letter of Engagement for Examination of Commission Compliance with USDA AMS Guidelines
- Letter of Engagement for 2023-24 CDFA Fiscal and Compliance Assessment Services from Moss Adams



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2040 Main Street  
Suite 900  
Irvine, CA 92614

October 2, 2024

Mr. Ken Melban  
Vice President, Industry Affairs and Operations  
California Avocado Commission  
12 Mauchly, Suite L  
Irvine, California 92618

Re: Audit and Nonattest Services

Dear Ken:

Thank you for the opportunity to provide services to California Avocado Commission. This engagement letter ("Engagement Letter") and the attached Professional Services Agreement, which is incorporated by this reference, confirm our acceptance and understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to California Avocado Commission ("you," "your," and "Commission").

### **Scope of Services – Audit**

You have requested that we audit the Commission's financial statements, which comprise the statement of net position as of October 31, 2024, and the related statement of revenue, expenses, and changes in net position and statement of cash flows for the year then ended, and the related notes to the financial statements. We will also report on whether the budgetary comparison schedule, combining statement of revenues, expenses and changes in net position, and schedule of program expense, presented as supplementary information, are fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Accounting standards generally accepted in the United States of America provide for certain required supplementary information ("RSI"), such as management's discussion and analysis, to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Government's RSI in accordance with auditing standards generally accepted in the United States of America. We will not express an opinion or provide assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide assurance. The following RSI will be subjected to certain limited procedures, but will not be audited:

- 1) Management's discussion and analysis

**Scope of Services and Limitations – Nonattest**

We will provide the Commission with the following nonattest services:

- 1) Assist you in drafting the financial statements and related footnotes as of and for the year ended October 31, 2024.

Our professional standards require that we remain independent with respect to our attest clients, including those situations where we also provide nonattest services such as those identified in the preceding paragraphs. As a result, Commission management must accept the responsibilities set forth below related to this engagement:

- Assume all management responsibilities.
- Oversee the service, by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, and/or experience to oversee our nonattest services. The individual is not required to possess the expertise to perform or reperform the services.
- Evaluate the adequacy and results of the nonattest services performed.
- Accept responsibility for the results of the nonattest services performed.

It is our understanding that April Aymami, CAC industry affairs director, has been designated by the Commission to oversee the nonattest services and that in the opinion of the Commission is qualified to oversee our nonattest services as outlined above. If any issues or concerns in this area arise during the course of our engagement, we will discuss them with you prior to continuing with the engagement.

**Timing**

Matt Parsons is responsible for supervising the engagement and authorizing the signing of the report. We expect to begin our audit in December 2024 and complete fieldwork in January 2025. As we reach the conclusion of the audit, we will coordinate with you the date the audited financial statements will be available for issuance. You understand that (1) you will be required to consider subsequent events through the date the financial statements are available for issuance, (2) you will disclose in the notes to the financial statements the date through which subsequent events have been considered, and (3) the subsequent event date disclosed in the footnotes will not be earlier than the date of the management representation letter and the date of the report of independent auditors.

Our scheduling depends on your completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff's unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services.

**Fees**

We estimate that our fees for the services will be \$39,000 and we will seek your approval for any budget overrun.

In addition to fees, we will charge you for expenses. Our invoices include a flat expense charge, calculated as five percent (5%) of fees, to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel expenses and client meals/entertainment expenses subject to your pre-approval will be billed separately and are not included in the 5% charge.

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness, and accuracy of the Commission's records, and, for example, the number of general ledger adjustments required as a result of our work. To assist you in this process, we will provide you with a Client Audit Preparation Schedule that identifies the key work you will need to perform in preparation for the audit. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments, and/or untimely assistance will result in an increase of our fees.

### **Reporting**

We will issue a written report upon completion of our audit of the Commission's financial statements. Our report will be addressed to the Board of Directors of the Commission. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion, add an emphasis-of-matter or other-matter paragraph(s), or withdraw from the engagement. Our services will be concluded upon delivery to you of our report on your financial statements for the year ended October 31, 2024.

### **Other Information in an Annual Report with Audited Financial Statements**

It is our understanding that the Commission's annual report will contain, accompany, or incorporate by reference the financial statements and our auditor's report thereon. We further understand that the Commission plans to issue such documents on or before April 2025. You agree to provide the final version of the document(s) comprising the annual report as soon as it is available. If some or all of the documents will not be available until after the date of the auditor's report on the financial statements, we will request a written representation from management at the conclusion of the audit that asserts the final version of the annual report will be provided to us when available, and prior to issuance by the Commission.

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Ken Melban  
California Avocado Commission  
October 2, 2024  
Page 4 of 4

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in the Agreement, please sign the enclosed copy of this letter and return it to us with the Professional Services Agreement.

Very truly yours,



Matt Parsons, Partner for  
Moss Adams LLP

Enclosures

**Accepted and Agreed:**

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of California Avocado Commission with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Client: #869393  
v. 6/13/2024

**PROFESSIONAL SERVICES AGREEMENT****Audit and Nonattest Services - Government Auditing Standards Version (no compliance audit)**

This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services that Moss Adams will provide to the Commission. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

**Objectives of the Audit**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America (U.S. GAAS) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

The objectives also include reporting on the following:

- Internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by Government Auditing Standards.

The report on internal control and compliance will include a statement that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance, that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance, and, accordingly, it is not suitable for any other purpose.

The objectives of our audit are also to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**The Auditor's Responsibility**

We will conduct our audit in accordance with U.S. GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. As part of an audit conducted in accordance with U.S. GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control or to identify deficiencies in the design or operation of internal control. However, we will communicate to you in writing concerning any significant deficiencies or material weaknesses in internal control relevant to the audit of the financial statements that we have identified during the audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time

The supplementary information will be subject to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

If our opinion on the financial statements is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

**Procedures and Limitations**

Our procedures may include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of certain receivables and certain other assets, liabilities and

transaction details by correspondence with selected customers, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from management about the financial statements and supplementary information and related matters. Management's failure to provide representations to our satisfaction will preclude us from issuing our report.

An audit includes examining evidence, on a test basis, supporting the amounts and disclosures in the financial statements. Therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Material misstatements may include errors, fraudulent financial reporting, misappropriation of assets, or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that are attributable to the entity or to acts by management or employees acting on behalf of the entity that may have a direct financial statement impact. Pursuant to *Government Auditing Standards*, we will not provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, an unavoidable risk exists that some material misstatements and noncompliance may not be detected, even though the audit is properly planned and performed in accordance with U.S. GAAS and *Government Auditing Standards*. An audit is not designed to detect immaterial misstatements or noncompliance with the provisions of laws, regulations, contracts, and grant agreements that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors, fraudulent financial reporting, misappropriation of assets, and noncompliance with the provisions of laws, regulations, contracts and grant agreements that come to our attention, unless clearly inconsequential. We will also inform you of any other conditions or other matters involving internal control, if any, as required by *Government Auditing Standards*. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any time period for which we are not engaged as auditors.

We may assist management in the preparation of the Commission's financial statements and supplementary information. Regardless of any assistance we may render, all information included in the financial statements and supplementary information remains the representation of management. We may issue a preliminary draft of the financial statements and supplementary information to you for your review. Any preliminary draft financial statements and supplementary information should not be relied upon, reproduced or otherwise distributed without the written permission of Moss Adams.

### **Management's Responsibility**

As a condition of our engagement, management acknowledges and understands that management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America. We may advise management about appropriate accounting principles and their application and may assist in the preparation of your financial statements, but management remains responsible for the financial statements. Management also acknowledges and understands that management is responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud. This responsibility includes the maintenance of adequate records, the selection and application of accounting principles, and the safeguarding of assets. You are responsible for informing us about all known or suspected fraud affecting the Commission involving: (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the Commission received in communications from employees, former employees, regulators or others.

Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

Management is responsible for establishing and maintaining internal control over compliance with the provisions of laws, regulations, contracts, and grant agreements, and for identifying and ensuring that you comply with such provisions. Management is also responsible for addressing the audit findings and recommendations, establishing and maintaining a process to track the status of such findings and recommendations, and taking timely and appropriate steps to remedy any fraud and noncompliance with the provisions of laws, regulations, contracts, and grant agreements or abuse that we may report.

Management is responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Management agrees that as a condition of our engagement, management will provide us with:

- access to all information of which management is aware that is relevant to the preparation and fair presentation of the financial statements, whether obtained from within or outside of the general and subsidiary ledgers (including all

information relevant to the preparation and fair presentation of disclosures), such as records, documentation, and other matters;

- additional information that we may request from management for the purpose of the audit; and
- unrestricted access to persons within the Commission from whom we determine it necessary to obtain audit evidence.

### **Management's Responsibility to Notify Us of Affiliates**

Our professional standards require that we remain independent of the Commission as well as any "affiliate" of the Commission. Professional standards define an affiliate as follows:

- a fund, component unit, fiduciary activity or entity that the Commission is required to include or disclose, and is included or disclosed in its basic financial statements, in accordance with generally accepted accounting principles (U.S. GAAP);
- a fund, component unit, fiduciary activity or entity that the Commission is required to include or disclosed in its basic financial statements in accordance with U.S. GAAP, which is material to the Commission but which the Commission has elected to exclude, and for which the Commission has more than minimal influence over the entity's accounting or financial reporting process;
- an investment in an investee held by the Commission or an affiliate of the Commission, where the Commission or affiliate controls the investee, excluding equity interests in entities whose sole purpose is to directly enhance the Commission's ability to provide government services;
- an investment in an investee held by the Commission or an affiliate of the Commission, where the Commission or affiliate has significant influence over the investee and for which the investment is material to the Commission's financial statements, excluding equity interests in entities whose sole purpose is to directly enhance the Commission's ability to provide government services

In order to fulfill our mutual responsibility to maintain auditor independence, you agree to notify Moss Adams of any known affiliate relationships, to the best of your knowledge and belief. Additionally, you agree to inform Moss Adams of any known services provided or relationships between affiliates of the Commission and Moss Adams or any of its employees or personnel.

### **Management's Responsibility for Supplementary Information**

Management is responsible for the preparation of the supplementary information in accordance with the applicable criteria. Management agrees to include the auditor's report on the supplementary information in any document that contains the supplementary information and that indicates that we have reported on such supplementary information. Management is responsible to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon. For purposes of this Agreement, audited financial statements are deemed to be readily available if a third party user can obtain the audited financial statements without any further action by management. For example, financial statements on your Web site may be considered readily available, but being available upon request is not considered readily available.

### **Other Information Included in an Annual Report**

When financial or nonfinancial information, other than financial statements and the auditor's report thereon, is included in an entity's annual report, management is responsible for that other information. Management is also responsible for providing the document(s) that comprise the annual report to us as soon as it is available.

Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon. Our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the audited financial statements. If we identify that a material inconsistency or misstatement of the other information exists, we will discuss it with you; if it is not resolved U.S. GAAS requires us to take appropriate action.

### **Key Audit Matters**

U.S. GAAS does not require the communication of key audit matters in the audit report unless engaged to do so. You have not engaged us to report on key audit matters, and the Agreement does not contemplate Moss Adams providing any such services. You agree we are under no obligation to communicate key audit matters in the auditor's report.



If you request to engage Moss Adams to communicate key audit matters in the auditor's report, before accepting the engagement we would discuss with you the additional fees to provide any such services, and the impact to the timeline for completing the audit.

**Dissemination of Financial Statements**

Our report on the financial statements must be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes and supplementary information, as appropriate) are reproduced and distributed with our report. You agree not to reproduce or associate our report with any other financial statements, or portions thereof, that are not the subject of this engagement.

**Offering of Securities**

This Agreement does not contemplate Moss Adams providing any services in connection with the offering of securities, whether registered or exempt from registration, and Moss Adams will charge additional fees to provide any such services. You agree not to incorporate or reference our report in a private placement or other offering of your equity or debt securities without our express written permission. You further agree we are under no obligation to reissue our report or provide written permission for the use of our report at a later date in connection with an offering of securities, the issuance of debt instruments, or for any other circumstance. We will determine, at our sole discretion, whether we will reissue our report or provide written permission for the use of our report only after we have conducted any procedures we deem necessary in the circumstances. You agree to provide us with adequate time to review documents where (a) our report is requested to be reissued, (b) our report is included in the offering document or referred to therein, or (c) reference to our firm is expected to be made. If we decide to reissue our report or provide written permission to the use of our report, you agree that Moss Adams will be included on each distribution of draft offering materials and we will receive a complete set of final documents. If we decide not to reissue our report or withhold our written permission to use our report, you may be required to engage another firm to audit periods covered by our audit reports, and that firm will likely bill you for its services. While the successor auditor may request access to our engagement documentation for those periods, we are under no obligation to permit such access.

**Changes in Professional or Accounting Standards**

To the extent that future federal, state, or professional rule-making activities require modification of our audit approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and auditing standards that are required to be adopted and applied as part of our engagement, we may terminate this Agreement as provided herein, regardless of the stage of completion.

**Representations of Management**

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Commission's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the express representations made by authorized member of the Commission's management during the engagement. The procedures that we will perform in our engagement will be heavily influenced by the representations that we receive from management. Accordingly, false representations could cause us to expend unnecessary efforts or could cause a material error or fraud to go undetected by our procedures. In view of the foregoing, you agree that we will not be responsible for any misstatements in the Commission's financial statements and supplementary information that we fail to detect as a result of false or misleading representations, whether oral or written, that are made to us by the Commission's management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

In addition, because our failure to detect material misstatements could cause others relying upon our audit report to incur damages, the Commission further agrees to indemnify and hold us harmless from any liability and all costs (including legal fees) that we may incur in connection with claims based upon our failure to detect material misstatements in the Commission's financial statements and supplementary information resulting in whole or in part from knowingly false or misleading representations made to us by any authorized member of the Commission's management.

**Fees and Expenses**

The Commission acknowledges that the following circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates;

- Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- Issues with the prior audit firm, prior year account balances or report disclosures that impact the current year engagement; and
- An excessive number of audit adjustments.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement. We will bill any additional amounts based on the experience of the individuals involved and the amount of work performed.

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

### **Limitation on Liability**

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

### **Subpoena or Other Release of Documents**

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Pursuant to authority given by law or regulation, we may be requested to make certain engagement documentation available to an applicable entity with oversight responsibilities for the audit or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such engagement documentation will be provided under the supervision of Moss Adams personnel. Furthermore, upon request, we may provide photocopies of selected engagement documentation to the aforementioned parties. These parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

### **Document Retention Policy**

At the conclusion of this engagement, we will return to you all original records you supplied to us. Your Commission records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our

records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

**Use of Electronic Communication**

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

**Enforceability**

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

**Entire Agreement**

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the Commission. The Commission agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

In the event the parties fail to enter into a new Agreement for each subsequent calendar year in which Moss Adams provides services to the Commission, the terms and conditions of this PSA shall continue in force until such time as the parties execute a new written Agreement or terminate their relationship, whichever occurs first.

**Use of Moss Adams' Name**

The Commission may not use any of Moss Adams' name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

**Use of Nonlicensed Personnel**

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

**Use of Subcontractor and Affiliate**

We may retain subcontractors and/or our affiliate, Moss Adams (India) LLP, to assist us in providing our services to you. These entities may collect, use, transfer, store, or otherwise process information provided by you or on your behalf ("Client information") in the domestic and foreign jurisdictions in which they operate. All of these entities are required to protect the confidentiality of any Client information to which they have access in the course of their work. We will be responsible for their performance in accordance with the terms of this Agreement.

**Dispute Resolution Procedure, Venue and Limitation Period**

This Agreement shall be governed by the laws of the state of California (provided the laws of the state of Washington shall apply with regard to the parties' waiver of jury trial), without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

Each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in Orange County, state of California, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

**Termination**

This Agreement may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such

termination. In the event of termination: (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services, and (d) we will require any new accounting firm that you may retain to execute access letters satisfactory to Moss Adams prior to reviewing our files.

**Hiring of Employees**

Any offer of employment to members of the audit team prior to issuance of our report may impair our independence, and as a result, may result in our inability to complete the engagement and issue a report.



T (949) 221-4000  
F (949) 221-4001

2040 Main Street  
Suite 900  
Irvine, CA 92614

October 2, 2024  
Mr. Ken Melban  
Vice President, Industry Affairs and Operations  
California Avocado Commission  
12 Mauchly, Suite L  
Irvine, California 92618

Re: Examination Services

Dear Ken:

Thank you for the opportunity to provide services to the California Avocado Commission. This engagement letter ("Engagement Letter") and the attached Professional Services Agreement, which is incorporated by this reference, confirm our understanding of the terms and objectives of our engagement, and limitations of the services that Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to California Avocado Commission ("you," "your," and "Commission").

### **Scope of Services – Examination**

We will examine the Commission management's assertion that the Commission complied with the compliance requirements ("Subject Matter") of Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs* (the "Criteria"), dated January 2020 for the year ended October 31, 2024 (the "Assertion"). The specified compliance requirements are as follows:

1. No funds were used for the purpose of influencing governmental policy or action, per Section 515(d) of the Commodity Promotion Research and Information Act (Act), related to the use of assessments for the purpose of influencing legislation, as the term is defined in Section 4911(d) of the Internal Revenue Code and Title 26 of the United States Code.
2. The Commission's investment policy is in compliance with the AMS investment policy, as stated in the Guidelines, Appendix 3 – Directive 2210.2 "Investment of Public Funds" dated February 7, 2011.
3. Funds are used only for projects and other expenses authorized in a budget approved by the USDA, per Section II of the Guide.
4. Funds are used only in accordance with the rules, regulations and policies of the Act, the Guidelines, and the Hass Avocado Promotion, Research, and Information Order.
5. No violations of the Act, Order or Guidelines for Research and Development Program.

6. Complied with the allowability provisions of the *Code of Federal Regulations (7 CFR Part 1219) – Hass Avocado Promotion, Research, and Information Order*.
7. Complied with Section 575, Subsection (g) of the Hass Avocado Promotion, Research, and Consumer Information Act of 2000 and Section 1219.42, Subsection (b) of the Order.
8. Expended assessment funds for purposes authorized by the Hass Avocado Promotion, Research and Information Act and Order.

Our examination will be conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants and those contained in *Government Auditing Standards*. Accordingly, it will include tests of your records and other procedures we consider necessary to enable us to express an opinion in a written report about whether the Assertion is fairly stated, in all material respects. If, for any reason, we are unable to complete the examination, we will not issue a report as a result of this engagement.

Because of the inherent limitations of an examination engagement, together with the inherent limitation of internal control, an unavoidable risk exists that some material misstatements may not be detected, even though the examination is properly planned and performed in accordance with attestation standards.

Our report will include a sentence indicating that the purpose of the report is solely to express an opinion on Commission management's assertion that the Commission complied with the Guidelines for the year ended October 31, 2024 and is not suitable for any other purpose.

As a condition of our engagement, Commission management acknowledges and understands that it is responsible for the preparation and fair presentation of the Assertion and the accuracy and completeness of that information. Commission management agrees that as a condition of our engagement Commission management will provide us with:

- Access to all information of which Commission management is aware that is relevant to the measurement, evaluation or disclosure of the Assertion;
- Access to additional information that we may request from Commission management for the purpose of the engagement; and
- Unrestricted access to persons within the appropriate parties from whom we determine it necessary to obtain evidence.

We may advise you about appropriate Criteria or assist in the development of the Assertion, but responsibility for the Assertion remains with you.

At the conclusion of our engagement, we will require a representation letter from management that, among other things, will confirm management's responsibility for the Assertion.

**Timing**

Matt Parsons is responsible for supervising the engagement and authorizing the signing of our report. We expect to begin fieldwork in December 2024 and issue our report in January 2025. If unforeseen

difficulties occur which make meeting the January 31, 2025 date improbable, we will inform you immediately. Our ability to meet these targets will be dependent, in part, on the level of preparation and cooperation by your staff.

Our scheduling is based on your completion of fulfilling our request necessary to complete the examination. Efficient use of our staff benefits both you and Moss Adams, allowing for timely completion of our work. We may experience delays in completing our services due to your staff's unavailability or delays in fulfilling our requests. We will work with you to coordinate completion of our work, realizing that any such delays will also delay completion of our work and the delivery of our work product. You understand our fees are subject to adjustment if we experience delays in completing our services. Our services will be concluded upon delivery to you of our examination report.

**Fees**

The fees for these procedures have been included in a separate engagement letter.

The fee estimate is based on anticipated cooperation from your personnel, the expectation that the Commission's records will be in good order, and the assumption that unexpected circumstances will not be encountered during the completion of the examination. If we find that significant additional time is likely to be necessary, we will attempt to discuss it with you and arrive at a new fee estimate before we incur significant additional fees or expenses.

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We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in this Agreement, please sign the enclosed copy of this Engagement Letter and return it to us with the Professional Services Agreement.

Very truly yours,



Matt Parsons, Partner for  
Moss Adams LLP

Enclosures

Ken Melban  
California Avocado Commission  
October 2, 2024  
Page 4 of 4

**Accepted and Agreed:**

This Engagement Letter and the attached Professional Services Agreement set forth the entire understanding of California Avocado Commission with respect to this engagement and the services to be provided by Moss Adams LLP:

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Client: #869393  
v. 6/13/2024



**PROFESSIONAL SERVICES AGREEMENT****Examination Services**

This Professional Services Agreement (the "PSA") together with the Engagement Letter, which is hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services to be provided to the Commission by Moss Adams. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

**Objective of the Examination**

The objective of our examination is the expression of an opinion as stated in the Engagement Letter. Our examination will be conducted in accordance with the standards described in the Engagement Letter and will include tests of your records and other procedures we consider necessary to enable us to express such an opinion. We cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for us to modify our opinion. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the examination or are unable to form or have not formed an opinion, we may decline to express an opinion or may withdraw from this engagement.

**Procedures and Limitations**

An examination includes examining evidence on a test basis and cannot be relied upon to disclose all material errors, or known or suspected fraud or noncompliance with laws or regulations or internal control deficiencies that may exist. Therefore, our examination will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the examination to obtain reasonable, but not absolute, assurance about whether the Assertion is fairly stated, in all material respects. A risk exists that we may not detect material misstatements because: (a) an examination is designed to provide reasonable, but not absolute, assurance the Assertion is fairly presented in all material respects, (b) we will not perform a detailed examination of all transactions as such is cost prohibitive, and (c) an examination is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the Assertion. However, we will inform you of any material errors, known or suspected fraud and noncompliance with laws or regulations, internal control deficiencies identified during the engagement, and uncorrected misstatements that come to our attention, unless clearly inconsequential. Our responsibility is limited to the period covered by our examination and does not extend to any time period for which we are not engaged as examiners.

**Changes in Professional or Accounting Standards**

To the extent that future federal, state, or professional rule-making activities require modification of our examination approach, procedures, scope of work, etc., we will advise you of such changes and the impact on our fee estimate. If we are unable to agree on the additional fees, if any, that may be required to implement any new accounting and examination standards that are required to be adopted and applied as part of our engagement, we may terminate this Agreement as provided herein, regardless of the stage of completion.

**Representations of Management**

During the course of our engagement, we may request information and explanations from management regarding, among other matters, the Commission's operations, internal control, future plans, specific transactions, and accounting systems and procedures. At the conclusion of our engagement, we will require, as a precondition to the issuance of our report, that management provide us with a written representation letter confirming some or all of the representations made during the engagement. The procedures we will perform in our engagement will be heavily influenced by the representations that we receive from management. While we may assist management in the preparation of the representation letter, it is management's responsibility to carefully review and understand the representations made therein.

**Fees and Expenses**

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. You will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. You acknowledge and agree that in the event we stop work or terminate this Agreement as a result of your failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if

we terminate this Agreement for any other reason, we shall not be liable to you for any damages that occur as a result of our ceasing to render services.

**Limitation on Liability**

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

**Subpoena or Other Release of Documents**

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

**Document Retention Policy**

At the conclusion of this engagement, we will return to you all original records you supplied to us. Your Commission records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

**Use of Electronic Communication**

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

**Enforceability**

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

**Entire Agreement**

This Professional Services Agreement and Engagement Letter constitute the entire agreement and understanding between Moss Adams and the Commission. The Commission agrees that in entering into this Agreement it is not relying and has not relied upon any oral or other representations, promise or statement made by anyone which is not set forth herein.

**Use of Moss Adams' Name**

The Commission may not use any of Moss Adams' name, trademarks, service marks or logos in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

**Dispute Resolution Procedure, Venue and Limitation Period**

This Agreement shall be governed by the laws of the state of California (provided the laws of the state of Washington shall apply with regard to the parties' waiver of jury trial), without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

Each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in Orange County, state of California, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

**Termination**

This Agreement may be terminated by any party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination: (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, and (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services.

**Use of Nonlicensed Personnel**

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

**Use of Subcontractor and Affiliate**

We may retain subcontractors and/or our affiliate, Moss Adams (India) LLP, to assist us in providing our services to you. These entities may collect, use, transfer, store, or otherwise process information provided by you or on your behalf ("Client information") in the domestic and foreign jurisdictions in which they operate. All of these entities are required to protect the confidentiality of any Client information to which they have access in the course of their work. We will be responsible for their performance in accordance with the terms of this Agreement.

**Hiring of Employees**

Any offer of employment to members of the engagement team prior to issuance of our report may impair our independence and as a result, may result in our inability to complete the engagement and issue a report.



T (949) 221-4000  
F (949) 221-4001

2040 Main Street  
Suite 900  
Irvine, CA 92614

October 2, 2024

Mr. Ken Melban  
Vice President, Industry Affairs and Operations  
California Avocado Commission  
12 Mauchly, Suite L  
Irvine, California 92618

Dear Ken:

This engagement letter (the "Engagement Letter"), the attached Schedule of Agreed-Upon Procedures (the "Schedule"), and the attached Professional Services Agreement (collectively, the "Agreement") confirm our understanding of the terms and objectives of our engagement, and limitations of the services Moss Adams LLP ("Moss Adams," "we," "us," and "our") will provide to California Avocado Commission ("you," "your," and "Commission"). This engagement is solely to assist you and the California Department of Food and Agriculture (CDFA) ("Intended User") in evaluating the Commission's compliance with the *CDFA Accounting Guidelines and General Rules*, (the "Guidelines") effective January 1, 2017, and the Commission's internal policies and procedures for the year ended October 31, 2024. Collectively, the Commission and Intended User shall be referred to as the "Users."

### **Scope of Services and Limitations**

In this engagement, we will apply the agreed-upon procedures listed in the Schedule to the accounting records (the "Subject Matter") of the Commission as of and for the year ended October 31, 2024. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. Moreover, we have no obligation to perform any procedures beyond those listed in the Schedule. You may specify changes to the scope or nature of the agreed-upon procedures. If this occurs, we will either amend the Schedule to address the change in agreed-upon procedures, or our report will reflect the changes.

The Commission acknowledges that (i) it is responsible for agreeing to the procedures to be performed by Moss Adams, (ii) it has, in fact, agreed to the procedures set forth in the Schedule, and (iii) the agreed-upon procedures are appropriate to meet the intended purpose of the engagement.

We require the California Department of Food and Agriculture to agree to the procedures and acknowledge that the procedures performed are appropriate for their purposes.

We will not evaluate the agreed-upon procedures to determine if they are appropriate to meet the intended purpose of the engagement. Consequently, we make no representation regarding the

appropriateness of the agreed-upon procedures either for the purpose of this engagement or for any other purpose.

When we complete our work, we will issue a report setting forth the agreed-upon procedures and our findings. Our report will contain a paragraph indicating that had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Our report will include a sentence indicating that the report is intended solely for the use of the Users and should not be used by anyone other than the Users.

This engagement is performed pursuant to the Guidelines.

Our engagement to apply the agreed-upon procedures will be performed in accordance with the attestation standards established by *Government Auditing Standards*. If, for any reason, we are unable to complete the agreed-upon procedures, we will either describe any restrictions on the performance of the agreed-upon procedures in our report, or we will not issue a report. Because the agreed-upon procedures do not constitute an examination or review, we will not express an opinion or conclusion on the Subject Matter.

At the conclusion of our engagement, we will require a representation letter from the Commission. The representation letter will confirm, among other things, management's agreement that the procedures performed were appropriate to meet the intended purpose of the engagement. It will also confirm management has obtained the Intended User's agreement that the procedures performed were appropriate to meet their purpose.

### **Timing**

Matt Parsons is responsible for supervising the engagement and authorizing the signing of our report. We began performing the agreed-upon procedures in December 2024 and expect to complete fieldwork in January 2025. As we reach the conclusion of the agreed-upon procedures we will coordinate with you the date the report will be available for issuance.

Our scheduling is based on your completion of the accounting records necessary to complete the procedures. Efficient use of our staff benefits both you and Moss Adams, allowing for timely completion of our work. We may experience delays in completing our services due to delays in the accounting records necessary to complete the procedures. We will work with you to coordinate completion of our work, realizing that any such delays will also delay completion of our work and the delivery of our report. You understand our fees are subject to adjustment if we experience these delays in completing our services. Our services will be concluded upon delivery to you of our report on these agreed-upon procedures.

### **Fees**

We estimate that our fees for these services will be \$9,800 and we will seek your approval for any budget overrun.

Ken Melban  
California Avocado Commission  
October 2, 2024  
Page 3 of 4

The fee estimate is based on anticipated cooperation from your personnel, the expectation that the records will be in good order, and the assumption that unexpected circumstances will not be encountered during the completion of the agreed-upon procedures. If we find that significant additional time is likely to be necessary, we will discuss it with you and arrive at a new fee estimate before we incur significant additional fees or expenses.

In addition to fees, we will charge you for expenses. Our invoices include a flat expense charge, calculated as five percent (5%) of fees, to cover expenses such as copying costs, postage, administrative billable time, report processing fees, filing fees, and technology expenses. Travel expenses and client meals/entertainment expenses subject to your pre-approval will be billed separately and are not included in the 5% charge.

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This Engagement Letter, the Schedule, and the attached Professional Services Agreement constitute the entire Agreement and understanding between Moss Adams and the Commission. The Commission agrees that, in entering into this Agreement, it is not and has not relied upon any oral or other representation, promise or statement made by anyone which is not set forth herein.

We appreciate the opportunity to be of service to you. If you agree with the terms of our engagement as set forth in this Agreement, please sign the enclosed copy of this Engagement Letter and return it to us with the Schedule and Professional Services Agreement.

Very truly yours,



Matt Parsons, Partner for  
Moss Adams LLP

Enclosures

Ken Melban  
California Avocado Commission  
October 2, 2024  
Page 4 of 4

**Accepted and Agreed:**

This Engagement Letter, the attached Schedule, and the attached Professional Services Agreement set forth the entire understanding of the Commission with respect to this engagement and the services to be provided by Moss Adams LLP:

**By California Avocado Commission:**

Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Client: #869393  
v. 6/13/2024

## Professional Services Agreement

This Professional Services Agreement (the "PSA") together with the Schedule and the Engagement Letter, which are hereby incorporated by reference, represents the entire agreement (the "Agreement") relating to services to be provided to the Commission by Moss Adams. Any undefined terms in this PSA shall have the same meaning as set forth in the Engagement Letter.

### Fees and Expenses

Billings are due upon presentation and become delinquent if not paid within 30 days of the invoice date. Any past due fee under this Agreement shall bear interest at the highest rate allowed by law on any unpaid balance. In addition to fees, you may be billed for expenses and any applicable sales and gross receipts tax. Direct expenses may be charged based on out-of-pocket expenditures, per diem allotments, and mileage reimbursements, depending on the nature of the expense. Indirect expenses, such as processing time and technology expenses, may be passed through at our estimated cost and may be billed as a flat charge or a percentage of fees. If we elect to suspend our engagement for nonpayment, we may not resume our work until the account is paid in full. If we elect to terminate our services for nonpayment, or as otherwise provided in this Agreement, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our work. The Commission will be obligated to compensate us for fees earned for services rendered and to reimburse us for expenses. The Commission acknowledges and agrees that in the event we stop work or terminate this Agreement as a result of the Commission's failure to pay on a timely basis for services rendered by Moss Adams as provided in this Agreement, or if we terminate this Agreement for any other reason, we shall not be liable for any damages that occur as a result of our ceasing to render services.

### Restricted Use Report

Our report is a restricted use report and may be distributed only to the Users. The Users may not disclose or distribute our report to any third parties without our prior written consent. You agree to indemnify and hold harmless Moss Adams and its personnel from any and all claims, liabilities, costs and expenses (including, without limitation, reasonable attorney fees) arising from the unauthorized distribution of our report or its content by the Users, or any third party who obtains the report or access to its contents either directly or indirectly from the Users.

### Release and Indemnification

Because of the importance of oral and written management representations to an effective engagement, you agree to release and indemnify Moss Adams and its personnel from any and all claims, liabilities, costs and expenses attributable to any knowing misrepresentation by management.

### Subpoena or Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to a third-party in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding (including a grand jury investigation), in which we are not a party. You may, within the time permitted for our firm to respond to any request, initiate such legal action as you deem appropriate to protect information from discovery. If you take no action within the time permitted for us to respond or if your action does not result in a judicial order protecting us from supplying requested information, we will construe your inaction or failure as consent to comply with the request. Our efforts in complying with such requests or demands will be deemed a part of this engagement and we shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

### Document Retention Policy

At the conclusion of this engagement, we will return all original records to the party that supplied them to us. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your or any other person's or entity's own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Moss Adams may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

### Use of Electronic Communication

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these



communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this Agreement as we deem appropriate.

**Enforceability**

In the event that any portion of this Agreement is deemed invalid or unenforceable, said finding shall not operate to invalidate the remainder of this Agreement.

**Entire Agreement**

This Professional Services Agreement, the Schedule, and the Engagement Letter constitute the entire agreement and understanding between Moss Adams and you. You agree that in entering into this Agreement you have not relied upon any oral or other representations, promises, or statements made by anyone which is not set forth herein.

**Use of Moss Adams' Name**

The Users may not use any of Moss Adams' name, trademarks, service marks or logo in connection with the services contemplated by this Agreement or otherwise without the prior written permission of Moss Adams, which permission may be withheld for any or no reason and may be subject to certain conditions.

**Limitation on Liability**

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

**Dispute Resolution Procedure, Venue and Limitation Period**

This Agreement shall be governed by the laws of the state of California (provided the laws of the state of Washington shall apply with regard to the parties' waiver of jury trial), without giving effect to any conflicts of laws principles. If a dispute arises out of or relates to the engagement described herein, and if the dispute cannot be settled through negotiations, the parties agree first to try in good faith to settle the dispute by mediation using an agreed upon mediator. If the parties are unable to agree on a mediator, the parties shall petition the state court that would have jurisdiction over this matter if litigation were to ensue and request the appointment of a mediator, and such appointment shall be binding on the parties. Each party shall be responsible for its own mediation expenses, and shall share equally in the mediator's fees and expenses.

Each party hereby irrevocably (a) consents to the exclusive jurisdiction and venue of the appropriate state or federal court located in Orange County, state of California, in connection with any dispute hereunder or the enforcement of any right or obligation hereunder, and (b) WAIVES ITS RIGHT TO A JURY TRIAL. EACH PARTY FURTHER AGREES THAT ANY SUIT ARISING OUT OF OR RELATED TO THIS AGREEMENT MUST BE FILED WITHIN ONE (1) YEAR AFTER THE CAUSE OF ACTION ARISES.

**Termination**

This Agreement may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination: (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this Agreement, (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services.

**Use of Nonlicensed Personnel**

Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

**Use of Subcontractor and Affiliate**

We may retain subcontractors and/or our affiliate, Moss Adams (India) LLP, to assist us in providing our services to you. These entities may collect, use, transfer, store, or otherwise process information provided by you or on your behalf ("Client information") in the domestic and foreign jurisdictions in which they operate. All of these entities are required to protect the confidentiality of any Client information to which they have access in the course of their work. We will be responsible for their performance in accordance with the terms of this Agreement.

**Hiring of Employees**

Any offer of employment to members of the engagement team prior to issuance of our report may impair our independence, and as a result, may result in our inability to complete the engagement and issue a report.



## SCHEDULE OF AGREED – UPON PROCEDURES

### Procedure 1:

Obtain the Commission's written policies and procedures for expenditures and the *CDFA Accounting Guidelines and General Rules*, effective January 1, 2017. Obtain from the Commission a listing of all transactions recorded for the year ended October 31, 2024 to the following general ledger accounts: travel and lodging; meals and entertainment; employee use of program-owned vehicles; financial transactions between entities; and contracts. Select a random sample of sixty transactions and perform the following:

- For any transactions that were for the purchase of goods valued at or over \$5,000 request procurement records from the Commission and observe whether at least three bids were obtained by the Commission before selecting a vendor and report any exceptions. For any vendor selected by the Commission that is not the lowest bidder, request documentation from the Commission explaining the reasons for the acceptance of the chosen bid and report any exceptions.
- Request invoices for each transaction selection that resulted in a disbursement by the Commission and perform the following:
  - Agree the name of the addressee on the invoice to that of the Commission.
  - Agree date references on the face of the invoice to the period of November 1, 2023 through October 31, 2024.
  - Compare the code number for the budget account to the code number the transaction was recorded.
  - Agree the amount of the invoice to the amount paid per the disbursement.
  - For any invoices with handwritten or typewritten billheads observe whether the invoice was signed by the vendor or person furnishing the supplies or services.
  - Report on any exceptions.
- For all disbursements selected obtain the journal entries and supporting documentation (e.g. invoices). Review the support provided to determine if the disbursement was for lending, extensions of credit, or gifting to an individual, municipal, or other corporation and if it was, include the amount and description of the disbursement in the report on agreed-upon procedures.
- For any disbursements that include an itemization of alcohol perform the following:
  - Recalculate that total alcoholic charges for entertainment did not exceed \$30 per person.
  - Compare that alcoholic purchases by Commissioners while traveling did not exceed 2 beverages per meal and in total did not exceed reimbursable meal allowances as defined in subpart 1.5.1 of Section 6.0 of the Commission's Internal Control Policies and Procedures Revision Number 1.5 with an effective date of November 1, 2019.
  - Report on any exceptions.

- For any disbursements that resulted in the purchase of personalized mementos such as flowers or plaques agree totals did not exceed \$250 per occasion and compare the business purpose to that of an extraordinary event as defined in section 4.5 of the *CDFA Accounting Guidelines and General Rules*, effective January 1, 2017 and report on any exceptions.
- For any travel, entertainment, and related expense selection compare supporting documentation provided by the Commission to that permitted by Section V of the *CDFA Accounting Guidelines and General Rules*, effective January 1, 2017. Report any exceptions of charges exceeding limits as outlined in that Section, missing receipts, unauthorized transactions, or authorization that did not align with the levels outlined in that Section.

**Procedure 2:**

Inquire with Commission management whether the Commission owns or leases any vehicles. If so, compare that the values of personal use of Commission-owned or leased vehicles are reported as income as reported on the respective employee's W-2.

**Procedure 3:**

If Commission staff and office resources are also dedicated to managing other entities on behalf of assessment payers for the period of November 1, 2023 to October 31, 2024 perform the following:

- Inquire with Commission management of the identity and mission of each ancillary organization and include management's response in the report on agreed-upon procedures.
- Inquire of management if a separate general ledger of transactions has been used for the ancillary organization from the Commission's own marketing program records and include management's response in the report on agreed-upon procedures.
- Inquire with Commission management if a memorandum of understanding (MOU) exists between the marketing program and ancillary organizations to share administrative costs and include management's response in the report on agreed-upon procedures.
- Haphazardly select one financial transaction that was prorated between the two parties and recalculate the proration based on the terms of the memorandum of understanding.
- Inquire with Commission management whether there are conflicts of interest that exist between management and the ancillary organizations and include management's response in the report on agreed-upon procedures.

**Procedure 4:**

Obtain the Commission's policies and procedures for purchasing and contracts. Obtain from the Commission a list of contracts executed during the year ended October 31, 2024. Select a random sample of five contracts to note that contracts were made in accordance with the Accounting Guidelines for Contracts and Section IV, *Purchases and Invoices*, of the *CDFA Accounting Guidelines and General Rules*, effective January 1, 2017.

**Procedure 5:**

Obtain the Commission's adopted written policies and procedures for contracts and note in our report on the application of agreed-upon procedures if such policy exists as required by *CDFA Accounting Guidelines and General Rules*, effective January 1, 2017.

**ITEM 5.d: REVIEW OF RESERVES POLICY**

**SUMMARY:**

CAC's current Policy on Cash Reserves Balance (Reserves Policy) was approved by the Board of Directors at the March 17, 2016 meeting and authority was delegated by the Board to the Finance Committee to review and adjust annually in conjunction with consideration and approval of the annual budget.

The reserve balance is intended to provide funding for organizational costs from the beginning of the fiscal year to first receipts of sizable assessment revenue. Additionally, the reserve balance can be utilized for unforeseen opportunities that arise during the year, to mitigate the imprecise nature of production estimates made prior to the start of a season, which directly affects revenue projections, to respond to crises that may occur during the year, and to avoid utilizing borrowed funds from the line of credit.

CAC's Reserves Policy has a targeted minimum fiscal year-end reserve balance equal to six months of average operating costs, or an amount not less than five million dollars. Upon review of the 2023-24 cash flow projections, management believes the current policy provides sufficient reserves throughout the year and therefore no revision to the policy is recommended for the 2024-25 fiscal year.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Revise the CAC Reserves Policy
- Take no action

**STAFF RECOMMENDATION:**

- Take no action, maintaining CAC's existing Reserves Policy

**EXHIBITS / ATTACHMENTS:**

- CAC Reserves Policy, Approved 3-17-2016

Adopted by CAC Board March 17, 2016

**POLICY ON CASH RESERVES BALANCE**

The purpose of the California Avocado Commission's Reserves Policy is to ensure the stability of the mission, programs, and ongoing operations of the organization. It is intended to provide a source of internal funds to support organizational priorities included within strategic and operational plans.

The target minimum fiscal year-end Operating Reserve balance is equal to six months of average operating costs, or an amount not less than five million dollars. The calculation of average monthly operating costs includes all recurring expenses such as administrative and contracted professional services, and also incorporates estimated Marketing program expenses and research project costs.

The Reserve balance is intended to provide funding for organizational costs from the beginning of the fiscal year to first receipts of assessment revenue. Additionally, the reserve balance can be utilized for unforeseen opportunities that arise during the year, to mitigate the imprecise nature of production estimates made prior to the start of a season, which directly affects revenue projections, to respond to crises that may occur during the year, and to avoid utilizing borrowed funds from the line of credit.

The amount of the Operating Reserve target minimum will be adjusted each year in conjunction with approval of the annual budget and will be reviewed by the Finance Committee and Board of Directors.

**ITEM 7: Consider Approval of Proposed 2024-25 CAC Business Plan and Budgets**

**SUMMARY:**

In August the Board approved a preliminary 2024-25 budget and directed Commission management to develop a business plan and detailed final budget within specified financial parameters utilizing the existing strategic priorities, as well as business plan objectives and strategies. As requested during the August meeting, CAC management has prepared detailed action plans to accompany the preliminary 2024-25 budget of \$13,775,000.

**FISCAL ANALYSIS:**

- The proposed 2023-24 budget is based on a 400-million-pound crop, and currently projects zero CAC assessment revenue. A summary of the proposed budgets is as follows:
  - \$13.6 million in expenditures, allocating \$9.835 million to marketing, \$1.42 million to industry affairs and research activities, \$200,000 to grants and the balance of \$2.15 million to administration.

**BOARD OPTIONS:**

- Approve the 2023-24 Business Plan and Budget, as presented
- Modify and approve an alternate 2023-24 Business Plan and Budget

**STAFF RECOMMENDATION:**

- Staff recommends the Board review and discuss the proposed business plans and budgets and approve as presented, or with modification, if appropriate

**EXHIBITS / ATTACHMENTS:**

- 2024-25 CAC Business Plan and Budget - Draft



# 2024-25 BUSINESS PLAN

## DRAFT

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## CAC Priorities

**CAC Priority No. 1**

***Position California Avocados to be the most-valued and desired avocados among targeted audiences\****

*\*(targeted consumers, retailers, foodservice operators, wholesalers)\**

**CAC Priority No. 2**

***Advocate for, and engage with, the industry***

**CAC Priority No. 3**

***Support industry strategy through research and outreach***

**CAC Priority No. 4**

***Cultivate organizational excellence / Demonstrate effective use of resources***



# INDUSTRY STRATEGIC INTENT 2025

## Industry Strategic Intent 2025

**Mission:** To maximize grower returns by enhancing premium brand positioning for California Avocados and improving grower sustainability

**Vision:** To be recognized as the most-desired avocado in the world by fostering a vibrant industry

California Avocados will occupy a premium position in the market.

### Key Industry Aspirations

California Avocado growers face a staggering array of challenges – sharply rising input costs, particularly water pricing, labor and costs associated with regulatory compliance; the quality and availability of deliveries through the state’s water infrastructure; produce safety and invasive pest issues; and an ever-expanding volume of foreign fruit that constantly exerts downward pressure on farm-gate prices. At the same time, global consumer demand for avocados continues to grow at a record pace. Over time, consumers are expected to continue to demand and find value in sustainably grown products tailored to meet their lifestyle needs.

Consequently, we aspire to the following outcomes:

- An assured place in the market
- A price to growers that is both premium to the competition and fosters industry viability
- Consistently high-quality production
- Highly productive and efficient growers
- Stable production from year-to-year
- Sustainable industry practices
- Socially responsible practices
- Leaders in innovation
- CAC’s target consumers prefer to purchase California Avocados when they are available

## Competitive Advantages

- Locally grown and sustainably farmed by California farmers who nurture the avocados and the land every step of the way
- Proximity to market
- Ethically sourced
- Freshest product, picked at the peak of the season
- Consistency in taste and premium eating quality

## Brand Positioning/Promise

When California Avocados are in season, you can count on their freshness and premium eating quality and feel good about buying them, because ethically sourced California Avocados are locally grown and sustainably farmed by California farmers who nurture the avocados and the land every step of the way.

## Target Markets

Strategic partnerships with tier 1 retail customers, foodservice chains and export accounts who are willing to pay a premium for California Avocados (Tiered-Account Approach)

## CAC Core Values

*Core values clarify and make explicit the principles driving CAC decisions*

- Value to the grower comes first
- Leadership is forward thinking, consensus-driven
- Our ethics and integrity are uncompromised
- We're accountable and transparent
- Champion diversity, equity and inclusion in California Avocado marketing practices, programs, partners, targets and communications

## Critical Factors for Success

- We're advocates for, and are engaged with, our industry
  - *It's not enough to run a good marketing program...moving the industry forward requires a partnership between the Commission, growers and handlers...each has a role to play and the Commission must be fully engaged with, and supportive of, the industry*
- We know and cultivate a grower profile that will fulfill Strategic Intent 2025
  - *Farmers must meet certain criteria to be viable in the future. It's critical for the industry to have a shared understanding of what that profile looks like and to promote an exchange of information that fosters continual improvement and viability*
- We understand what's driving consumer demand for California Avocados and we utilize that understanding in the development and execution of effective marketing programs
  - *Consumers will ultimately determine our future. It's critical we get into their heads and hearts to understand clearly why they currently value the product enough to pay a premium and what it will take to maintain that position. This will help us enhance our premium positioning through effective marketing and communications*
- We enjoy strategic partnerships in the marketplace
  - *Retailers and foodservice operators are the gatekeepers that give us access to the market. We must establish strategic alliances with key customers to maximize the profitability of California Avocados*
- We invest in research, education and outreach – from grove through supply chain – to advance our industry
  - *A research and grower outreach program is in place that forms the cornerstone for strengthening our position as a premium product, now and in the future*

## CAC Strategic Intent

### CAC Priority No. 1:

#### **Position California Avocados to be the most-valued and desired avocados among targeted audiences\***

\*(targeted consumers, retailers, foodservice operators, wholesalers)

#### **Rationale**

California Avocados already enjoy a coveted market position as the most-recognized and trusted avocado “brand” in the Western U.S. where most California Avocados are sold. This distinction is critical since it creates the foundation for being positioned as the world’s most-valued and desired avocados—a “must have” for all California growers who face higher costs of production than are borne by their competitors. Consumers in the West who have an opinion about the origin of their avocados consistently prefer California-grown avocados over those from other origins. This preference usually corresponds with a willingness to pay premium prices when California Avocados are in season, as compared to prices paid at other times of the year. Other target avocado consumers who are not actively concerned with avocado origin must be provided with additional motivation to prefer California Avocados and a willingness to pay a premium for them when in season (The inherent value recognized by consumers ultimately can mean increased profitability for retailers, foodservice operators, wholesalers and, most importantly, growers.)

#### **Objectives:**

1. Achieve a premium average price per pound that meets or exceeds the four-year historical F.O.B. price differential between California Avocados and imports
2. Maintain California Avocado awareness with our consumer targets
3. Increase perceived value and preference with our consumer targets
4. Build loyalty with existing and target new trade customers

#### **Strategies:**

- A. Optimize messaging, programs and support framework, maintaining relevance with targeted consumers' evolving needs
- B. Consistently drive the brand essence and messaging hierarchy, differentiating California Avocados from other origins

- C. Utilize strategic insights and criteria that determine trade customer targets and promotion investment allocations
- D. Create collaborative trade programs that target the customers' avocado shoppers and patrons
- E. Ensure the "California" in California Avocados is prominent in all trade customer marketing communications, including in store and on menu where allowed
- F. Develop consumer and trade communications creating anticipation for the California Avocado season and ongoing demand throughout the season

### **Measures of Success:**

#### **Measures for achievement of this plan objective: *Increase perceived value and preference with our consumer targets***

- Using the 2024 CAC tracking study as a benchmark, measure maintenance of value attribute ratings among California consumers
  - Attribute ratings for California origin benchmarks (Q10): 39% for best tasting, 45% for most premium quality, 48% for freshest, 56% for most environmentally friendly farming practices
  - Benchmarks (QX1): 39% for worth paying more for, 63% for are the best avocados, 65% for ethically sourced
- Using the 2024 CAC tracking study as a benchmark measure maintenance of consumer preference for California Avocados among California consumers and among Western region consumers versus those from other sources
  - California benchmark (Q9): 60% prefer California; Western region benchmark: 56% prefer California

#### **Measures for achievement of this plan objective: *Maintain California Avocado awareness with our consumer targets***

- Using the 2024 CAC summer/fall tracking study as a benchmark, measure retention of very high awareness of the California avocado growing region among California consumers and as well as improvement of moderately high awareness among younger target consumers
  - Benchmark (Q3): 86% aided awareness among Californians ages 25+
  - Benchmark (Q3): 71% aided awareness among Californians ages 18-24
- Using the 2024 CAC summer/fall tracking study as a benchmark, measure maintenance in consumer association between avocados and summer among California consumers
  - Benchmark (Q23a): 61% associate California Avocados with spring
  - Benchmark (Q23a): 69% associate California Avocados with summer
- Increase year-over-year consumer media impressions by at least 9%
  - 2023-24 Actual: 164 million
  - 2024-25 Goal: 179 million

- Increase clicks on retailer-supporting social ads driving to store locators by at least 14%
  - 2023-24 Actual: 155,000
  - 2024-25 Goal: 177,000
- Increase media-driven store visits to local retailers carrying California Avocados by 8%
  - 2023-24 Actual: 237,500
  - 2024-25 Goal: 256,000
- Increase site traffic by at least 9%
  - 2023-24 Actual: 1.37 million
  - 2024-25 Goal: 1.49 million
- Increase consumer PR impressions by 25% over 2023-24 PR impressions goal
  - 2023-24 Target: 75 million
  - 2024-25 Goal: 93.75 million
- Achieve a 20% increase in influencer content impressions over 2023-24 influencer impressions goal
  - 2023-24 Target: 1.5 million
  - 2024-25 Goal: 1.8 million
- Secure at least 1 million influencer content impressions promoting in-store availability of California Avocados at 2 selected retail partners

**Measures for achievement of this plan objective: *Build loyalty with existing and target new trade customers***

- Retail
  - A minimum of 80% of target retail customers merchandising California Avocados
  - At least 55 retail activations with target current customers
  - At least 10 retail activations with targeted new or lapsed customers
  - Social media campaigns executed in up to 16 new and existing targeted retail customers
  - Social media support for up to 9 retail shopper marketing campaigns
- Foodservice
  - At least 12 returning chain partners from 2023-2024 participating in California Avocado foodservice promotions
  - At least 2 new foodservice partnerships (never partnered with or have not partnered within past 2 years)
  - California Avocados promoted/featured in approximately 1,100 foodservice units



**Measure for achievement of this plan objective: *Achieve a premium average price per pound that meets or exceeds the four-year historical F.O.B. price differential between California Avocados and imports***

- Using “AMRIC data”, measure lug prices and differentials of California Avocados vs. avocados of other origins
  - Meet or exceed budgeted average price for the fiscal year
  - Achieve a premium price for California Avocados vs. imports during California season (the period when California Avocados enter in-store availability in at least 45% of the targeted retailers’ stores until less than one million pounds are being shipped per week)

**CAC Priority No.2:**

***Advocate for, and engage with, the industry***

**Rationale**

An effective marketing program, by itself, is not enough to ensure the success of the California Avocado industry. Farming continues to become more difficult as growers operate in an increasingly complex web of competition, regulation, market preferences and shifting costs. Often, collective action is necessary to affect a positive outcome on a pressing issue that is impacting the industry. The Commission gives growers a mechanism to act in concert and speak with one voice. Through CAC, resources can be brought to bear on common issues like trade access, pesticide registrations, regulatory issues, water availability and food safety concerns to the benefit of all growers. It is imperative that issues affecting the avocado industry are proactively anticipated, prioritized and managed to shape outcomes that are compatible with the industry’s future. CAC must have an issues management program that is ever-vigilant and focused on the future, to ensure that everything possible is being done to safeguard the industry’s economic investment. CAC also can serve as a reservoir and conduit for information needed to enable growers to be successful at the business of growing avocados. Informed decision-making is essential to this success, and with a robust outreach program, CAC can deliver relevant information uniquely tailored to California Avocado growers in a way that no other organization can, equipping them to leverage opportunities, redirect threats and adapt to change.

**Objectives:**

1. Proactively shape avocado industry issue outcomes that are compatible with the industry’s key aspirations and CAC’s values
2. Build consensus on the strategic direction to be taken to achieve the industry’s key aspirations

3. Enhance California Avocado grower productivity and success
4. Ensure a full understanding and consideration of how government agency decisions will impact California Avocado producers

**Strategies:**

- A. Anticipate and prioritize issues; use informed decision-making when executing plans that shape issue outcomes and respond immediately to crisis issues
- B. Collect and compile information vital to understanding global avocado market forces
- C. Execute an industry communications program that promotes discussion, consensus, action and feedback
- D. Maintain and develop relationships with other avocado industry and agricultural organizations that leverage strengths on issues of common interest
- E. Establish, maintain and strengthen relationships with influential governmental agency personnel (e.g., United States Department of Agriculture, Food and Drug Administration and others)

**Performance Measures:**

- Timely response to emerging issues leading to successful outcomes
- Successful, timely Board elections and orientation
- Successful vote in industry referenda
- Grower seminars, workshops, annual meetings and field days on current issues of importance
- Industry communications via semi-monthly GreenSheet and quarterly From the Grove publications

**CAC Priority No. 3:**

***Support industry strategy through research and outreach***

**Rationale**

The long-term success of the California Avocado industry hinges on grower profitability. To ensure its viability, the industry needs to invest wisely in research and outreach activities that address the most pressing needs of growers. CAC has made substantial progress toward focusing the research effort, aligning it with the Commission's broader marketing strategies and improving communication with and between growers.

Continual improvement—in terms of productivity, quality and operating efficiency—is an imperative if the industry is to thrive. It also acknowledges that advances through research are of little value to the industry if they are not communicated to, and adopted by, growers. With limited resources, it's critical that research and outreach programs be industry-driven based on needs identified through the CAC strategic planning process. Objectives must be well-defined, scientists must be recruited and matched to specific industry challenges and all programs must operate with full accountability to justify the investment by California Avocado growers.

**Objectives:**

1. Enhance California Avocado grower productivity and success
2. Ensure consistently safe, high-quality production that supports CAC's market development efforts

**Strategies:**

- A. Design and implement a Production Research Program focused on practical solutions to grower-defined priorities
- B. Develop a research-based outreach and education program for California Avocado growers and other industry stakeholders

**Performance Measures:**

- Maintain average annual California production volume of 350 million pounds over 5 years
- California Avocado growers recognize CAC as a leader in grower education, communication and outreach

**CAC Priority No. 4:**

***Cultivate organizational excellence / Demonstrate effective use of resources***

**Rationale**

CAC can only assist the industry to realize its strategic intent if it has the support of its constituents. Grower perception of the value of CAC is directly related to leadership the organization provides, its stewardship of assessment funds collected and the efficacy of its efforts. Principles of transparency, accountability and integrity must guide every Commission action. CAC must monitor its performance and continuously challenge itself to deliver value for every assessment dollar spent. This is the heart of the Board-management partnership. In addition, maintaining a competent team of professionals also requires continual

recruitment of talent, with an emphasis on diversity and inclusiveness, investment in Board and employee development and creation of an organizational culture where openness, creativity and innovation are encouraged and rewarded.

**Objectives:**

1. Ensure that the Commission has the proper leadership, organizational structure and resources necessary to provide value to all assessment-paying growers
2. Maximize California Avocado grower return on investment while minimizing risk and maintaining proper stewardship of grower funds
3. Achieve continual improvement in the operation of the Commission and execution of its programs
4. Achieve financial sustainability

**Strategies:**

- A. Conduct outreach efforts that continually identify and recruit new Board members and provide for their proper orientation
- B. Recruit for diversity and inclusivity when seeking board members, staff and vendors
- C. Ensure that the assessment rate, revenue and expenditures are appropriate to meet the industry's needs and expectations
- C. Allocate financial resources against industry priorities
- D. Implement comprehensive risk management procedures
- E. Create staff development programs that enhance competencies, maintain productivity and improve effectiveness and job satisfaction
- F. Maintain a balanced budget

**Performance Measures:**

- Favorable, unmodified Independent Auditor's opinion on CAC's basic financial statements
- Favorable United States Department of Agriculture (USDA) and California Department of Food and Agriculture (CDFA) Fiscal and Compliance Audit
- Staff development as measured by annual performance reviews

- Annual orientation, training and evaluation programs that improve the effectiveness of the seated CAC Board of Directors and encourage recruitment of prospective members
- Diversity among the board, staff and vendors
- Positive evaluation of financial sustainability by California Avocado Commission Finance Committee
- Balanced budget confirmed by year-end financial statement

**PRIORITY 1:** Position California Avocados to be the most-valued and desired avocados among targeted audiences\*  
\*(targeted consumers, retailers, foodservice operators, wholesalers)

**Objective: Achieve a premium average price per pound that meets or exceeds the four-year historical F.O.B. price differential between California Avocados and imports**

**Objective: Maintain California Avocado awareness with our consumer targets**

**Objective: Increase perceived value and preference with our consumer targets**

**Objective: Build loyalty with existing and target new trade customers**

**STRATEGIES**

Optimize messaging, programs and support framework, maintaining relevance with targeted consumers' evolving needs

Consistently drive the brand essence and messaging hierarchy, differentiating California Avocados from other origins

**STRATEGIES**

Utilize strategic insights and criteria that determine trade customer targets and promotion investment allocations

Create collaborative trade programs that target the customers' avocado shoppers and patrons

Ensure the "California" in California Avocados is prominent in all trade customer marketing communications, including in store and on menu where allowed

Develop consumer and trade communications creating anticipation for the California Avocado season and ongoing demand throughout the season



# CONSUMER MARKETING

<b>PROGRAM: Consumer Marketing</b>	<b>ACTIVITIES: Consumer Research, Strategic Planning, Media, Creative, Website, Social Media, Email, Reporting, Program Administration</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Consumer Tracking Study &amp; Research</b> <ul style="list-style-type: none"> <li>• Manage tracking study process from proposal to final deliverable(s)</li> <li>• Support tracking study communications to CAC staff and stakeholders</li> <li>• Review HAB consumer research and share/incorporate insights relevant to CAC activities</li> </ul>	11/1/24	10/31/25	\$45,500	<ul style="list-style-type: none"> <li>• Tracking study needs analysis by 3/25</li> <li>• Tracking study project proposal by 5/25</li> <li>• Tracking study report by 10/31/25</li> <li>• Ongoing response to all tracking study support requests</li> </ul>
<b>Consumer Marketing Strategy Development and Annual Planning</b> <ul style="list-style-type: none"> <li>• Review research about avocado consumers and current target audience in key California Avocado markets and recommend most viable target(s)</li> <li>• Develop Key Performance Indicator targets</li> <li>• Facilitate 2025-26 annual planning</li> </ul>	11/1/24	10/31/25	\$120,000	<ul style="list-style-type: none"> <li>• Consumer research summary and target recommendation by 11/15/24 (pending 2024 Tracking Study Insights)</li> <li>• Final consumer target definition by 12/2/24</li> <li>• 2024-25 Plan KPI recommendations by 11/15/24</li> <li>• 2025-26 planning framework and timeline by 3/1/25</li> <li>• 2025-26 Performance Measures by 9/15/25</li> </ul>



<b>PROGRAM: Consumer Marketing</b>	<b>ACTIVITIES: Consumer Research, Strategic Planning, Media, Creative, Website, Social Media, Email, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Consumer Media Planning and Buying</b></p> <ul style="list-style-type: none"> <li>• Develop a comprehensive media plan (applicable to selected media channels, including digital and social) that               <ul style="list-style-type: none"> <li>○ supports brand messaging</li> <li>○ reaches the consumer target</li> <li>○ supports target retail and foodservice account-specific initiatives</li> <li>○ activates consumers seeking avocados at or around retailers who merchandise California Avocados</li> </ul> </li> <li>• Optimize media plan as needed during California Avocado season</li> <li>• Identify and support market development geographies in concert with CAC staff and Retail Marketing Directors</li> </ul>	11/1/24	10/31/25	\$1,755,000	<ul style="list-style-type: none"> <li>• 2024-25 media plan recommendation by 11/15/24</li> <li>• Revised media plan recommendation (if applicable), within two weeks of initial recommendation)</li> <li>• Negotiated plan recap and media plan schedules by 1/17/25</li> <li>• Media purchasing and implementation per approved plan</li> <li>• Media plan optimizations based on analysis of results</li> <li>• 2025-26 media preliminary plan presentation by 10/31/25</li> </ul>

<b>PROGRAM: Consumer Marketing</b>	<b>ACTIVITIES: Consumer Research, Strategic Planning, Media, Creative, Website, Social Media, Email, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Consumer Creative Strategy, Content &amp; Production</b></p> <ul style="list-style-type: none"> <li>• Evolve 2023-24 consumer advertising campaign creative in ways that continue to drive the California Avocado brand essence and messaging hierarchy, differentiating California Avocados from other origins for use in 2024-25</li> <li>• Manage efficient, innovative asset production for paid and owned media that highlights agreed-upon messaging pillars</li> <li>• Facilitate alignment across agencies in targeted approach and execution</li> <li>• Develop creative that champions diversity, equity and inclusion for strategic seasonal program promotions</li> <li>• Provide images, scripts and other assets that support handler, retail and foodservice customer presentations and stakeholder communications</li> </ul>	11/1/24	10/31/25	\$511,600	<ul style="list-style-type: none"> <li>• 2024-25 initial creative campaign evolution concepts by 12/2/24</li> <li>• Production of 1-2 video/photoshoots (themes TBD by campaign evolution)</li> <li>• Management of one social video studio shoot (10 vertical videos)</li> <li>• Campaign brand guidelines and assets that support approved media plan by 1/17/25 and as needed based on launch date</li> <li>• Final campaign deliverables and number of assets to be determined by approved media plan and approved additional creative opportunities</li> <li>• Delivery of campaign assets in a timely manner as requested by CAC</li> <li>• 2025-26 preliminary creative campaign evolution concepts presented by 10/31/25</li> </ul>

<b>PROGRAM: Consumer Marketing</b>	<b>ACTIVITIES: Consumer Research, Strategic Planning, Media, Creative, Website, Social Media, Email, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Consumer Website Strategy, Content &amp; Management</b></p> <ul style="list-style-type: none"> <li>• Perform comprehensive Search Engine Optimization audit and content update</li> <li>• Leverage audit learnings and align key content with agreed-upon messaging pillars</li> <li>• Conceptualize and develop content for website</li> <li>• Perform ongoing overall site maintenance for <a href="https://CaliforniaAvocado.com">https://CaliforniaAvocado.com</a> <ul style="list-style-type: none"> <li>○ Support ongoing business needs with frontend and backend development</li> <li>○ Support Content Management System improvements, as needed</li> </ul> </li> <li>• Ensure the site continues to be compliant with Americans with Disabilities Act, resolve blocker and critical issues</li> <li>• Manage all third-party hosting and software services</li> </ul>	11/1/24	10/31/25	\$83,600	<ul style="list-style-type: none"> <li>• SEO audit by 12/31/24 and ongoing execution/fixes</li> <li>• 2024-25 integrated all-channel content calendar by 11/15/24</li> <li>• Creative development and campaign integration into website content by 4/1/25</li> <li>• Ongoing content updates and organization</li> <li>• Ongoing website updates, as requested</li> <li>• Monthly (2x) maintenance and updates</li> <li>• Management of third-party hosting and software services</li> <li>• 2025-26 preliminary integrated all-channel content calendar started by 10/31/25</li> </ul>

<b>PROGRAM: Consumer Marketing</b>	<b>ACTIVITIES: Consumer Research, Strategic Planning, Media, Creative, Website, Social Media, Email, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Consumer Social Media Strategy, Content &amp; Management</b></p> <ul style="list-style-type: none"> <li>• Develop and implement strategies for organic and paid social</li> <li>• Manage all social channels and tools</li> <li>• Integrate with all programs and channels (email, website, influencer, PR, media)</li> <li>• Develop, curate and produce content for social media channels (Facebook, Instagram, Pinterest, TikTok, Stories)</li> <li>• Create and continually optimize social media community management response matrix</li> <li>• Proactively engage targeted social media users and perform day-to-day community management Reactively engage with comments, questions, DMs and tags via Sprout inbox</li> <li>• Comment filtering including deleting Spam, hateful or otherwise negative sentiments</li> <li>• Set up listening, monitor social conversations and trend opportunities for engagement, User Generated Content and topic mining</li> <li>• Implement social media advertising plan</li> </ul>	11/1/24	10/31/25	\$375,500	<ul style="list-style-type: none"> <li>• 2024-25 social content and advertising plan by 11/15/24</li> <li>• Monthly editorial calendars and asset development and publishing to channels</li> <li>• Ad plan management and execution</li> <li>• Targeting and list management</li> <li>• Proactive community management (3x/week during peak season, 1x/week pre and post)</li> <li>• Reactive community management (5x/week during peak season, 2/week pre and post)</li> <li>• Social media community management response matrix by 11/15/24; continued updates throughout 2024-25</li> <li>• Ongoing social media listening and social channel management through third-party tools and software services</li> <li>• 2025-26 social content and advertising presentation by 10/31/25</li> </ul>

<b>PROGRAM: Consumer Marketing</b>	<b>ACTIVITIES: Consumer Research, Strategic Planning, Media, Creative, Website, Social Media, Email, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Consumer Email Marketing</b></p> <ul style="list-style-type: none"> <li>• Develop and implement consumer email marketing strategies that integrate into overall social media content calendar</li> <li>• Create and distribute newsletter content</li> <li>• Manage audience lists</li> <li>• Audit content and lists; execute optimizations</li> <li>• Develop and implement strategies for leveraging email list in other digital marketing initiatives based on location, open rates, etc.</li> </ul>	11/1/24	10/31/25	\$77,500	<ul style="list-style-type: none"> <li>• 2024-25 email plan by 11/15/24</li> <li>• Content audit and optimization recommendations by 12/31/24</li> <li>• Welcome Email optimizations + Welcome Series build out by 1/31/25</li> <li>• Ongoing A/B testing of content and creative</li> <li>• Segmentation strategy and execution                             <ul style="list-style-type: none"> <li>○ List segmentation and tagging by 1/31/25</li> <li>○ Progressive profiling (ongoing)</li> <li>○ Dynamic zip-code targeting (ongoing)</li> </ul> </li> <li>• Enewsletter development and distribution (12 issues)</li> <li>• Management of third-party tools and software services (MailChimp) for email marketing activities</li> <li>• 2025-26 email preliminary plan presentation by 10/31/25</li> </ul>

<b>PROGRAM: Consumer Marketing</b>	<b>ACTIVITIES: Consumer Research, Strategic Planning, Media, Creative, Website, Social Media, Email, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Consumer Program Reporting</b> <ul style="list-style-type: none"> <li>• Provide performance analysis for media, website, email and social media via digital dashboard</li> <li>• Implement approved optimization recommendations</li> <li>• Provide campaign dashboard reports summarizing campaign’s performance; provide insight and direction for 2025-26</li> </ul>	11/1/24	12/12/25	\$70,000	<ul style="list-style-type: none"> <li>• Campaign performance reporting and recommendations via digital dashboard (Monthly May-August; Quarterly Nov-Apr)</li> <li>• Campaign Mid- and Wrap-up Report via PPT Dashboard (final report due six weeks after campaign conclusion, estimated 10/24/25)</li> <li>• Meeting decks and reporting, as requested</li> </ul>
<b>Account Administration</b> <ul style="list-style-type: none"> <li>• Provide ongoing strategic direction and consultation</li> <li>• Coordinate and project manage day-to-day operations of account</li> <li>• Provide leadership across key brand and creative initiatives</li> <li>• Contribute outlines and content for From the Grove and the GreenSheet articles</li> </ul>	11/1/24	10/31/25	\$90,000	<ul style="list-style-type: none"> <li>• Ongoing administrative activities, including team and client meetings</li> <li>• Contributions to GreenSheet via outlines and From the Grove via outlines/articles</li> <li>• Attendance and presentation at Board, Marketing Committee and Handler meetings, as directed by CAC</li> <li>• Monthly budget tracking report with monthly invoice</li> </ul>
<b>CONSUMER MARKETING: CONSUMER RESEARCH, STRATEGIC PLANNING, MEDIA, CREATIVE, WEBSITE, SOCIAL MEDIA, EMAIL, PROGRAM ADMINISTRATION, REPORTING: CURIOUS PLOT SUBTOTAL:</b>			<b>\$3,128,700</b>	

<b>PROGRAM: Consumer Marketing – Public Relations</b>	<b>ACTIVITIES: Media Relations, Trade Support, Spokesperson Networks, Media Tour, Consumer Influencers</b>	<b>AGENCY: Curious Plot</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<p><b>Media Outreach</b></p> <ul style="list-style-type: none"> <li>• Support California Avocado Commission public relations plan development and execution</li> <li>• Begin outreach to target media as early as possible to inform them on the season’s timing</li> <li>• Develop targeted story angles and proactively pitch target media and disseminate key messages</li> <li>• Respond to media requests/inquiries and vet opportunities accordingly</li> <li>• Secure media coverage around California Avocados in broadcast, print, qualified blogs and online outlets that reach target consumers and activate them to seek California Avocados at time of purchase</li> <li>• Support select media opportunities with onsite staff</li> <li>• Maintain trade media contact list for CAC</li> </ul>	11/1/24	10/31/25	\$55,000	<ul style="list-style-type: none"> <li>• 2024-25 media relations outreach plan, including KPI recommendations, by 11/15/24</li> <li>• On going targeted pitches and press releases around key season milestones</li> <li>• Consistent media coverage around California Avocados</li> <li>• Staff up to 3 media opportunities throughout season</li> <li>• Ongoing media list management and optimization (dailies, TV, radio, lifestyle outlets, food-centric outlets, trade contacts)</li> <li>• 2025-26 media relations preliminary plan presentation by 10/31/25</li> </ul>
<p><b>Media Monitoring (Trade and Consumer)</b></p> <ul style="list-style-type: none"> <li>• Monitor and track media coverage for consumer and trade media</li> <li>• Manage Cision or other media monitoring service</li> </ul>	11/1/24	10/31/25	\$37,500	<ul style="list-style-type: none"> <li>• Monthly coverage reports (in-season)</li> <li>• Quarterly coverage reports (pre/post)</li> <li>• Management and optimization of Media Monitoring Service (Cision)</li> </ul>

<b>PROGRAM: Consumer Marketing – Public Relations</b>	<b>ACTIVITIES: Media Relations, Trade Support, Spokesperson Networks, Media Tour, Consumer Influencers (cont.)</b>	<b>AGENCY: Curious Plot</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Media Toolkit</b> <ul style="list-style-type: none"> <li>Develop core California Avocado messaging guidelines</li> <li>Convert into messaging toolkit for grower spokespeople, influencers, media, etc.</li> </ul>	11/1/24	1/31/25	\$5,000	<ul style="list-style-type: none"> <li>Core California Avocado messaging guidelines by 12/13/24</li> <li>Branded media/messaging toolkit by 1/31/25</li> </ul>
<b>Grower Spokesperson Network</b> <ul style="list-style-type: none"> <li>Secure a network of 2-4 “on call” CA grower media spokespeople, who can be used for phone interviews, quotes in releases, TV segments, etc.</li> <li>Conduct a mini-media training session for these spokespeople ahead of the season, along with individual briefing calls ahead of each interview opportunity</li> </ul>	11/1/24	8/31/25	\$6,000	<ul style="list-style-type: none"> <li>2-4 key grower contacts secured as annual spokespeople by 12/13/24 date</li> <li>Mini media training session via video or phone calls with each contact by 1/31/25 date</li> <li>Ongoing pre-media opportunity briefings in advance of each spokesperson activity</li> </ul>
<b>Local Market Spokesperson Program</b> <ul style="list-style-type: none"> <li>Secure and leverage 3-5 local market spokespeople for PR opportunities (chefs, local food personalities, retailer RDs and growers)</li> <li>Conduct messaging trainings for spokespeople ahead of each media opportunity</li> <li>Throughout pre- and in-season, work with local spokespeople for myriad of media opportunities</li> </ul>	11/1/24	8/31/25	\$15,000	<ul style="list-style-type: none"> <li>3-5 local market contacts secured by 12/13/25</li> <li>Mini message training sessions via video or phone calls with each contact ahead of each of their media opportunities by 1/31/25</li> </ul>
<b>MAT Release</b> Develop/distribute eating in season-themed MAT release at beginning of season in key Western region markets and potential outer markets	3/1/25	5/1/25	\$8,500	MAT release development and management (themed: eating in season) 3/7/25 for deployment 4/1/25



<b>PROGRAM: Consumer Marketing – Public Relations</b>	<b>ACTIVITIES: Media Relations, Trade Support, Spokesperson Networks, Media Tour, Consumer Influencers (cont.)</b>	<b>AGENCY: Curious Plot</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>California Avocado Grove Tour</b> <ul style="list-style-type: none"> <li>Develop plan for and manage all logistics of grove tour to be attended by consumer and trade media, foodservice and retail partners, where attendees learn about the competitive advantages of California Avocado</li> <li>Lead and coordinate logistics with all agencies who will be inviting attendees to the tour</li> <li>Develop all messaging/scripts, creative materials and attendee communications</li> <li>Pitch/secure/coordinate logistics for consumer media/influencer attendees</li> </ul>	11/1/24	8/31/25	\$100,000	<ul style="list-style-type: none"> <li>Overall 2024-25 grove tour plan by 11/15/24, and location(s) determined by 12/13/24</li> <li>Tour logistical development and management</li> <li>Tour overview and strategic integration opportunity for all agencies inviting attendees</li> <li>Core messaging and scripts for all presenters</li> <li>Creative materials and attendee communication templates</li> <li>8-10 consumer media secured for attendance</li> <li>Wrap report of activation</li> <li>2025-26 grove tour preliminary plan presentation by 10/31/25</li> </ul>
<b>Influencer Partnerships</b> <ul style="list-style-type: none"> <li>Develop the 2025 California Avocado Season influencer strategy and talent roster</li> <li>Secure California influencers whose communications celebrate and continue the momentum of the California Avocado season</li> <li>Handle outreach, negotiations, contracting and payment Coordinate a meeting with CAC and all talent to review the campaign brief, content expectations and timing</li> <li>Campaign execution to be handled by CAC</li> </ul>	11/1/24	8/31/25	\$141,000	<ul style="list-style-type: none"> <li>Influencer strategy and talent roster by 12/31/24</li> <li>5-10 contracted influencers secured by 2/14/25</li> </ul>
<b>CONSUMER MARKETING – PUBLIC RELATIONS: MEDIA RELATIONS, TRADE SUPPORT, SPOKESPERSON NETWORKS, MEDIA TOUR, CONSUMER INFLUENCERS: CURIOUS PLOT SUBTOTAL:</b>			<b>\$368,000</b>	

<b>PROGRAM: Consumer Marketing – Retail Support Programs</b>	<b>ACTIVITIES: Strategic Planning, Media, Creative, Social Media, Influencer, Regional Activations, Reporting, Program Administration</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Retail Support Marketing Strategy Development and Annual Planning</b> <ul style="list-style-type: none"> <li>• Support and drive retail program activities tied to retailer or retail purchase</li> <li>• Review and manage retail shopper target audiences specific to retail partners</li> <li>• Develop Key Performance Indicator targets</li> <li>• Contribute to 2025-26 annual planning</li> </ul>	11/1/24	10/31/25	\$55,000	<ul style="list-style-type: none"> <li>• Streamlined process/plan for retailer information intake, review and activations (working file) by 1/17/25</li> <li>• 2024-25 retail support KPI recommendations by 11/15/24</li> </ul>
<b>Retail Support Media Planning and Buying</b> <ul style="list-style-type: none"> <li>• Develop a comprehensive retail shopper media plan (applicable to selected media channels, including digital and social) that               <ul style="list-style-type: none"> <li>○ supports brand messaging</li> <li>○ reaches the consumer target</li> <li>○ supports target retail account-specific initiatives</li> <li>○ activates consumers seeking avocados at or around retailers who merchandise California Avocados</li> </ul> </li> <li>• Optimize media plan as needed during California Avocado season</li> </ul>	11/1/24	10/31/25	\$370,000	<ul style="list-style-type: none"> <li>• 2024-25 retail support media plan recommendation by 11/15/24</li> <li>• Revised media plan recommendation (if applicable), within two weeks of initial recommendation)</li> <li>• Negotiated plan recap and media plan schedules by 1/17/25</li> <li>• Media purchasing and implementation per approved plan</li> <li>• Media plans and optimizations based on ongoing results</li> <li>• 2025-26 retail support social advertising plan presentation by 10/31/25</li> </ul>

<b>PROGRAM: Consumer Marketing – Retail Support Programs</b>	<b>ACTIVITIES: Strategic Planning, Media, Creative, Social Media, Influencer, Regional Activations, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Retail Support Creative and Production</b> <ul style="list-style-type: none"> <li>• Support CAC, RMDs and PJ/PR with creative content design and production</li> <li>• Point-of-sale material design, copywriting, and production</li> <li>• Digital ads and ecommerce creative support</li> <li>• Conduct small-scale grower shoot (1-2 staff) capturing vertical phone videos for retailers to use on channels</li> </ul>	11/1/24	10/31/25	\$70,000	<ul style="list-style-type: none"> <li>• Ongoing development of retail support assets (20-25 total), as determined in partnership with CAC staff, RMDs, PJ/PR (POS, in-store signage, digital banners, social posts)</li> <li>• Production of 1 small-scale grower shoot (up to 10 vertical grower videos) by 3/14/25; videos delivered by 4/1/25</li> <li>• Creative production/printing as needed</li> </ul>
<b>Retail Support Social Media</b> <ul style="list-style-type: none"> <li>• Develop and implement social strategies and ad plan that promotes California Avocados at retail partner locations</li> <li>• Develop and produce retail-tagged content for social media channels (Facebook, Instagram)</li> <li>• Monitor and report on progress</li> </ul>	11/1/24	10/31/25	\$181,900	<ul style="list-style-type: none"> <li>• 2024-25 retail support social advertising plan by 11/15/24</li> <li>• Ongoing retailer targeting list management</li> <li>• Ongoing co-branded retail content development and management</li> <li>• 2025-26 retail support social advertising plan started by 9/25/25</li> </ul>

<b>PROGRAM: Consumer Marketing – Retail Support Programs</b>	<b>ACTIVITIES: Strategic Planning, Media, Creative, Social Media, Influencer, Regional Activations, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Retail Support Influencer Content</b></p> <ul style="list-style-type: none"> <li>• Develop and manage “Come Shop with Me” Influencer Program                             <ul style="list-style-type: none"> <li>○ Partner with one content creator in each of five identified markets to develop content supporting a market-specific retail partner’s California Avocado availability in their stores</li> <li>○ Each influencer is specific to one retailer (no crossover)</li> <li>○ Identification, content development, contracting, and payments</li> </ul> </li> <li>• Develop retail influencer owned content partnership plan                             <ul style="list-style-type: none"> <li>○ Outreach, negotiations, contracting and payment Coordinate a meeting with CAC + all talent to review the campaign brief, content expectations and timing</li> <li>○ Campaign execution to be handled by CAC</li> </ul> </li> <li>• Photo Shoots and Editing                             <ul style="list-style-type: none"> <li>○ Source, modify or develop recipe photos that support and encourage in-season California Avocado retail initiatives</li> </ul> </li> </ul>	<p>11/1/24</p>	<p>10/31/25</p>	<p>\$184,000</p>	<ul style="list-style-type: none"> <li>• “Come Shop with Me” influencer strategy and talent roster by 12/31/24</li> <li>• Secure 5 influencers to execute “Come Shop with Me” content by 2/14/25</li> <li>• Secure 2-3 California influencers to provide content to retailers by 2/14/25</li> <li>• Contracts and payment as needed</li> <li>• 3 full-day studio shoots of 7 recipes each, or equivalent</li> </ul>

<b>PROGRAM: Consumer Marketing – Retail Support Programs</b>	<b>ACTIVITIES: Strategic Planning, Media, Creative, Social Media, Influencer, Regional Activations, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Regional Retail Activations</b></p> <ul style="list-style-type: none"> <li>• Develop and execute custom retailer in-store campaign activities</li> <li>• Create supporting materials (handouts, giveaways)</li> </ul>	11/1/24	10/31/25	\$190,000	<ul style="list-style-type: none"> <li>• Planning and logistical management of 2 Regional Retail Activation Events, including:               <ul style="list-style-type: none"> <li>○ 2024-25 plan complete by 11/15/24</li> <li>○ Retail partners secured by 12/13/24</li> <li>○ Final plan with retailers complete by 1/17/25</li> <li>○ Retail partner coordination and site visits</li> <li>○ Messaging/scripting for presenters and briefing books</li> <li>○ Creative materials and attendee communications</li> </ul> </li> <li>• 8-15 influencers secured per event</li> <li>• Wrap reports for each activation</li> <li>• 2025-26 regional retail activations preliminary plan presentation by 10/31/25</li> </ul>

<b>PROGRAM: Consumer Marketing – Retail Support Programs</b>	<b>ACTIVITIES: Strategic Planning, Media, Creative, Social Media, Influencer, Regional Activations, Reporting, Program Administration (cont.)</b>	<b>AGENCY: Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Retail Support Program Reporting</b> <ul style="list-style-type: none"> <li>• Provide monthly performance analysis for retail-supporting programs (media and social Media) via digital dashboard</li> <li>• Implement approved optimization recommendations</li> <li>• Provide campaign dashboard reports summarizing campaign’s performance; provide insight and direction for 2025-26</li> </ul>	11/1/24	10/31/25	\$20,000	<ul style="list-style-type: none"> <li>• Campaign performance reporting and recommendations via digital dashboard (Monthly May-August; Quarterly Nov-Apr)</li> <li>• Campaign Mid- and Wrap-up Report via PPT Dashboard (final report due six weeks after campaign conclusion, estimated 10/24/25)</li> <li>• Meeting decks and reporting, as requested</li> </ul>
<b>Retail Support Account Administration</b> <ul style="list-style-type: none"> <li>• Provide ongoing strategic direction and consultation</li> <li>• Coordinate and project manage day-to-day operations of account</li> <li>• Provide leadership across key brand and creative initiatives</li> </ul>	11/1/24	10/31/25	\$30,000	<ul style="list-style-type: none"> <li>• Ongoing administrative activities, including team and client meetings</li> <li>• Contributions to GreenSheet outlines and From the Grove outlines/articles</li> <li>• Attendance and presentation at Board, Marketing Committee and Handler meetings, as directed by CAC</li> <li>• Monthly budget tracking report with monthly invoice</li> </ul>
<b>CONSUMER MARKETING – RETAIL SUPPORT: STRATEGIC PLANNING, MEDIA, CREATIVE, SOCIAL MEDIA, INFLUENCER, REGIONAL ACTIVATIONS, REPORTING, PROGRAM ADMINISTRATION: CURIOUS PLOT SUBTOTAL:</b>			<b>\$1,100,900</b>	

<b>2024-25 TOTAL CONSUMER MARKETING BUDGET: \$4,597,600</b>
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# TRADE MARKETING – RETAIL

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Trade Relations - Trade Advertising and Production</b>	<b>AGENCY: Fusion</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Retail Trade Advertising Media Purchases</b> Develop and manage California Avocado retail trade advertising media plan: <ul style="list-style-type: none"> <li>• Emphasis on digital ads with limited print support</li> <li>• Create a media plan/calendar focused on early season start</li> <li>• Target retail management and produce buyers</li> </ul>	11/1/24	10/31/25	\$140,000	<ul style="list-style-type: none"> <li>• Campaign media plan by 1/15/25</li> <li>• One pre-season introductory ad to run on or around 3/1/25 or earlier based on the season</li> <li>• Management of media plan, execution, insertion orders, ad placement in key positions with approved publications</li> <li>• All billings and payments managed and processed in a timely manner and in accordance with CAC policy</li> <li>• Monthly metric reports</li> </ul>
<b>Retail Trade Advertising Production</b> Develop retail trade advertising campaign: <ul style="list-style-type: none"> <li>• Design season-launch print ad</li> <li>• Incorporate California Avocado retail programs, information, benefits, messaging, and brand identification</li> <li>• Ensure that all retail trade ads direct reader to the CAC retail webpage</li> </ul>	11/1/24	10/31/25	\$29,600	<ul style="list-style-type: none"> <li>• Creative brief sent for CAC approval by 11/15/24</li> <li>• 1 pre-season print ad</li> <li>• 1 full-page print ad                             <ul style="list-style-type: none"> <li>○ Resized ad for print publications</li> </ul> </li> <li>• 1 digital leaderboard ad                             <ul style="list-style-type: none"> <li>○ Resized for digital ad responsiveness on multiple trade platforms</li> </ul> </li> </ul>
<b>TRADE MARKETING - RETAIL: TRADE – ADVERTISING AND PRODUCTION (FUSION) SUBTOTAL:</b>			<b>\$169,600</b>	



<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Trade Relations - Trade Press Events; Trade Association Dues; Trade Events; and International Fresh Produce Association</b>	<b>AGENCY: Retail Program Support</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Trade Press Events</b> <ul style="list-style-type: none"> <li>• Secure trade media participation in integrated grove tour event, host attendee subgroup and communicate key messages</li> <li>• Plan and conduct in-person trade media meetings in their markets, encourage coverage of California Avocado season and key brand messaging</li> </ul>	11/1/24	10/31/25	\$10,000	Trade media participation and logistics arranged per approved project brief
<b>Trade Associations</b> Continue membership in national and regional trade associations that provide access to targeted retailers and provide opportunities for trade communications, creating anticipation and demand for California Avocados	1/1/25	10/31/25	\$13,890	Payment of dues to the Fresh Produce & Floral Council and the International Fresh Produce Association
<b>Trade Events</b> <ul style="list-style-type: none"> <li>• Sponsor events with high-retail participation from CAC's targeted accounts</li> <li>• Focus on attending key regional trade events leading up to and during the season with good retail participation from CAC's targeted accounts</li> <li>• Network with targeted retailers while exploring opportunities for new customers</li> <li>• Promote exclusive seasonal availability and stimulate readiness for the California Avocado season</li> <li>• Network with targeted retailers and convey the business benefits of carrying and promoting California Avocados in season</li> </ul>	11/1/24	10/31/25	\$4,760	<ul style="list-style-type: none"> <li>• Targeted events and attendance at the FPFC Luncheons and Expo, along with other opportunities as needed</li> <li>• Presentation(s) with images and campaign graphics that communicate crop information and appropriate key California Avocado messaging for the event/timing</li> </ul>

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Trade Relations - Trade Press Events; Trade Association Dues; Trade Events; and International Fresh Produce Association (cont.)</b>	<b>AGENCY: Retail Program Support</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>International Fresh Produce Association</b> <ul style="list-style-type: none"> <li>• Exhibit at and participate in the IFPA annual Global Produce &amp; Floral Show in Anaheim, CA</li> <li>• Connect with key retail audience and communicate California Avocado key messages to target audiences</li> <li>• Connect with trade media, avocado industry stakeholders and the produce industry</li> <li>• Rent booth and execute booth program</li> <li>• Manage CAC's participation in the IFPA Global Produce &amp; Floral Show</li> </ul>	11/1/24	10/31/25	\$77,000	<ul style="list-style-type: none"> <li>• Exhibitor registration and booth space reservation for IFPA Global Produce &amp; Floral Show, October 16-18, 2025 in Anaheim, California by 11/30/24</li> <li>• CAC GP&amp;FS strategic plan with management approval by 6/15/25</li> <li>• Achievement of objectives set in the approved show plan</li> <li>• 10'x30' booth rental for use at show and preview fully set up booth by 10/2/25</li> <li>• Participation in the IFPA GP&amp;FS</li> <li>• Exhibitor deposit for the 2026 IFPA GP&amp;FS paid by 10/31/25</li> </ul>
<b>TRADE MARKETING - RETAIL: TRADE RELATIONS - TRADE ASSOCIATION DUES, EVENTS AND GLOBAL PRODUCE &amp; FLORAL SHOW (RETAIL PROGRAM SUPPORT) SUBTOTAL:</b>			<b>\$106,500</b>	

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Trade Relations - Retail Communications</b>	<b>AGENCY: PJ/PR</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Key Account Marketing Communications</b>                      In collaboration with retailer marketing/digital media, CAC Retail Marketing Directors and staff, plan, develop and implement customized content programs with retailers that commit to displaying and promoting California Avocados</p> <ul style="list-style-type: none"> <li>• Participate in retail expansion planning identifying targeted accounts and resource deployment</li> <li>• Advise on and inform CAC content development</li> <li>• Develop “Welcome to California Avocado Season” kit for key accounts; work with CAC to fulfill</li> <li>• Create a customizable California Avocados branded presentation highlighting the benefits and resources available to retailers committed to displaying and promoting California Avocados throughout the season</li> <li>• Secure, schedule and lead meetings with retail marketing/social media teams and CAC</li> <li>• Present California Avocado Customized Retail Resource deck</li> <li>• Secure approval from retailers on complimentary social media and digital advertising</li> <li>• Develop custom social and traditional content programs with California Avocados specific messaging and brand identification that support RMDs’ promotions for retailers’ platforms</li> <li>• Support targeted retailer initiatives with California Avocados branded assets and content</li> <li>• Develop and execute activations through ongoing outreach and collaboration with key accounts</li> <li>• Support hyper-local retail events with social media content</li> <li>• Coordinate and manage day-to-day operations of program</li> <li>• Monitor, track and support optimization of activations, assets, boosting and retail promotions grids</li> <li>• Compile end of season retailer activation recap with analytics for CAC</li> </ul>	11/1/24	10/31/25	\$284,600	<ul style="list-style-type: none"> <li>• Up to 16 welcome kits</li> <li>• Outline, copy and images for up to 8 pages of a customizable template presentation by 1/31/25</li> <li>• Up to 16 California Avocado Customized Retail Resource decks by 5/30/25</li> <li>• Marketing/social media promotion with up to 16 key accounts by 7/31/25</li> <li>• Social content copy and asset recommendations for up to 4 themed promotional timeframes per retailer to run on retailer-owned social channels by 8/29/25</li> <li>• Up to 54 activations for retailer-owned social channels by 9/10/25</li> <li>• Weekly update of internal tracking documents, including Retail Social Media Boosting Tracker, CAC Retail Video Allocations Tracker, CAC Retail Promotion Tracking Grid</li> <li>• Individual retailer activation posts and links delivered upon publishing</li> <li>• Individual retailer activations recap and metrics within one month of completion or as provided by retailer</li> <li>• End of season retailer activation recaps compilation to include up to 16 retailers by 10/31/25</li> </ul>

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Trade Relations - Retail Communications</b>	<b>AGENCY: PJ/PR</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Key Account Marketing Communications -- 1:1 Connections</b> <ul style="list-style-type: none"> <li>Secure and attend meetings with contacts at new and returning key accounts</li> <li>Present California Avocado Customized Retail Resource deck</li> <li>Ideate customized marketing opportunities based on retailers' and CAC's initiatives</li> </ul>	11/1/24	6/15/25	\$12,400	<ul style="list-style-type: none"> <li>Up to 3 in-person meetings</li> <li>Retail call reports summarizing meetings with targeted retailers within 5 days of the meeting</li> </ul>
<b>California Avocado Grove Tour</b> <ul style="list-style-type: none"> <li>Co-coordinate and co-host a one-night, one day grove tour with CAC and other agencies</li> <li>Identify and secure key attendees (Marketing, Retail RDs, Cooking School Directors)</li> <li>Coordinate all travel for retail guests</li> <li>Promote the competitive advantages, "how to's" and versatility of California Avocados</li> <li>Encourage post-grove tour branded placements and/or events from attendees</li> </ul>	11/1/24	8/31/25	\$30,000	<ul style="list-style-type: none"> <li>Up to 4 retailers in attendance</li> <li>Up to 4 California Avocados branded placements or events in retailer consumer communication</li> </ul>
<b>TRADE MARKETING - RETAIL: TRADE RELATIONS – RETAIL COMMUNICATIONS (PJ/PR) SUBTOTAL:</b>			<b>\$327,000</b>	

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Trade Relations - Retail Communications; Program Administration, Tracking, Reporting and Strategic Planning</b>	<b>AGENCY: PJ/PR</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Program Administration, Tracking, Reporting and Strategic Planning</b></p> <ul style="list-style-type: none"> <li>• Provide planning, support, consultation and administration of the program</li> <li>• Contribute to CAC stakeholder communications, The GreenSheet and From the Grove</li> <li>• Attend meetings, as directed by CAC</li> <li>• Develop/present program updates at Board, Marketing Committee and handler meetings</li> <li>• Contribute to the 2025-26 planning process as determined by CAC                             <ul style="list-style-type: none"> <li>○ Perform research on consumer and industry trends that will help inform future programs</li> <li>○ Provide input on business plan elements along with program development and integration for 2025-26</li> </ul> </li> <li>• Ideate and develop 2025-26 Plan</li> </ul>	11/1/24	10/31/25	\$30,000	<ul style="list-style-type: none"> <li>• Reconciled budget within 3 days of receipt from accounting firm</li> <li>• Monthly reporting and invoicing within 5 business days after end of month</li> <li>• Articles and images for up to 3 editions of The GreenSheet and/or From the Grove</li> <li>• Up to 6 brief contributions to a GreenSheet Marketing Digest</li> <li>• Attendance and presentations at meetings, as directed by CAC</li> <li>• Content for Board, Marketing Committee, grower or handler presentations, and Dashboard updates as directed by CAC</li> <li>• Content for CAC trade media, as requested</li> <li>• Active participation in 2025-26 planning process</li> <li>• 2025-26 plan delivered by a date determined by CAC</li> </ul>
<p><b>TRADE MARKETING - RETAIL: TRADE RELATIONS - RETAIL COMMUNICATIONS: PROGRAM ADMINISTRATION, TRACKING, REPORTING AND STRATEGIC PLANNING (PJ/PR) SUBTOTAL:</b></p>			<p><b>\$30,000</b></p>	

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Trade Relations - Key Account Coverage</b>	<b>AGENCY: Retail Marketing Directors</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Contracted Key Account support in the West</b></p> <ul style="list-style-type: none"> <li>• Conduct meetings with CAC’s tiered-account retailers who are willing to pay a premium for California Avocados in California, Arizona, Oregon, Washington, Colorado and Utah communicating the business benefits of carrying and promoting California Avocados in season</li> <li>• Set up promotions with targeted retailers</li> </ul>	11/1/24	10/31/25	\$168,000	<ul style="list-style-type: none"> <li>• Customer meetings and calls that create anticipation and readiness for Fresh California Avocado season and communicate their superiority and premium quality</li> <li>• Customized marketing opportunities and promotions with retailers who are demonstrating a willingness to pay a premium for California Avocados</li> <li>• Promotions that incentivize targeted accounts to feature California Avocados and encourage targeted consumers (including the younger age range) to seek out and purchase them in season</li> </ul>
<p><b>Contracted Key Account support for Corporate and the Midwest Territory</b></p> <ul style="list-style-type: none"> <li>• Conduct meetings with CAC’s tiered-account retailers who are willing to pay a premium for California Avocados in the Midwest, communicating the business benefits of carrying and promoting California Avocados in season</li> <li>• Set up promotions with targeted retailers</li> </ul>	11/1/24	10/31/25	\$115,000	<ul style="list-style-type: none"> <li>• Retail call reports summarizing meetings with targeted retailers within 5 days of the meeting</li> <li>• Meetings with handlers confirming promotions and timing with key accounts prior to sending promotion agreements</li> <li>• Promotion Agreements securing handler and retailer commitments for CAC promotions featuring customized California Avocado marketing support at least 3 weeks before promotion</li> </ul>

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Trade Relations - Key Account Coverage (cont.)</b>	<b>AGENCY: Retail Marketing Directors</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Retail Meetings and Follow-Up</b> <ul style="list-style-type: none"> <li>Travel for in-person meetings with all Tier 1 retail produce executives and follow-up meetings for promotion execution</li> <li>Meet with retail marketing departments on shopper marketing and CAC retail advertising campaigns</li> <li>Travel and attendance at regional trade shows and Global Produce Show in line with CAC plan</li> </ul>	11/1/24	10/31/25	(cont.)	<ul style="list-style-type: none"> <li>In-person meetings with all Tier 1 retail produce executives and follow-up meetings for promotion execution</li> <li>Retail marketing department meetings on shopper marketing and CAC retail social media and advertising campaigns</li> <li>Participation at regional trade shows and the International Fresh Produce Association Global Produce &amp; Floral Show</li> <li>Target 55 retail customer meetings</li> <li>Target 24 retail marketing meetings</li> <li>Attend 5 produce industry trade shows</li> </ul>
<b>Planning and Reporting</b> <ul style="list-style-type: none"> <li>Provide input on business plan elements, along with program development and integration for 2025-26</li> <li>Report on retail activities and results</li> </ul>	11/1/24	10/31/25		<ul style="list-style-type: none"> <li>Program activities and results for Board and Marketing Committee meeting presentations and Dashboard updates, as directed by CAC</li> <li>Contributions to GreenSheet and From the Grove</li> </ul>
<b>TRADE MARKETING - RETAIL: KEY ACCOUNT COVERAGE RMD SUBTOTAL:</b>			<b>\$283,000</b>	

**2024-25 TRADE MARKETING – RETAIL TRADE RELATIONS SUBTOTAL: \$915,250**

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Retail Promotions</b>	<b>AGENCY: Retail Marketing Directors</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Retail Performance Programs</b></p> <ul style="list-style-type: none"> <li>• Conduct account-specific, California-branded performance programs with targeted/tiered-account retailers who demonstrate a willingness to pay a premium for California Avocados, including programs in support of Fresh California Avocados’ exclusive seasonal availability</li> <li>• Coordinate timing with handlers and retailers, ensuring fruit availability for promotions</li> <li>• Develop programs that encourage retailers’ consumers to seek out and purchase California Avocados in season</li> <li>• Secure prominent California Avocado branding in retail advertising, communications, online promotions, retail digital advertising, social media, merchandising/point-of-purchase and other retailer touchpoints using elements from the California Avocado advertising campaign when possible</li> <li>• Assist with production of CAC custom POS and display bins for use in retail account activations</li> </ul>	1/1/25	9/30/25	\$1,550,000	<ul style="list-style-type: none"> <li>• Minimum 65 promotions featuring California Avocados in targeted retailers with prominent California branding</li> <li>• Target at least 10 new retail accounts for regional expansion</li> <li>• Promotion Agreements fully executed by handlers, retailers and CAC</li> <li>• Production of retail and merchandising materials that support RMD’s presentation to retailers and retail marketing managers</li> <li>• Target 16 retail accounts for social media asset support by PJ/PR</li> </ul>



PROGRAM: Trade Marketing - Retail		ACTIVITIES: Retail Promotions (cont.)		AGENCY: Retail Marketing Directors	
ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES	
<b>Retail Brand Awareness Programs</b> <ul style="list-style-type: none"> <li>Utilize retail chain shopper marketing and digital marketing programs for campaigns specific to California Avocado branding</li> <li>Coordinate with CAC's consumer advertising campaign for creative that promotes continuity of all consumer-facing messaging of premium California Avocado branding</li> <li>Develop in-store, point-of-sale promotions to prominently promote California Avocados branding at store level</li> </ul>	1/1/25	9/30/25	\$453,000	<ul style="list-style-type: none"> <li>Target 5 national accounts for online marketing programs within the Tier 1 retailers</li> <li>Target 5-7 regional California retail accounts within the Tier 1 retailers for digital ad programs and link to coupons when available to drive sales/trial</li> </ul>	
<b>Retail Merchandising Services</b> <ul style="list-style-type: none"> <li>Secure retail approval for POS in stores, custom signage or display bins</li> <li>Utilize merchandising and broker companies to execute POS and display bins at store level to tie-in with CAC retail promotions</li> </ul>	3/1/25	8/31/25	\$150,000	<ul style="list-style-type: none"> <li>POS merchandising in 10-15 targeted retailers for a total of 4,000 stores (2 rounds)</li> <li>Photos and audit results of in-store displays on California Avocados</li> </ul>	
<b>TRADE MARKETING - RETAIL: TRADE RELATIONS – KEY ACCOUNT COVERAGE, RETAIL PROMOTIONS RETAIL MARKETING DIRECTORS SUBTOTAL:</b>			<b>\$1,190,000</b>		

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Retail Promotions</b>	<b>AGENCY: Fusion</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Retail Communications Newsletter</b> Develop and create a retail-focused newsletter: <ul style="list-style-type: none"> <li>• Spotlight the retail benefits/advantages of utilizing CAC resources and carrying California Avocados</li> <li>• Develop graphic template</li> <li>• Develop graphic images and utilize motion graphics from data-based stories</li> <li>• Create content with input from staff and RMDs</li> <li>• Build a list of potential subscribers</li> <li>• Distribute newsletters to target audience</li> <li>• Target retail management and produce buyers of smaller-sized chains, distributors, shipper/handlers and their sales staff</li> </ul>	11/1/24	10/31/25	\$20,000	<ul style="list-style-type: none"> <li>• Creative brief by 11/22/24</li> <li>• Initial 2-3 graphic template options by 1/15/25</li> <li>• Graphics delivered per publication deadlines3 newsletters during the season and 1 abbreviated newsletter prior to 2025 IFPA Global Produce &amp; Floral Show</li> <li>• Content to CAC per deadlines in creative brief</li> <li>• Newsletter distribution per deadlines in brief</li> <li>• 4 newsletter metric reports</li> </ul>
<b>Retail Webpage Enhancement</b> Expand the information and utility of CAC's retail webpage: <ul style="list-style-type: none"> <li>• Conduct content audit</li> <li>• Develop a content plan highlighting the value of CAC's retail programs and information</li> <li>• Assist with the overall layout and imagery</li> </ul>	11/1/24	10/31/25	\$9,450	Content audit and enhancement plan completed by 2/14/25 for CAC approval
<b>TRADE MARKETING - RETAIL: TRADE – RETAIL PROMOTIONS (FUSION) SUBTOTAL:</b>			<b>\$29,450</b>	

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Retail Promotions</b>	<b>AGENCY: Retail Program Support</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Recipe Development</b> <ul style="list-style-type: none"> <li>• Source, modify or develop recipes that support retail initiatives</li> <li>• Process nutrition analysis and update old recipes as needed for retail programs</li> </ul>	11/1/24	10/31/25	\$5,000	<ul style="list-style-type: none"> <li>• Recipes nutrition analysis and data reports purchase</li> <li>• Timely response and delivery of CAC recipes to retailers</li> </ul>
<b>Retailer Social Media Advertising Support</b> Support retailers with California Avocado advertising initiatives (media dollars) on their social media platforms	1/1/25	10/31/25	\$40,000	Up to 40 advertising campaigns (launches) on retail social media partner platforms
<b>Support Materials and Fulfillment</b> <ul style="list-style-type: none"> <li>• Secure retail commitment to utilize display bins in store with prominent California Avocado branding</li> <li>• Develop point-of-sale with prominent California Avocado brand identification (as needed)</li> <li>• Manage production and use of premiums with prominent California Avocado brand for promotions and events</li> <li>• Manage storage and fulfillment of California Avocado marketing materials</li> </ul>	11/1/24	10/31/25	\$135,000	<ul style="list-style-type: none"> <li>• Production of 2,500 California Avocado display bins</li> <li>• Delivery of bins to key accounts that accept outside POS for their displays</li> <li>• Items produced with California Avocado brand identification and/or ad campaign graphics for retail promotions and at targeted produce industry events</li> <li>• Materials that clearly brand California Avocados for avocado displays at point-of-purchase and integrate elements of the California Avocado advertising campaign</li> <li>• Fulfillment of retailer, handler, grower and consumer requests for California Avocado marketing materials</li> </ul>
<b>TRADE MARKETING – RETAIL: RETAIL PROMOTIONS (RETAIL PROGRAM SUPPORT) SUBTOTAL:</b>			<b>\$315,000</b>	

**2024-25 TRADE MARKETING – RETAIL PROMOTIONS SUBTOTAL: \$2,362,450**

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Retail Data Monitoring and Reporting</b>	<b>AGENCY: CIRCANA, Inc.</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Retail Point-of-Sale Data</b> Supply retail-specific sales data in accordance with agreement	11/1/24	10/31/25	\$62,000	<ul style="list-style-type: none"> <li>• 13 deliveries of data by 10/31/25</li> <li>• Includes regions, markets and select retail chains</li> </ul>
<b>TRADE MARKETING - RETAIL: RETAIL DATA MONITORING AND REPORTING (CIRCANA, INC.) SUBTOTAL:</b>			<b>\$62,000</b>	

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Retail Data Monitoring and Reporting</b>	<b>AGENCY: Fusion</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Data Analysis, Research and Reporting</b> <ul style="list-style-type: none"> <li>• Provide fact-based analysis of retail sales trends</li> <li>• Provide data and trade marketing reporting for Dashboard updates</li> <li>• Aid in communicating the business benefits and opportunities of carrying and promoting California Avocados at retail</li> <li>• Support staff/RMDs/retailers with retail-specific reports</li> <li>• Develop data-based stories and graphic content promoting the retail benefits of carrying California Avocados</li> <li>• Monitor and validate data deliveries</li> <li>• Maintain retailer database from Circana</li> <li>• Prepare for and implement system-wide database restatement from Circana</li> </ul>	11/1/24	10/31/25	\$96,500	<ul style="list-style-type: none"> <li>• Data, research, reports, consultation/support, as requested</li> <li>• 4-6 outlines or contributions for the GreenSheet or From the Grove</li> <li>• 2 Dashboard updates</li> <li>• 5 Retailer Business Reviews                             <ul style="list-style-type: none"> <li>○ Includes ABRs and/or Promotional Reviews</li> </ul> </li> <li>• 4 data-based stories, including 2 motion graphics</li> <li>• 3 Retailer AvoScore Cards</li> </ul>

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Retail Data Monitoring and Reporting (cont.)</b>	<b>AGENCY: Fusion</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>California Avocado Market Analysis</b> Develop and maintain annual foundational research measuring the changing California Avocado market dynamics <ul style="list-style-type: none"> <li>Analyze and report on California and imported supply, retail sales and volume, FOB pricing trends, and retail price trends in the California Avocado marketplace</li> <li>Track and monitor performance of the California Avocado season</li> <li>Incorporate relevant industry secondary research findings from avocado category retail research</li> </ul>	11/1/24	3/1/25	\$54,500	<ul style="list-style-type: none"> <li>Includes supply metrics, compound growth rates, California and import trends and FOB pricing</li> <li>Volume, average retail price, dollar sales, distribution, velocity</li> <li>Summary of relevant industry secondary research on avocado category findings for the marketplace</li> <li>Exact due date TBD based on season-end and data availability</li> </ul>
<b>TRADE MARKETING - RETAIL: RETAIL DATA MONITORING AND REPORTING (FUSION) SUBTOTAL:</b>			<b>\$160,450</b>	

<b>PROGRAM: Trade Marketing - Retail</b>	<b>ACTIVITIES: Retail Support, Consultation, Annual Planning, Program and Data Administration</b>	<b>AGENCY: Fusion</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Retail Support, Consultation, Annual Planning, Program and Data Administration</b> Provide planning, support, consultation and administration of programs	11/1/24	10/31/25	\$56,500	<ul style="list-style-type: none"> <li>Annual planning, management and administration of programs, projects, budgets, inter-agency activities, meetings, and archiving of materials, reports, and data</li> <li>Circana, Inc. data specifications, data agreements negotiated, communications and management and associated contract costs and fees</li> <li>Content creation and presentations for Board and Marketing Committee updates/meetings</li> </ul>
<b>TRADE MARKETING - RETAIL: PLANNING AND PROGRAM ADMINISTRATION (FUSION) SUBTOTAL:</b>			<b>\$56,500</b>	

<b>PROGRAM: Trade Marketing – Retail</b>	<b>ACTIVITIES: Data, Research and Analysis</b>	<b>AGENCY: Avocado Marketing Services, Inc.</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Avocado Marketing Research Information Center</b> Provide AMRIC data, as well as market and industry updates and projections	11/1/24	10/31/25	\$2,700	Delivery of weekly reports: <ul style="list-style-type: none"> <li>• Market Trends Reports</li> <li>• AMRIC Data Report</li> <li>• Market’s Analysis Report</li> </ul>
<b>TRADE MARKETING – RETAIL: DATA, RESEARCH AND ANALYSIS (AVOCADO MARKETING SERVICES, INC.) SUBTOTAL:</b>			<b>\$2,700</b>	

<b>2024-25 DATA, RESEARCH AND ANALYSIS SUBTOTAL: \$272,200</b>
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<b>PROGRAM: Trade Marketing – Retail</b>	<b>ACTIVITIES: Marketing Administration – Grower Communications</b>	<b>AGENCY: GingerRoot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
Communicate the California Avocado marketing programs that are relevant to the California Avocado grower community	11/1/24	10/31/25	\$11,000	<ul style="list-style-type: none"> <li>Marketing copy for 24 GreenSheet editions</li> <li>Copy and editing of marketing articles for 4 From the Grove editions as requested</li> </ul>
<b>TRADE MARKETING – RETAIL: MARKETING ADMINISTRATION – GROWER COMMUNICATIONS (GINGERROOT) SUBTOTAL:</b>			<b>\$11,000</b>	

<b>PROGRAM: Trade Marketing – Retail</b>	<b>ACTIVITIES: Marketing Administration</b>	<b>AGENCY: Marketing Program Support</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<ul style="list-style-type: none"> <li>Staff support and attendance at key national and regional trade events</li> <li>Communicate California Avocado key messages that create anticipation for the California Avocado season and ongoing demand for California Avocados</li> </ul>	11/1/24	10/31/25	\$25,000	Travel to and/or participation in various trade and industry events
<ul style="list-style-type: none"> <li>Support retail and foodservice programs</li> <li>Naturally incorporate considerations of diversity, equity and inclusion when developing programs, sourcing vendors and in appropriate communications</li> </ul>	11/1/24	10/31/25	\$30,000	Shipping supplies, shipping costs, office equipment, meeting expenses, etc.
<b>TRADE MARKETING - RETAIL: MARKETING ADMINISTRATION (MARKETING PROGRAM SUPPORT) SUBTOTAL:</b>			<b>\$55,000</b>	

<b>2024-25 MARKETING ADMINISTRATION SUBTOTAL: \$66,000</b>
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<b>2024-25 TOTAL TRADE MARKETING - RETAIL BUDGET: \$3,615,900</b>
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# TRADE MARKETING – FOODSERVICE



<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Media and Ad/Newsletter Production</b>	<b>AGENCY: Kurata Communications</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Media</b> <ul style="list-style-type: none"> <li>• Leverage publications’ geo-targeted subscription base and disseminate custom content electronic newsletters (ENLs)</li> <li>• Target western states with specific call-to-actions for menu promotion and menu ideation using ENLs</li> <li>• Promote California avocados supported by new research data</li> </ul>	11/1/24	9/1/25	\$64,400	<ul style="list-style-type: none"> <li>• Media plan completed by 11/1/24</li> <li>• 2 print insertions, 2 custom content ENLs, 2 Direct HTML ENLs for 6 insertions and 1 Infographic</li> <li>• Minimum 653,000 reach among multi-unit operators, independents and non-commercial Businesses &amp; Institutions and Colleges &amp; Universities</li> </ul>
<b>Ad Production</b> <ul style="list-style-type: none"> <li>• Develop and execute a “What’s inside a California Avocado” print campaign focusing on the California Avocado season</li> <li>• Promote California Avocado competitive advantages and inspire call-to-action (CTA) for promotions and menu ideation sessions</li> <li>• Develop custom content electronic newsletters reinforcing the California Avocado advantages and differences (i.e. support local growers, locally grown and, sustainably farmed)</li> </ul>	11/1/24	9/1/25	\$23,000	<ul style="list-style-type: none"> <li>• 1 new print ads; 2-3 digital ads</li> <li>• 1 - 2 new photos of plated shots (share photoshoot day with PR)</li> <li>• 2-3 custom content newsletters (with digital ads) during the season with CTA for menu promotion and/or ideation</li> </ul>
<b>TRADE MARKETING - FOODSERVICE: MEDIA AND AD/NEWSLETTER PRODUCTION (KURATA COMMUNICATIONS) SUBTOTAL:</b>			<b>\$87,400</b>	

<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Public Relations</b>	<b>AGENCY: Kurata Communications</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Public Relations</b></p> <ul style="list-style-type: none"> <li>• Connect with editors on a monthly basis sending out assets that support editorial content while positioning California Avocados as locally grown and sustainably farmed practices</li> <li>• Research chef recipe leads and request California Avocado recipes for use in foodservice program</li> </ul>	11/1/24	10/31/25	\$77,000	<ul style="list-style-type: none"> <li>• 4-5 pitches/month of operators showcasing California Avocados on the menu to editors on upcoming topics</li> <li>• 25-30 placements, minimum 1.5 million reach and a comparable ad value of at least \$1,250,000</li> </ul>
<p><b>Best of California List</b></p> <ul style="list-style-type: none"> <li>• Identify California chefs and the California Avocado dishes that best exemplify “California”</li> <li>• Build criteria list: best use of California-grown ingredients (including fresh avocados), emphasis on seasonal and sustainable</li> <li>• Curate and maintain Best of California list</li> </ul>	11/1/24	5/1/25		<ul style="list-style-type: none"> <li>• Recipes and release forms from 3-4 operators</li> <li>• Minimum 85 pitches to editors of chefs and restaurants who have or had dishes featuring California Avocados</li> <li>• Shared photoshoot day with ad production; 3-4 new California Avocado dishes developed, tested and added to recipe database</li> <li>• 2-3 press releases: crop update, Best of California list Best of California list complete by March 30, 2025</li> </ul>
<p><b>Network with Independent Restaurant Operators</b> Attend two California Restaurant Association (CRA) Regional meetings and generate possible PR leads</p>	1/1/25	7/31/25		<ul style="list-style-type: none"> <li>• Meetings with 6-8 operators at CRA Regional meetings</li> </ul>

<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Public Relations (cont.)</b>	<b>AGENCY: Kurata Communications</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Editor Deskside Briefings</b> <ul style="list-style-type: none"> <li>• Coordinate and schedule deskside briefings with foodservice editors and writers in two (2) key cities</li> <li>• Reinforce messaging with a food demo presentation</li> <li>• Ship “What’s Inside a California Avocado” kit to editors in cities not visited</li> </ul>	11/1/24	7/31/25	\$13,200	<ul style="list-style-type: none"> <li>• 6-7 meetings in two cities (i.e. Chicago [Datassential, Flavor &amp; The Menu, Plate, Winsight-Informa] + TBD city)</li> <li>• Meetings with 15-18 editors and writers from 6-7 publications in two cities                             <ul style="list-style-type: none"> <li>○ “What’s Inside a California Avocado” kit presented to editors</li> <li>○ Tasting demo focusing on California Avocado-centric dishes</li> </ul> </li> </ul>
<b>Editor Deskside Briefings (Culinary Support)</b> <ul style="list-style-type: none"> <li>• Research and secure kitchen facility to execute dishes</li> <li>• Meet with editors from publications in two cities</li> <li>• Prepare California Avocado-centric dishes that showcase versatility in global flavors and plant-forward innovation on the menu</li> </ul>	11/1/24	7/31/25	\$12,100	<ul style="list-style-type: none"> <li>• Meetings with 15-18 editors from 6-8 publications</li> <li>• 2-3 dishes prepared and demonstrated</li> </ul>
<b>TRADE MARKETING - FOODSERVICE: PUBLIC RELATIONS (KURATA COMMUNICATIONS) SUBTOTAL:</b>			<b>\$102,300</b>	

<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Events</b>	<b>AGENCY: Kurata Communications</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<p><b>Events</b>                      Sponsor and attend events; communicate benefits and advantages of California Avocados on the menu, emphasizing the California Avocados brand sustainability messaging. Educate operators of the benefits of California Avocados when creating California-style dishes, sponsor meals: in-season, local produce, supporting local growers, fresh and sustainable avocados.</p> <ul style="list-style-type: none"> <li>• Attend two Kinetic12 Emerging Chain roundtables</li> <li>• Sponsor and attend two CRA regional networking mixers</li> <li>• Sponsor and attend National Restaurant Association (NRA) Marketing Executives Group (May)</li> <li>• Co-sponsor and attend NRA Brunch (May)</li> <li>• Attend and exhibit at IFPA Foodservice Conference (July)</li> <li>• Sponsor and attend Flavor Experience (August)</li> </ul>	11/1/24	10/31/25	\$143,800	<ul style="list-style-type: none"> <li>• 5 event briefs completed by 11/15/24</li> <li>• Engagement with 180 contacts of which 55 are new contacts from Kinetic 12 Emerging Chains, California Restaurant Association's Networking meet-ups, NRA's Marketing Executive Group and Brunch, IFPA Foodservice Conference and Flavor Experience conference</li> <li>• 5-6 concepts sampled at Marketing Executive Group, Summit NRA Brunch, IFPA Foodservice Expo, Flavor Experience</li> </ul>
<p><b>Events (Culinary Support)</b>                      Develop new California Avocado menu applications for sampling and attendance at conferences, focused on concepts that fit the season</p>	11/1/24	10/31/25	\$19,100	<ul style="list-style-type: none"> <li>• Engagement with 20-25 new contacts at Flavor Experience Conference</li> <li>• 2-3 menu concepts for sampling at Flavor Experience</li> </ul>

PROGRAM: Trade Marketing - Foodservice		ACTIVITIES: Events (cont.)		AGENCY: Kurata Communications	
ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES	
<b>“What’s Inside a California Avocado” Kit</b> Create collection of California Avocado Menu Ideas; using other local, seasonal California agriculture (produce to seafood to meat/chicken and dairy)	11/1/24	5/1/25	\$30,000	250-300 kits used at menu ideation and non-commercial educational sessions during presentations with produce suppliers during Avocado Grove Tour (see below)	
<b>California Avocado Grove Tour</b> <ul style="list-style-type: none"> <li>• Co-host 10-12 foodservice operators from purchasing, marketing and culinary in the CAC multi-agency avocado grove tour</li> <li>• Focus on the California advantage from the fruit to the table</li> <li>• Coordinate with lead agency on foodservice’s objective and deliverable</li> <li>• Include a Culinary demo and discussion, bringing to life “What’s Inside a California Avocado” through innovative menu applications and showcase California advantage through culinary execution</li> <li>• Host a 2-day, 1-night visit with meals for foodservice editors</li> <li>• Set up editors with growers and other points of interest for interviews</li> </ul>	11/1/24	8/31/25	\$20,900	<ul style="list-style-type: none"> <li>• Event brief by 12/31/24</li> <li>• Participation by and engagement with 12-15 chain operators including 8 new contacts</li> <li>• Educational format for key foodservice top-tiered accounts and editors developed by February 2025</li> <li>• 2-3 menu applications featuring California Avocados demonstrated as the essential ingredient in an iconic California dish</li> <li>• Meetings with 12 - 15 foodservice operators</li> <li>• 2 - 3 editors in attendance 1 - 2 media pick-ups following event</li> </ul>	
<b>TRADE MARKETING - FOODSERVICE: EVENTS</b>			<b>\$213,800</b>		
<b>(KURATA COMMUNICATIONS) SUBTOTAL:</b>					

<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Chain Promotions and Ideation</b>	<b>AGENCY: Kurata Communications</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<p><b>Chain Promotions</b></p> <ul style="list-style-type: none"> <li>• Contact Tier 1 accounts and chains who are willing to pay a premium for California Avocados in the western states</li> <li>• Inform and reinforce to chains (through monthly correspondence and one-on-one meetings at events) the preference for California Avocados and reason to promote on menus, including new research findings</li> <li>• Reinforce California Avocado brand essence with chain menu promotions</li> <li>• Coordinate prominent California Avocado brand identification at point-of-purchase and other touchpoints</li> <li>• Leverage alliances and encourage produce suppliers to promote California Avocados during the season with chain clients.               <ul style="list-style-type: none"> <li>○ Present “Why California Avocados” message and operator menu promotion funding</li> <li>○ Show research preference among diners for local, in season California Avocados</li> <li>○ If requested, provide demo that brings chains ideas on how to push California cuisine/ingredients/etc.</li> </ul> </li> <li>• Update and refresh branded merchandising inventory</li> <li>• Investigate non-traditional media platforms, i.e., DoorDash platform where chain partners have a presence</li> </ul>	11/1/24	10/31/25	\$158,600	<ul style="list-style-type: none"> <li>• Promotions with 12-14 restaurant chains branded with “California Avocados” and/or the California Avocados brand logo at point-of-sale and/or website, enewsletters/blogs, social media posts</li> <li>• 2-3 new chain partner promotions</li> <li>• Partnership with 10 chains based in California/Western region</li>   <li>• 2-3 presentations with produce suppliers currently working with our chain partners</li>   <li>• Refresh branded merchandise inventory for chains to use as incentive to team members and/or customers by March 2025</li> <li>• 1 new quantifiable California Avocado “test and learn” promotional opportunity</li> </ul>

<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Chain Promotions and Ideation (cont.)</b>	<b>AGENCY: Kurata Communications</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Chain Menu Development</b> <ul style="list-style-type: none"> <li>• Create customized menu concepts for a California-based chain</li> <li>• Inform audience of the halo value California Avocados bring to the dish</li> <li>• Share sustainability story and local, in-season benefits</li> <li>• Focus on menu concepts that leverage California Avocado-style</li> </ul>	11/1/24	10/31/25	\$6,200	One onsite presentation to Tier 1 or Tier 2 chain account with units primarily in the Western region and who currently purchase California Avocados
<b>Chain Menu Development (Culinary Support)</b> <ul style="list-style-type: none"> <li>• Create customized menu concepts for existing and new top-tier foodservice operators</li> <li>• Focus on concepts that leverage California Avocado-style</li> </ul>	11/1/24	10/31/25	\$6,600	<ul style="list-style-type: none"> <li>• 20-25 white paper menu concepts to one Tier 1 or Tier 2 chain account currently purchasing California Avocados and execution of 8 concepts per live presentation</li> <li>• 6 recipes written</li> </ul>

<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Chain Promotions and Ideation (cont.)</b>	<b>AGENCY: Kurata Communications</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Non-Commercial Curriculum and Ideation</b> <ul style="list-style-type: none"> <li>• Educate chefs/cooks about California Avocados                             <ul style="list-style-type: none"> <li>○ Ripeness stages/ordering</li> <li>○ Handling and storing</li> <li>○ Cutting techniques</li> </ul> </li> <li>• Demonstrate complementary flavors of California Avocados with other seasonal ingredients</li> <li>• Utilize the “What’s Inside a California Avocado” kit as part of the inter-active demo</li> <li>• Discuss iconic California dishes and simple ways to “California-ize” dishes</li> </ul>	11/1/24	10/31/25	\$15,200	<ul style="list-style-type: none"> <li>• 1 on-site presentation (C&amp;U or B&amp;I)</li> <li>• Disseminate press release on completed session</li> </ul>
<b>Non-Commercial Curriculum (Culinary Support)</b> <ul style="list-style-type: none"> <li>• Set-up meetings with B&amp;I and C&amp;U based in the Western states</li> <li>• Create concepts based on input: clientele preferences, operational set-up, flexibility to adding new ingredients</li> <li>• Incorporate California Avocados and California-style into concepts</li> </ul>	11/1/24	10/31/25	\$13,400	<ul style="list-style-type: none"> <li>• Complete 1 on-site educational session and hands-on kitchen time</li> <li>• Execute 8 dishes at event                             <ul style="list-style-type: none"> <li>○ Ensure California Avocados are an integral ingredient when building unique dishes</li> <li>○ Include concepts that demonstrate range of usage from under-ripe to over-ripe</li> </ul> </li> </ul>
<b>TRADE MARKETING - FOODSERVICE: CHAIN PROMOTIONS &amp; IDEATION (KURATA COMMUNICATIONS) SUBTOTAL:</b>			<b>\$20,000</b>	



<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Culinary Education</b>	<b>AGENCY: Kurata Communications</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Culinary Education</b> <ul style="list-style-type: none"> <li>• Monitor Foodservice Culinary Education exams submitted by American Culinary Federation members and disseminate Certificate of Completion</li> <li>• Manage culinary American Culinary Federation accreditation status</li> </ul>	11/1/24	10/31/25	\$2,000	<ul style="list-style-type: none"> <li>• Review exams and email 60 certificates</li> <li>• Renew certification status</li> </ul>
<b>TRADE MARKETING - FOODSERVICE: CULINARY EDUCATION (KURATA COMMUNICATIONS) SUBTOTAL:</b>			<b>\$2,000</b>	

<b>PROGRAM: Trade Marketing - Foodservice</b>	<b>ACTIVITIES: Program Administration</b>	<b>AGENCY: Kurata Communications</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Program Administration</b> <ul style="list-style-type: none"> <li>• Manage, supervise and evaluate Foodservice Marketing Program</li> <li>• Contribute outline and information for From the Grove and GreenSheet articles including Marketing Digests</li> <li>• Attend CAC meetings in-person and Board meetings via zoom</li> <li>• Attend in-person handler meeting, prepare presentation</li> <li>• Contribute updates on Foodservice programs via Dashboard and PowerPoint presentations</li> <li>• Naturally incorporate considerations of diversity, equity and inclusion when developing programs, sourcing vendors and in appropriate communications                             <ul style="list-style-type: none"> <li>○ Report on foodservice activities</li> </ul> </li> <li>• Attend in-person strategy meeting(s)</li> <li>• Participate in meetings and planning for Fiscal Year 2025-26</li> </ul>	11/1/24	10/31/25	\$44,500	<ul style="list-style-type: none"> <li>• Development and implementation of the 2024-25 CAC Foodservice Marketing Program, including all Dashboard updates, a minimum of 8 GreenSheet contributions and From the Grove articles as requested</li> <li>• Provide updates on program for Board meetings, as requested</li> <li>• Report on diversity, equity and inclusion</li> <li>• Budget and plans for 2025-26</li> </ul>
<b>TRADE MARKETING - FOODSERVICE: PROGRAM ADMINISTRATION (KURATA COMMUNICATIONS) SUBTOTAL:</b>			<b>\$44,500</b>	

**2024-25 TOTAL TRADE MARKETING - FOODSERVICE BUDGET: \$650,000**



# MARKETING ACTIVITIES SUPPORT

<b>PROGRAM: Marketing Activities Support</b>	<b>ACTIVITIES: Buy California Marketing Agreement</b>	<b>AGENCY: CAC</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<ul style="list-style-type: none"> <li>Participate in the Buy California Marketing Agreement program</li> <li>Support BCMA in CAC’s marketing outreach as appropriate</li> </ul>	11/1/24	10/31/25	\$25,000	<ul style="list-style-type: none"> <li>Participation in BCMA Board meetings and strategic planning</li> <li>Timely response and asset contributions as requested</li> </ul>
<b>MARKETING ACTIVITIES SUPPORT: BUY CALIFORNIA MARKETING AGREEMENT (MARKETING PROGRAM SUPPORT) SUBTOTAL:</b>			<b>\$25,000</b>	

<b>PROGRAM: Marketing Activities Support</b>	<b>ACTIVITIES: Marketing Planning</b>	<b>AGENCY: CAC</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
Coordinate and execute CAC marketing and planning meetings, for this fiscal year and the 2025-26 business plan as needed	11/1/24	10/31/25	\$500	CAC staff/agency planning meetings and calls
<b>MARKETING ACTIVITIES SUPPORT: MARKETING PLANNING (CAC) SUBTOTAL:</b>			<b>\$500</b>	

<b>PROGRAM: Marketing Program Support</b>	<b>ACTIVITIES: Trade Public Relations and Stakeholder Communications and Marketing Support</b>	<b>AGENCY: CAC/Rockwell Morrow/Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Trade Public Relations</b> <ul style="list-style-type: none"> <li>• Rockwell Morrow                             <ul style="list-style-type: none"> <li>○ Develop fiscal year trade PR plan in conjunction with CAC and Curious Plot</li> <li>○ Ghostwrite trade press releases</li> </ul> </li> <li>• Curious Plot                             <ul style="list-style-type: none"> <li>○ Maintain trade PR contact list</li> <li>○ Manage trade PR tracking and reporting</li> </ul> </li> <li>• CAC                             <ul style="list-style-type: none"> <li>○ Manage trade press release finalization, approvals, distribution and follow up</li> <li>○ Lead responses to trade PR inquiries</li> </ul> </li> </ul>	11/1/24	10/31/25	\$66,000	<ul style="list-style-type: none"> <li>• (RM) Fiscal year creative brief by 1/10/25</li> <li>• (RM) Up to 8 draft trade or Commission press releases or announcements</li> <li>• (CP) Ongoing updates to contact list made on CAC's Dropbox</li> <li>• (CP) Monthly Cision reports, CAC Board Dashboard reports as requested</li> <li>• (CAC) Timely response to media requests, ongoing coordination with CAC leadership, draft responses and manage information and asset flow</li> <li>• (CAC) Inclusion in at least 150 positive articles in key trade publications</li> </ul>
<b>Trade Press Events</b> <ul style="list-style-type: none"> <li>• Secure trade media participation in integrated grove tour event, host attendee subgroup and communicate key messages</li> <li>• Plan and conduct in-person trade media meetings in their markets, encourage coverage of California Avocado season and key brand messaging</li> </ul>	11/1/24	10/31/25		<p>(Trade Press Events Expenses covered in Trade Marketing – Retail budget)</p> <p>(CAC with RM assistance) Trade media communications, participation and logistics arranged per approved project briefs</p>
<b>Stakeholder Communications</b> Manage marketing contributions to the GreenSheet and From the Grove, including staff/agency liaison, reviews and editing	11/1/24	10/31/25		<ul style="list-style-type: none"> <li>• GreenSheet 2025 starter editorial calendar by 12/13/24 and updates as needed</li> <li>• Content acquired for at least 1 article in every GreenSheet edition and 4 From the Grove editions</li> </ul>

<b>PROGRAM: Marketing Program Support</b>	<b>ACTIVITIES: Trade Public Relations and Stakeholder Communications and Marketing Support (cont.)</b>	<b>AGENCY: CAC/Rockwell Morrow/Curious Plot</b>
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ACTION STEPS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	DELIVERABLES
<b>Marketing Support</b> <ul style="list-style-type: none"> <li>• Recipe support                             <ul style="list-style-type: none"> <li>○ Manage recipe Dropbox organization project</li> <li>○ Review and proof recipes</li> <li>○ Ad hoc responses to consumers</li> </ul> </li> <li>• Assist with recipe development/testing</li> <li>• Email and social support                             <ul style="list-style-type: none"> <li>○ Review content calendars</li> <li>○ Input on recipes/permission</li> </ul> </li> <li>• Website content support as requested</li> <li>• Othe Marketing support as requested</li> </ul>	11/1/24	10/31/25	(cont.)	Timely response to CAC requests, up to overall maximum monthly time allocation
<b>MARKETING PROGRAM SUPPORT: TRADE PR, STAKEHOLDER COMMUNICATIONS AND MARKETING SUPPORT (ROCKWELL MORROW) SUBTOTAL:</b>			<b>\$66,000</b>	

<b>PROGRAM: Marketing Activities Support</b>	<b>ACTIVITIES: Export Program</b>	<b>AGENCY: CAC</b>
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<b>ACTION STEPS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>DELIVERABLES</b>
<b>Export Program</b> <ul style="list-style-type: none"> <li>Working with in-market representation company, identify targeted retailer(s) and distributor(s) in export market(s)</li> <li>Working with handlers, create high-value marketing programs for the California Avocado crop exported to South Korea and China</li> </ul>	11/1/24	9/30/25	\$45,000	<ul style="list-style-type: none"> <li>Export promotions and marketing opportunities featuring California Avocados with prominent California branding at targeted retailers and distributors to begin by 4/1/25</li> <li>Point-of-sale support for targeted retail accounts in specified export markets for promotions (as needed)</li> <li>California Avocados funded for use in activities to support export programs</li> </ul>
<b>MARKETING ACTIVITIES SUPPORT: EXPORT PROGRAM (MERCHANDISING PROGRAM SUPPORT) SUBTOTAL:</b>			<b>\$45,000</b>	

**2024-25 TOTAL MARKETING ACTIVITIES SUPPORT BUDGET: \$136,500**

**2024-25 TOTAL MARKETING BUDGET: \$9,835,000**



# INDUSTRY AFFAIRS



<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Industry Statistics and Information; Grower Communications; Issues Management; Legal; Demonstration Grove; Education and Outreach; and Other/Administrative</b>
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**PRIORITY 2:** Advocate for, and engage with, the industry

**OBJECTIVES:**

1. Proactively shape avocado industry issue outcomes that are compatible with the industry's key aspirations and the California Avocado Commission's values
2. Build consensus on the strategic direction to be taken to achieve the industry's key aspirations
3. Enhance California Avocado grower productivity and success
4. Ensure a full understanding and consideration of how government agency decisions will impact California Avocado producers

**STRATEGIES:**

- A. Anticipate and prioritize issues; use informed decision-making when executing plans that shape issue outcomes and respond immediately to crisis issues
- B. Collect and compile information vital to understanding global avocado market forces
- C. Execute an industry communications program that promotes discussion, consensus, action and feedback
- D. Maintain and develop relationships with other avocado industry and agricultural organizations that leverage strengths on issues of common interest
- E. Establish, maintain and strengthen relationships with influential governmental agency personnel (e.g., United States Department of Agriculture, Food and Drug Administration and others)

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Industry Statistics and Information</b>	<b>AGENCY: Mohammadpour and LandIQ</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<p><b>AMRIC Operation</b> - The Avocado Marketing Research and Information Center system provides the California Avocado industry with daily inventory and shipment information to guide harvest/market strategies. AMRIC procedures require all avocado handlers operating in California to report their avocado inventory, by variety and size and shipments by major-market destination, variety and size</p>	\$19,300	<ul style="list-style-type: none"> <li>• Collect bin counts daily through automated online system</li> <li>• Provide industry members and AMRIC participants current and historical statistical information in a usable format within the boundaries of the program                             <ul style="list-style-type: none"> <li>○ Review data requests from industry and implement enhancements</li> <li>○ Track daily data reporting by handlers on an ongoing basis</li> <li>○ Conduct periodic audits of AMRIC handler data, as needed</li> </ul> </li> <li>• Ensure secure and reliable data storage and monitoring                             <ul style="list-style-type: none"> <li>○ Maintenance of AMRIC website and data tools</li> <li>○ Keep current with supported technology and platforms</li> </ul> </li> </ul>
<p><b>Crop Forecasting and Analysis</b> - The Avocado Crop-Estimating system projects the annual production of California Avocados. Crop statistics are compiled by growing region, county and state throughout the year. This valuable information guides CAC marketing programs, as well as allows each grower to develop his/her own harvest strategies with the big picture in mind</p>	\$83,750	<ul style="list-style-type: none"> <li>• Develop pre-season crop estimate prior to 12/31/24</li> <li>• Conduct crop surveys among AMRIC handlers that engage with industry (winter 2024, spring and fall 2025) and stay apprised of any crop updates throughout the season</li> <li>• Conduct acreage inventory and spatial analysis and update 2025 California Avocado acreage no later than August 2025</li> <li>• Conduct an early-season grower and handler crop survey no later than February 2025</li> <li>• Conduct a mid-season grower and handler crop survey no later than May 2025</li> <li>• Perform “ground-truthing” and verify accuracy of current crop/acreage information</li> </ul>

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Industry Statistics and Information (cont.)</b>	<b>AGENCY: Mohammadpour and LandIQ</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Grower Database</b> - Maintenance of the California Avocado Production Tracking Acreage Inventory Network grower database. Continually maintain and update current database to ensure integrity and confidentiality of grower information. Grower database is used for various mailings, such as election ballots, referenda, redistricting, crop estimating surveys, annual reports and meeting notices	\$1,500	<ul style="list-style-type: none"> <li>• Complete annual update of database based on handlers' grower/grove information received from handlers no later than 9/30/25</li> <li>• Perform database processing of 2025-26 grower exemption status using 2022, 2023 and 2024 production data no later than 9/30/25</li> <li>• Update database on an as-needed basis, based on information received via returned mail, grower sign-ups, etc.</li> </ul>
<b>Grove Database System</b> - Using existing CAC grower and Geographic Information System databases, this project develops and maintains a web-based platform that integrates existing databases, as well as incorporates the ability to support grove location and ownership	\$11,500	<ul style="list-style-type: none"> <li>• Maintain web-based grove database platform</li> <li>• Perform updates and improvements to online GIS database including but not limited to an annual update using geodatabase integration from acreage inventory by October 2025</li> <li>• Purchase data on parcel ownership based on Assessor's Parcel Number, when necessary</li> </ul>
<b>INDUSTRY AFFAIRS: INDUSTRY STATISTICS AND INFORMATION SUBTOTAL:</b>	<b>\$116,050</b>	

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Grower Communications</b>	<b>AGENCY: GingerRoot; Fishhook Development; Champ Publications and Rockwell Morrow</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Online Information</b> - Expands the reach of effective industry communications through CAC's grower site, CaliforniaAvocadoGrowers.com	\$31,000	<ul style="list-style-type: none"> <li>• Provide timely updates to CAC's grower site with continual enhancement, maintenance and content development</li> </ul>
<b>Publications</b> - Development of practical and relevant information for growers and industry and presentation in a format that is easily accessed and assimilated	\$108,500*	Publications may include, but are not limited to: <ul style="list-style-type: none"> <li>• CAC GreenSheet (semi-monthly)</li> <li>• Food Safety Manuals, including Spanish translation</li> <li>• CAC From the Grove magazine (quarterly)               <ul style="list-style-type: none"> <li>○ <b>Advertising revenue expected to offset budget line item by \$60,000</b></li> </ul> </li> </ul>
<b>Annual Meetings</b> - CAC conducts annual meetings that generate industry awareness of CAC programs	\$15,000	Conduct annual meeting no later than 4/30/25
<b>Annual Report</b> - Preparation of an annual report that generates industry awareness of CAC programs and fulfills CAC's statutory obligation to report to the legislature	\$17,000	Produce and make available the annual report, no later than 6/30/25
<b>INDUSTRY AFFAIRS: GROWER COMMUNICATIONS SUBTOTAL:</b>	<b>\$171,500</b>	

***\*Note: Portion of publications expenditures potentially offset by advertising revenue***

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Issues Management</b>	<b>AGENCY: Law Offices of Edward M. Ruckert; McDermott Will &amp; Emery LLP; Spann Ag Research &amp; Consulting, LLC; and Kahn, Soares &amp; Conway, LLP</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Water Issues</b> - This project identifies, prioritizes and addresses key water issues	\$100,000	CAC management will work with independent contractors (as needed) to: <ul style="list-style-type: none"> <li>• Monitor water issues (including rates) that potentially impact agriculture and represent interests of industry stakeholders, before local and regional water agencies and industry associations</li> <li>• Identify improved water use efficiency technologies for industry utilization</li> <li>• Work to improve the Metropolitan Water District water efficiency agricultural program</li> <li>• Continue to develop programs with MWD and/or other water agencies that work toward lower agricultural water costs</li> <li>• Analyze and evaluate current water issues and develop recommended programs</li> <li>• Explore possible federal actions that would improve water supply reliability and/or mitigate water rates; if possible initiate pursuit of said actions</li> </ul>
<b>Field/Technical Support</b> - Development and support of technical initiatives that promote industry productivity and profitability	\$100,000	Potential actions in this category may address: <ul style="list-style-type: none"> <li>• Phytosanitary security</li> <li>• Section 18 emergency exemptions</li> </ul>
<b>Research Program Coordination and Outreach</b> - Coordination of CAC's Production Research Program, collaboration with industry researchers, identification of research priorities, development of long-term research strategies aimed to improve grower sustainability and implementation of grower outreach activities	\$120,000	Manage the CAC-funded research program, including: <ul style="list-style-type: none"> <li>• Production Research Committee meetings</li> <li>• Communications with researchers</li> <li>• Review and approval of milestone reports</li> <li>• Communicate research progress to CAC Board and growers</li> </ul>

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Issues Management (cont.)</b>	<b>AGENCY: Law Offices of Edward M. Ruckert; McDermott Will &amp; Emery LLP and Spann Ag Research &amp; Consulting, LLC; and Kahn, Soares &amp; Conway, LLP</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Legislative and Regulatory Advocacy</b> - CAC stays abreast of regulatory, legislative and trade issues that affect the industry; develops position papers and advocates for stakeholders	\$125,000	Potential actions in this category may involve: <ul style="list-style-type: none"> <li>• California agricultural laws</li> <li>• Adjacency Issue</li> <li>• Food Safety Modernization Act and other food safety related regulation</li> <li>• Animal and Plant Health Inspection Service Agricultural Research Service funding for Invasive Species</li> <li>• Immigration Reform</li> <li>• Conservation/water efficiency programs</li> <li>• Free Trade Agreements – both new and modification of existing</li> <li>• Foreign Market Development activities (United States Department of Agriculture-Foreign Agricultural Service) Emerging Markets Program activities (USDA-FAS)</li> </ul>
<b>Production Registrations</b> - Exploration of potential product registrations for use on avocados in California and research support where needed	\$5,000	Potential registrations/products may include: <ul style="list-style-type: none"> <li>• Special Local Needs registrations, as needed</li> </ul>
<b>Sustainability Project</b> - Identification of marketplace priority sustainable avocado production practices for California growers that align with customer requests for information	\$50,000	CAC management will work with independent contractors, as directed, to: <ul style="list-style-type: none"> <li>• Develop external-facing communications that promote and differentiate California Avocados based on the California Avocado Sustainability Program</li> <li>• Outreach to California Avocado customers that informs and educates about the California Avocado Sustainability Program</li> <li>• Communicate with growers on additional sustainability practices</li> </ul>
<b>INDUSTRY AFFAIRS: ISSUES MANAGEMENT SUBTOTAL:</b>	<b>\$500,000</b>	

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Legal</b>	<b>AGENCY: Creative Legal Solutions; Kahn, Soares &amp; Conway, LLP</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Elections</b> - Routine election activities, per CAC law	\$10,000	<ul style="list-style-type: none"> <li>• Conduct annual election with ballots returned no later than 10/31/25</li> <li>• Fill mid-term vacancies as needed</li> </ul>
<b>Legal Support</b> - Legal support for all CAC departments	\$150,000	Retain legal-support services to assist with contracts, trademarks, registrations and other transactional matters
<b>Governance Support</b> - This program continues to refine the long-term strategic plan that will guide CAC's activities	\$10,000	<ul style="list-style-type: none"> <li>• Conduct Board/Executive Committee training, as needed</li> <li>• Provide strategic planning support and resources</li> <li>• Refine strategic plan, as needed</li> <li>• Complete exemption determination status analysis and mail producer exemption status letters to all growers no later than 10/31/25</li> <li>• Present draft business plan to the Board, no later than October 2025</li> <li>• Use administrative support via outside contractors as needed to fulfill governance requirements</li> </ul>
<b>INDUSTRY AFFAIRS: LEGAL SUBTOTAL:</b>	<b>\$170,000</b>	

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Demonstration Grove</b>	<b>AGENCY: Cal Poly Pomona and Somis Pacific Agricultural Management</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Pine Tree - Rent</b>	\$24,900	Monthly lease per lease agreement
<b>Pine Tree - Grove Management</b>	\$52,000	Annual grove management services based on 11 acres of planted avocado acreage, including routine annual tree maintenance
<b>Pine Tree - Utilities</b>	\$5,400	Split with Cal Poly Foundation based on percentage of leased acreage
<b>Pine Tree - Property Tax and Insurance</b>	\$2,520	Split with Cal Poly Foundation based on percentage of leased acreage
<b>Pine Tree - Improvements and Misc. Expenses</b>	\$5,000	<ul style="list-style-type: none"> <li>• Improvements may include the following:                             <ul style="list-style-type: none"> <li>○ Educational demonstration projects as needed including UCCE GEM Spacing Trial</li> <li>○ Replants of trees in poor health</li> <li>○ New plantings on available blocks</li> </ul> </li> <li>• Miscellaneous expenses, which may include weather station annual fees</li> </ul>
<b>Pine Tree - Crop Harvesting</b>	\$25,000	Farm labor cost to harvest 2024-25 crop at Pine Tree Ranch
<b>Pine Tree - CAC Assessment</b>	\$1,000	CAC Assessment of \$0.01 per pound due on the sale of PTR fruit
<b>Pine Tree - Hass Avocado Board Assessment</b>	\$2,500	HAB Assessment of \$0.25 per pound due on the sale of PTR fruit
<b>INDUSTRY AFFAIRS: DEMONSTRATION GROVE SUBTOTAL:</b>	<b>\$118,350*</b>	

**\*Note: Portion of expenditures potentially offset by estimated harvest revenue of \$115,000**



<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Education and Outreach</b>	<b>AGENCY: CAC</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Field Meetings, Seminars and Workshops</b> - Events purposed to educate and update growers and industry stakeholders on pertinent industry issues	\$15,000	Conduct events that may include, but are not limited to: <ul style="list-style-type: none"> <li>• Food Safety Workshops, including Spanish translation</li> <li>• Hot Topic Seminars (pest/labor/etc.), Spanish translation as needed</li> </ul>
<b>Pine Tree Ranch Field Days</b> - Field days held at CAC's demonstration grove with the intent of providing a hands-on learning environment for the purpose of continued grower education and outreach	\$2,000	Hold at least 3 Grower Outreach and Education Field Days at Pine Tree Ranch, to be held winter 2024, summer and fall 2025
<b>Grower Outreach</b> - Provides industry with a reliable source for information on topics of vital importance to the operation of their business	\$3,000	<ul style="list-style-type: none"> <li>• Coordinate and facilitate small grower forums</li> <li>• Provide CAC premiums in appreciation of industry participation in various Commission programs</li> </ul>
<b>INDUSTRY AFFAIRS: EDUCATION AND OUTREACH SUBTOTAL:</b>	<b>\$20,000</b>	

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Other/Administrative</b>	<b>AGENCY: CAC</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Dues, Sponsorships, Registrations and Reports</b> - Formation and participation in coalitions with other commodity boards and agricultural organizations to broaden support for industry-wide initiatives	\$40,000	<ul style="list-style-type: none"> <li>Coalition dues and sponsorships may include, but are not limited to: Agriculture Coalition for Immigration Reform, Alliance for Food &amp; Farming, California Avocado Society, Minor Crop Farmer's Alliance, President's Council, Specialty Crop Farm Bill Alliance, United States Agricultural Export Development Council and Western Growers</li> <li>Event registrations may include, but are not limited to: IFPA Global Produce &amp; Floral Show, IFPA Washington Conference and Urban Water Institute</li> </ul>
<b>Grant Writing</b> - Pursuit of outside-funding opportunities for industry initiatives	\$2,500	Potential funding opportunities may include: <ul style="list-style-type: none"> <li>GAP/Food safety</li> <li>Water quality and efficiency</li> <li>Phytosanitary/pest management</li> <li>Sustainability/energy efficiency</li> </ul>
<b>Travel</b> - Travel required by CAC staff to advocate on issues of importance to the industry, stay informed on industry issues and participate in industry events	\$60,000	Industry Affairs staff travel may include, but is not limited to: <ul style="list-style-type: none"> <li>Meetings with policy/decision makers</li> <li>Grower seminars</li> <li>District meetings</li> <li>Local and international industry meetings/conferences</li> </ul>
<b>Office Expense</b> - Expenses incurred by CAC non-marketing staff, in conducting day-to-day business activities	\$7,500	Examples of office expenses include, but are not limited to: <ul style="list-style-type: none"> <li>Office furniture/computers/software/electronics</li> <li>Paper/binders/supplies</li> <li>Subscriptions to business publications and resources</li> </ul>
<b>Committee Meeting Expense</b> - Expenses incurred for travel, lodging and meals for committee meetings	\$5,000	Examples of committee meetings include, but are not limited to: <ul style="list-style-type: none"> <li>Production Research Committee</li> <li>Executive Committee</li> <li>Governance Committee</li> </ul>

<b>PROGRAM: Industry Affairs</b>	<b>ACTIVITIES: Other/Administrative (cont.)</b>	<b>AGENCY: CAC</b>
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<b>PROGRAMS</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>Anti-Theft Program</b> – Expenses related to CAC’s anti-theft reward program	\$15,000	<ul style="list-style-type: none"> <li>• Anti-theft signs</li> <li>• Anti-theft reward program claims</li> </ul>
<b>INDUSTRY AFFAIRS: OTHER/ADMINISTRATIVE SUBTOTAL:</b>	<b>\$130,000</b>	

2024-25 TOTAL INDUSTRY AFFAIRS BUDGET: \$1,225,900
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# PRODUCTION RESEARCH

<b>PROGRAM: Production Research</b>	<b>ACTIVITIES: Research</b>	<b>AGENCY: UC Riverside; UC Cooperative Extension; and Cal Poly</b>
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**PRIORITY 3:** Support industry strategy through research and outreach

**OBJECTIVES:**

1. Enhance California Avocado grower productivity and success
2. Ensure consistently safe, high-quality production that supports CAC's market development efforts

**STRATEGIES:**

- A. Design and implement a Production Research Program focused on practical solutions to grower-defined priorities
- B. Develop a research-based outreach and education program for California Avocado growers and other industry stakeholders

<b>PROGRAM: Production Research</b>	<b>ACTIVITIES: Research (cont.)</b>	<b>AGENCY: UC Riverside; UC Cooperative Extension</b>
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<b>PROGRAMS</b>	<b>START DATE</b>	<b>SCHEDULED COMPLETION DATE</b>	<b>BUDGET</b>	<b>ACTION STEPS &amp; DELIVERABLES</b>
<b>EXISTING RESEARCH PROJECTS</b>				
<b>Breeding</b>				
Commercial-scale field testing and potential release of five elite advanced rootstocks	11/1/22	10/31/25	\$89,628	<ul style="list-style-type: none"> <li>• Establish commercial-scale field trials of PP35, PP40, PP42, PP45, and PP80 UCR advanced rootstocks before official release in cooperation with California growers</li> <li>• Collect tree health and harvest data for PP35, PP40, PP42, PP45 and PP80 UCR advanced rootstocks at Pine Tree and Bonsall rootstock trials (established June 2017)</li> <li>• Collect tree health and harvest data for PP35, PP40, PP42, PP45 and PP80 UCR advanced rootstocks at 4 previously established field trials (2019)</li> </ul>
Commercial-scale field testing and potential release of five elite advanced rootstocks at Cal Poly	11/1/23	10/31/25	\$16,773	<ul style="list-style-type: none"> <li>• Continue to collect and analyze data and disseminate results to the avocado grower and research community</li> <li>• Continue to maintain orchard plot</li> </ul>

<b>PROGRAM: Production Research</b>	<b>ACTIVITIES: Research (cont.)</b>	<b>AGENCY: UC Riverside; UC Cooperative Extension</b>
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PROGRAMS	START DATE	SCHEDULED COMPLETION DATE	BUDGET	ACTION STEPS & DELIVERABLES
<b>Cultural Practices</b>				
Development of tools and information on crop water use and effective irrigation management for more profitable and sustainable avocado production	11/1/22	10/31/25	\$55,603	<ul style="list-style-type: none"> <li>• Develop accurate irrigation water needs under different conditions in South California through updated crop coefficient curves over the season for avocados</li> <li>• Evaluate irrigation tools in avocados (soil moisture, ET, drone/satellite, leaf/stem water potential, canopy temperature) for effective irrigation management</li> <li>• Evaluate irrigation strategies in avocados (grower irrigation practice vs. sensor-based irrigation and/or less water applied)</li> <li>• Evaluate satellite-based tool of IrriSAT / IrriWatch/Open ET in avocados</li> </ul>
<b>Industry Research Support</b>				
Foundation for Food and Agriculture Research (FFAR) Fellow Sponsor - Jesse Landesman	8/1/24	8/1/27	\$32,500	<ul style="list-style-type: none"> <li>• The proposed work aims to address soil salinization, an issue that is increasingly faced by orchard crops across the western United States.</li> <li>• Develop an understanding of how variations in irrigation water quality interact with soil characteristics, such as soil texture, to result in unpredictable patterns of salt accumulation in orchard soils.</li> </ul>
<b>EXISTING RESEARCH PROJECTS SUBTOTAL:</b>			<b>\$194,504</b>	

<b>2024-25 TOTAL PRODUCTION RESEARCH BUDGET: \$194,504</b>
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# 2024-25 BUDGET



CALIFORNIA AVOCADO COMMISSION  
 2024-25 PROJECTION & BUDGET  
 WITH COMPARISON TO 2023-24

ACCT CODE	REVENUES:	2024-25		2023-24		ORIGINAL vs. AMEND #1		COMMENT
		PROJECTION	%	AMEND #1	%	INCREASE (DECREASE)	PERCENT CHANGE	
40001	CAC Assessment Revenue	\$0	0.0%	\$5,045,625	53.1%	(\$5,045,625)	-100.00%	Crop size 400 MM lbs
40011	HAB 85% Rebate Assessment Revenue	\$7,905,000	94.4%	\$3,952,500	41.6%	\$3,952,500	100.00%	
	<b>Subtotal Assessment Revenues</b>	<b>\$7,905,000</b>	<b>94.4%</b>	<b>\$8,998,125</b>	<b>94.7%</b>	<b>(\$1,093,125)</b>	<b>-12.15%</b>	
42001	Administration & Accounting Fee Revenue (AIP)	\$61,000	0.7%	\$61,000	0.6%	\$0	0.00%	
46010	Grant Funding	\$200,000	2.4%	\$300,000	3.2%	(\$100,000)	-33.33%	
48001	Interest Income	\$6,000	0.1%	\$6,000	0.1%	\$0	0.00%	
48009	From the Grove Income	\$60,000	0.7%	\$60,000	0.6%	\$0	0.00%	
48003	Other Income	\$140,000	1.7%	\$75,000	0.8%	\$65,000	86.67%	
	<b>Subtotal Other Revenues</b>	<b>\$467,000</b>	<b>5.6%</b>	<b>\$502,000</b>	<b>5.3%</b>	<b>(\$35,000)</b>	<b>-6.97%</b>	
	<b>Total Revenues</b>	<b>\$8,372,000</b>	<b>100.0%</b>	<b>\$9,500,125</b>	<b>100.0%</b>	<b>(\$1,128,125)</b>	<b>-11.87%</b>	
ACCT CODE	EXPENDITURES: Marketing Programs	2024-25 PROJECTION	%	2023-24 AMEND #1	%	INCREASE (DECREASE)	PERCENT CHANGE	COMMENT
51000 & 55000	Consumer Marketing	\$4,597,600	33.8%	\$3,807,500	32.7%	\$790,100	20.75%	
52000	Trade Marketing - Retail	\$3,615,900	26.6%	\$2,481,000	21.3%	\$1,134,900	45.74%	
53000	Trade Marketing - Foodservice	\$650,000	4.8%	\$537,500	4.6%	\$112,500	20.93%	
59000	Marketing Activities Support & Personnel	\$971,500	7.1%	\$177,500	1.5%	\$794,000	447.32%	Includes 85% of Marketing Staff Personnel Expense
	<b>Subtotal Marketing Programs</b>	<b>\$9,835,000</b>	<b>72.3%</b>	<b>\$7,003,500</b>	<b>60.1%</b>	<b>\$2,831,500</b>	<b>40.43%</b>	
EXPENDITURES: Non-Marketing Programs								
64000 & 65000	Industry Affairs & Production Research	\$1,420,404	10.4%	\$1,485,154	12.7%	(\$64,750)	-4.36%	
66010	Grant Programs	\$200,000	1.5%	\$300,000	2.6%	(\$100,000)	-33.33%	
70000	Operations	\$2,150,328	15.8%	\$2,867,339	24.6%	(\$717,011)	-25.01%	85% of Marketing Staff Personnel Expense Transferred to Marketing
	<b>Subtotal Non-Marketing Programs</b>	<b>\$3,770,732</b>	<b>27.7%</b>	<b>\$4,652,493</b>	<b>39.9%</b>	<b>(\$881,761)</b>	<b>-18.95%</b>	
	<b>Total Expenditures</b>	<b>\$13,605,732</b>	<b>100.0%</b>	<b>\$11,655,993</b>	<b>100.0%</b>	<b>\$1,949,739</b>	<b>16.73%</b>	
	<b>Excess Of Revenues Over (Under) Expenditures</b>	<b>(\$5,233,732)</b>	<b>-62.5%</b>	<b>(\$2,155,868)</b>	<b>-22.7%</b>	<b>(\$3,077,864)</b>	<b>142.77%</b>	
	<b>Estimated Beginning Reserves - Nov. 1</b>	\$15,520,086		\$7,425,954		\$8,094,132	109.00%	
	<i>Estimated 2023-24 Revenue Overage based on Volume &amp; Price/LB</i>			\$9,500,000				
	<i>Estimated 2023-24 Unspent Funds Returned to Reserves</i>			\$750,000				
	<b>Estimated Ending Reserves - Oct. 31</b>	<b>\$10,286,354</b>		<b>\$15,520,086</b>		<b>(\$5,233,732)</b>	<b>-33.72%</b>	

CALIFORNIA AVOCADO COMMISSION  
2024-25 PROJECTION & BUDGET  
WITH COMPARISON TO 2023-24

Department: Marketing

ACCT CODE	DEPT/ACTIVITY	2024-25		2023-24		ORIGINAL vs. AMEND #1		COMMENT
		PROJECTION	%	AMEND #1	%	INCREASE (DECREASE)	PERCENT CHANGE	
<b>Consumer Marketing:</b>								
51001	Media Planning & Buying	\$1,755,000	17.8%	\$1,680,000	24.0%	\$75,000	4.46%	
51002	Creative Strategy, Content & Production	\$511,600	5.2%	\$497,500	7.1%	\$14,100	2.83%	
51004 & 52113	Consumer Marketing - Retail	\$1,100,900	11.2%	\$800,000	11.4%	\$300,900	37.61%	
54001	Consumer Public Relations	\$368,000	3.7%	\$192,500	2.7%	\$175,500	91.17%	
55101 & 55103	Online Marketing	\$536,600	5.5%	\$410,000	5.9%	\$126,600	30.88%	
51801 & 57002	Program Administration & Marketing Research	\$325,500	3.3%	\$227,500	3.2%	\$98,000	43.08%	
<b>Consumer Marketing Subtotal</b>		<b>\$4,597,600</b>	<b>46.7%</b>	<b>\$3,807,500</b>	<b>54.4%</b>	<b>\$790,100</b>	<b>20.75%</b>	
<b>Trade - Retail:</b>								
520XX	Trade Relations	\$915,250	9.3%	\$705,300	10.1%	\$209,950	29.77%	
52016, 521XX & 523XX	Retail Promotions	\$2,362,450	24.0%	\$1,447,500	20.7%	\$914,950	63.21%	
522XX	Data, Research & Analysis	\$272,200	2.8%	\$262,200	3.7%	\$10,000	3.81%	
52140 & 524XX	Administration & Other	\$66,000	0.7%	\$66,000	0.9%	\$0	0.00%	
<b>Trade - Retail Subtotal</b>		<b>\$3,615,900</b>	<b>36.8%</b>	<b>\$2,481,000</b>	<b>35.4%</b>	<b>\$1,134,900</b>	<b>45.74%</b>	
<b>Trade - Foodservice:</b>								
53001	Media	\$87,400	0.9%	\$0	0.0%	\$87,400	0.00%	
53101	Public Relations	\$102,300	1.0%	\$103,300	1.5%	(\$1,000)	-0.97%	
53103	Foodservice Events	\$213,800	2.2%	\$164,100	2.3%	\$49,700	30.29%	
53104	Chain Promotions	\$200,000	2.0%	\$223,600	3.2%	(\$23,600)	-10.55%	
53105	Culinary Education	\$2,000	0.0%	\$2,000	0.0%	\$0	0.00%	
5380X	Program Administration	\$44,500	0.5%	\$44,500	0.6%	\$0	0.00%	
<b>Trade - Foodservice Subtotal</b>		<b>\$650,000</b>	<b>6.6%</b>	<b>\$537,500</b>	<b>7.7%</b>	<b>\$112,500</b>	<b>20.93%</b>	
<b>Marketing Activities Support:</b>								
51803 & 52134	Marketing Planning & Export Program	\$111,500	1.1%	\$177,500	2.5%	(\$66,000)	-37.18%	
51003	Buy California Marketing Agreement	\$25,000	0.3%	\$0	0.0%	\$25,000	0.00%	
518XX	Marketing Personnel Expense	\$835,000	8.5%	\$0	0.0%	\$835,000		
<b>Marketing Activities Support Subtotal</b>		<b>\$971,500</b>	<b>9.9%</b>	<b>\$177,500</b>	<b>2.5%</b>	<b>\$794,000</b>	<b>447.32%</b>	
<b>Total Marketing</b>		<b>\$9,835,000</b>	<b>100.0%</b>	<b>\$7,003,500</b>	<b>100.0%</b>	<b>\$2,831,500</b>	<b>40.43%</b>	

CALIFORNIA AVOCADO COMMISSION  
2024-25 PROJECTION & BUDGET  
WITH COMPARISON TO 2023-24

Department: Industry Affairs & Production Research

ACCT CODE	DEPT/ACTIVITY	2024-25		2023-24		ORIGINAL vs. AMEND #1		COMMENT
		PROJECTION	%	AMEND #1	%	INCREASE (DECREASE)	PERCENT CHANGE	
<b><u>Industry Statistics And Information:</u></b>								
64001	AMRIC Operation	\$19,300	1.6%	\$27,000	2.2%	(\$7,700)	-28.52%	
64002	Crop Forecasting and Analysis	\$83,750	6.8%	\$80,000	6.6%	\$3,750	4.69%	
64003	Grower Database	\$1,500	0.1%	\$1,500	0.1%	\$0	0.00%	
64004	Grove Identification GIS Project Development	\$11,500	0.9%	\$11,500	0.9%	\$0	0.00%	
	<b>Industry Statistics And Information Subtotal</b>	<b>\$116,050</b>	<b>9.5%</b>	<b>\$120,000</b>	<b>9.9%</b>	<b>(\$3,950)</b>	<b>-3.29%</b>	
<b><u>Grower Communications:</u></b>								
64105	Online Information	\$31,000	2.5%	\$31,000	2.6%	\$0	0.00%	
64106	Publications	\$108,500	8.9%	\$108,500	9.0%	\$0	0.00%	
64107	Annual Meeting	\$15,000	1.2%	\$20,000	1.7%	(\$5,000)	-25.00%	
64108	Annual Report	\$17,000	1.4%	\$15,000	1.2%	\$2,000	13.33%	
	<b>Grower Communications Subtotal</b>	<b>\$171,500</b>	<b>14.0%</b>	<b>\$174,500</b>	<b>14.4%</b>	<b>(\$3,000)</b>	<b>-1.72%</b>	
<b><u>Issues Management:</u></b>								
64201	Water Issues	\$100,000	8.2%	\$100,000	8.3%	\$0	0.00%	
64202	Field/Technical Support	\$100,000	8.2%	\$100,000	8.3%	\$0	0.00%	
64204	Research Program Coordination & Outreach	\$120,000	9.8%	\$120,000	9.9%	\$0	0.00%	
64206	Legislative & Regulatory Advocacy	\$125,000	10.2%	\$125,000	10.3%	\$0	0.00%	
64208	Product Registrations	\$5,000	0.4%	\$5,000	0.4%	\$0	0.00%	
64211	Sustainability Project	\$50,000	4.1%	\$50,000	4.1%	\$0	0.00%	
	<b>Issues Management Subtotal</b>	<b>\$500,000</b>	<b>40.8%</b>	<b>\$500,000</b>	<b>41.3%</b>	<b>\$0</b>	<b>0.00%</b>	
<b><u>Legal/Governance:</u></b>								
64301	Elections	\$10,000	0.8%	\$10,000	0.8%	\$0	0.00%	
64302	Legal Support	\$150,000	12.2%	\$100,000	8.3%	\$50,000	50.00%	
64303	Governance Support	\$10,000	0.8%	\$55,000	4.5%	(\$45,000)	-81.82%	
	<b>Legal/Governance Subtotal</b>	<b>\$170,000</b>	<b>13.9%</b>	<b>\$165,000</b>	<b>13.6%</b>	<b>\$5,000</b>	<b>3.03%</b>	
<b><u>Demonstration Grove:</u></b>								
64401	Pine Tree - Rent	\$24,900	2.0%	\$24,900	2.1%	\$0	0.00%	
64402	Pine Tree - Grove Management	\$52,000	4.2%	\$52,000	4.3%	\$0	0.00%	
64403	Pine Tree - Utilities	\$5,400	0.4%	\$5,400	0.4%	\$0	0.00%	
64404	Pine Tree - Property Tax & Insurance	\$2,550	0.2%	\$2,520	0.2%	\$30	1.19%	
64405	Pine Tree - Improvements & Misc Expenses	\$5,000	0.4%	\$5,000	0.4%	\$0	0.00%	
64406 - 64409	Pine Tree - Harvesting, Hauling, CAC & HAB Assessments	\$28,500	2.3%	\$15,155	1.3%	\$13,345	88.06%	
	<b>Demonstration Grove Subtotal</b>	<b>\$118,350</b>	<b>9.7%</b>	<b>\$104,975</b>	<b>8.7%</b>	<b>\$13,375</b>	<b>12.74%</b>	
<b><u>Education &amp; Outreach:</u></b>								
64501	Field Meetings, Seminars & Workshops	\$15,000	1.2%	\$15,000	1.2%	\$0	0.00%	
64502	Pine Tree Ranch Field Days	\$2,000	0.2%	\$2,000	0.2%	\$0	0.00%	
64503	Grower Outreach	\$3,000	0.2%	\$4,000	0.3%	(\$1,000)	-25.00%	
	<b>Education &amp; Outreach Subtotal</b>	<b>\$20,000</b>	<b>1.6%</b>	<b>\$21,000</b>	<b>1.7%</b>	<b>(\$1,000)</b>	<b>-4.76%</b>	
<b><u>Other:</u></b>								
64801	Dues, Sponsorships, & Reports	\$40,000	3.3%	\$41,000	3.4%	(\$1,000)	-2.44%	
64802	Grant Writing	\$2,500	0.2%	\$2,500	0.2%	\$0	0.00%	
64803	Travel	\$60,000	4.9%	\$60,000	5.0%	\$0	0.00%	
64804	Office Expense	\$7,500	0.6%	\$10,000	0.8%	(\$2,500)	-25.00%	
64805	Committee Meeting Expense	\$5,000	0.4%	\$5,000	0.4%	\$0	0.00%	
64901	Anti-Theft Reward Program	\$15,000	1.2%	\$7,500	0.6%	\$7,500	100.00%	
	<b>Other Industry Affairs Subtotal</b>	<b>\$130,000</b>	<b>10.6%</b>	<b>\$126,000</b>	<b>10.4%</b>	<b>\$4,000</b>	<b>3.17%</b>	
	<b>Total Industry Affairs</b>	<b>\$1,225,900</b>	<b>100.0%</b>	<b>\$1,211,475</b>	<b>100.0%</b>	<b>\$14,425</b>	<b>1.19%</b>	

CALIFORNIA AVOCADO COMMISSION  
 2024-25 PROJECTION & BUDGET  
 WITH COMPARISON TO 2023-24

Department: Industry Affairs & Production Research

ACCT CODE	DEPT/ACTIVITY	2024-25		2023-24		ORIGINAL vs. AMEND #1		COMMENT
		PROJECTION	%	AMEND #1	%	INCREASE (DECREASE)	PERCENT CHANGE	
<b><u>Pest &amp; Disease Projects:</u></b>								
65131	Phenology and ecology of avocado lace bug in Southern California	\$0	0.0%	\$30,572	11.2%	(\$30,572)	-100.00%	
65132	PLACEHOLDER: Avocado Branch Canker	\$0	0.0%	\$30,000	11.0%	(\$30,000)	-100.00%	
	<b>Pest &amp; Disease Project Subtotal</b>	<b>\$0</b>	<b>0.0%</b>	<b>\$60,572</b>	<b>22.1%</b>	<b>(\$60,572)</b>	<b>-100.00%</b>	
<b><u>Breeding, Varieties, Genetics Projects:</u></b>								
65216	Commercial-Scale Field Testing and Potential Release of Rootstocks	\$89,628	46.1%	\$89,628	32.7%	\$0	0.00%	
65217	CAL POLY - Commercial-scale field testing and potential release of five elite advanced rootstocks	\$16,773	8.6%	\$16,690	6.1%	\$83	0.50%	
	<b>Breeding, Varieties, Genetics Projects Subtotal</b>	<b>\$106,401</b>	<b>54.7%</b>	<b>\$106,318</b>	<b>38.8%</b>	<b>\$83</b>	<b>0.08%</b>	
<b><u>Cultural Management Projects:</u></b>								
65323	Develop tools and info on crop water use	\$55,603	28.6%	\$67,053	24.5%	(\$11,450)	-17.08%	
65324	Adapting a User-friendly Online Irrigation Calculator for Avocados	\$0	0.0%	\$7,236	2.6%	(\$7,236)	-100.00%	
	<b>Cultural Management Projects Subtotal</b>	<b>\$55,603</b>	<b>28.6%</b>	<b>\$74,289</b>	<b>27.1%</b>	<b>(\$18,686)</b>	<b>-25.15%</b>	
<b><u>Industry Research Support:</u></b>								
65403	Foundation for Food and Agriculture Research (FFAR) Fellow Sponsor - Jesse Landesman	\$32,500	16.7%	\$32,500	11.9%	\$0	0.00%	
	<b>Industry Research Subtotal</b>	<b>\$32,500</b>	<b>16.7%</b>	<b>\$32,500</b>	<b>11.9%</b>	<b>\$0</b>	<b>0.00%</b>	
	<b>Total Production Research</b>	<b>\$194,504</b>	<b>100.0%</b>	<b>\$273,679</b>	<b>100.0%</b>	<b>(\$79,175)</b>	<b>-28.93%</b>	

Department: Grant Programs

ACCT CODE	DEPT/ACTIVITY	2024-25		2023-24		ORIGINAL vs. AMEND #1		COMMENT
		PROJECTION	%	AMEND #1	%	INCREASE (DECREASE)	PERCENT CHANGE	
66020-91	USDA Grant-FAS MAP South Korea	\$100,000	50.0%	\$160,000	53.3%	(\$60,000)	-37.50%	
66021-92	USDA Grant-FAS MAP China	\$100,000	50.0%	\$140,000	46.7%	(\$40,000)	-28.57%	
	<b>Total Grant Programs</b>	<b>\$200,000</b>	<b>100.0%</b>	<b>\$300,000</b>	<b>100.0%</b>	<b>(\$100,000)</b>	<b>-33.33%</b>	

CALIFORNIA AVOCADO COMMISSION  
2024-25 PROJECTION & BUDGET  
WITH COMPARISON TO 2023-24

Department: Operations

ACCT CODE	DEPT/ACTIVITY	2024-25		2023-24		ORIGINAL vs. AMEND #1		COMMENT
		PROJECTION	%	AMEND #1	%	INCREASE (DECREASE)	PERCENT CHANGE	
	<b>Office Expense:</b>							
71101 & 71102	Office Rent & Property Tax	\$35,132	1.6%	\$155,705	5.4%	(\$120,573)	-77.44%	
71104	Offsite Storage	\$10,240	0.5%	\$9,300	0.3%	\$940	10.11%	
71111	Corporate Insurance	\$101,960	4.7%	\$96,000	3.3%	\$5,960	6.21%	
71121 - 71123	Office Expense, Supplies & Janitorial	\$31,350	1.5%	\$27,650	1.0%	\$3,700	13.38%	
71131	Utilities	\$14,700	0.7%	\$14,600	0.5%	\$100	0.68%	
71141	Bank & Payroll Fees	\$8,500	0.4%	\$16,000	0.6%	(\$7,500)	-46.88%	
71151	Equipment Maintenance & Expense	\$7,760	0.4%	\$20,000	0.7%	(\$12,240)	-61.20%	
71161 - 71181	Telephone, Cell Phone, Postage & Courier Service	\$24,800	1.2%	\$29,420	1.0%	(\$4,620)	-15.70%	
	<b>Office Expense Subtotal</b>	<b>\$234,442</b>	<b>10.9%</b>	<b>\$368,675</b>	<b>12.9%</b>	<b>(\$134,233)</b>	<b>-36.41%</b>	
	<b>Professional Fees:</b>							
71201	CPA-Financial Audits	\$40,000	1.9%	\$40,000	1.4%	\$0	0.00%	
71203	CPA-Assessment Audits	\$56,375	2.6%	\$28,500	1.0%	\$27,875	97.81%	
71207	CDFA Fiscal and Compliance Audit	\$9,925	0.5%	\$14,500	0.5%	(\$4,575)	-31.55%	
71211	CDFA Charges	\$90,000	4.2%	\$81,960	2.9%	\$8,040	9.81%	
71221	USDA-AMS Charges	\$63,000	2.9%	\$60,000	2.1%	\$3,000	5.00%	
71231 - 71235	Legal & Other Professional	\$10,000	0.5%	\$7,500	0.3%	\$2,500	33.33%	
71236	Outsourced Accounting	\$107,500	5.0%	\$150,000	5.2%	(\$42,500)	-28.33%	
78301	Pension Admin & Legal	\$38,620	1.8%	\$52,300	1.8%	(\$13,680)	-26.16%	
	<b>Professional Fees Subtotal</b>	<b>\$415,420</b>	<b>19.3%</b>	<b>\$434,760</b>	<b>15.2%</b>	<b>(\$19,340)</b>	<b>-4.45%</b>	
	<b>Personnel Expenses:</b>							
71301 & 71321	Payroll Expense (Wages, Tax & Wrkrs Comp) - Ops & IA	\$670,840	31.2%	\$645,680	22.5%	\$25,160	3.90%	
	Payroll Expense (Wages, Tax & Wrkrs Comp) - Marketing	\$118,071	5.5%	\$766,280	26.7%	(\$648,209)	-84.59%	
71311	Pension Expense	\$73,445	3.4%	\$117,625	4.1%	(\$44,180)	-37.56%	
71331	Benefits Expense	\$146,557	6.8%	\$236,432	8.2%	(\$89,875)	-38.01%	
	<b>Personnel Expenses Subtotal</b>	<b>\$1,008,914</b>	<b>46.9%</b>	<b>\$1,766,017</b>	<b>61.6%</b>	<b>(\$757,103)</b>	<b>-42.87%</b>	
	<b>Commissioner Expenses:</b>							
71401	District Meetings & Expenses	\$5,000	0.2%	\$5,000	0.2%	\$0	0.00%	
71402 & 71403	Travel, Lodging, Mileage, Meals & Entertainment	\$58,000	2.7%	\$58,000	2.0%	\$0	0.00%	
71404	Board Meeting Expenses	\$22,250	1.0%	\$31,000	1.1%	(\$8,750)	-28.23%	
71405	HAB BOLD Participation	\$10,000	0.5%	\$18,000	0.6%	(\$8,000)	-44.44%	
71406	District Designated Funds	\$100,000	4.7%	\$0	0.0%	\$100,000	100.00%	
	<b>Commissioner Expenses Subtotal</b>	<b>\$195,250</b>	<b>9.1%</b>	<b>\$112,000</b>	<b>3.9%</b>	<b>\$83,250</b>	<b>74.33%</b>	
	<b>Information Technology:</b>							
73001 & 73002	Network Maint., Hardware, Software & Licenses	\$35,806	1.7%	\$66,937	2.3%	(\$31,131)	-46.51%	
73003 & 73005	IT Support, Consulting & IT Service	\$68,194	3.2%	\$56,500	2.0%	\$11,694	20.70%	
73004	Accounting & Assessment System	\$6,000	0.3%	\$11,500	0.4%	(\$5,500)	-47.83%	
	<b>Information Technology Subtotal</b>	<b>\$110,000</b>	<b>5.1%</b>	<b>\$134,937</b>	<b>4.7%</b>	<b>(\$24,937)</b>	<b>-18.48%</b>	
	<b>Depreciation, Interest &amp; Other Operations:</b>							
78101	Operations Staff Travel	\$5,000	0.2%	\$5,000	0.2%	\$0	0.00%	
78201	Depreciation Expense	\$0	0.0%	\$0	0.0%	\$0	0.00%	
78401 & 78501	Dues & Reg., Education, Training, Recruitment, Other	\$11,175	0.5%	\$20,950	0.7%	(\$9,775)	-46.66%	
78601	Temporary Help	\$5,000	0.2%	\$25,000	0.9%	(\$20,000)	-80.00%	
79001	Amortization Expense	\$159,351	7.4%	\$0	0.0%	\$159,351	100.00%	
79100	Interest Expense	\$5,776	0.3%	\$0	0.0%	\$5,776	100.00%	
	<b>Depreciation, Interest &amp; Other Admin Subtotal</b>	<b>\$186,302</b>	<b>8.7%</b>	<b>\$50,950</b>	<b>1.8%</b>	<b>\$135,352</b>	<b>265.66%</b>	
	<b>Total Operations</b>	<b>\$2,150,328</b>	<b>100.0%</b>	<b>\$2,867,339</b>	<b>100.0%</b>	<b>(\$717,011)</b>	<b>-25.01%</b>	

**ITEM 10:      DEFORESTATION**

**SUMMARY:**

At the August 15 Board meeting deforestation was discussed, and it has been added to the agenda for the October 10 Board meeting. In preparation for the discussion, Ken Melban, CAC vice president of industry affairs and operations, has sent the board multiple emails on the subject matter, which also are included here.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Not applicable

**STAFF RECOMMENDATION:**

- Not applicable

**EXHIBITS / ATTACHMENTS:**

- Agri-Pulse Article
- Senator Welch Letter to State Department
- Climate Rights International August 2024 report
- Giannini Foundation report
- Statement from U.S. Ambassador Ken Salazar regarding the announcement of a voluntary deforestation certification program in Mexico along with an article on the same
- Robert Jackson's letter to Rep. Mike Levin

**From:** Agri-Pulse Daybreak West <[Daybreak@agri-pulse.com](mailto:Daybreak@agri-pulse.com)>

**Date:** September 11, 2024 at 5:00:11 AM PDT

**Subject:** Deforestation policies could backfire \* H-2A tech preps farmers for audits \* Schumer: Where's farm bill extension?

**Reply-To:** Agri-Pulse Daybreak West <[Daybreak@agri-pulse.com](mailto:Daybreak@agri-pulse.com)>

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### **Deforestation policies could harm California farmers**

Economists are warning that policies to certify imports as “deforestation free” could backfire on California farmers.

UC Davis Assistant Professor Mark Agerton and his graduate student studied the issue after six U.S. senators raised concerns over avocado imports in February. The Democratic lawmakers argued the Biden administration [should establish certification requirements](#) to ensure the Mexican imports are not grown on illegally deforested land.

The researchers found such a policy [would likely reduce the supply and raise prices](#) for consumers. While California avocado growers would stand to benefit during their harvest, they would be competing against the marketing. The certifications on imported products could encourage consumers to pay more for the sustainability label, similar to an organic premium.

The burden of ensuring the supply chain is not leading to deforestation would be costly for retailers and importers as well. Rather, the economists suggest the federal government maintains the standards and the necessary monitoring.

Yet the issue grows complicated when considering the agricultural intermediaries in California that often source from Mexico to bolster the local supply. A ban on any imported avocados that lack the certification could hurt those operations. The economists instead recommend a deforestation tariff to lower the implementation costs.

### **Western Growers partners on H-2A tech**

Western Growers is celebrating the launch of a tech platform designed [to streamline the paper-heavy H-2A process](#).

H2 Organizer simplifies onboarding, tracks workers to optimize logistics, covers payroll, enables multilingual communication with workers and alerts employers about compliance dates. The documentation tracking also prepares employers for potential audits by the Labor Department’s Wage and Hour Division.

Jason Resnick, senior vice president and general counsel at Western Growers, calls the technology a game changer for farmers navigating the complex H-2A program. He described H2 Organizer as “an efficient, user-friendly solution that eliminates manual data entry and keeps everything in one accessible place.”

### **USDA funds \$121M for specialty crops and organic expansion**



USDA [announced](#) approximately \$121 million in funding for transitions to and expansion of organic agriculture and specialty crops research, facilitated through the National Institute of Food and Agriculture.

NIFA is dividing the investment between 17 Specialty Crop Research Initiative projects, 23 Organic Agriculture Research and Extension Initiative (OREI) projects and seven Organic Transitions Program projects.

Projects began on Sept. 1 and will last between one to five years, depending on the proposal.

**In California:** UC Davis [received](#) \$74,995 from the OREI allocation to address agricultural needs in the Imperial and Coachella valleys, with a core focus on organic pest management and food safety. Their programming is oriented towards historically underserved farmers and will feature on-farm demonstrations, discussions and peer-to-peer learning.

### **Trump, Harris tangle over tariffs, impact on consumer costs**

Vice President Kamala Harris and former President Donald Trump, debating for the first time Tuesday night, immediately tangled over trade policy and Trump's proposal to impose across-the-board tariffs on U.S. imports.

Harris, suggesting such tariffs would drive up the cost of living, referred to the tariffs as a "sales tax, which would be a 20% tax on everyday goods that you rely on to get through the month." Inflation is a major problem facing Harris and other Democratic candidates in this fall's election.

"Economists have said that that Trump sales tax would actually result for middle class families in about \$4,000 more a year, because of his policies and his ideas about what should be the backs of middle-class people paying for tax cuts for billionaires," Harris added.

Trump responded, "I have no sales tax. That's an incorrect statement."

He suggested, as he has in the past, that tariffs are paid by the exporting countries. Tariffs are actually paid by importers.

*Read our full report at [Agri-Pulse.com](https://www.agri-pulse.com).*

### **Jones presses lawmakers on FDA Human Foods needs**

Jim Jones, FDA's deputy commissioner for human foods, says his agency needs additional regulatory authorities and funding to keep up with the modern food system.

Jones appeared before the House Energy and Commerce Committee's Health subcommittee Tuesday to take questions on a number of food safety bills and to push Congress for more support. "Certainly, the FDA is no stranger to doing more with less, but we also need modern authorities to enable further agility and to help us regulate our rapidly evolving 21st-century food supply," Jones said.

Congress should give the agency authority to prevent foods with dangerous levels of contaminants from reaching retail shelves, and lift limitations on sharing some regulated commodity information with state partners during urgent food safety events, Jones said.

### **Food industry groups create forum for traceability rule**

Eight food industry groups have created a Food Industry FSMA 204 Collaboration to boost awareness and share resources about the FDA's food traceability rule.

The traceability rule requires the food supply chain to collect more detailed information to help the agency identify and remove potentially contaminated foods from the market more quickly. The compliance deadline for the rule is Jan. 20, 2026, with the agency expected to begin enforcement in 2027.

Still, recent stakeholder discussions found that many in the supply chain lack awareness and understanding of the new requirements.

The new collaboration group includes the Association of Food & Drug Officials, FMI-The Food Industry Association, International Fresh Produce Association, National Association of State Departments of Agriculture and more.

### **ESA reform bill dropped in House**

An Endangered Species Act reform bill introduced by House Republicans Tuesday would make major changes to the 51-year-old law.

The bill introduced by Reps. Bruce Westerman, R-Ark., and Dan Newhouse, R-Wash., would prevent designation of critical habitat on private land and require that federal wildlife agencies examine the economic and natural security impacts of species listings. It also would prohibit judicial review of decisions to remove species from the threatened and endangered list.'

The National Cattlemen's Beef Association and Public Lands Council praised the legislation. The Center for Biological Diversity dismissed the bill as "a tired rerun of the same old script."

*Brad Hooker, Chloe Lovejoy, Rebekah Alvey, Philip Brasher, Nosh Wicks.*

Comments? Questions? Tips? Email comments to [brad@agri-pulse.com](mailto:brad@agri-pulse.com)

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# United States Senate

WASHINGTON, DC 20510

February 7, 2024

The Honorable Antony Blinken  
Secretary  
Department of State  
2201 C Street, NW  
Washington, DC 20520

The Honorable Thomas Vilsack  
Secretary  
Department of Agriculture  
1400 Independence Avenue, SW  
Washington, DC 20250

The Honorable Katherine Tai  
Ambassador  
Office of the U.S. Trade Representative  
600 17th Street NW  
Washington, DC 20508

Dear Secretary Blinken, Secretary Vilsack, and Ambassador Tai:

We write regarding reports of widespread illegal deforestation and unsustainable water use linked to avocados imported from Mexico. We request additional information regarding the Administration's efforts to address environmental degradation linked to these imports and work with our Mexican partners to prevent the sale of avocados grown on illegally deforested lands to American consumers.

Two states in Mexico—Michoacán and Jalisco—supply almost all avocados consumed in the United States. According to a recent article in the *New York Times*, avocado production in these states has had a catastrophic impact on the environment and local communities.<sup>1</sup> A report by Climate Rights International further outlines the devastating toll of the U.S.-Mexico avocado trade: government officials in Michoacán and Jalisco identify avocado production as “a central cause of deforestation and environmental destruction in their states,” including water theft. The report also outlines how Indigenous leaders and others seeking to defend their forests and water have been threatened, attacked, and killed.<sup>2</sup>

The U.S. and Mexico are both parties to the Paris Agreement, which includes a commitment to reduce deforestation and greenhouse gas emissions causing climate change. In addition, both countries signed the Glasgow Leaders Declaration at COP26, which includes a commitment to trade policies that promote sustainable commodity production and consumption and reduce deforestation.

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<sup>1</sup> New York Times, *Americans Love Avocados. It's Killing Mexico's Forests* (online at <https://www.nytimes.com/2023/11/28/us/mexico-avocado-deforestation.html>) (accessed Jan. 25, 2024).

<sup>2</sup> Climate Rights International, *Unholy Guacamole, Deforestation, Water Capture, and Violence Behind Mexico's Avocado Exports to the U.S. and Other Major Markets* (online at <https://cri.org/reports/unholy-guacamole/>) (accessed Jan. 25, 2024).

To help meet these commitments, the Administration, in cooperation with our Mexican partners, should work to prevent Mexican avocados produced on illegally deforested land from reaching U.S. markets. For example, the U.S. and Mexico are currently subject to an Operational Work Plan (OWP) agreement that requires U.S. and Mexican authorities to certify Mexican avocado orchards that export to the U.S. Currently, the OWP certification requirement only includes evaluation of pest control. The Administration should consider expanding the certification requirement to include a review of deforestation impacts, denying certification to orchards installed on recently illegally deforested land—a change that senior Mexican officials have reportedly expressed interest in making. Because most Mexican avocado orchards are not on recently deforested land, the Administration could implement policy changes without significantly reducing American consumers' access to avocados or harming the livelihood of law-abiding avocado farmers.<sup>3</sup>

To better understand the steps the Administration is taking, and could take in the future, to prevent the sale of avocados in the United States linked to deforestation, unsustainable water use, and violence against Indigenous and other local communities, we request a staff briefing with your agencies within the next 45 days.

Thank you for your consideration.

Sincerely,



Peter Welch  
United States Senator



Benjamin Cardin  
United States Senator



Tim Kaine  
United States Senator



Martin Heinrich  
United States Senator



Chris Van Hollen  
United States Senator



Jeff Merkley  
United States Senator

cc: Ambassador Ken Salazar

<sup>3</sup> Climate Rights International, *Unholy Guacamole, Deforestation, Water Capture, and Violence Behind Mexico's Avocado Exports to the U.S. and Other Major Markets* (online at <https://cri.org/reports/unholy-guacamole/>) (accessed Jan. 25, 2024).



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## Deforestation in Mexico

# US-Mexico: US Avocado Sellers Fail to End Sourcing from Illegally Deforested Land in Mexico

*Companies' Practices Incentivize Deforestation, Belie Sustainability Commitments*

August 2024

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(New York, August 6, 2024) – Leading U.S. avocado importers Calavo Growers, Fresh Del Monte Produce, Mission Produce, and West Pak Avocado have continued to source from Mexican orchards containing illegally deforested land in 2023 and 2024 even after being informed of deforestation within their supply chains, Climate Rights International said today

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their sourcing practices are not incentivizing the destruction of Mexico's forests.

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The four companies have supplied avocados from Mexico to major supermarket chains throughout the United States. Albertsons, Costco, Kroger, Target, Trader Joe's, Walmart, and Whole Foods all sourced from at least one of the four companies in 2023.

A November 2023 report by Climate Rights International, "**Unholy Guacamole: Deforestation, Water Capture, and Violence Behind Mexico's Avocado Exports to the U.S. and Other Major Markets**," documented how the U.S.-Mexico avocado trade is fueling widespread illegal deforestation and water shortages in the Mexican states of Michoacán and Jalisco, and how local residents whose efforts to protect their forests and water supplies have been met with violence and intimidation. Using shipping records obtained through Mexico's transparency law, the **report revealed** that the four top U.S. importers, as well as other companies, had sourced avocados from orchards containing illegally deforested land in 2022.

"By buying from orchards containing illegally cleared lands, the companies are effectively incentivizing further deforestation, as well as acts of intimidation and violence against local residents trying to stop it," said Daniel Wilkinson, Senior Policy Advisor at Climate Rights International. "And by continuing to do so after being informed of the consequences, they're showing that their public commitments to sustainable sourcing are, when it comes to Mexican avocados, little more than greenwashing."

Climate Rights International and Guardián Forestal recently obtained avocado shipping records for 2023 and the first trimester of 2024 from the Mexican government. The organizations identified 60 examples of the four companies sourcing avocados from orchards in Michoacán containing deforested land—including 15 examples for each company. **(See below for satellite images and a list of the orchards.)**

As **documented in the 2023 report**, virtually all of the avocado-driven deforestation in Michoacán and Jalisco over the past two decades has been illegal. Moreover, in many instances, the land has been cleared by intentionally setting forest fires, which is also a crime. The total amount of avocado-driven deforestation in the two states over the past decade very likely exceeds 40,000 acres (16,000 hectares)—and could be more than 70,000 acres. Tens—if not hundreds—of thousands of acres of forest in the two states remain at risk of deforestation for avocado exports, according to academic studies.

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replenishment of aquifers, which— together with the heavy and often unauthorized use of water by avocado orchards—contributes to water shortages that impact local communities.

More than half of the 60 examples involve transactions that occurred after Climate Rights International provided the companies with documentation of deforestation within their supply chains and evidence that avocado-driven deforestation is taking a serious toll on the rights of local residents and the environment. Climate Rights International wrote to the four companies in early November 2023 and presented the main findings of the report that was released at the end of that month, including evidence indicating that they had sourced avocados from orchards containing illegally deforested land in 2022. Climate Rights International followed up with them directly several weeks later to provide the full report, which includes more than a dozen examples for each company.

The four US-based avocado importers have stated publicly they are committed to ensuring the sustainability of their supply chains. Major supermarkets who have sourced avocados from them have made similar commitments, publicizing codes of conduct stating that suppliers must comply with certain environmental and human rights requirements, including not violating environmental laws of their countries of operation.

In February 2024, the United States Ambassador to Mexico, Ken Salazar – former US Senator from Colorado and Interior Secretary in the Obama administration – traveled to Michoacán, the heart of Mexican avocado production, and held a press conference with Governor Alfredo Ramírez Bedolla in which they **announced** their shared commitment to halting avocado exports from illegally deforested land. “They shouldn’t have the opportunity to sell those avocados to the United States market,” Salazar said.

“The continued sourcing of avocados from deforested land by these companies is in defiance of the public statements of Mexican and U.S. officials and shows a serious disregard for the well-being of local communities and the environment,” said Wilkinson. “Calavo Growers, Fresh Del Monte Produce, Mission Produce and West Pak can play a critical role in ending deforestation by the avocado industry by ending their sourcing from illegally deforested land.”

## Examples of Avocado Sourcing from Orchards on Deforested Lands



containing deforested land. Government records indicate that, **as with all conversion of forests to avocado orchards over the past two decades in Michoacán**, the deforestation in these orchards was illegal. These purchases are inconsistent with the companies' public commitments to ensuring the sustainability of their supply chains.

## Calavo Growers

*“Sustainability is embedded in all of our decision-making processes, whether they occur within our packing, distribution and manufacturing operations or extend to our individual growers and suppliers from whom we source.”*

— Calavo Growers, “Sustainability.” <sup>1</sup>

Calavo Growers sourced avocados from the orchard outlined below in December 2023. <sup>2</sup>



Calavo Growers sourced avocados from the orchard outlined below in November 2023.<sup>3</sup>



Calavo Growers sourced avocados from the orchard outlined below in May 2023, and March 2024.<sup>4</sup>



## Fresh Del Monte Produce

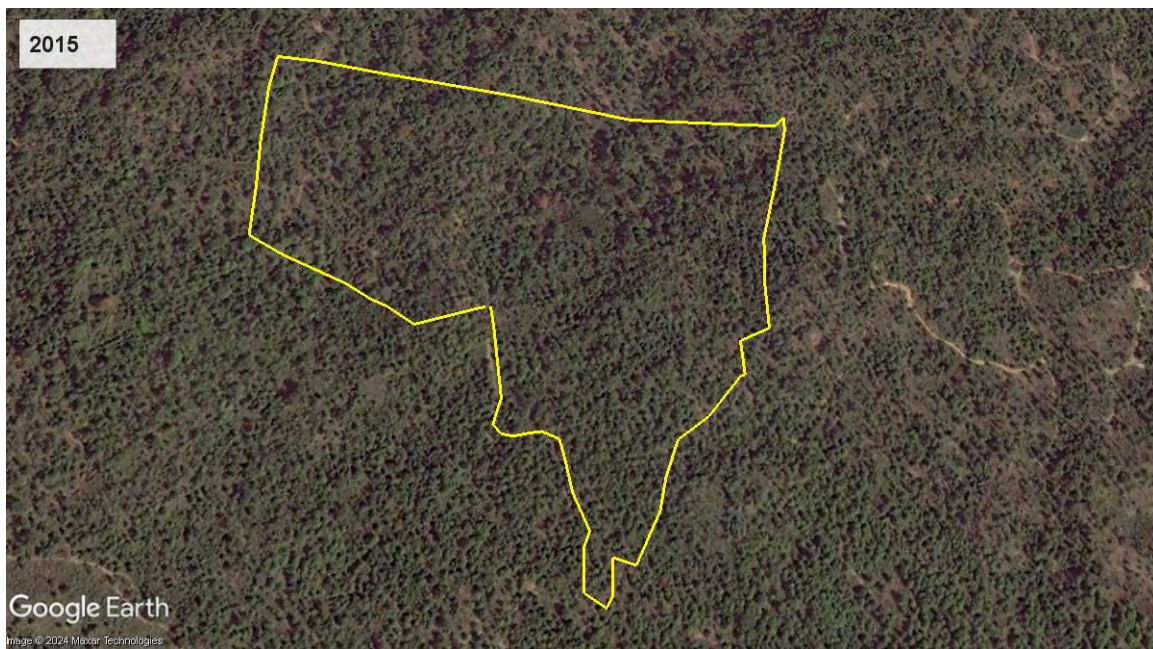
***laws, regulations, and standards and adopt and implement the best practices that protect the environment.”***

–Fresh Del Monte, “Vendors and Growers.” <sup>5</sup>

***“At Fresh Del Monte, sustainability isn’t just a word, it’s woven into every fiber of our business.”***

–Fresh Del Monte, “Our Approach.” <sup>6</sup>

Fresh Del Monte sourced avocados from the orchard outlined below in March and April 2024.<sup>7</sup>



Fresh Del Monte sourced avocados from the orchard outlined below in December 2023 and February 2024.<sup>8</sup>



.....

Fresh Del Monte sourced avocados from the orchard outlined below on in September 2023.<sup>9</sup>





## Mission Produce

**“Our industry faces numerous environmental challenges, such as climate change, water scarcity, soil erosion, and biodiversity loss. So, we take meaningful action to minimize our operational impact on the environment and respond to opportunities to take care of communities in which we operate.”**

–Mission Produce “The Journey of a Sustainable Avocado.”<sup>10</sup>

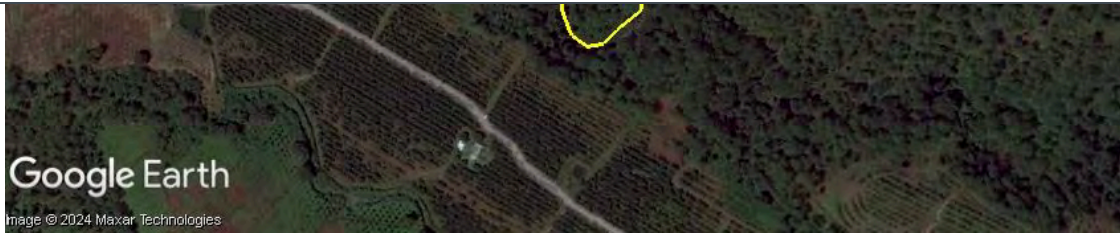
Mission Produce sourced avocados from the orchard outlined below in November 2023.<sup>11</sup>





Mission Produce sourced avocados from the orchard outlined below in August and November 2023.<sup>12</sup>





## West Pak

**“Our Mission[:] To bring delicious, healthy, sustainable, and responsibly sourced avocados to consumers around the world.”**

—West Pak Avocado “Company Overview.”<sup>13</sup>

West Pak purchased from the orchard outlined below in January 2024.<sup>14</sup> The orchard was among those flagged in our November 2023 report.<sup>15</sup>







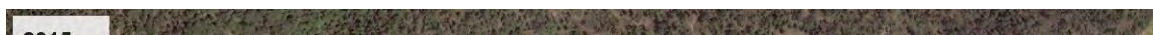
West Pak purchased from the orchard outlined below in March and April 2024.<sup>16</sup>



West Pak purchased from the orchard outlined below in November and December 2023.<sup>17</sup> The orchard was among those flagged in our November 2023 report.<sup>18</sup>



West Pak purchased from the orchard outlined below in March and April 2024.<sup>19</sup>





## Full List of Examples

The following tables provide a full list of the 60 examples, identified by Climate Rights International and Guardián Forestal, of orchards that were deforested—[apparently illegally](#)—and that supplied the four companies between May 2023 and April 2024. In most cases, the company purchased from the orchard on more than one occasion during the one-year period. Each orchard is identified by its official registration number. The date included in the table refers to the most recent of these transactions.

### Calavo Growers

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HUE08161070336	April 17, 2024
HUE08160096109	March 23, 2024
HUE08160660973	March 19, 2024
HUE08160825241	February 9, 2024
HUE08160826641	February 2, 2024
HUE08161070410	December 27, 2023
HUE08160794632	November 21, 2023
HUE08160190829	November 29, 2023
HUE08160826643	November 6, 2023
HUE08160754226	November 1, 2023
HUE08160440117	October 2, 2023
HUE08160850504	September 27, 2023
HUE08160640433	September 11, 2023
HUE08160940057	September 5, 2023
HUE08160971155	August 17, 2023

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## Fresh Del Monte

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HUE08161070336	April 5, 2024
HUE08160826463	February 23, 2024
HUE08160795116	February 7, 2024
HUE08160971677	November 25, 2023
HUE08160870594	October 16, 2023
HUE08160972039	September 22, 2023
HUE08160870484	September 21, 2023
HUE08160010356	September 5, 2023
HUE08161070373	September 4, 2023
HUE08160837633	September 2, 2023
HUE08160795222	August 29, 2023
HUE08160826989	August 23, 2023
HUE08160971990	August 23, 2023
HUE08160826723	August 23, 2023
HUE08160837618	August 4, 2023

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## Mission Produce

HUE08161070708	January 23, 2024
HUE08160530568	January 13, 2024
HUE08160530573	January 13, 2024
HUE08160490979	December 30, 2023
HUE08160190925	December 30, 2023
HUE08160096126	December 8, 2023
HUE08160190977	November 29, 2023
HUE08160530668	November 23, 2023
HUE08160583115	November 15, 2023
HUE08160794810	November 14, 2023
HUE08160971155	November 14, 2023
HUE08160912780	November 10, 2023
HUE08160850504	November 1, 2023
HUE08160220258	October 20, 2023
HUE08161070379	August 24, 2023

**West Pak**

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HUE08161070708	April 11, 2024
HUE08161070572	April 8, 2024
HUE08161070490	April 5, 2024
HUE08160490820	February 15, 2024
HUE08160490979	January 16, 2024
HUE08160010416	December 29, 2023
HUE08160490766	December 6, 2023
HUE08160826565	December 1, 2023
HUE08160825724	November 30, 2023
HUE08160490328	November 6, 2023
HUE08160826941	October 26, 2023
HUE08160971674	October 17, 2023
HUE08160900946	September 23, 2023
HUE08160826671	September 22, 2023
HUE08160490665	April 24, 2023

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## Methodology

Climate Rights International used Mexico's Federal Law of Transparency and Access to Public Government Information to obtain the government polygon maps of all orchards in Mexico certified to export to the United States. The maps were provided in by Mexico's National Service of Health, Food Safety and Quality (SENASICA) in response to transparency law request 330028323000032. Climate Rights International also obtained government shipping records for these orchards—called “Harvest Registration forms” (Bitácora de Cosecha, BICO)—from SENASICA in response to transparency law request number 330028323000180. These BICO records accompany each shipment of avocados that is ultimately destined for U.S. export from the orchard to the packinghouse where it is packaged for export. The BICO record lists the official registration number of the orchard of origin (beginning with HUE0816 for Michoacán orchards) and the packinghouse destination.

By comparing the registration numbers associated with the polygon maps of export-certified orchards with the registration numbers in BICO records of shipments, Guardián Forestal and Climate Rights International were able to identify instances of orchards containing lands that were deforested—apparently illegally—and that supplied major companies in 2023 and the first trimester of 2024.

Guardián Forestal used its deforestation alert system, which integrates alerts developed with proprietary algorithms, alerts on forest cover change and vegetation disturbances from Global Land Analysis and Discovery (GLAD) and satellite image base maps from the Norwegian International Climate and Forest Initiative (NICFI).

Climate Rights International analyzed and confirmed the results using the polygon maps of the orchards (provided in KMZ and KML format) on Google Earth Pro, which allows the viewer to review sequences of satellite images of the same pieces of land over time. The Google Earth images reproduced here are from the providers Airbus, Maxar Technologies, CNES, and Landsat/Copernicus.

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# Chips, Dip, and a Side of Deforestation? U.S. Agricultural Trade and Deforestation Policy Beyond Avocados

Mark Agerton, Julia Mezentseva, and James E. Sayre

**U.S. lawmakers have raised concerns about Mexican avocado imports and their environmental impacts, particularly deforestation. We analyze recent patterns in deforestation in Mexico and discuss the scope and potential challenges of proposals to reduce forest loss. Examining policies in the United States and Europe, we explore both supply- and demand-side approaches to agricultural trade and deforestation more broadly, as well as the potential effects of those policies on U.S. and Californian producers and consumers.**

On February 7, 2024, a group of U.S. senators addressed a letter to Secretary of State Antony Blinken, U.S. Trade Representative Katherine Tai, and Secretary of Agriculture Thomas Vilsack, expressing their concerns about the environmental and social impacts of avocado imports from Mexico. The letter highlighted reports of illegal deforestation and unsustainable water use in Michoacán and Jalisco, the states that supply avocados to the U.S. market. Citing environmental degradation, the senators proposed using the pre-existing regulatory framework to additionally certify that avocados do not come from formerly deforested areas. They wrote that the Biden administration “should consider expanding the certification requirement” to review deforestation impacts, but that “because most Mexican avocado orchards are not on recently deforested land, the administration could implement policy changes without significantly reducing U.S. consumers’ access to avocados or harming the livelihood of law-abiding avocado farmers.”

The senators’ letter comes at a time when reducing deforestation driven by agriculture is increasingly a policy priority, as the impacts of deforestation are not only local but also global. Deforestation can reduce biodiversity and impact ecosystems, degrade soils, lead to soil erosion, and increase the risks of flooding. In some areas, deforestation may bring humans into closer proximity to wildlife and zoonotic diseases, increasing the likelihood of pandemics. On a global level, forests store carbon. Deforestation releases this stored carbon directly into the atmosphere and reduces the planet’s ability to sequester carbon dioxide, thereby contributing to climate change.

From 1990 to 2020, Latin America has experienced some of the worst deforestation globally. Total forest area in Latin American countries has declined by 9% according to the United Nations Food and Agriculture Organization (FAO). The Amazon rainforest has lost 36% of its forest cover according to some estimates. From 2000 to 2023, Mexico lost roughly 10% of its forest cover. With this backdrop, much attention has been focused on the role avocado production plays in deforestation in Mexico. After all, Mexico is the birthplace of the fruit, and the avocado is Mexico’s largest agricultural export by value.

The United States is the largest global consumer of avocados, with roughly 3 billion pounds consumed in 2023. It is also one of the largest consumers of Mexican avocados, representing 80% of its exports and representing 42% of Mexico’s total production. Based on our analysis of the U.S. Department of Agriculture’s Agricultural Marketing Service (USDA AMS) data, between 2018–2022, Mexican avocados com-

posed 78% of total U.S. consumption, while domestically grown avocados from California, where deforestation risks are minimal, represented roughly 12%. Given how tightly linked U.S. consumption is with Mexican production, a natural question is whether U.S. demand has contributed to forest loss in Mexico. This makes avocados an important case study for U.S. trade policy on deforestation.

The United States started allowing imports of Mexican avocados in some capacity in 1997, and Mexican exports of the fruit have grown apace. In that year, Mexico exported 115 million pounds of avocados, representing less than 4% of the country’s production. Over the coming years, total Mexican production more than tripled from 1.7 billion pounds in 1997 to 5.8 billion pounds in 2023. In 2023, U.S. imports of avocados from Mexico totaled nearly 2.5 billion pounds, according to the USDA’s Foreign Agricultural Service (FAS). Even though the United States now imports large quantities of Mexican avocados, the U.S. restrictions on avocado imports act as trade barriers and limit avocado imports from Mexico.

The process to apply for export certification for an avocado orchard is costly, and the USDA Animal and Plant Health Inspection Service (APHIS) and its Mexican counterpart, the National Service of Agro-Alimentary Health, Safety and Quality (SENASICA), closely monitor the avocado orchards allowed to sell to the United States. The list of USDA APHIS import requirements for avocados is detailed. These requirements include semi-annual surveys by USDA and SENASICA inspectors, strict sourcing and transportation requirements, and

regulations on packing and exporting facilities. Failing to meet these standards can result in noncompliance and decertification.

Despite the USDA APHIS requirements, current bilateral agreements on avocado imports do not account for deforestation, as the aforementioned senators have recommended. The senators base their proposal on a report on avocado-driven deforestation by Climate Rights International (CRI), which documents export-oriented avocado orchards in Mexico linked to illegal deforestation. The same report argues for the feasibility of such standards, noting that some Mexican agencies have called for similar measures.

While the policy may be feasible, its potential implementation is facilitated in large part by the close monitoring of exporting orchards by both the USDA APHIS and SENASICA. Avocado deforestation has been well-studied by groups like CRI because of these export certification requirements, which collect data on exporting orchards as part of the monitoring process. That said, adding deforestation standards to the list of import requirements for avocados may not substantially alter the trajectory of Mexican deforestation.

First, even if stringent deforestation requirements are placed on exporting

orchards, production can be reshuffled so that avocados produced in older orchards go to the United States, and avocados associated with recent deforestation go elsewhere or are consumed domestically. While the United States consumes 42% of all Mexican avocados, the remainder are not monitored. Such reshuffling would be a form of leakage. Leakage happens when environmental regulations only lead to a reshuffling of regulated activities from more regulated settings to less regulated ones—not the direct reductions that regulation is supposed to cause. As in other settings, the potential for leakage implies that even with stringent regulation on U.S. avocado imports, increases in U.S. demand may still drive deforestation. Second, a focus solely on export-oriented avocados ignores other crops produced in Mexico. Compared to avocados, other crops in Mexico are less strictly regulated, and the potential to monitor deforestation associated with their production is lower.

To provide evidence on these points, we analyze Mexican deforestation data using the Hansen Global Forest Change (GFC) dataset. The GFC dataset estimates gross annual losses in forest cover between 2000 and 2023 using satellite-derived observations. Although widely used to monitor deforestation, the GFC dataset has

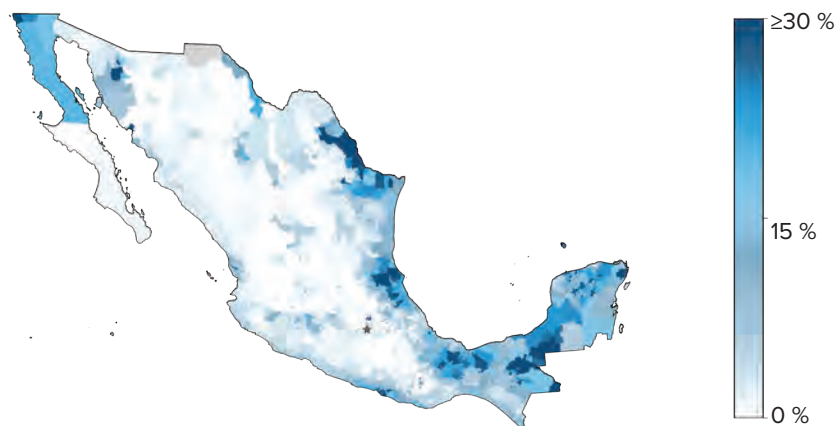
some limitations. It does not distinguish between natural and man-made losses of forest and does not capture reforestation. The dataset is also subject to measurement error inherent in any remotely sensed data product. Therefore, estimates of forest loss from the GFC data should be interpreted as likely upper bounds on the true amount of human-caused deforestation.

In Figure 1, we calculate Mexico's municipal deforestation rates from 2000 to 2023. The highest rates (exceeding 30% in some cases) occur in the Yucatán Peninsula's rainforest areas, the eastern states of Tamaulipas and Veracruz, Baja California, and coastal sections of Guerrero. Some municipalities in the avocado-growing regions of Jalisco and Michoacán appear to have high deforestation rates: The most deforested municipalities have lost more than 22% of their forest cover, while the median municipality in both states lost less than 2%.

We then analyze forest losses across all municipalities that produce export-oriented fruit-bearing perennial crops: avocados, mangoes, coffee, bananas, and lemons. Further, we distinguish between avocado-growing municipalities that export to the United States and those that do not (which includes those who may export to other countries in addition to those who only sell domestically). Our analysis captures total forest loss in the municipalities producing each crop. This means that other crops could actually be the ones grown on deforested lands in the municipality. It also means that we double-count forest losses when municipalities grow more than one of these crops.

Figure 2 illustrates the forest cover loss (in millions of acres) for the Mexican municipalities growing each crop from 2000–2023. Overall, in terms of total forest loss in acres and percentage of total forest lost, avocados are asso-

**Figure 1.** Deforestation Rates by Mexican Municipality From 2000 to 2023



Source: Authors' calculations based on the Hansen GFC dataset. Available at: <https://bit.ly/3zW16HD>.

ciated with less deforestation at the municipality level compared to other crops in Figure 2. Taking a weighted average across growing municipalities (where we weight each municipality by its share of Mexican production for each crop in 2022), municipalities growing avocados have lost 6.5% of their forest cover. Average losses in avocado-growing municipalities are less than the country-wide average of 10%, and also less than the weighted average in banana-growing municipalities, which have lost more than 11% of their forest cover. When we differentiate between avocado-growing municipalities that export to the United States versus ones that do not, we find higher deforestation rates in U.S. exporting municipalities (around 7% versus 4%). Even though U.S.-exporting municipalities have lost fewer acres of forest, the losses represent a larger share of their forest cover, which had fewer forested acres initially in 2000.

Our analysis shows that tackling Mexican deforestation means expanding policy beyond U.S. export-oriented avocado orchards. Avocado production destined for the United States may have displaced production for domestic markets, potentially increasing the demand for new land for avocados elsewhere. This kind of deforestation leakage would not be halted by restricting U.S. imports from deforested lands. Even stringent deforestation regulations on avocados will not prevent deforestation associated with other crops, many of which are linked to higher average forest cover loss.

## Deforestation Policy on the Rise

Responding to concerns about deforestation linked to agricultural imports, the European Union (EU) has discussed initiatives to achieve deforestation-free supply chains for commodities like beef, cocoa, coffee, and palm oil. The UK has held similar conversations via their Forest, Agriculture and Commodity Trade (FACT)

program. Such proposals have faced criticism. Affected trade partners have expressed concerns about their sovereignty and the ability for these proposals to serve as blatant trade barriers.

These concerns have not gone unchallenged on the international stage. A recent ruling by the World Trade Organization (WTO) highlighted the complexities of balancing environmental standards against trade rights. The WTO adjudicated on a complaint by Malaysia against the EU's decision to declassify palm oil-based biodiesel as renewable due to deforestation concerns. The panel mostly sided with the EU, illustrating that while such measures can withstand legal scrutiny, they must comply with international trade laws and not act primarily as trade barriers.

## U.S. Policy Responses

On the domestic front, the Biden administration released Executive Order 14072 in April 2023. The order commits to actions such as taking stock of forest cover, spending more on wildfire mitigation, and developing policies for reforestation. Responding to the executive order, the State Department released two reports in April 2023. The first addresses U.S. involvement in the purchase of agricultural commodities that contribute to deforestation. It discusses the feasibility of potential

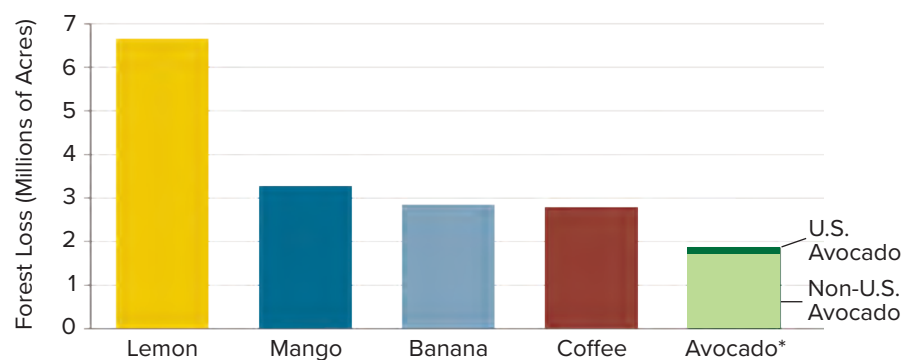
policies and steps to address leakage. The second report addresses policy instruments to reduce global deforestation. These include incorporating deforestation policy into foreign aid and multilateral and bilateral trade agreements.

In November 2023, the Senate reintroduced the FOREST Act. The act would combat illegal deforestation by prohibiting the importation of products made from commodities produced on formerly deforested land. In contrast with the State Department reports, the act targets specific commodities such as palm oil, cattle, cocoa, and rubber. It authorizes the U.S. Trade Representative to annually update the list of targeted commodities.

## Economics of Deforestation Policies

Potential policies to address deforestation are a mix of demand-side policies that increase the costs of importing crops associated with deforestation, and supply-side policies that incentivize the preservation of forests. Demand-side policies like trade restrictions face two unique challenges. First, importing countries need to be able to determine which products are associated with deforestation. This requires tracking and certifying products through entire supply-chains. The example of Mexican avocado imports

**Figure 2.** Decrease in Mexican Forest Cover Across Producing Municipalities (2023 vs. 2000)



Source: Authors' calculations based on the Hansen GFC dataset.

Note: Bar height represents total forest loss from 2000–2023 in all municipalities that grow a given crop. \*U.S. Avocado=municipalities that export avocados to the United States; Non-U.S. Avocado=municipalities that produce avocados either for export to other countries or to sell domestically.

shows that while possible, this is also costly, and it requires officials to closely monitor exporting orchards. Similar policies for other crops would likely lead to increased costs for U.S. consumers. Further, since regulation tends to increase fixed costs, it could lead to consolidation of producers.

Second, as discussed previously, demand-side deforestation policies face the issue of leakage. In the worst case, increased demand for deforested products could be met by reshuffling existing production, clearing more forests, and sending deforested production to destinations without regulation. The underlying causal relationships can be complex. For example, the recent work of Domínguez-Iino shows that while recently deforested lands in the Amazon are used for cattle ranching, cattle ranching itself is being displaced by soybean production, some of which goes towards incremental U.S. biofuel demands. To sum up, more important than whether U.S. imports come directly from deforested lands, is whether a trading partner's total acreage of forests is rising or falling—and the degree to which additional exports to the U.S. are causing deforestation.

Supply-side policies like payments for ecosystem services and foreign assistance that reduce the opportunity cost of preserving forests face their own challenges. For example, it is hard to ensure additionality—in other words, that payments actually cause decreases in deforestation that would otherwise occur.

Recent work by Harstad proposes an approach that circumvents some of the challenges associated with demand-side deforestation trade policy. Under Harstad's approach, an importing country can impose tariffs based on an exporter's change in the total forest acreage. This avoids issues associated with tracing supply chains, leakage, and focusing on

some kinds of deforestation but not others. Similarly, Hsiao has shown that careful import trade policy can effectively combat deforestation and substitute for domestic deforestation policy in producing countries. These approaches highlight the principle that policy should target the broad problem—deforestation—and not a smaller subset, such as exports of avocados to the United States grown on deforested lands. Illustrating this point, we find that deforestation in U.S. avocado-exporting municipalities is only 1.4% of total Mexican deforestation from 2000–2023.

### Implications for Californians

Insofar as demand-side or supply-side deforestation policies reduce the supply of avocado imports to the United States—or any other agricultural imports, for that matter—deforestation policies will raise prices for U.S. producers and consumers. California producers, who grow the same crops as foreign producers on parcels of land largely without pre-existing forest cover, would stand to benefit. In a sense, deforestation policies may bring imports in line with domestic sustainability standards. However, policies that certify imports as deforestation-free may also act as attributes that increase consumers' willingness-to-pay for sustainable goods. U.S. retailers and importers have taken an interest in ensuring that their supply chain is deforestation free. This requires costly monitoring. Federal monitoring could replace these efforts and lower costs for individual firms while maintaining a consistent standard.

The costs of demand-side policies could vary widely. Demanding certification processes on individual commodities would raise fixed costs and barriers to entry, leaving out small farmers from export markets. Stringent requirements for the remainder of the supply chain would raise variable

costs. If certification processes are violated, this could even result in import bans of commodities, which could hurt California agricultural intermediaries, who often source their supply from California as well as Mexico and other countries. Simple demand-side policies—such as Harstad's proposed deforestation tariff—may have lower implementation costs and could help overcome issues like leakage. Ultimately, economics advocates for achieving greater environmental benefits—less deforestation—at the lowest cost to both U.S. consumers and producers.

### Suggested Citation:

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### For additional information, the authors recommend:

Domínguez-Iino, Tomás. 2023. "Efficiency and Redistribution in Environmental Policy: An Equilibrium Analysis of Agricultural Supply Chains." Working Paper. Available at: <https://bit.ly/4ffZngE>.

Harstad, Bård. 2022. "Trade, Trees, and Contingent Trade Agreements." CESifo Working Paper No. 9596. Available at: <https://bit.ly/3Y66Qsp>.

Hsiao, Allan. 2024. "Green Trade Policy for Palm Oil." VoxDev article. Available at: <https://bit.ly/4feutVZ>.



SEPTEMBER 20, 2024

**U.S. Embassy  
Statement by Ambassador Ken Salazar**

**We are moving forward so that avocados that go to the United States do not come from illegal orchards to combat deforestation**

Ciudad Juárez, Chihuahua, September 20, 2024 – I recognize the commitment of the government of Michoacán to combat illegal avocado orchards destined for the United States and, with it, advance efforts against deforestation and climate change.

Through the Decree for Certification against Deforestation and the voluntary Pro-Forest Avocado certification, more than 148 thousand hectares of avocado orchards will be part of this initiative. In this way, it must be possible to ensure that avocados exported to the United States do not come from illegal orchards or deforested areas. We look forward to seeing rigorous implementation of this program.

This initiative will also serve for local producers to contribute to conservation and to remedy environmental damage. The participation of the Association of Avocado Producers and Packers Exporters of Mexico (APEAM) is crucial in this work.

This fact reflects the shared goals between our governments on various issues, since it was one of the points that we agreed to advance with the authorities of the Government of Mexico and state governments, such as the Secretary of Agriculture Víctor Manuel Villalobos and Governor Alfredo Ramírez Bedolla.

I recognize the work of farmworkers for North American food security and reaffirm our commitment to continue working with our partners in Mexico to protect the planet, combat climate change, and promote environmentally responsible practices.

\* \* \* \*

NEWS / SUSTAINABILITY

# Ambassador touts progress against avocado-linked deforestation in Mexico



Avocados

(Photo: Andrii, Adobe Stock)

By **TOM KARST** September





U.S. Ambassador to Mexico Ken Salazar says a voluntary certification program will help ensure that Michoacán avocados exported to the U.S. do not come from illegal orchards or from deforested areas.

In an [online statement](#) Sept. 20, Salazar said the Michoacán government is working to prevent illegal avocado orchards from shipping fruit to the U.S.

“Through the Decree for Certification against Deforestation and the voluntary Pro-Forest Avocado certification, more than 148,000 hectares of avocado orchards will be part of this initiative,” Salazar said. “In this way, it should be possible to guarantee that the avocados exported to the United States do not come from illegal orchards or from deforested areas. We hope to see a rigorous implementation of this program.”

Salazar said the initiative will also help local producers contribute to conservation and to remedy environmental damage.

“The participation of the Association of Producers and Packers Exporters of Avocado of Mexico (APEAM) is crucial in this work,” he said. “I recognize the work of farmworkers in food security in North America and reaffirm our commitment to continue working with our partners in Mexico to protect the planet, combat climate change and promote environmentally responsible practices,” Salazar said.

In April 2024, the Center for Biological Diversity sent a [letter](#) to the U.S. State Department and other agencies urging a halt to imports of avocados from deforested land.

“I hope the United States and Mexico can ensure that avocados tied to deforestation in Michoacán aren’t hitting the US market, but the devil is in the details,” Tanya Sanerib, international legal director at the Center for Biological Diversity, said in a statement. “To protect forests, monarch butterflies and local

communities, we need system change, not paper plans. While this announcement might be a step in the right direction, the United States needs to drive environmental protection by setting its own verifiable and demanding standards.”

**TAGS**

Avocados Mexico Sustainability

**THE PACKER**

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**INDUSTRY**



**Kroger extends expiration date for Albertsons exchange offers, consent solicitations**

**JILL DUTTON**

2 hours ago

**INDUSTRY**



September 10, 2024

Honorable Mike Levin  
P.O. Box 2112  
Capistrano Beach, CA 92624

Re: Importation of Illegally Deforested Mexican Avocados

Dear Congressman Levin:

It was a pleasure to meet with you at both the recent Del Mar and Solana Beach campaign functions. My concern that I briefly expressed to you revolves around the importation of Mexican avocados from illegally deforested land that is being surreptitiously entered into the food commerce pipeline directly to the United States. I am currently an elected member of the Board of Directors of the California Avocado Commission, however, for purposes of this communication I am not speaking on behalf of the board or the commission.

Presently, Mexican avocados comprise 85-90% of the avocados consumed in the United States. The demand for avocados has created a 3-billion-dollar industry across our country and the demand increases annually. All Mexican avocados sold in the United States are grown and imported from just two states, Michoacán and Jalisco.

The fundamental problem is that forested lands in both Michoacan and Jalisco are being illegally razed, burned and bulldozed, and then planted into avocado orchards. Most of the estimates of the amount of land involved range from 20,000 acres to 70,000 acres.<sup>1</sup> What is the unspoken truth of this situation is that the only organizations with the financial capability to conduct these types of illicit operations are the Mexican drug cartels; indeed, agricultural investment provides the Mexican drug cartels with the means of "laundering" their drug profits.

Michoacán's Secretary of Environment, Alejandro Mendez, recently stated: "In Michoacán right now I think the most sensitive, serious environmental issue is the indiscriminate change of land use for avocado crops, [which] puts at increasing risk our biodiversity, the provision of water, and the forests in this state."

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<sup>1</sup> <https://cri.org/reports/us-avocado-sellers-fail-to-end-sourcing-from-illegally-deforested-land-in-mexico/>  
"US Avocado Sellers Fail to End Sourcing from Illegally Deforested Land in Mexico" Climate Rights International, August 2024.

Honorable Mike Levin  
 September 10, 2024  
 Page 2

Avocado trees consume four-to-five times more water than native fir and pine trees, jeopardizing water availability for the local communities in an already water-scarce region. Water is often diverted from local rivers and streams in the area in order to irrigate avocado orchards. Water theft and uncontrolled use of water by the avocado industry wreak havoc on the local environment and population, as streams dry up and residents do not have enough water for human consumption.

In February of 2024, Ken Salazar, the United States ambassador to Mexico, expressed concern about the proliferation of avocado orchards on illegally deforested land during a visit to Michoacán. Salazar Mexican stated that avocado exporters “shouldn’t have the opportunity to sell those avocados to the United States market. Yet, no tangible steps are being taken to avoid this illicit pipeline of avocados into the United States markets.”<sup>2</sup>

What is especially troubling is that domestic packing houses are aware of this illicit trade and have not taken any affirmative action to halt the importation of illicitly grown avocados. In a recent Reuters news article, a detailed investigation tracked illegal grown avocados into the United States, and when the various packing houses in the United States were confronted with this information, they refused to respond.<sup>3</sup> Large United States based companies like Calavo and WestPak publicly proclaim that “Sustainability is embedded in all of our decision-making processes, whether they occur within our packing, distribution and manufacturing operations or extend to our individual growers and suppliers from whom we source.”<sup>4</sup> Although this public pledge to adhere to sustainable practices is appropriate, it must be more than words on a corporate logo.

Apparent from this process is that Mexico does not have the ability to enforce their own laws and regulations. This unfortunate result is probably a combination of corruption, implicit involvement and drug cartels threats of violence.<sup>5</sup> Whatever the reason, if the concept of sustainably sourced avocados is to have any basis in fact, we much change the way that avocados are sourced and imported into our domestic food supply.

<sup>2</sup> Cassandra Garrison, *Mexican Avocados Grown on Illegal Orchards Should Not Be Exported to U.S.*, *Ambassador Says*, U.S. NEWS & WORLD REP. (Feb. 26, 2024, 6:13 PM), <https://www.usnews.com/news/world/articles/2024-02-26/mexican-avocados-grown-on-illegal-orchards-should-not-be-exported-to-u-s-ambassadorsays#:~:text=Michoacan%20state%20is%20the%20only,perfect%20location%20for%20avocado%20farming.>

<sup>3</sup> <https://www.nbcnews.com/news/latino/avocado-demand-us-mexico-deforestation-rcna165334.1/>

<sup>4</sup> “Avocado Goldrush Links US Company’s with Mexico Deforestation Disaster, August 6, 2024.

<sup>4</sup> Calavo Growers, Inc. 2020 Sustainability Report; *Growing a Legacy of Responsibility: West Pak 2020 Sustainability Report*, WEST PAK at 51 (Jan. 5, 2022), [https://issuu.com/westpakavocado/docs/wpa\\_sustainability\\_report\\_2020\\_final\\_pages](https://issuu.com/westpakavocado/docs/wpa_sustainability_report_2020_final_pages)

<sup>5</sup> *A serious risk: Mexican villagers take on cartel-backed avocado farms as water dries up*, EURONEWS (Apr. 24, 2024), <https://www.euronews.com/green/2024/04/24/a-serious-risk-mexican-villagers-take-on-cartel-backed-avocado-farms-as-water-dries-up>. *Unholy Guacamole: Deforestation, Water Capture, and Violence Behind Mexico’s Avocado Exports to the U.S. and Other Major Markets*, CLIMATE RTS. INT’L (Nov. 2023), <https://cri.org/reports/unholy-guacamole/>.

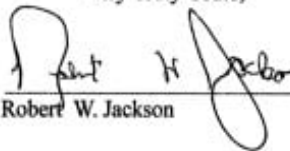
Honorable Mike Levin  
September 10, 2024  
Page 3

It is useless to point out problems if you cannot suggest solutions. It is manifestly apparent that addressing this situation will require legislative and regulatory oversight to stop this illegal deforestation and climatic catastrophe from occurring. My suggestions are as follows:

1. Dictate that the United States Department of Agriculture ("USDA") adopt rules and regulations prohibiting imported avocados from illegally deforested lands in both Michoacan and Jalisco;
2. Implement rules and regulations that require packing and shipping facilities that are based in the United States to verify that imported avocados from Mexico are not from deforested land.
3. Urge the USDA to have Mexico enforce their own laws, and to this end, have the USDA United States citizens responsible for overseeing the inspection of these rules and regulations in Mexico prohibiting the importation of avocados from illegally deforested lands.

Thank you for your time and assistance in evaluating this request for assistance. I anticipate that legislative and regulatory action is the only viable solution to address this situation. I would be happy to make myself available to assist in any capacity of this endeavor.

Very Truly Yours,



Robert W. Jackson

RWJ:ba  
cc: Nathan Bigley  
File

Congress of the United States  
Washington, D.C. 20515

October 9, 2024

The Honorable Tom J. Vilsack  
Secretary of Agriculture  
U.S. Department of Agriculture  
1400 Independence Avenue., S.W.  
Washington, DC 20250

Dear Secretary Vilsack:

We write to share our concerns about a recent decision by the U.S. Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) to shift implementation of the U.S./Mexico Operational Work Plan (OWP) agreement to Mexico's Agricultural Ministry.

In recent weeks, we have heard from avocado growers in our congressional districts about their deep concerns with APHIS' decision to shift the OWP certification inspections from USDA employees to Mexican authorities. As you know, this decision fundamentally alters the long-established inspection process designed to prevent harmful pests identified in Mexican avocado orchards from entering the United States along with avocados imported from Mexico.

As we understand, APHIS has deployed inspectors to avocado farms in Mexico since 1997. This inspection process continues to be an essential provision to allow importation of avocados from Mexico into the United States, including California where ninety-five percent of all U.S. produced avocados are grown. According to the California Avocado Commission, APHIS's own records will show candid discussions regarding the reliability, or lack thereof, of the Ministry to fulfill this critical task on the ground. Without APHIS inspectors, trained to identify specific invasive pest species, the Ministry officials may overlook their native pests, allowing them to infiltrate American farms and decimate our native trees. Further, we are concerned that the Ministry's inspectors will be even *more* likely to be harassed and intimidated by Mexican cartels.

Despite these issues, APHIS has now decided to allow Ministry employees to take over field inspections of all avocado imports into the United States. Worse, APHIS made this unilateral decision without a public comment period for impacted American avocado growers to share their concerns about this significant change in the OWP inspection and certification process. This decision is deeply frustrating to us and to the American avocado growers we represent. APHIS taking such action through an administrative process without consultation with stakeholders has undermined the U.S. growers' trust which, in the decades since inspections began, USDA has worked diligently to establish. Furthermore, in enacting this change, APHIS has placed the livelihood of our constituents in jeopardy.

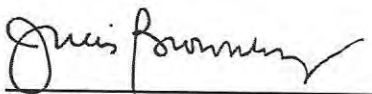
As Members of Congress, we, and the growers whom we represent, recognize the vital importance of protecting APHIS employees from harm. With known threats in the region, steps must be taken to ensure our federal employees are able to conduct their business without interference or threats of violence. We welcome engagement and dialogue with Congress and stakeholders to find a viable solution to these challenges.

To better understand USDA's decision process, we respectfully request answers to the following questions as soon as possible.

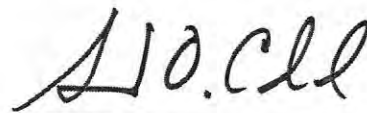
1. Why did the USDA choose to implement this change to the OWP without a public comment period or thorough consultation with American stakeholders?
2. What steps will the USDA be taking to inform and consult American stakeholders in the avocado industry regarding this change?
3. With this change imposed, how will APHIS ensure American farmers continue to receive the same level of crop protection upheld under the previously established OWP?
4. As USDA supervises Ministry officials remotely, what actions are APHIS inspectors taking in avocado packinghouses to confirm and ensure the absence of invasive pests prior to importation to the United States for distribution?
5. What evidence exists that Ministry employees will be less subject to harassment, blackmail, bribery, and violence than APHIS employees while fulfilling their inspection duties?
6. If Mexican officials are unable to quell threats to inspectors, how will the USDA ensure our constituents' avocado orchards remain protected from invasive pests from Mexico?

Thank you for your consideration of these questions. Given APHIS's critical role for inspection of plants and animals crossing our borders, we must ensure any changes to the Mexican avocado orchard certification program will continue to safeguard both USDA inspectors and American growers.

Sincerely,



Julia Brownley  
Member of Congress



Salud Carbajal  
Member of Congress



Jimmy Panetta  
Member of Congress



KEN CALVERT  
Member of Congress



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Mike Levin  
Member of Congress



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David G. Valadao  
Member of Congress



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Darrell Issa  
Member of Congress



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Jim Costa  
Member of Congress



**CAC operations/industry affairs activities since August 15, 2024**

1. August 21 – Fruit fly research next steps call
2. August 22 – Pine Tree Ranch Field Day
3. August 28 – Lunch with Dan Coxe; attended Membrane Facility Reverse Osmosis dedication ceremony, Escondido
4. September 3 – Rely herbicide registration pulled; 24c(SLN) efforts commenced
5. September 10 – Avocado Inspection Committee meeting; receipt of voter access mailing (1,752)
6. September 11 – Hass Avocado Committee meeting, Westlake Village
7. September 13 – Production Research Committee meeting; mailing of voter access mailing (1,752)
8. September 16 – Call with California and Mexico researchers regarding Fruit Fly project
9. September 17-19 – CAC grower meetings (Fallbrook, Ventura, San Luis Obispo)
10. September 18 – Mexico media announced change in USDA inspections removing USDA employed inspectors from grove inspections
11. September 23 – CAC letter to USDA Secretary Vilsack calling for OWP to remain the same; asked for meeting with Sec. Vilsack
12. September 24 – outreach to media on CAC letter to Vilsack
13. September 25 – outreach to Congressman Brownley regarding Congressional letter to Sec. Vilsack
14. October 2 – meeting with California Table Grape Commission regarding their lawsuit with USDA/APHIS on the Chilan grape OWP
15. October 8 – CAC received approval from Loveland Products to apply for a 24c(SLN) (special local need) for Forfeit 280 on avocado as a replacement for Rely
16. October 9 — CAC submitted 24c(SLN) application to the CA Department of Pesticide Regulation for Forfeit 280
17. October 9 – Finance Committee meeting; Executive Committee meeting
18. October 9 – Congressional letter sent to Sec. Vilsack re: USDA México inspections
19. Multiple GreenSheets



**ITEM 5.b:      CONSIDER APPROVAL OF PROPOSED 2024-25 MEETING SCHEDULE**

**SUMMARY:**

The proposed 2024-25 meeting schedule consists of five regularly scheduled Board meetings. Management has reviewed the business conducted during regularly scheduled board meetings and recommends that the proposed meeting schedule provides adequate time to address business, while also meeting during key times of the fiscal year to review and provide input on marketing activities. On the attached schedule, major items of Board business across the year are included along with the meeting dates.

**FISCAL ANALYSIS:**

- The 2024-25 Commissioner Expense Budget, approved in October 2024, provides adequate resources for the 2024-25 meetings to be held in-person

**BOARD OPTIONS:**

- Adopt the meeting schedule as proposed by management
- Modify the meeting schedule

**STAFF RECOMMENDATION:**

- Staff recommends Board adoption of the proposed meeting schedule

**EXHIBITS / ATTACHMENTS:**

- Proposed 2024-25 Meeting Schedule



## CALIFORNIA AVOCADO COMMISSION 2024-25 MEETING SCHEDULE

### November 14, 2024: BOARD MEETING – CAC OFFICE

- Seating of new Board members
- Election of Board officers
- Board Orientation
- HAB HAC & ASA Recommendations

### February 20, 2025: BOARD MEETING – SOUTH

- Committee appointments
- Fill Vacant Seats (if necessary)
- Financial Statement Audit Report
- Approval of Budget Amendment No. 1 (if necessary)
- Approval of CAC as Provider of Avocado Inspection Program Administrative services for the CDFA for the period from July 2025 through June 2026

### March 25-27, 2025: CAC ANNUAL MEETINGS

- March 25, 2025 – South Coast Winery
- March 26, 2025 – Museum of Ventura County
- March 27, 2025 – SLO Farm Bureau

### June 4-5, 2025: BOARD MEETING – IN-PERSON ONLY – PASADENA HILTON

- Recommend Members/Alternate for Avocado Inspection Committee appointment
- Review of Corporate Insurance
- 2025-26 Planning & Budget Discussion

### August 14, 2025: BOARD MEETING - NORTH

- 2025-26 Financial / Crop Outlook
- Draft of 2025-26 Business Plan Objectives, Strategies and Tentative Budget
- Approval of Tentative 2025-26 Assessment Rate
- Approval of Preliminary 2025-26 Budget

### October 9, 2025: BOARD MEETING – CAC OFFICE

- Approval of CPA Letter of Engagement
- Review/Approval Regarding CAC Line of Credit
- Approval of 2025-26 Business Plan and Budget
- Approval of 2025-26 Assessment Rate
- Executive Staff Performance Review

### November 20, 2025: BOARD MEETING – ORANGE COUNTY

- Seating of new Board members
- Election of Board officers
- Board Orientation
- HAB HAC & ASA Recommendations

### Additional Industry Events:

#### *Fruit Logistica*

- February 5-7, 2025, Berlin, Germany

#### *World Ag Expo*

- February 11-13, 2025, Tulare, CA

#### *CPMA Convention + Trade Show*

- April 8-10, 2025, Vancouver, Canada

#### *The Global Produce & Floral Show*

- October 16-18, 2025, Anaheim, CA



## BOARD INFORMATION

**ITEM 5.c: 2023-24 FINANCIAL UPDATES**

**SUMMARY:**

Attached is the financial performance report as prepared by CAC's outsourced accounting firm, Signature Analytics, for the month ending September 30, 2024. The report includes CAC income statements and statements of net position, including year-to-date actual versus budget comparisons.

**FISCAL ANALYSIS:**

- Not applicable

**COMMITTEE OPTIONS:**

- Discussion item only

**STAFF RECOMMENDATION:**

- Not applicable

**EXHIBITS / ATTACHMENTS:**

- Financial Performance Report for the month ending September 30, 2024
- 2023-24 Pounds & Dollars by Variety Report (November 2023 through September 2024)



California Avocado Commission

# MONTHLY REPORT

September 2024



SIGNATURE  
ANALYTICS

# EXECUTIVE SUMMARY

CAC Total Revenue has exceeded budget by \$9M or 96% year-to-date due to higher than expected Assessment Revenue. Although the timing of the harvest had been slightly delayed, it has exceeded expectations with 343.85 lbs harvested year-to-date. CAC and HAB Assessment revenue exceeded budget by \$6.4M and \$2.9M, respectively. Pine Tree Ranch Crop revenue has also exceeded budget by \$47K.

On the expense side, Marketing expenses accounted for \$5.9M of the total \$9.1M in expenses and were \$474K lower than budget due to lower Retail & Consumer Promotions of \$469K and Food Service costs of \$69K, offset by higher Trade Relations of \$42K. Marketing expenses overall are currently 65% of total expenses vs. a budget of 66%.

Total Operations expenses at \$2.4M year-to-date consist mainly of Personnel expenses of \$1.6M that were under budget by \$30K. Additionally, Commissioner expenses were down \$44K to budget due to lower Board travel and meeting expenses. Operations accounted for 26.3% of total spending vs. a budget of 25.6%.

Industry Affairs expenses of \$581K were under the budget by \$76K due to lower than expected Industry Statistics and Information costs (\$49K) and Grower Communication costs (\$35K). Industry Affairs accounted for 6.4% of total spending vs. a budget of 6.8%.

Overall, the organization experienced a \$9.38M surplus as compared to a \$246K budgeted deficit. This \$9.6M variance is driven by the larger than expected harvest at a higher value than budgeted, driving \$9.3M in additional assessment revenue. That combined with the lower than expected Consumer Marketing costs is producing favorable financial results overall. At September 30, 2024 the total cash balance is \$15.3M.

## Crop Information

For the period of November 2023 through August 2024, CAC assessment reports indicate 343.85M pounds of California avocados (all varieties) were harvested at an average price per pound of \$1.43. Approximately 16.1M pounds were reported to AMRIC as harvested in September 2024 with an estimated average price per pound of \$1.54. This would bring the total estimated harvested through September 2024 to 359.95M pounds at an average price per pound of \$1.44.

*Laura Bertagnolli*

Laura M. Bertagnolli  
Consulting CFO

DocuSigned by:  
*April Aymami*  
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November 5, 2024 | 12:10 PM PST

DocuSigned by:  
*Ken [Signature]*  
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November 5, 2024 | 1:40 PM PST

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*Terry Splane*  
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November 5, 2024 | 1:04 PM PST

# Key Performance Indicators (KPIs)

## California Avocado Commission

	<b>FY2024 YTD</b>	<b>FY2024 YTD Budget</b>	<b>vs Budget</b>
Total Revenue	\$18,503,170	\$9,458,070	96%
Surplus/(Deficit)	\$9,381,649	-\$246,407	-3907%
Marketing Expense %	64.8%	65.8%	-1.0%
Operation Expense %	26.3%	25.6%	0.7%
Industry Affairs Expense %	6.4%	6.8%	-0.4%
Mktg Exp % of Revenue	32%	68%	-36%
Op Exp % of Revenue	13%	26%	-13%
Ind Aff Exp % of Revenue	3%	7%	-4%
Cash on Hand	\$15,311,899		
Current Ratio	20.82:1		

**California Avocado Commission**  
**Statement of Financial Position**  
As of September 30, 2024

	<b>Total</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Bank Accounts</b>	
10001-000 Petty Cash	-
10010-000 BMO Checking (5241) - CAC	4,793,586
10030-000 BMO Checking (5324) - AIP	-
10110-000 BMO Money Market (5407) - CAC	10,507,249
10210-000 Cash - LAIF - CAC	11,064
<b>Total Bank Accounts</b>	<b>15,311,899</b>
<b>Accounts Receivable</b>	
12901-000 Misc Receivables (A/R)	14,550
<b>Total Accounts Receivable</b>	<b>14,550</b>
<b>Other Current Assets</b>	
11001-000 CAC Assessment Receivable	530,400
11002-000 HAB Assessment Receivable	1,347,000
12004-000 Due from Avocado Inspection Program	4,082
12701-000 Grant Receivable	235,931
12801-000 Voluntary Life Benefit Receivable	-
13001-000 Prepaid Deposits	11,353
13002-000 Prepaid Expenses	56,937
Misc Receivable (old non-AR)	-
<b>Total Other Current Assets</b>	<b>2,185,702</b>
<b>Total Current Assets</b>	<b>17,512,151</b>
<b>Fixed Assets</b>	
15001-000 Furniture	26,160
15002-000 Accumulated Depreciation-Furniture	(26,160)
15101-000 Office Equipment	61,002
15102-000 Accumulated Depreciation-Office Equip.	(61,002)
15301-000 Software	15,022
15302-000 Accumulated Depreciation-Software	(15,022)
15401-000 Land Improvements	108,559
15402-000 Accumulated Depreciation-Land Improvements	(108,559)
<b>Total Fixed Assets</b>	<b>-</b>
<b>Other Assets</b>	
16001-000 Mauchly Office Lease	634,985
16002-000 Mauchly Amortization	(489,263)
16003-000 Pine Tree Lease	117,985
16004-000 Pine Tree Amortization	(11,799)
16101-000 Quadient Capital Lease	3,436



16102-000 Quadient Amortization	(2,643)
16103-000 CBE 2020 Sharp Capital Lease	-
16104-000 CBE 2020 Sharp Amortization	-
16105-000 CBE 2022 Sharp Capital Lease	13,544
16106-000 CBE 2022 Sharp Amortization	(6,181)
16107-000 CBE 2020 Ricoh Capital Lease	-
16108-000 CBE 2020 Ricoh Amortization	-
16109-000 CBE 2022 Ricoh Capital Lease	13,653
16110-000 CBE 2022 Ricoh Amortization	(7,206)
17000-000 Merchandise Shop Inventory	-
<b>Total Other Assets</b>	<b>266,511</b>
<b>TOTAL ASSETS</b>	<b>17,778,662</b>
<b>LIABILITIES AND EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
20001-000 Accounts Payable (A/P)	455,327
<b>Total Accounts Payable</b>	<b>455,327</b>
<b>Other Current Liabilities</b>	
20002-000 Accounts Payable - Clearing	-
20009-000 Miscellaneous Payable	-
20101-000 Accrued Expenses	169,930
21011-000 Section 125 Payable	-
21021-000 Vacation Payable - Short Term	59,801
21031-000 Deferred Compensation Payable	-
24001-000 ST Lease Liability - LACA1	132,997
24002-000 ST Lease Liability - CAPO1	14,875
24101-000 ST Lease Liability - MAF1	819
24102-000 ST Lease Liability - CBE 2020 Sharp	-
24103-000 ST Lease Liability - CBE 2022 Sharp	5,313
24104-000 ST Lease Liability - CBE 2020 Ricoh	-
24105-000 ST Lease Liability - CBE 2022 Ricoh	4,744
<b>Total Other Current Liabilities</b>	<b>388,480</b>
<b>Total Current Liabilities</b>	<b>843,807</b>
<b>Long-Term Liabilities</b>	
28011-000 LT Lease Liability - CAPO1	93,684
28110-000 LT Lease Liability - MAF1	-
28111-000 LT Lease Liability - LACA1	22,313
28112-000 LT Lease Liability - CBE 2022 Sharp	2,275
28114-000 LT Lease Liability - CBE 2022 Ricoh	1,918
<b>Total Long-Term Liabilities</b>	<b>120,191</b>
<b>Total Liabilities</b>	<b>963,998</b>
<b>Equity</b>	
32000-000 Retained Earnings	4,441,572

<b>32010-000 Net Assets</b>	-
<b>32011-000 Net Assets-Restricted for Marketing</b>	2,951,115
<b>32012-000 Net Assets-Invested in Leased Assets</b>	42,715
<b>32013-000 Net Assets-Unrestricted</b>	-
<b>Total 32010-000 Net Assets</b>	<b>2,993,831</b>
<b>Net Revenue</b>	9,379,261
<b>Total Equity</b>	<b>16,814,664</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>17,778,662</b>

**California Avocado Commission**  
**Statement of Activities - Summary**  
 September 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
40001-000 CAC Assessment Revenue-Current Year	11,406,630	5,034,051	6,372,579	127%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	6,887,842	3,942,606	2,945,236	75%
40012-000 HAB Rebate Assess. Revenue-Prior Year	(3,024)	-	(3,024)	
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	55,913	(30,498)	-55%
46000-000 Grant Funding	-	300,000	(300,000)	-100%
48001-000 Interest Income	10,890	5,500	5,390	98%
48003-000 Other - Pine Tree Ranch Crop Income	121,979	75,000	46,979	63%
48009-000 Other Income - Misc	3,616	-	3,616	
48009-118 Other Income - From the Grove	48,600	45,000	3,600	8%
<b>Total Revenue</b>	<b>\$ 18,503,170</b>	<b>\$ 9,458,070</b>	<b>\$ 9,045,100</b>	<b>96%</b>
<b>Gross Profit</b>	<b>\$ 18,503,170</b>	<b>\$ 9,458,070</b>	<b>\$ 9,045,100</b>	<b>96%</b>
<b>Expenditures</b>				
<b>50000-000 Marketing</b>				
<b>51000-000 Consumer Marketing</b>				
Total 51000-000 Consumer Marketing	3,478,218	3,497,543	(19,325)	-1%
Total 52000-001 Trade Relations	622,710	580,296	42,414	7%
Total 52010-000 Retail & Consumer Promotions	749,542	1,219,000	(469,458)	-39%
Total 52200-000 Data, Research & Analysis	248,908	246,975	1,933	1%
Total 52400-000 Administration & Other	57,167	37,520	19,647	52%
Total 52000-000 Trade - Retail	1,678,327	2,083,791	(405,464)	-19%
Total 53000-000 Trade - Foodservice	418,190	487,295	(69,105)	-14%
Total 54000-000 Consumer Public Relations	188,749	192,500	(3,751)	-2%
Total 59000-000 Marketing Activities Support	146,953	123,750	23,203	19%
<b>Total 50000-000 Marketing</b>	<b>\$ 5,910,437</b>	<b>\$ 6,384,879</b>	<b>\$ (474,442)</b>	<b>-7%</b>
<b>64000-000 Industry Affairs</b>				
<b>64000-001 Industry Statistics and Information</b>				
Total 64000-001 Industry Statistics and Information	55,330	104,475	(49,145)	-47%
Total 64100-000 Grower Communications	92,581	127,110	(34,529)	-27%
Total 64200-000 Issues Management	178,435	178,900	(465)	0%
Total 64300-000 Legal & Governance	145,855	100,300	45,555	45%
Total 64400-000 Demonstration Grove	60,418	77,240	(16,822)	-22%
Total 64500-000 Education & Outreach	1,769	3,000	(1,231)	-41%
Total 64800-000 Other Industry Affairs	46,251	66,090	(19,839)	-30%
<b>Total 64000-000 Industry Affairs</b>	<b>\$ 580,638</b>	<b>\$ 657,115</b>	<b>\$ (76,477)</b>	<b>-12%</b>
<b>65000-000 Production Research</b>				
Total 65000-000 Production Research	107,217	141,526	(34,309)	-24%
<b>65400-000 Industry Research Support</b>				
Total 65400-000 Industry Research Support	-	32,500	(32,500)	-100%
<b>66010-000 Grant Programs</b>				
Total 66010-000 Grant Programs	121,428	-	121,428	
<b>70000-000 Operations</b>				
Total 71100-000 Office Expense	182,966	325,090	(142,124)	-44%
Total 71200-000 Professional Fees	364,517	387,855	(23,338)	-6%
Total 71301-000 Salaries/Wages	1,200,714	1,201,970	(1,256)	0%
Total 71311-000 Pension Expense	101,308	107,822	(6,514)	-6%
Total 71321-000 Payroll Tax & Work Comp	89,943	92,334	(2,391)	-3%
Total 71331-000 Benefits	198,087	218,241	(20,154)	-9%
Total 71300-000 Personnel Expenses	1,590,052	1,620,367	(30,315)	-2%
Total 71400-000 Commissioner Expenses	30,686	74,250	(43,564)	-59%
Total 73000-000 Information Technology	81,259	78,694	2,565	3%
Total 78000-000 Depreciation, Interest & Other Operations	152,321	2,200	150,121	6824%
<b>Total 70000-000 Operations</b>	<b>\$ 2,401,801</b>	<b>\$ 2,488,456</b>	<b>\$ (86,655)</b>	<b>-3%</b>
<b>Total Expenditures</b>	<b>\$ 9,121,521</b>	<b>\$ 9,704,476</b>	<b>\$ (582,955)</b>	<b>-6%</b>
<b>Net Operating Revenue</b>	<b>\$ 9,381,649</b>	<b>\$ (246,407)</b>	<b>\$ 9,628,055</b>	<b>-3907%</b>
<b>Net Revenue</b>	<b>\$ 9,381,649</b>	<b>\$ (246,407)</b>	<b>\$ 9,628,055</b>	<b>-3907%</b>

**California Avocado Commission**  
**Statement of Activities - Detail**  
 September 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
<b>Revenue</b>				
40001-000 CAC Assessment Revenue-Current Year	11,406,630	5,034,051	6,372,579	127%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	6,887,842	3,942,606	2,945,236	75%
40012-000 HAB Rebate Assess. Revenue-Prior Year	(3,024)	-	(3,024)	
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	55,913	(30,498)	-55%
46000-000 Grant Funding			-	
46020-000 USDA Grant - FAS MAP Korea - Revenue		160,000	(160,000)	-100%
46021-000 USDA Grant - FAS MAP China - Revenue		140,000	(140,000)	-100%
<b>Total 46000-000 Grant Funding</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ (300,000)</b>	<b>-100%</b>
48001-000 Interest Income	10,890	5,500	5,390	98%
48003-000 Other - Pine Tree Ranch Crop Income	121,979	75,000	46,979	63%
48009-000 Other Income - Misc	3,616		3,616	
48009-118 Other Income - From the Grove	48,600	45,000	3,600	8%
<b>Total Revenue</b>	<b>\$ 18,503,170</b>	<b>\$ 9,458,070</b>	<b>\$ 9,045,100</b>	<b>96%</b>
<b>Gross Profit</b>	<b>\$ 18,503,170</b>	<b>\$ 9,458,070</b>	<b>\$ 9,045,100</b>	<b>96%</b>
<b>Expenditures</b>				
<b>50000-000 Marketing</b>				
<b>51000-000 Consumer Marketing</b>				
51001-072 Media Planning & Buying, Media Cost Reporting-Curious Plot	1,507,230	1,645,000	(137,770)	-8%
51002-000 Production	2,923	-	2,923	
51002-072 Strategy, Campaign Creative Development & Production-Curious Plot	452,973	477,500	(24,527)	-5%
51004-072 Consumer Marketing - Retail-Curious Plot	826,990	782,127	44,863	6%
51801-072 Account Administration-Curious Plot	244,154	174,166	69,988	40%
55101-000 Email Content	704	-	704	
55101-072 Consumer Email Marketing-Curious Plot	118,456	130,500	(12,044)	-9%
55103-072 Social Media & Content Marketing-Curious Plot	299,664	263,125	36,539	14%
57002-000 Consumer Research	25,125	25,125	-	0%
<b>Total 51000-000 Consumer Marketing</b>	<b>\$ 3,478,218</b>	<b>\$ 3,497,543</b>	<b>\$ (19,325)</b>	<b>-1%</b>
<b>52000-000 Trade - Retail</b>				
<b>52000-001 Trade Relations</b>				
52001-066 Trade Advertising-Media-Fusion	112,380	120,000	(7,620)	-6%
52002-066 Trade Advertising-Production-Fusion	37,298	24,600	12,698	52%
52022-000 Dues	25,106	13,505	11,601	86%
52024-000 Sponsorships-Southern California Locations	4,865	1,350	3,515	260%
52042-000 Conventions	21,879	1,500	20,379	1359%
52043-000 Booth Storage	304	911	(608)	-67%
52052-081 Program Admin/Strategy/Planning-PJ/PR	23,000	23,000	-	0%
52053-081 Retail Communications - Retail Resources-Fees-PJ/PR	8,000	8,000	-	0%
52055-081 Key Account Marketing Communications-Fees-PJ/PR	172,430	162,430	10,000	6%
52071-075 Key Account Coverage-TX/MW/SE-Anderson	79,674	87,500	(7,826)	-9%
52075-013 Key Account Coverage-SW/NW-Becker	137,774	137,500	274	0%
<b>Total 52000-001 Trade Relations</b>	<b>\$ 622,710</b>	<b>\$ 580,296</b>	<b>\$ 42,414</b>	<b>7%</b>
<b>52010-000 Retail &amp; Consumer Promotions</b>				
52113-000 Co-Marketing Photo Shoot	2,393	13,000	(10,607)	-82%
52124-000 Retail Performance Programs-Retail Promotions	372,252	715,000	(342,748)	-48%
52125-000 Retail Brand Awareness Programs	227,693	270,000	(42,307)	-16%
52129-000 Retailer Social Media Advertising Support	12,750	45,000	(32,250)	-72%
52131-000 Retail Merchandising Services (POS Placement)		7,000	(7,000)	-100%
52132-000 Retail Identity Programs-Display Bins	46,674	55,000	(8,326)	-15%
52301-000 Premiums	4,313	-	4,313	
52303-000 Storage/Fulfillment	24,449	29,000	(4,551)	-16%
54205-000 Retail Content Development-CAC	59,018	85,000	(25,982)	-31%
<b>Total 52010-000 Retail &amp; Consumer Promotions</b>	<b>\$ 749,542</b>	<b>\$ 1,219,000</b>	<b>\$ (469,458)</b>	<b>-39%</b>
<b>52200-000 Data, Research &amp; Analysis</b>				
52202-000 Retail POS Scan Data-IRI	66,031	62,000	4,031	7%
52204-066 Data Analysis & Retail Research-FUSION	75,335	85,500	(10,165)	-12%
52206-086 Inventory Reporting-AVMA	2,475	2,475	-	0%
52211-066 California Avocado Market Analysis-Fusion	48,756	43,000	5,756	13%
52213-066 Retail Support, Consultation, Planning, Program & Data Admin-Fusion	56,311	54,000	2,311	4%

Total 52200-000 Data, Research & Analysis	\$	248,908	\$	246,975	\$	1,933	1%
52400-000 Administration & Other							
52140-098 Grower Communications-GingerRoot		4,780		9,520		(4,740)	-50%
52401-000 Travel Expenses - Marketing		39,672		11,500		28,172	245%
52411-000 Office Expenses - Marketing		12,715		16,500		(3,785)	-23%
Total 52400-000 Administration & Other	\$	57,167	\$	37,520	\$	19,647	52%
Total 52000-000 Trade - Retail	\$	1,678,327	\$	2,083,791	\$	(405,464)	-19%
53000-000 Trade - Foodservice							
53101-070 Public Relations-KC		55,571		79,900		(24,329)	-30%
53103-000 Foodservice Events		991		-		991	
53103-070 Foodservice Events-KC		169,964		163,100		6,864	4%
53104-000 Chain Promotions		18,742		-		18,742	
53104-070 Chain Promotions-KC		130,923		202,200		(71,277)	-35%
53105-070 Culinary Education Program-KC		1,460		1,800		(340)	-19%
53801-070 Program Administration Fees-KC		39,400		39,800		(400)	-1%
53802-070 Program Administration Expenses-KC		1,139		495		644	130%
Total 53000-000 Trade - Foodservice	\$	418,190	\$	487,295	\$	(69,105)	-14%
54000-000 Consumer Public Relations							
54001-072 Brand Advocates & Chef Partners (PR)-Curious Plot		24,926		25,000		(74)	0%
54102-000 Local Media Outreach/Pitching/Experiential & Reporting		2,530		-		2,530	
54102-072 Local Media Outreach/Pitching/Experiential & Reporting (Cision) (PR)-Curious Plot		55,958		52,500		3,458	7%
54206-000 Brand Advocates		105,334		115,000		(9,666)	-8%
Total 54000-000 Consumer Public Relations	\$	188,749	\$	192,500	\$	(3,751)	-2%
59000-000 Marketing Activities Support							
51803-000 Marketing/Planning		1,928		500		1,428	286%
51803-067 Marketing Planning/Special Projects-RoMo		120,465		118,250		2,215	2%
52134-000 Export Program		24,560		5,000		19,560	391%
Total 59000-000 Marketing Activities Support	\$	146,953	\$	123,750	\$	23,203	19%
Total 50000-000 Marketing	\$	5,910,437	\$	6,384,879	\$	(474,442)	-7%
64000-000 Industry Affairs							
64000-001 Industry Statistics and Information							
64001-000 AMRIC Operation		3,811		14,850		(11,039)	-74%
64001-130 AMRIC Operation-Hooman Mohammadpour		10,725		9,625		1,100	11%
64002-000 Crop Forecasting and Analysis		3,619		5,650		(2,031)	-36%
64002-104 Crop Forecasting And Analysis-Land IQ		37,175		74,350		(37,175)	-50%
Total 64000-001 Industry Statistics and Information	\$	55,330	\$	104,475	\$	(49,145)	-47%
64100-000 Grower Communications							
64105-000 Online Information		2,078		3,300		(1,222)	-37%
64105-098 Online Information-GingerRoot		14,340		9,075		5,265	58%
64105-099 Online Information-Fishhook				4,400		(4,400)	-100%
64106-000 Publications		538		2,750		(2,212)	-80%
64106-067 Publications-ROMO		1,500		3,000		(1,500)	-50%
64106-085 Publications-Fox Wthr		1,210		1,210		-	0%
64106-098 Publications-GingerRoot		7,840		14,375		(6,535)	-45%
64106-118 Publications-Champ		48,026		54,000		(5,974)	-11%
64107-000 Annual Meeting		12,649		20,000		(7,351)	-37%
64108-000 Annual Report				8,500		(8,500)	-100%
64108-098 Annual Report-GingerRoot		4,400		6,500		(2,100)	-32%
Total 64100-000 Grower Communications	\$	92,581	\$	127,110	\$	(34,529)	-27%
64200-000 Issues Management							
64202-000 Field/Technical Support		44,918		45,200		(282)	-1%
64204-000 Research Program Coordination & Outreach		92,382		92,500		(118)	0%
64206-000 Legislative & Regulatory Advocacy		38,923		38,800		123	0%
64211-000 Sustainability Project		2,212		2,400		(188)	-8%
Total 64200-000 Issues Management	\$	178,435	\$	178,900	\$	(465)	0%
64300-000 Legal & Governance							
64301-000 Elections		4,764		9,000		(4,236)	-47%
64302-000 Legal Support		140,838		91,300		49,538	54%
64303-000 Governance Support		253		-		253	
Total 64300-000 Legal & Governance	\$	145,855	\$	100,300	\$	45,555	45%
64400-000 Demonstration Grove							
64401-000 Pine Tree - Rent		500		22,825		(22,325)	-98%
64402-000 Pine Tree - Grove Management		27,813		32,000		(4,187)	-13%
64403-000 Pine Tree - Utilities		3,615		4,950		(1,335)	-27%
64404-000 Pine Tree - Property Tax & Insurance		2,470		2,310		160	7%
64405-000 Pine Tree - Miscellaneous Expense		2,023		-		2,023	

64406-000 Pine Tree - Crop Harvesting	23,998	12,000	11,998	100%
64407-000 Pine Tree - Crop Hauling		500	(500)	-100%
64408-000 Pine Tree - CAC Assessment		1,405	(1,405)	-100%
64409-000 Pine Tree - HAB Assessment		1,250	(1,250)	-100%
<b>Total 64400-000 Demonstration Grove</b>	<b>\$ 60,418</b>	<b>\$ 77,240</b>	<b>\$ (16,822)</b>	<b>-22%</b>
<b>64500-000 Education &amp; Outreach</b>				
64501-000 Field Meetings, Seminars & Workshops	932	1,000	(68)	-7%
64502-000 Pine Tree Ranch Field Days	837	2,000	(1,163)	-58%
<b>Total 64500-000 Education &amp; Outreach</b>	<b>\$ 1,769</b>	<b>\$ 3,000</b>	<b>\$ (1,231)</b>	<b>-41%</b>
<b>64800-000 Other Industry Affairs</b>				
64801-000 Coalition Dues, Sponsorships , Registrations & Rep	20,650	20,100	550	3%
64801-086 Industry Reports-AVMA	400	440	(40)	-9%
64803-000 Travel Expenses - Industry Affairs	20,527	33,000	(12,473)	-38%
64804-000 Office Expenses - Industry Affairs	898	8,250	(7,352)	-89%
64901-000 Misc IA Exps (Theft Reward)	3,776	4,300	(524)	-12%
<b>Total 64800-000 Other Industry Affairs</b>	<b>\$ 46,251</b>	<b>\$ 66,090</b>	<b>\$ (19,839)</b>	<b>-30%</b>
<b>Total 64000-000 Industry Affairs</b>	<b>\$ 580,638</b>	<b>\$ 657,115</b>	<b>\$ (76,477)</b>	<b>-12%</b>
<b>65000-000 Production Research</b>				
<b>65100-000 Pest &amp; Disease</b>				
65131-000 Phenology and Ecology of Avocado Lace Bug		30,572	(30,572)	-100%
<b>Total 65100-000 Pest &amp; Disease</b>	<b>\$ -</b>	<b>\$ 30,572</b>	<b>\$ (30,572)</b>	<b>-100%</b>
<b>65200-000 Breeding, Varieties &amp; Genetics</b>				
65215-000 Commercial-Scale Field Testing of Advanced Rootstock	67,221	67,221	-	0%
65217-000 CAL POLY - Commercial-scale field testing and potential release of five elite advanced rootstocks	6,469	10,206	(3,737)	-37%
<b>Total 65200-000 Breeding, Varieties &amp; Genetics</b>	<b>\$ 73,690</b>	<b>\$ 77,427</b>	<b>\$ (3,737)</b>	<b>-5%</b>
<b>65300-000 Cultural Management</b>				
65323-000 Develop tools and info on crop water use	33,527	33,527	-	0%
<b>Total 65300-000 Cultural Management</b>	<b>\$ 33,527</b>	<b>\$ 33,527</b>	<b>\$ -</b>	<b>0%</b>
<b>Total 65000-000 Production Research</b>	<b>\$ 107,217</b>	<b>\$ 141,526</b>	<b>\$ (34,309)</b>	<b>-24%</b>
<b>65400-000 Industry Research Support</b>				
65403-000 FFAR Fellow Sponsor - Landesman		32,500	(32,500)	-100%
<b>Total 65400-000 Industry Research Support</b>	<b>\$ -</b>	<b>\$ 32,500</b>	<b>\$ (32,500)</b>	<b>-100%</b>
<b>66010-000 Grant Programs</b>				
<b>66015-000 Export Marketing</b>				
66020-000 USDA Grant - FAS MAP Korea	50,063	-	50,063	
66021-000 USDA Grant - FAS MAP China	71,365	-	71,365	
<b>Total 66015-000 Export Marketing</b>	<b>\$ 121,428</b>	<b>\$ -</b>	<b>\$ 121,428</b>	
<b>Total 66010-000 Grant Programs</b>	<b>\$ 121,428</b>	<b>\$ -</b>	<b>\$ 121,428</b>	
<b>70000-000 Operations</b>				
<b>71100-000 Office Expense</b>				
71101-000 Office Rent - CAC Mauchly, Irvine	(0)	119,186	(119,186)	-100%
71102-000 Rent-CAM, Ins, Prop Tax	27,818	23,485	4,333	18%
71104-000 Rent-Offsite Storage	7,761	8,525	(764)	-9%
71111-000 Insurance-Liability	89,438	93,084	(3,646)	-4%
71121-000 Office Expenses - Operations	2,485	3,100	(615)	-20%
71122-000 Office Supplies	1,927	3,300	(1,373)	-42%
71123-000 Janitorial	5,818	6,275	(457)	-7%
71131-000 Office Utilities	11,180	13,550	(2,370)	-17%
71141-000 Bank & Payroll Fees	9,228	14,465	(5,237)	-36%
71151-000 Equipment Maintenance & Expense	5,693	17,500	(11,807)	-67%
71161-000 Telephone	7,536	7,260	276	4%
71162-000 Employee Communication Expense	13,200	13,200	-	0%
71181-000 Postage & Courier Service	882	2,160	(1,278)	-59%
<b>Total 71100-000 Office Expense</b>	<b>\$ 182,966</b>	<b>\$ 325,090</b>	<b>\$ (142,124)</b>	<b>-44%</b>
<b>71200-000 Professional Fees</b>				
71201-000 CPA-Financial Audits	37,800	40,000	(2,200)	-6%
71203-000 CPA-Assessment Audits	5,250	28,500	(23,250)	-82%
71207-000 CDFA Fiscal and Compliance Audit	9,922	14,500	(4,578)	-32%
71211-000 Calif. Department of Food & Ag.-CDFA	73,341	75,130	(1,789)	-2%
71221-000 Dept. of Ag-USDA/AMS	51,029	55,000	(3,971)	-7%
71235-000 Legal-Ballard/Rosenberg-Labor Issues	540	-	540	
71236-000 Outsourced Accounting	164,473	137,500	26,973	20%
78301-000 Pension Adm & Legal	22,162	37,225	(15,063)	-40%
<b>Total 71200-000 Professional Fees</b>	<b>\$ 364,517</b>	<b>\$ 387,855</b>	<b>\$ (23,338)</b>	<b>-6%</b>
<b>71300-000 Personnel Expenses</b>				
71301-000 Salaries/Wages				

71302-000 Salaries/Wages - IA & Ops	555,923	548,570	7,353	1%
71303-000 Salaries/Wages - Marketing	644,791	653,400	(8,609)	-1%
<b>Total 71301-000 Salaries/Wages</b>	<b>\$ 1,200,714</b>	<b>\$ 1,201,970</b>	<b>\$ (1,256)</b>	<b>0%</b>
71311-000 Pension Expense				
71312-000 Pension Expense - IA & Ops	61,443	54,857	6,586	12%
71313-000 Pension Expense - Marketing	39,865	52,965	(13,100)	-25%
<b>Total 71311-000 Pension Expense</b>	<b>\$ 101,308</b>	<b>\$ 107,822</b>	<b>\$ (6,514)</b>	<b>-6%</b>
71321-000 Payroll Tax & Work Comp				
71322-000 Payroll Tax & Work Comp - IA & Ops	42,068	43,307	(1,239)	-3%
71323-000 Payroll Tax & Work Comp - Marketing	47,875	49,027	(1,152)	-2%
<b>Total 71321-000 Payroll Tax &amp; Work Comp</b>	<b>\$ 89,943</b>	<b>\$ 92,334</b>	<b>\$ (2,391)</b>	<b>-3%</b>
71331-000 Benefits				
71332-000 Benefits - IA & Ops	98,700	119,803	(21,103)	-18%
71333-000 Benefits - Marketing	99,387	98,438	949	1%
<b>Total 71331-000 Benefits</b>	<b>\$ 198,087</b>	<b>\$ 218,241</b>	<b>\$ (20,154)</b>	<b>-9%</b>
<b>Total 71300-000 Personnel Expenses</b>	<b>\$ 1,590,052</b>	<b>\$ 1,620,367</b>	<b>\$ (30,315)</b>	<b>-2%</b>
71400-000 Commissioner Expenses				
71401-000 District Meetings & Expenses	3,905	4,000	(95)	-2%
71403-000 Travel Expenses - Board Members	8,933	40,000	(31,067)	-78%
71404-000 Board Meeting Expenses	15,066	27,250	(12,184)	-45%
71405-000 HAB BOLD Participation	2,783	3,000	(217)	-7%
<b>Total 71400-000 Commissioner Expenses</b>	<b>\$ 30,686</b>	<b>\$ 74,250</b>	<b>\$ (43,564)</b>	<b>-59%</b>
73000-000 Information Technology				
73001-000 Network Maintenance	29,386	35,242	(5,856)	-17%
73002-000 Network Hardware, Software & Licenses	15,564	10,992	4,572	42%
73003-000 IT Support & Consulting	12,136	15,340	(3,204)	-21%
73004-000 Accounting & Assessment System	16,546	8,100	8,446	104%
73005-000 IT Services	7,628	9,020	(1,393)	-15%
<b>Total 73000-000 Information Technology</b>	<b>\$ 81,259</b>	<b>\$ 78,694</b>	<b>\$ 2,565</b>	<b>3%</b>
78000-000 Depreciation, Interest & Other Operations				
78101-000 Travel Expenses - Operations	1,427	1,700	(273)	-16%
78401-000 Membership Dues & Registration	264	300	(36)	-12%
78501-000 Dues, Education, Training, Recruitment & Other	133	200	(68)	-34%
79001-000 Amortization Expense	146,008	-	146,008	
79100-000 Interest Expense	4,490	-	4,490	
<b>Total 78000-000 Depreciation, Interest &amp; Other Operations</b>	<b>\$ 152,321</b>	<b>\$ 2,200</b>	<b>\$ 150,121</b>	<b>6824%</b>
<b>Total 70000-000 Operations</b>	<b>\$ 2,401,801</b>	<b>\$ 2,488,456</b>	<b>\$ (86,655)</b>	<b>-3%</b>
<b>Total Expenditures</b>	<b>\$ 9,121,521</b>	<b>\$ 9,704,476</b>	<b>\$ (582,955)</b>	<b>-6%</b>
<b>Net Operating Revenue</b>	<b>\$ 9,381,649</b>	<b>\$ (246,407)</b>	<b>\$ 9,628,055</b>	<b>-3907%</b>
<b>Net Revenue</b>	<b>\$ 9,381,649</b>	<b>\$ (246,407)</b>	<b>\$ 9,628,055</b>	<b>-3907%</b>

## CALIFORNIA AVOCADO COMMISSION POUNDS & DOLLARS BY VARIETY

November 2023 Through September 2024

Month	Hass Pounds	Lamb Pounds	Gem Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Gem Dollars	Others Dollars	Total Dollars	Avg \$/Lb
Nov 2023	32,150		0	14,285	46,435	\$33,700	0	\$	\$3,769	\$37,469	\$0.807
Dec 2023	1,945		0	31,708	33,653	\$5,770	0	\$	\$21,964	\$27,734	\$0.824
Jan 2024	154,510		0	52,526	207,036	\$129,076	0	\$	\$40,703	\$169,779	\$0.820
<b>1st QTR</b>	<b>188,605</b>	<b>0</b>	<b>0</b>	<b>98,519</b>	<b>287,124</b>	<b>\$168,546</b>	<b>0</b>	<b>0</b>	<b>\$66,436</b>	<b>\$234,982</b>	<b>\$0.818</b>
Feb 2024	2,319,879		0	35,940	2,355,819	\$2,542,582	0	\$	\$28,647	\$2,571,229	\$1.091
Mar 2024	18,710,691		158,109	10,371	18,879,171	\$23,353,592	0	\$225,508	\$26,676	\$23,605,776	\$1.250
Apr 2024	49,397,415		1,223,713	20,702	50,641,830	\$63,243,687	0	\$1,570,305	\$24,558	\$64,838,550	\$1.280
<b>2nd QTR</b>	<b>70,427,985</b>	<b>0</b>	<b>1,381,822</b>	<b>67,013</b>	<b>71,876,820</b>	<b>\$89,139,861</b>	<b>0</b>	<b>\$1,795,813</b>	<b>\$79,881</b>	<b>\$91,015,555</b>	<b>\$1.266</b>
<b>1st Half</b>	<b>70,616,590</b>	<b>0</b>	<b>1,381,822</b>	<b>165,532</b>	<b>72,163,944</b>	<b>\$89,308,407</b>	<b>0</b>	<b>\$1,795,813</b>	<b>\$146,317</b>	<b>\$91,250,537</b>	<b>\$1.264</b>
May 2024	65,300,778		2,491,367	95,951	67,888,096	\$81,430,440	0	\$3,246,782	\$106,577	\$84,783,799	\$1.249
Jun 2024	75,684,158	99,138	969,449	59,541	76,812,286	\$113,348,271	\$180,203	\$1,773,780	\$67,270	\$115,369,524	\$1.502
Jul 2024	71,065,335	3,993,900	552,843	265,277	75,877,355	\$109,491,308	\$5,650,613	\$872,256	\$245,747	\$116,259,924	\$1.532
<b>3rd QTR</b>	<b>212,050,271</b>	<b>4,093,038</b>	<b>4,013,659</b>	<b>420,769</b>	<b>220,577,737</b>	<b>\$304,270,019</b>	<b>\$5,830,816</b>	<b>\$5,892,818</b>	<b>\$419,594</b>	<b>\$316,413,247</b>	<b>\$1.434</b>
Aug 2024	44,753,078	6,237,269	29,916	91,694	51,111,957	\$76,220,905	\$9,197,544	\$44,525	\$114,627	\$85,577,601	\$1.674
Sep 2024	13,851,793	1,575,985	220	153,280	15,581,278	\$22,129,221	\$2,637,663	\$220	\$202,164	\$24,969,268	\$1.603
<b>4th QTR</b>	<b>58,604,871</b>	<b>7,813,254</b>	<b>30,136</b>	<b>244,974</b>	<b>66,693,235</b>	<b>\$98,350,126</b>	<b>\$11,835,207</b>	<b>\$44,745</b>	<b>\$316,791</b>	<b>\$110,546,869</b>	<b>\$1.658</b>
<b>2nd Half</b>	<b>270,655,142</b>	<b>11,906,292</b>	<b>4,043,795</b>	<b>665,743</b>	<b>287,270,972</b>	<b>\$402,620,145</b>	<b>\$17,666,023</b>	<b>\$5,937,563</b>	<b>\$736,385</b>	<b>\$426,960,116</b>	<b>\$1.486</b>
<b>Total</b>	<b>341,271,732</b>	<b>11,906,292</b>	<b>5,425,617</b>	<b>831,275</b>	<b>359,434,916</b>	<b>\$491,928,552</b>	<b>\$17,666,023</b>	<b>\$7,733,376</b>	<b>\$882,702</b>	<b>\$518,210,653</b>	<b>\$1.442</b>
Year-to-Date % of Crop	94.95%	3.31%	1.51%	.23%	100.00%	94.93%	3.41%	1.49%	.17%	100.00%	
Year-to-Date Average \$/lb						\$1.441	\$1.484	\$1.425	\$1.062	\$1.442	





**BOARD ACTION**

**ITEM 7.b: RECOMMEND MEMBER AND ALTERNATE TO SERVE ON THE HASS AVOCADO COMMITTEE**

**SUMMARY:**

In January 2014 the Hass Avocado Board (HAB) approved a proposal presented by their International Representation Committee that allows offshore representatives of the avocado industry to have a voice and a vote on matters before they are considered by the HAB board. As a result, the Hass Avocado Committee (HAC) was created to make recommendations that assist the HAB to carry out the purposes and objectives of the Act and Order. The composition of the committee includes current HAB board members (directors and alternates) and one representative and one alternate from each organization receiving HAB rebate assessment dollars.

On August 2, 2024 CAC received a letter from HAB Chairman Bob Schaar requesting names of individuals to serve, on behalf of CAC, as a member and alternate on the HAC for a one-year term beginning December, 2024. While the letter requests CAC's recommendations by October 31, 2024, it also states it is preferable that CAC consider nominating individuals who are voting members of the Board. With the new CAC Board scheduled to be seated at the November 14, 2024 meeting, CAC management contacted HAB to request the recommendation of HAC nominees take place at the November meeting, to which HAB was agreeable. At this time, action is required by the CAC Board to recommend HAC nominees.

**FISCAL ANALYSIS:**

- Not applicable.

**BOARD OPTIONS:**

- Not applicable

**STAFF RECOMMENDATION:**

- Not applicable

**EXHIBITS / ATTACHMENTS:**

- Letter from HAB Chairman Bob Schaar Requesting CAC Representatives for Hass Avocado Committee
- Hass Avocado Committee Functions
- HAB Updated Travel Policy

August 2, 2024  
Mission Viejo, CA

Via Email

**California Avocado Commission**  
Jason Cole, Chairman

Dear Chairman Cole,

In accordance with the Hass Avocado Committee (HAC) appointment and nomination process approved by the Hass Avocado Board in 2014 (attached for your reference), I am writing to seek the names of individuals who wish to serve as the California Avocado Commission (CAC) representative on the HAC. Please provide one or multiple names by October 31, 2024. When selecting your nominees, it would be preferable that the individuals are voting board members of the California Avocado Commission (CAC) during the November 2024 to October 2025 period.

HAC members will be appointed by the Board at the annual meeting which will be held on December 4 & 5, 2024. The first meeting of the newly appointed HAC will be on December 4 & 5 2024. The term of the committee shall be one year, but an existing committee may serve until the new committee is available to be seated. Please note that HAC usually meets four times per year, all meetings take place in the United States or via Zoom and are carried out in English. HAB will pay for all travel expenses incurred by the committee members and alternates according to HAB's Travel Policy.

HAC strengthens the relationships and collaboration between HAB and the member organizations that obtain 85% of the assessment revenue. HAB looks forward to continuing the engagement with your organization and to receiving your nomination no later than October 31, 2024. If you have any questions, please don't hesitate to contact me or Emiliano Escobedo.

Sincerely,

*Bob Schaar*

Bob Schaar, Chairman  
Hass Avocado Board

cc: Ken Melban, Terry Splane

Attachments:

- Hass Avocado Committee Functions
- Updated Travel Policy



## Hass Avocado Committee

### Composition, nominations and appointments, quorum, voting and procedures

#### COMPOSITION:

- Seven producer members of HAB (nominated and appointed in the matter specified below).
- Five importer members of HAB (nominated and appointed in the matter specified below).
- One member from each importer organization certified by the Secretary to receive assessment funds under Section 1219.58 of the Order (nominated and appointed in the matter specified below).
- One member representing the California Avocado Commission (nominated and appointed in the matter specified below).
- Each member of the committee shall have an alternate, who may serve in the absence of the committee member.

*Note: Throughout, this document we will use the term “member organizations” to refer to the importer and state associations that receive assessments through the Act and the Order.*

#### NOMINATIONS AND APPOINTMENTS:

- Around 90 days before the annual meeting, the HAB chair shall communicate to the member organizations and other organizations representing the avocado industry within the growing regions to seek, through the member organizations, the names of individuals who wish to serve as members and alternates of the committee.
- Each member organization, through its chief executive, shall submit to the HAB chair the names of the individuals nominated to serve as the member and alternate on the committee. Each organization may provide one name or multiple names for each member and alternate position. In addition, the member organization is to nominate an alternate for a position and may provide one name or multiple names for an alternate position. In choosing their nominees, the member organizations shall consider the ability of the individual nominated to serve on the committee to travel to attend meetings in the United States.
- The chair of HAB shall appoint the committee chair, subject to the approval of the HAB, and may appoint a vice chair or other officers he or she deems appropriate. The HAB chair shall appoint, from the names provided by the member organizations, the individuals who will occupy

the member organization seats on the committee. If no name has been submitted for a position, the chair of HAB may appoint someone for that position. The HAB chair shall also appoint the producer and importer members and their alternates appointed by the Secretary to serve on the HAB. The same process will be repeated for alternate positions.

- The appointments shall occur on or soon after the annual meeting in which the HAB appoints a chair. The term shall be one year, but an existing committee may serve until the new committee is available to be seated.

### **QUORUM AND VOTING:**

- The committee may only take action if a quorum is established either in person or via electronic means. A quorum shall be established if a majority (one more vote than 50 percent) is present.
- A motion before the committee is approved only if favored by a simple majority (one more vote than 50 percent) of each of the three categories voting in the affirmative. In other words, for a motion to pass, it must receive favorable votes from (a) four of the seven producers, (b) three of the five importers, and (c) three of the four association members.
- The voting requirements apply to the committee only; for HAB, a motion passes if favored by a majority of those voting.

### **PROCEDURES:**

- The HAB and the committee shall meet at the same location, date and time of the HAB meetings.
- First, the committee will consider its business and provide its recommendations.
- When the committee completes its consideration of its business, the HAB shall then convene and vote on matters on which the committee has approved. A motion not approved by the HAB may not be forwarded to the Secretary for approval. In addition, HAB may consider any motion that failed passage in the committee.
- Because HAB members have already participated in the discussions and approved items of business of the committee, the motions before the HAB or other business may be voted on either individually or as a group.



## Travel & Entertainment Policy

Amended & Approved by the Board: 06/20/2023

Approved by USDA 07/13/2023

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## **HASS AVOCADO BOARD TRAVEL EXPENSE POLICY**

This policy supersedes the previously approved Hass Avocado Board Travel and Entertainment Expense Policy.

### **I. General**

The Hass Avocado Board (HAB) will reimburse Members and Staff for all reasonable and necessary expenses incurred in connection with travel on authorized Board business which are approved as activities in support of the Act and Order. Members and Staff are responsible for complying with this Policy. Members and Staff submitting expenses that are not in compliance with this policy risk delayed, partial, or forfeited reimbursement. Members and Staff are expected to use prudent business judgement regarding expenses covered by this Policy.

HAB will limit reimbursement of travel expenses specified under this policy for up to one day prior to the day of the event/function, the night of the event/function, and if necessary, an additional day after the last event/function attended. Reimbursement for any additional days will require written pre-approval with justification, such as evidence that no flights are available at a reasonable hour.

### **2. Policy Application**

- A. Hass Avocado Board Members, Board Alternates and Committee Members will be governed by this policy and will be referred to as “Member” throughout this document.
- B. The term “Staff” refers to employees of the Hass Avocado Board.
- C. The term “Executive Director” refers to the Hass Avocado Board’s Chief Executive.
- D. The Hass Avocado Board will be referred to as “Board” throughout this document.
- E. The term “Officer” refers to an Officer of the Board (Chairperson, Vice Chairperson, Treasurer, or Secretary).
- F. Business meal refers to a meal consumed by a Member or Staff when traveling on HAB Business or when HAB related business is discussed during the meal. Business meals are subject to daily allowance limits established under Section 6 (Meal Allowance) of this policy. The purchase of alcoholic beverages is permitted as part of business meals.
- G. Entertainment refers to a meal or beverage consumed with a guest(s) or a group of staff for a valid business purpose. Entertainment does not count toward the daily allowance established under Section 6 (Meal Allowance) of this policy. Alcoholic beverages are permitted as part of entertainment.
- H. Group meals refers to a meal consumed at HAB hosted events to which all members and staff are invited. Group meals do not count toward the daily allowance established under

Section 6 (Meal Allowance) of this policy. Alcoholic beverages are permitted as part of group meals.

### **3. Pre-Approvals for Travel**

- A. Pre-approval should be done via e-mail to the appropriate person for approval. The pre-approval should include the business purpose, expense, justification, comparatives, or reasoning if appropriate.
- B. All staff travel, except for travel included in annual plans and budgets adopted by the Board, must be pre-approved by the staff member's immediate supervisor, Executive Director, or an Officer of the Board.
- C. The Executive Director will obtain pre-approval for travel from the Chairperson. If the Chairperson is not available another Officer may review and approve the travel.
- D. All Member travel, except for approved meetings, must be pre-approved by the Board Treasurer. If the Board Treasurer is unavailable, another Officer may review and approve the travel.
- E. Board Treasurer, the Treasurer will obtain Pre-approval from the Chairperson or another Officer.

### **4. Transportation**

#### **A. Personal Vehicle**

- I. Members and Staff who utilize personal vehicles for business purposes are required to have a valid driver's license. Mileage will be reimbursed at the current allowable IRS rate. When a personal vehicle is used for Board business, it must carry the minimum insurance coverage required by law for bodily injury and property damage. Staff using their own personal vehicles for business shall be reimbursed for their actual miles traveled above and beyond their normal commute only. Members and Staff are responsible for all parking fines and moving violation tickets.

#### **B. Rental Vehicle**

- I. In general, an intermediate or smaller car is the car type within policy; however, the size and type of the rental car should be appropriate for the number of people in the car and the road conditions on which it will be used. In-car navigation systems and electronic toll payment options for rental cars are considered reimbursable. All other convenience options, e.g. satellite radio, are considered non-reimbursable.
- 2. When renting cars in the US, it is not necessary to purchase rental car insurance as the HAB maintains rental car coverage. When renting a car internationally, it is necessary to purchase insurance at the time of the rental. To maximize cost savings, Members and Staff

should refuel rental cars prior to returning. Gasoline for rental car use will be reimbursed as long as gasoline for the car rental is purchased under a self-service option. Rental car “pre-pay” options will not be reimbursed.

C. Local Transportation/ Travel

1. The most efficient form of transportation should be used to get to and from hotels, airports and other destinations.
2. Allowable methods of transport include shuttles, cabs, ride share and public transportation. Car service is allowed only if the total cost is comparable to that of a cab/ride share fare.

D. Air Travel

1. All reimbursable air transportation must originate and terminate within the United States. Any air travel originating from outside the United States must be justified and explained with full documentation on the pre-approval request. Hass Avocado Committee members domiciled outside the United States shall be reimbursed for air travel originating and terminating from their domicile outside the United States.
2. In order to optimize cost savings for HAB, travel arrangements should be arranged at least seven days in advance for domestic travel and fourteen days in advance for international travel. Flight insurance is encouraged and is a reimbursable expense to cover unforeseen expenses resulting from medical, family emergencies, accidents, and flight cancellations. All Members and Staff are encouraged to search for the lowest available restricted but changeable fare, rather than fully-refundable fare. HAB will reimburse Members and Staff for any justifiable flight changes.
3. All Members and Staff must fly coach for total air travel less than 3 hours within the United States, Mexico, or Canada. For total air travel longer than 3 hours within the United States, Mexico, or Canada, Members and staff are permitted to fly upgraded economy or equivalent, but not business class. For international travel to countries to other than Mexico or Canada, Members and Staff are permitted to fly business class for on trips exceeding six hours. First class air travel is not reimbursable. Personal miles or points may be used to upgrade to a higher-class service, or the traveler may opt to pay personally for an upgrade.
4. Airline receipts from the carrier shall be included with the expense report form. Travel agent receipts submitted must be accompanied by the airline receipt and include the E-ticket number and record locator for the flights in order for HAB to verify records. Travel Agent Invoices submitted without proper back-up will not suffice and may delay reimbursement.
5. HAB will reimburse airline baggage fees for up to 1 standard checked bag. Pre- approval to check additional bags at HAB expense with written justification may be approved.



6. HAB will reimburse airline fees associated with seat selection at time of check-in, priority boarding and on air Wi-Fi costs during flight.
7. When Members are attending other HAPRI association meetings during the same period as HAB events/functions, HAB will reimburse 50% of the air travel related expenses.

## 5. Lodging

- A. In cities where the HAB has contracted with a specific hotel, Members and Staff will book a room at the contracted hotel. In cities where there is more than one contracted hotel, the Members and staff may choose among contracted hotels. When travel schedules require early hotel check in and additional hotel charges are incurred, the additional charges are considered reimbursable.
- B. In cities where HAB does not have a contracted hotel, or all contracted hotels are sold out, the lodging selected must not exceed the maximum nightly rates (before taxes and fees) listed below:
  - \$450 metropolitan areas including New York City, Los Angeles, Washington D.C. and International locations.
  - \$350 All other U.S. locations.
- C. At times, when demand is high and hotels are sold out, the hotel rooms still available are priced higher than the HAB's stated maximum rate. In this case, Members and Staff will book the most reasonable option and retain a record of why the maximum rate was exceeded and submit for pre-approval. If a Member or Staff must cancel a hotel reservation, they should do so through the site/method through which the reservation was originally booked. Members should plan early to avoid cancellation fees. A "no-show" charge is not reimbursable unless it results from unavoidable circumstance.
- D. In certain circumstances it may be desirable and cost efficient to use alternate forms of lodging such as Airbnb, VRBO, rentals and others. These alternate accommodations may be used when the total cost of the stay (including booking and cleaning fees but excluding taxes and other fees) is comparable to the nightly rates published above for the same number of nights.
- E. Exclusions -- certain research and promotional HAB hosted events (for example ANSA meetings, media and influencer events) may not fall under the nightly rate limit stated under item 2. In such cases the total lodging cost will be covered in the board approved budget and business plan.

## 6. Meal Allowance

- A. Members and Staff will be reimbursed up to a daily maximum of \$150.00 per claimant excluding applicable taxes and a maximum gratuity of 20%. The maximum includes any daily combination of meals, snacks, minibar, and beverages. Members and Staff should ask for separate checks to avoid

exceeding the \$150.00 daily maximum. Itemized receipts are required to support all meal expenses, including meals charged to the hotel room.

- B. When a member or staff attends a HAB hosted group meal, the meal will count against the daily allowance. The deductions from the daily allowance are as follows: If the group meal is breakfast, deduct 25% from the daily allowance, if the group meal is lunch, deduct 25% from the daily allowance and if the group meal is dinner deduct 50% from the daily allowance.

## **7. Seminars, Conferences & Conventions**

- A. Members must obtain pre-approval prior to attending a seminar, conference, lecture, or other event of a business nature. Attendance by Staff shall be considered approved when annual plans and budgets are adopted by the Board, otherwise they shall follow the pre-approval process.

## **8. Miscellaneous**

### **A. Incidentals:**

The Board will reimburse, with a receipt when possible, the following items:

- 1. Internet, and facsimile expenses related to Board business.
- 2. Laundry and dry-cleaning services when traveling on Board business for more than five consecutive days.
- 3. Tolls, parking, porter and baggage handling tips.

### **B. International Travel**

- 1. International travel by Staff shall be considered approved when annual plans and budgets are adopted by the Board, otherwise they shall follow the pre-approval process.
- 2. All expenses must be shown in U.S. dollar values. The currency exchange rate that will be accepted by the HAB is from the US Treasury Department's Financial Management Services as well as the daily exchange rates listed on receipts and/or credit card statements. Use the "Comments" section of expense report to indicate foreign currency exchange rates used.

## **9. Travel Expense Reports**

- A. Falsification of a travel expense report will be brought to the Board's attention.
- B. Expense reports should be submitted to the HAB finance department after completion of each trip, and within a reasonable amount of time, not to exceed 3 months. Electronic submission is preferred for processing.

- C. If obtained, a copy of the pre-approval and supporting documentation must be submitted with the travel expense report form.
- D. A receipt must be submitted for any expense over \$20. The hotel invoice or folio are insufficient supporting documentation for room charges, please include itemized receipts for room charges and meals.
- E. It is preferable for travelers to submit original receipts; however, if originals are not submitted, the traveler must retain original receipts for at least three years in case of an audit. Original receipts are receipts for cash expenses or hard-copy printouts from electronic sources, such as for airfare or lodging. If a receipt is unavailable or lost, a written statement is required by the claimant providing the reason and detail of the expenditure.
- F. All meal and entertainment expenditures subject to reimbursement must include:
  - Names of people in attendance and relationship to HAB.
  - Business purpose - In the case of Board functions, an invitation to Board functions will suffice.
  - Place where the expense took place.
  - Date of expense.
  - Amount to be reimbursed.
- G. A member or staff that expenses a meal instead of attending a HAB hosted group meal should include an explanation in the Travel Expense Report.

## **10. Travel Expense Form Approvals**

- A. If the traveler is Staff, the expense report form shall be approved by the Staff member's immediate supervisor, or the Executive Director. If the Executive Director is not available, the expense report form can be approved by the Board Chairperson or Board Treasurer.
- B. If the traveler is the Executive Director, the expense report form shall be approved by the Board Chairperson or the Board Treasurer.
- C. If the traveler is an officer, the expense report form must be reviewed and approved by the Board Chairperson. If the Board Chairperson is unavailable, another Officer may review and approve the form.
- D. If the traveler is the Board Chairperson, the expense report form must be reviewed and approved by the Board Treasurer first. If the Board Treasurer is unavailable another Officer may review and approve the form.

- E. If the traveler is a Member, the expense report form must be approved by the Board Treasurer first. If the Board Treasurer is unavailable, another Officer may review and approve the form.

## **11. Exclusions**

The following expenses are not reimbursable:

- A. In-room mini-bar alcohol purchases.
- B. Personal expenses (movies, games, spa visits, golf outings, optional social activities.)
- C. Traffic and/or parking violation fines, towing charges, legal fees, or other payments resulting from illegal actions.
- D. Vehicle fuel purchases when mileage is being reimbursed.
- E. Repairs to personal vehicles.
- F. Family members' and guest expenses,' including room service or extra hotel charges for additional guests.
- G. Laundry service unless the trip is longer than five days.
- H. Lunches and dinners without a primary business purpose. The fact that lunchtime or dinnertime is a convenient time to meet does not convert a personal expense to a business expense.
- I. First-class fare.
- J. Tips in excess of 20%.
- K. Travel accident insurance premiums.

## **12. Covid Stay Exclusion**

- A. The following guidance is for members and staff members who believe they have been in contact with a person with COVID while traveling on authorized board business or have tested positive for COVID while traveling on authorized board business.

If the member or staff person cannot travel home due to COVID exposure or infection and needs to extend their stay while traveling on authorized board business, HAB will reimburse members and staff for their hotel, travel, and meal expenses for a period of up to 10 days from the date diagnosis was received from a valid test or date of exposure. Expenses must be submitted in accordance with the Hass Avocado Board Travel Policy. HAB will also reimburse any airline ticket change fees incurred because of the extended stay period.

To qualify for reimbursement for a COVID STAY EXCLUSION, the member or staff person must document their exposure to COVID including the date, place, and time of the exposure and how they were notified of the exposure. A positive COVID test taken by a third-party health professional during the travel period will also be accepted as proof to qualify for a COVID STAY EXCLUSION reimbursement.

The expenses incurred under the COVID STAY EXCLUSION will be reviewed and approved per this policy.



**BOARD ACTION**

**ITEM 7.c: RECOMMEND TWO MEMBERS TO SERVE ON THE HASS AVOCADO BOARD AVOCADO SUSTAINABILITY ADVISORY**

**SUMMARY:**

On August 2, 2024, CAC received a letter from Hass Avocado Board Chairman Bob Schaar seeking the names of two individuals who wish to serve as the California Avocado Commission representative members on the HAB Avocado Sustainability Advisory. In his request, Mr. Schaar states that in choosing nominees, it would be preferable that the individuals meet the criteria laid out in the HAB-approved Functions and Responsibilities for the ASA, as outlined in the attached exhibit. It is noted that ASA members will be appointed by the HAB board shortly after the annual meeting, held in December 2024. It is noted that an existing committee member may be reappointed to serve successive one-year terms. Also, HAB will pay for all expenses incurred by the advisory members according to HAB's Travel Policy.

Mr. Schaar had requested that CAC provide the names for the two member positions by October 31, 2024, therefore recommendations should be made during this CAC Board meeting.

**FISCAL ANALYSIS:**

- Not applicable - HAB will pay for all expenses incurred by the advisory members according to HAB's Travel Policy.

**BOARD OPTIONS:**

- Recommend two nominees to serve as members on the HAB Avocado Sustainability Advisory

**STAFF RECOMMENDATION:**

- Staff recommends the CAC Board discuss and submit the names of two individuals to serve on the HAB ASA

**EXHIBITS / ATTACHMENTS:**

- Letter from HAB Chairman Bob Schaar Requesting CAC Nominees to Serve on the Avocado Sustainability Advisory
- Avocado Sustainability Advisory Functions and Responsibilities
- Article 7 from HAB Bylaws
- HAB Travel Policy

August 2, 2024  
Mission Viejo, CA

Via Email

**California Avocado Commission**

Jason Cole, Chairman

Re: Request for Nominees to Serve on the Avocado Sustainability Advisory

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Dear Chairman Cole,

In accordance with the Bylaws of the Hass Avocado Board (HAB) Avocado Sustainability Center (ASC), and the Avocado Sustainability Advisory (ASA) appointment and nomination process passed by the Hass Avocado Board on September 20, 2021 (attached for your reference), I am writing to seek the names of two (2) individuals who wish to serve as the California Avocado Commission (CAC) representative members on the ASA. Please provide the names of the two-member positions for the 2025 calendar year. In choosing your nominees, it would be preferable that the individuals meet the criteria laid out in the HAB-approved Functions and Responsibilities for the ASA that is also attached. HAB will pay for all travel expenses incurred by the advisory members according to HAB's Travel Policy (attached).

The Board will appoint the Avocado Sustainability Advisory members shortly after the annual meeting, held on December 4 & 5, 2024. The term of the ASA shall be one year but may serve until a new ASA is seated. A committee member may be reappointed to serve successive one (1) year terms.

We believe the ASC and the ASA will accelerate the sustainability effort of the avocado industry in the United States. HAB looks forward to continuing the engagement with your organization and receiving your nominations no later than October 31, 2024. If you have any questions, please don't hesitate to contact Emiliano Escobedo or me.

Sincerely,

*Bob Schaar*

Bob Schaar, Chair  
Hass Avocado Board

cc: Ken Melban, Vice President of Industry Affairs & Operations (CAC)  
Terry Splane, Terry Splane, Vice President of Marketing (CAC)

Attachments:

- Avocado Sustainability Advisory Functions and Responsibilities
- Article 7 from HAB Bylaws
- Updated Travel Policy



## Avocado Sustainability Advisory Functions and Responsibilities

### **ADVISORY FUNCTIONS AND PURPOSE**

The Avocado Sustainability Advisory (ASA) shall be governed in its deliberations and in the transaction of business by the Bylaws of the Hass Avocado Board (HAB) and by the provisions of both the Hass Avocado Promotion, Research and Information Act (Act) and the Hass Avocado Promotion, Research and Information Order (Order).

Through its leadership, the ASA will provide direction in alignment with the Hass Avocado Board's overall purpose, mission, vision and guiding values that results in the Avocado Sustainability Center (ASC) becoming the premier provider of sustainability research, data and information for the Hass avocado industry and a trusted thought-leader in the field of sustainability and agriculture that will provide a better future for the industry. Moreover, the ASA will seek to build and ensure a productive culture fostering the collaboration and exchange of ideas and information, taking into consideration the sustainability interests and goals of the geographic regions represented by associations that receive assessments pursuant to the Act and the Order.

### **COMPOSITION OF THE ASA AND TERM**

The ASA will be comprised of two (2) HAB Board members and two (2) representatives of each state or importer organization that receives assessments pursuant to the Act and the Order. All ASA members shall be appointed in accordance with the HAB Bylaws. The term of each ASA member shall be in accordance with the HAB Bylaws.

### **ASA MEMBER RESPONSIBILITIES**

Each ASA member will abide by the Hass Avocado Board member governance roles and responsibilities and abide by HAB Bylaws, policies and procedures and the provisions of the Act and the Order that govern the HAB.

Each ASA member will take an active and constructive role in helping the ASA perform its work. ASA members will exemplify the guiding principles of the ASA and will bring value to the ASA through being:

#### **I. An engaged representative of their respective associations**

ASA members will be prepared to represent their region and association to the best of their ability. Members will play an active role by participating in discussions that are happening in



their specific region and will relay those findings to the ASA. Members will be a voice for their respective association and will be responsible for serving as a liaison between their association and the ASA to share updates between the two. Members must be effective communicators and a reliable conduit to their associations to keep dialogue open and maintain a constant flow of information between the two groups.

## **2. Knowledge of sustainability practices**

Members will take the necessary steps and actions to remain well-informed on all aspects of sustainability issues, specifically across the three main pillars: people, planet and profit. Members will be oriented towards science and research and will abide by the guiding values of the ASA, ensuring that the work of the ASA is focused on providing a better future for generations to come.

In addition to compliance with the conflict-of-interest policy observed by the Hass Avocado Board, members will conduct the business of the ASA with loyalty to the HAB and the Avocado Sustainability Center, bringing independent-mindedness without bias to any personal, professional or organizational affiliation.

## **3. An active, prepared, and committed participant**

Working collegially in a productive and respectful manner, the ASA members will bring their expertise and experience from their respective cultures, associations and geographies to their ASA duties to work in support of the Avocado Sustainability Center and its constituents.

Members will be active participants, including being fully prepared for meetings and making meeting attendance, participation and follow-through a priority, as well as taking the initiative to be an informed representative on sustainability as it relates to the ASA. Members will ensure productive and strategic dialogue is employed to move the interests of the ASA forward, without bias to any personal, professional or organizational affiliation.

In addition to the responsibilities outlined above, the ASA will be responsible for the annual nomination of a ASA Chairperson and the submission of that nomination to the Hass Avocado Board. The ASA will be expected to nominate a candidate that has the best interest of the industry in mind and who will exemplify the guiding principles of the ASA.

## ARTICLE 7

### Avocado Sustainability Advisory

**Section 1.** There shall be a committee referred to as the Avocado Sustainability Advisory (ASA) and its role is to govern the Avocado Sustainability Center (ASC).

**Section 2.** The committee shall be composed of (i) two (2) HAB Board members appointed by the HAB Chairperson and (ii) two (2) representatives of each state or importer organization that receives assessments pursuant to the Act and the Order. Each respective state or importer organization shall nominate two (2) representatives selected from names submitted by the stakeholders of such respective organizations after notification is made to affected stakeholders regarding the nomination process. The HAB Chairperson shall then appoint to the Committee the two (2) nominated representatives of each such state or importer organization. If no names are nominated by a respective state or importer organization, then the HAB Chairperson shall select and appoint two (2) members of the committee on behalf of such respective state or importer organization.

**Section 3.** The committee will nominate a committee Chairperson and submit the name to the HAB Chairperson. The HAB Chairperson will appoint the committee chairperson nominated by the committee. If no chairperson is nominated by the committee, then the HAB Chairperson shall select and appoint a committee chairperson.

**Section 4.** A member's term of service on the committee shall be for one (1) year, but a member may continue to serve past one (1) year until a new committee has been appointed. A committee member may be reappointed to serve successive one (1) year terms.

**Section 5.** To constitute a quorum for a committee meeting, at least one more than half of those assigned to the committee must be present. No proxy voting shall be allowed at a committee meeting.

**Section 6.** For any action to be approved by the committee, it must receive the concurring votes of members representing more than 66 percent of those present and voting.



## Travel & Entertainment Policy

Amended & Approved by the Board: 06/20/2023

Approved by USDA 07/13/2023

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## **HASS AVOCADO BOARD TRAVEL EXPENSE POLICY**

This policy supersedes the previously approved Hass Avocado Board Travel and Entertainment Expense Policy.

### **I. General**

The Hass Avocado Board (HAB) will reimburse Members and Staff for all reasonable and necessary expenses incurred in connection with travel on authorized Board business which are approved as activities in support of the Act and Order. Members and Staff are responsible for complying with this Policy. Members and Staff submitting expenses that are not in compliance with this policy risk delayed, partial, or forfeited reimbursement. Members and Staff are expected to use prudent business judgement regarding expenses covered by this Policy.

HAB will limit reimbursement of travel expenses specified under this policy for up to one day prior to the day of the event/function, the night of the event/function, and if necessary, an additional day after the last event/function attended. Reimbursement for any additional days will require written pre-approval with justification, such as evidence that no flights are available at a reasonable hour.

### **2. Policy Application**

- A. Hass Avocado Board Members, Board Alternates and Committee Members will be governed by this policy and will be referred to as “Member” throughout this document.
- B. The term “Staff” refers to employees of the Hass Avocado Board.
- C. The term “Executive Director” refers to the Hass Avocado Board’s Chief Executive.
- D. The Hass Avocado Board will be referred to as “Board” throughout this document.
- E. The term “Officer” refers to an Officer of the Board (Chairperson, Vice Chairperson, Treasurer, or Secretary).
- F. Business meal refers to a meal consumed by a Member or Staff when traveling on HAB Business or when HAB related business is discussed during the meal. Business meals are subject to daily allowance limits established under Section 6 (Meal Allowance) of this policy. The purchase of alcoholic beverages is permitted as part of business meals.
- G. Entertainment refers to a meal or beverage consumed with a guest(s) or a group of staff for a valid business purpose. Entertainment does not count toward the daily allowance established under Section 6 (Meal Allowance) of this policy. Alcoholic beverages are permitted as part of entertainment.
- H. Group meals refers to a meal consumed at HAB hosted events to which all members and staff are invited. Group meals do not count toward the daily allowance established under

Section 6 (Meal Allowance) of this policy. Alcoholic beverages are permitted as part of group meals.

### **3. Pre-Approvals for Travel**

- A. Pre-approval should be done via e-mail to the appropriate person for approval. The pre-approval should include the business purpose, expense, justification, comparatives, or reasoning if appropriate.
- B. All staff travel, except for travel included in annual plans and budgets adopted by the Board, must be pre-approved by the staff member's immediate supervisor, Executive Director, or an Officer of the Board.
- C. The Executive Director will obtain pre-approval for travel from the Chairperson. If the Chairperson is not available another Officer may review and approve the travel.
- D. All Member travel, except for approved meetings, must be pre-approved by the Board Treasurer. If the Board Treasurer is unavailable, another Officer may review and approve the travel.
- E. Board Treasurer, the Treasurer will obtain Pre-approval from the Chairperson or another Officer.

### **4. Transportation**

#### **A. Personal Vehicle**

- I. Members and Staff who utilize personal vehicles for business purposes are required to have a valid driver's license. Mileage will be reimbursed at the current allowable IRS rate. When a personal vehicle is used for Board business, it must carry the minimum insurance coverage required by law for bodily injury and property damage. Staff using their own personal vehicles for business shall be reimbursed for their actual miles traveled above and beyond their normal commute only. Members and Staff are responsible for all parking fines and moving violation tickets.

#### **B. Rental Vehicle**

- I. In general, an intermediate or smaller car is the car type within policy; however, the size and type of the rental car should be appropriate for the number of people in the car and the road conditions on which it will be used. In-car navigation systems and electronic toll payment options for rental cars are considered reimbursable. All other convenience options, e.g. satellite radio, are considered non-reimbursable.
- 2. When renting cars in the US, it is not necessary to purchase rental car insurance as the HAB maintains rental car coverage. When renting a car internationally, it is necessary to purchase insurance at the time of the rental. To maximize cost savings, Members and Staff

should refuel rental cars prior to returning. Gasoline for rental car use will be reimbursed as long as gasoline for the car rental is purchased under a self-service option. Rental car “pre-pay” options will not be reimbursed.

C. Local Transportation/ Travel

1. The most efficient form of transportation should be used to get to and from hotels, airports and other destinations.
2. Allowable methods of transport include shuttles, cabs, ride share and public transportation. Car service is allowed only if the total cost is comparable to that of a cab/ride share fare.

D. Air Travel

1. All reimbursable air transportation must originate and terminate within the United States. Any air travel originating from outside the United States must be justified and explained with full documentation on the pre-approval request. Hass Avocado Committee members domiciled outside the United States shall be reimbursed for air travel originating and terminating from their domicile outside the United States.
2. In order to optimize cost savings for HAB, travel arrangements should be arranged at least seven days in advance for domestic travel and fourteen days in advance for international travel. Flight insurance is encouraged and is a reimbursable expense to cover unforeseen expenses resulting from medical, family emergencies, accidents, and flight cancellations. All Members and Staff are encouraged to search for the lowest available restricted but changeable fare, rather than fully-refundable fare. HAB will reimburse Members and Staff for any justifiable flight changes.
3. All Members and Staff must fly coach for total air travel less than 3 hours within the United States, Mexico, or Canada. For total air travel longer than 3 hours within the United States, Mexico, or Canada, Members and staff are permitted to fly upgraded economy or equivalent, but not business class. For international travel to countries to other than Mexico or Canada, Members and Staff are permitted to fly business class for on trips exceeding six hours. First class air travel is not reimbursable. Personal miles or points may be used to upgrade to a higher-class service, or the traveler may opt to pay personally for an upgrade.
4. Airline receipts from the carrier shall be included with the expense report form. Travel agent receipts submitted must be accompanied by the airline receipt and include the E-ticket number and record locator for the flights in order for HAB to verify records. Travel Agent Invoices submitted without proper back-up will not suffice and may delay reimbursement.
5. HAB will reimburse airline baggage fees for up to 1 standard checked bag. Pre- approval to check additional bags at HAB expense with written justification may be approved.

6. HAB will reimburse airline fees associated with seat selection at time of check-in, priority boarding and on air Wi-Fi costs during flight.
7. When Members are attending other HAPRI association meetings during the same period as HAB events/functions, HAB will reimburse 50% of the air travel related expenses.

## 5. Lodging

- A. In cities where the HAB has contracted with a specific hotel, Members and Staff will book a room at the contracted hotel. In cities where there is more than one contracted hotel, the Members and staff may choose among contracted hotels. When travel schedules require early hotel check in and additional hotel charges are incurred, the additional charges are considered reimbursable.
- B. In cities where HAB does not have a contracted hotel, or all contracted hotels are sold out, the lodging selected must not exceed the maximum nightly rates (before taxes and fees) listed below:
  - \$450 metropolitan areas including New York City, Los Angeles, Washington D.C. and International locations.
  - \$350 All other U.S. locations.
- C. At times, when demand is high and hotels are sold out, the hotel rooms still available are priced higher than the HAB's stated maximum rate. In this case, Members and Staff will book the most reasonable option and retain a record of why the maximum rate was exceeded and submit for pre-approval. If a Member or Staff must cancel a hotel reservation, they should do so through the site/method through which the reservation was originally booked. Members should plan early to avoid cancellation fees. A "no-show" charge is not reimbursable unless it results from unavoidable circumstance.
- D. In certain circumstances it may be desirable and cost efficient to use alternate forms of lodging such as Airbnb, VRBO, rentals and others. These alternate accommodations may be used when the total cost of the stay (including booking and cleaning fees but excluding taxes and other fees) is comparable to the nightly rates published above for the same number of nights.
- E. Exclusions -- certain research and promotional HAB hosted events (for example ANSA meetings, media and influencer events) may not fall under the nightly rate limit stated under item 2. In such cases the total lodging cost will be covered in the board approved budget and business plan.

## 6. Meal Allowance

- A. Members and Staff will be reimbursed up to a daily maximum of \$150.00 per claimant excluding applicable taxes and a maximum gratuity of 20%. The maximum includes any daily combination of meals, snacks, minibar, and beverages. Members and Staff should ask for separate checks to avoid

exceeding the \$150.00 daily maximum. Itemized receipts are required to support all meal expenses, including meals charged to the hotel room.

- B. When a member or staff attends a HAB hosted group meal, the meal will count against the daily allowance. The deductions from the daily allowance are as follows: If the group meal is breakfast, deduct 25% from the daily allowance, if the group meal is lunch, deduct 25% from the daily allowance and if the group meal is dinner deduct 50% from the daily allowance.

## **7. Seminars, Conferences & Conventions**

- A. Members must obtain pre-approval prior to attending a seminar, conference, lecture, or other event of a business nature. Attendance by Staff shall be considered approved when annual plans and budgets are adopted by the Board, otherwise they shall follow the pre-approval process.

## **8. Miscellaneous**

### **A. Incidentals:**

The Board will reimburse, with a receipt when possible, the following items:

- 1. Internet, and facsimile expenses related to Board business.
- 2. Laundry and dry-cleaning services when traveling on Board business for more than five consecutive days.
- 3. Tolls, parking, porter and baggage handling tips.

### **B. International Travel**

- 1. International travel by Staff shall be considered approved when annual plans and budgets are adopted by the Board, otherwise they shall follow the pre-approval process.
- 2. All expenses must be shown in U.S. dollar values. The currency exchange rate that will be accepted by the HAB is from the US Treasury Department's Financial Management Services as well as the daily exchange rates listed on receipts and/or credit card statements. Use the "Comments" section of expense report to indicate foreign currency exchange rates used.

## **9. Travel Expense Reports**

- A. Falsification of a travel expense report will be brought to the Board's attention.
- B. Expense reports should be submitted to the HAB finance department after completion of each trip, and within a reasonable amount of time, not to exceed 3 months. Electronic submission is preferred for processing.



- C. If obtained, a copy of the pre-approval and supporting documentation must be submitted with the travel expense report form.
- D. A receipt must be submitted for any expense over \$20. The hotel invoice or folio are insufficient supporting documentation for room charges, please include itemized receipts for room charges and meals.
- E. It is preferable for travelers to submit original receipts; however, if originals are not submitted, the traveler must retain original receipts for at least three years in case of an audit. Original receipts are receipts for cash expenses or hard-copy printouts from electronic sources, such as for airfare or lodging. If a receipt is unavailable or lost, a written statement is required by the claimant providing the reason and detail of the expenditure.
- F. All meal and entertainment expenditures subject to reimbursement must include:
  - Names of people in attendance and relationship to HAB.
  - Business purpose - In the case of Board functions, an invitation to Board functions will suffice.
  - Place where the expense took place.
  - Date of expense.
  - Amount to be reimbursed.
- G. A member or staff that expenses a meal instead of attending a HAB hosted group meal should include an explanation in the Travel Expense Report.

## **10. Travel Expense Form Approvals**

- A. If the traveler is Staff, the expense report form shall be approved by the Staff member's immediate supervisor, or the Executive Director. If the Executive Director is not available, the expense report form can be approved by the Board Chairperson or Board Treasurer.
- B. If the traveler is the Executive Director, the expense report form shall be approved by the Board Chairperson or the Board Treasurer.
- C. If the traveler is an officer, the expense report form must be reviewed and approved by the Board Chairperson. If the Board Chairperson is unavailable, another Officer may review and approve the form.
- D. If the traveler is the Board Chairperson, the expense report form must be reviewed and approved by the Board Treasurer first. If the Board Treasurer is unavailable another Officer may review and approve the form.

- E. If the traveler is a Member, the expense report form must be approved by the Board Treasurer first. If the Board Treasurer is unavailable, another Officer may review and approve the form.

## **11. Exclusions**

The following expenses are not reimbursable:

- A. In-room mini-bar alcohol purchases.
- B. Personal expenses (movies, games, spa visits, golf outings, optional social activities.)
- C. Traffic and/or parking violation fines, towing charges, legal fees, or other payments resulting from illegal actions.
- D. Vehicle fuel purchases when mileage is being reimbursed.
- E. Repairs to personal vehicles.
- F. Family members' and guest expenses,' including room service or extra hotel charges for additional guests.
- G. Laundry service unless the trip is longer than five days.
- H. Lunches and dinners without a primary business purpose. The fact that lunchtime or dinnertime is a convenient time to meet does not convert a personal expense to a business expense.
- I. First-class fare.
- J. Tips in excess of 20%.
- K. Travel accident insurance premiums.

## **12. Covid Stay Exclusion**

- A. The following guidance is for members and staff members who believe they have been in contact with a person with COVID while traveling on authorized board business or have tested positive for COVID while traveling on authorized board business.

If the member or staff person cannot travel home due to COVID exposure or infection and needs to extend their stay while traveling on authorized board business, HAB will reimburse members and staff for their hotel, travel, and meal expenses for a period of up to 10 days from the date diagnosis was received from a valid test or date of exposure. Expenses must be submitted in accordance with the Hass Avocado Board Travel Policy. HAB will also reimburse any airline ticket change fees incurred because of the extended stay period.

To qualify for reimbursement for a COVID STAY EXCLUSION, the member or staff person must document their exposure to COVID including the date, place, and time of the exposure and how they were notified of the exposure. A positive COVID test taken by a third-party health professional during the travel period will also be accepted as proof to qualify for a COVID STAY EXCLUSION reimbursement.

The expenses incurred under the COVID STAY EXCLUSION will be reviewed and approved per this policy.



## BOARD INFORMATION

**ITEM 8.b:        CONSIDER RESEARCH PROPOSAL, “DOES ARTIFICIAL POLLINATION IMPROVE YIELD OF ‘HASS’ AND ‘GEM’ AVOCADO?”**

**SUMMARY:**

The Production Research Committee met on Tuesday, October 29, 2024, to discuss a potential funding opportunity for pollination research. The topic of pollination was a highly ranked topic in the recent Production Research Priorities list that was created by the PRC.

The proposal presented to the Committee aims to evaluate the three artificial pollination systems currently available to California growers—pollen dusting, BioPollen, and BloomX—the later two being new commercial systems developed in Chile and Israel, respectively, and now being marketed in California. No independent studies of these systems have been performed in California to substantiate the companies’ claims of increased fruit set and yield.

Dr. Inaki Hormaza, a professor from Spain, is the world’s leading expert on genetically testing avocado embryos for their parentage (whether from cross-pollination or self-pollination). This proposal takes advantage of Dr. Hormaza being on sabbatical in the U.S. for part of this study, substantially reducing the costs by eliminating the need to ship material to Spain for testing.

The PRC was impressed with the simplicity of this study and its high likelihood of success. In addition to answering the question about whether artificial pollination is beneficial, the project will also provide more information about the benefits of cross-pollination and whether pollinizer varieties are truly beneficial to avocados in California.

**The committee voted to recommend that the Board approve funding for this proposal in the amount of \$172,825 over three years.**

**FISCAL ANALYSIS:**

- If approved, this project will cost \$62,719 in the 2024-25 CAC fiscal year. This funding will require a budget amendment for the 2024-25 fiscal year.

**BOARD OPTIONS:**

- Accept the PRC’s recommendation
- Modify the PRC’s recommendation
- Take no action

**STAFF RECOMMENDATION:**

- Accept the PRC’s recommendation

## **Proposal Title: Does artificial pollination improve yield of ‘Hass’ and ‘GEM’ avocado?**

**Principal Investigators:** Mary Lu Arpaia<sup>1</sup>, Iñaki Hormaza<sup>2</sup>, Marllon Fernando Soares dos Santos<sup>3</sup>

<sup>1,3</sup> University of California, Riverside. Dept. of Botany and Plant Sciences, 900 University Ave, Riverside, CA 92521. [mlarpaia@ucanr.edu](mailto:mlarpaia@ucanr.edu)  
[marllons@ucr.edu](mailto:marllons@ucr.edu)

<sup>2</sup> Instituto de Hortofruticultura Subtropical y Mediterránea "La Mayora" (IHSM La Mayora- CSIC-UMA, Avda Dr. Wienberg s/n. 29750 Algarrobo, Málaga - Spain. [ihormaza@eelm.csic.es](mailto:ihormaza@eelm.csic.es) (see attached letter of collaboration)

**Total Budget Requested:** \$172,825

**Estimated Duration:** 2.7 years (11/01/2024 – 06/30/2027)

### **Project Abstract**

**Identify the issue or problem, describe the work proposed and describe how the work proposed will significantly help solve the issue or problem for California avocado growers.**

Pollination efficiency in avocado trees, especially in the ‘Hass’ and ‘GEM’ varieties, is crucial to maintaining productivity, as avocado flowers have mechanisms that limit self-pollination. To ensure satisfactory production levels, California growers often transport large numbers of honey bee hives to their orchards during full bloom to ensure adequate pollination. However, adverse weather conditions during flowering can significantly affect the process. Alternatively, artificial pollination has been successfully applied in several crops, showing promising results. Therefore, this project aims to compare three artificial pollination technologies suitable for avocado trees (‘BioPollen Method’, ‘BloomX Ltd Method’ and ‘Pollen Dusting Method’), together with a control group that will rely exclusively on natural pollination with honey bees. The study will be conducted in four orchards located in Ventura County. The proposal aims to evaluate the effectiveness of each technology in improving fruit set, increasing productivity and fruit quality, as well as to measure the costs associated with the technologies. These technologies are expected to promote higher fruit set and overall yield. Expected outcomes include providing California avocado growers with a cost-effective addition to the growers’ tool kit that increases orchard productivity while reducing reliance on honey bees and mitigating the negative effects of adverse conditions during full bloom.

### **Proposed Objectives and Milestones:**

- A) Experimental design and application of three artificial pollination technologies (‘BioPollen Method,’ ‘BloomX Method,’ and ‘Pollen Dusting Method’) compared to an untreated control with honey bees (4 hives per acre) only over the California flowering season (March 2025 – March 2026) total of three applications with a 7-day interval. **Timeline: 01/01/25 – 05/01/25 and 01/01/26 – 05/01/26**
- B) Evaluate the intensity of flowering at the three locations during the California blooming season (March 2025 – March 2026), with a total of four evaluations at 7-day intervals. **Timeline: 03/01/25 – 05/01/25 and 03/01/26 – 05/01/26.**
- C) Evaluate pollen viability and germination for the three different technologies, quantify pollen germination *in vitro* and pollen germination and pollen tube-growth *in vivo*. **Timeline: 2025 and 2026 flowering seasons (approximately February – May).**
- D) Evaluate fruit set and fruit drop three and five months after flowering, and yield (kg/plant) and fruit size grade when fruit reach commercial maturity. **Timeline: 03/01/25 – 04/30/27.**
- E) Paternity test to determine the % of origin of the fruits (self versus cross fertilization and determination of the male parent in cross-fertilized fruits). This will be conducted on Year 3 from fruit set if the flowering period of Year 2. Fruits will be sampled ~January 2027 for testing. **Timeline: 01/01/25 – 04/30/27.**
- F) Compilation of data and preparation of final report. **Timeline: 01/01/27 – 06/30/27**

**List the set of tasks that comprise each objective (work plan).**

### **Objective A.**

Four sites (2 ‘Hass’ and 2 ‘GEM’) in Ventura County will be used in the research. Ideally, we will want to find solid blocks of trees with no pollinizers nearby. In each orchard, sufficient rows of trees will be selected for each treatment. There will be 4 treatments: a) untreated control (honeybees only); b) ‘BioPollen’ Method; c) ‘BloomX’ Method; and d) ‘Dusting’ Method. The actual experimental design (i.e. number of rows) will be site specific depending on row length and tree spacing. A minimum of

2 rows buffer between treatments will be used. However, spray drift will be a consideration, for example the 'BioPollen' treatment requires a ~450 foot buffer between it and other treatments. Fifteen trees per treatment per site will be monitored. These will be selected from the innermost rows of each treatment. For instance, if a treatment occupies 4 rows, the 2 innermost rows will be used for data collection. The application of treatments will occur at intervals recommended by each company, totaling three applications (beginning, middle, and end) during the flowering period. The applications will follow the specific methodologies for each technology.

#### **Objective B.**

The flowering intensity will be measured using the BBCH methodology, which divides the main phenological stages of avocado cultivation, identifying the exact moment for treatment application and its interaction with flowering intensity, which may vary between orchards. The 15 preselected trees per treatment within each orchard and treatment will be monitored weekly.

- Alcaraz, M. L., Thorp, T. G., & Hormaza, J. I. (2013). *Phenological growth stages of avocado (Persea americana) according to the BBCH scale. Scientia Horticulturae, 164, 434-439.*

#### **Objective C.**

For viability, a fluorochromatic reaction based on fluorescein diacetate (FDA) will be used, and pollen germination will be assessed in vitro following all the criteria proposed in the methodology of Alcaraz et al. 2011. Pollen load on the stigma will be evaluated through fluorescent microscopy, where a minimum of 100 flowers will be collected after the application of treatments at each stage (female and male) and fixed in formaldehyde, alcohol, acetic acid (FAA) to visualize the pollen grains on the stigma and growing pollen tubes in the style. This work will be conducted at UC Riverside.

- Alcaraz, M. L., Montserrat, M., & Hormaza, J. I. (2011). *In vitro pollen germination in avocado (Persea americana Mill.): Optimization of the method and effect of temperature. Scientia Horticulturae, 130(1), 152-156.*

- Heslop-Harrison, J., & Heslop-Harrison, Y. (1970). *Evaluation of pollen viability by enzymatically induced fluorescence; intracellular hydrolysis of fluorescein diacetate. Stain technology, 45(3), 115-120.*

#### **Objective D.**

Effective fruit set will be calculated by the ratio of the estimated number of flowers per plant to the number of fruits produced in order to understand if the treatments can interfere with the number of fruits set, as well as generate estimates of fruit production per plant and per area. All fruit per tree on the 15 data trees per treatment will be harvested at time of commercial maturity. Total fruit weight and total fruit count will be measured. Ten fruits per tree (total 150 fruit) from each treatment will be randomly sampled to determine size by weight. We will work with each cooperator to collect individual tree yield data for each of the selected data trees as well as total row yield and packout if possible.

#### **Objective E.**

Parentage will be determined through DNA extraction and microsatellite analysis to verify the origin of the fruit (whether from cross-fertilization or self-fertilization and determination of the male parent in cross-fertilized fruits) by analyzing the amplified fragments through PCR.

- Sharon, D., Cregan, P. B., Mhameed, S., Kusharska, M., Hillel, J., Lahav, E., & Lavi, U. (1997). *An integrated genetic linkage map of avocado. Theoretical and Applied Genetics, 95, 911-921.*

- Alcaraz, M. L., & Hormaza, J. I. (2011). *Influence of physical distance between cultivars on yield, outcrossing rate and selective fruit drop in avocado (Persea americana, Lauraceae). Annals of Applied Biology, 158(3), 354-361.*

#### **Describe how the project will be managed if there are delays, unexpected results, failures, etc.**

The experimental design includes the selection of 4 orchards with a large sample size for each experiment, taking into account potential unforeseen issues related to project development and its replicability.

#### **Does the researcher have access to the appropriate materials, facilities, equipment or other inputs needed to complete the proposed work?**

YES, all project members have adequate resources to carry out all stages of the project.

***Relevant experience of the research team.***

Dr. Arpaia has a long history of developing avocado breeding in California, with a focus on extension and teaching at the University of California. She manages one of the largest collections of avocado germplasm in the world and has created new cultivars. She has also been involved in projects examining avocado pollination both in California and Chile. Dr. Hormaza is an expert in genetics, focusing on reproductive biology and temperature interactions in floral organs such as anthers, stigmas, pollen, etc., with many studies on the implications of avocado breeding on reproductive biology in fertilization and fruit set. Dr. Santos has expertise in pomology and robust statistical approaches in avocado flowering, conducting research on this topic at the University of California.

***Roles and Responsibilities of each research team member for the proposed project.***

The work will be conducted at the UC Riverside (UCR) with assistance from Dr. Arpaia and Dr. Hormaza's research groups. We will work closely with the commercial pollination providers to ensure that treatments are properly applied.

- A. Project Planning: Arpaia, Hormaza, and Santos will share this responsibility.
- B. Project Execution: Arpaia, Hormaza, and Santos will share this responsibility.
- C. Project Data Summation and Analysis: Arpaia's team will be responsible for data summation and statistical analysis. For the paternity test, Hormaza's team and Santos will be responsible.
- D. Project Report: Dr. Arpaia's team will take the lead in preparing the project report, in collaboration with Dr. Hormaza's team.

***Expected Results***

The project results should be implementable at the conclusion of this project. The data from this project will assist producers in decision-making regarding the selection of the best artificial pollination technology, either as a complement to or replacement for the use of honey bees, potentially reducing the costs associated with pollination processes. Additionally, the most effective technology could serve as a valuable tool in mitigating the impacts of adverse climate conditions during California's flowering season.

***Impacts for the California Avocado Industry***

California's avocado industry can benefit from choosing the pollen application technology that offers the best cost-benefit ratio for increasing productivity. The industry can benefit from supplementing pollen offered by the artificial pollination process, providing greater fruit-set and ensuring better production results. This practice which will augment the current practice of using honey bees could help to sustain the financial viability of California avocado growers.

***Indicate if a commercial partner(s) has been identified or involved in this proposal?***

BioPollen Solutions (Chile); see attached letter of collaboration

BloomX Ltd. (Israel); see attached letter of collaboration

**Project Proposal Budget  
FY 2025 - 2027**

	<b>Year 1 11/01/2024 – 10/31/2025</b>	<b>Year 2 11/01/2025 – 10/31/2026</b>	<b>Year 3 11/01/2026 – 06/30/2027</b>
<b>Salaries and Benefits</b>			
<b>Postdocs/Research Associates</b>	34,605	35,746	18,463
<b>SRAs</b>	0	0	0
<b>Lab/Field Assistance</b>	0	0	0
<b>Benefits</b>	7,717	7,971	4,117
<b>Supplies and Expenses</b>	2,000	2,000	
<b>Equipment</b>	0	0	0
<b>Services (Paternity Analysis)</b>	0	0	24,000
<b>Travel to research sites</b>	16,398	16,398	1,409
<b>Other Travel</b>	2,000	0	0
<b>Annual Total Amount Requested</b>	<b>\$62,719</b>	<b>\$62,116</b>	<b>\$47,989</b>
<b>TOTAL AMOUNT REQUESTED</b>	<b>\$172,825</b>		

**Budget Justification**

**Salary:** Funds are requested to cover 0.50 FTE time for Post-Doctoral Scholar, Marllon Fernando Soares dos Santos. Dr. Santos will be responsible for the day-to-day oversight of the project activities at the proposed research sites and microscopic work to determine pollen load and tube growth. He will also coordinate with Dr. Hormaza on the paternity analysis. Salary projections are based on recommendations by our campus administrative officials for merit and range adjustments.

**Benefits:** Fringe benefits rates are calculated as a percentage of the gross salary and are based on campus recommendations.

**Supplies:** We are requesting funding for supplies, including fluorescein diacetate (FDA) for the fluorochromatic reaction and pollen viability observation. For germination, the acquisition of materials for culture media preparation and plates for analyzing pollen germination and tube growth will be required. The evaluation of pollen load on the stigma will require the purchase of historesin, formaldehyde, alcohol, acetic acid, as well as microscope slides and coverslips for sample preparation. Microscopes and a microtome will be provided by UCR.

**Services:** Paternity analysis will be conducted in Spain, at an estimated cost of \$15 per sample. With 4 sites x 4 treatments x 100 fruit per treatment the estimated cost of paternity analysis is \$24,000.

**Travel:** Travel funds are requested to cover the travel of Dr. Santos on a weekly basis to the research sites in Ventura in Years 1 and 2. Each trip will comprise of a 2 or 3 day trip with one or two overnight stays at a local hotel. We will lease a UC Vehicle for each trip for six months per year since this is less expensive than renting a car on a daily basis. The lease price is \$663 per month x 6 months = \$3,978. Additionally, we must cover the cost of fuel. We estimate ~400 miles per trip with 25 miles per gallon = 16 gallons at \$4.50 per gallon = \$72 per trip. Estimated fuel cost per year = \$72 x 25 = \$1,800. In Year 3, travel will be limited to the collection of the paternity sample (2 days) and yield data (1 days per site = 4 days) for a total of \$389.

We estimate a total of 25 trips to Ventura County and lodging cost of \$180 per night and \$60 per day per diem each year. We estimate that 12 trips will be 1 night stay and 13 trips will be 2 night stay. Costs per year for hotel = \$180 x 38 nights = \$6,840 and per diem = 12 trips of 2 days (24 days) + 13 trips of 3 days (39 days) x \$60 = \$3,780. In Year 3 there would be 2 trips (1 trip = 2 days; 1 trip = 4 days) for a total of 4 hotel stays and 5 per diem days for a total of \$1,020.

**Other travel:** We request \$2,000 for airfare for Dr. Hormaza in Year 1 to participate in the research program.