



AGENDA

California Avocado Commission
Board of Directors Meeting

Meeting Information

Date: August 15, 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/87290056014?pwd=pyEb3RzJib6srcGyK3vjLKSNNzzEW2.1>

Conference Call Number: (669) 900-6833

Meeting ID: 872 9005 6014

Passcode: 018479

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

Board Member and Alternate Attendance

As of Friday, August 9, 2024, the following individuals have advised the Commission they will participate in this meeting:

Victor Araiza, *Member*

Will Carleton, *Member*

Jason Cole, *Member*

Maddie Cook, *Alternate*

Quinn Cotter, *Member*

Maureen Cottingham, *Member*

John Dmytriw, *Member*

Rob Grether, *Member*

Jessica Hunter, *Member*

Robert Jackson, *Member*

Rachael Laenen, *Member*

Daryn Miller, *Member*

Peter Shore, *Member*

Time	Item
8:00 a.m.	<ol style="list-style-type: none"> <li data-bbox="310 201 708 317">1. Call to Order <ol style="list-style-type: none"> <li data-bbox="402 243 708 275">a. Roll Call/Quorum <li data-bbox="402 285 643 317">b. Introductions <li data-bbox="310 359 1382 474">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. <li data-bbox="310 516 1471 1104">3. Consent Calendar <ol style="list-style-type: none"> <li data-bbox="402 558 1471 632">a. Consider approval of Board of Director’s meeting minutes of November 16, 2023 <li data-bbox="402 642 1414 716">b. Consider approval of Board of Director’s meeting minutes of June 5, 2024 <li data-bbox="402 726 1414 800">c. Consider approval of Board of Director’s meeting minutes of June 6, 2024 <li data-bbox="402 810 935 842">d. 2023-24 Financial and crop update <li data-bbox="402 852 1341 1104">e. Adopt resolutions to modify trustees of CAC 401 and 457 plans <ol style="list-style-type: none"> <li data-bbox="495 894 1195 926">i. Resolution to amend Section 10.01 of 401 plan <li data-bbox="495 936 1195 968">ii. Resolution to amend Section 10.01 of 457 plan <li data-bbox="495 978 1341 1052">iii. Resolution affirming that the Commission’s Treasurer is designated as an automatic appointment as Trustee <li data-bbox="495 1062 1341 1104">iv. Resolution appointing two named CAC staff as Trustees <li data-bbox="310 1146 1479 1220">4. Consider appointment of producer alternate member to fill existing District 2 vacancy for term ending October 31, 2024 <li data-bbox="310 1251 1438 1325">5. Consider appointment of handler alternate to fill existing vacancy for term ending October 31, 2025 <li data-bbox="310 1356 789 1430">6. Code of Conduct <ol style="list-style-type: none"> <li data-bbox="402 1398 789 1430">a. Proposed modifications <li data-bbox="310 1472 886 1587">7. Industry Affairs and Operations <ol style="list-style-type: none"> <li data-bbox="402 1514 886 1545">a. APHIS Operational Work Plan <li data-bbox="402 1556 846 1587">b. Public Records Act requests <li data-bbox="310 1629 1382 1745">8. Marketing <ol style="list-style-type: none"> <li data-bbox="402 1671 1382 1745">a. Update on 2023-24 activities and approved incremental marketing spend <li data-bbox="310 1787 1162 1944">9. 2024-25 Planning <ol style="list-style-type: none"> <li data-bbox="402 1829 992 1860">a. CAC management review of priorities <li data-bbox="402 1871 1049 1902">b. Proposed 2024-25 objectives and strategies <li data-bbox="402 1913 1162 1944">c. 2024-25 assessment rate discussion and evaluation

Time	Item
	d. Consider approval of preliminary 2024-25 CAC budget
	10. Closed session regarding pending and/or ongoing litigation pursuant to Government Code Section 11126(e).
	11. Return to open session and announce action taken in closed session, if any.
	12. New/Other Business
12:30 p.m.	13. 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. 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 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.

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 3.a: Consider approval of Board of Director’s meeting minutes of November 16, 2023

SUMMARY:

The minutes of the Board of Directors’ regular meeting of November 16, 2023 are attached for the Board’s review and approval. These minutes were originally submitted at the February 2024 Board meeting, however due to a request for revisions from Alternate Member John Berns, were not approved at that time. Mr. Bern’s requested edits to the November minutes to provide clarification to comments under Insights Driven Business Enhancements – Item 9.c, have now been finalized, therefore the revised minutes are being presented here for Board 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 November 16, 2023

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
November 16, 2023**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, November 16, 2023 with the following people present:

MEMBERS PRESENT

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

ALTERNATES PRESENT

John Berns
Maddie Cook
Jamie Johnson
Ohannes Karaoghlanian
Hayden McIntyre

MEMBERS ABSENT

None

ALTERNATES ABSENT

Jaime Serrato

OFFICIALLY PRESENT

Victoria Carpenter, *USDA*
Ben Kardokus, *CDFA*
George Soares, Kahn,
Soares & Conway, LLP

STAFF PRESENT

April Aymami
Dave Cruz
Stacia Kierulff
Ken Melban
Lori Small
Terry Splane

GUESTS PRESENT

Wayne Brydon
Dan Coxe
John Dmytriw
Consuelo Fernando
Gerardo Huerta
Kim Kurata
Cristie Mathers
John McGuigan
Marji Morrow
Steven Muro
Jill Netzel
Barbara Peirce
Adriane Rippberger
Joanne Robles
Steve Roodzant
Scott Scarboro
Matt Schraut
Silvia Standke
Gina Widjaja
Charley Wolk

ITEM #1 CALL TO ORDER

Ben Kardokus, representing the California Department of Food and Agriculture (CDFA), called the meeting to order at 8:01 a.m.

Announcement of Election Results and Introduction of New Members and Alternates - Item 1.a.

Mr. Kardokus announced that results from the recently concluded 2023 CAC General Election had been tallied and the following individuals had been elected to the CAC Board for two-year terms ending October 31, 2025:

District 1 Member: Robert Jackson

District 4 Member: Jason Cole

District 2 Member: Victor Araiza

District 5 Member: Daryn Miller

District 3 Member: Rob Grether

Handler Member: Peter Shore

Mr. Kardokus reported that during the election 275 valid ballots had been received, with 32 ballots disqualified. He noted that the disqualified ballots had no impact on the results of the election.

Roll Call – Item 1.b.

Mr. Kardokus conducted roll call attendance and determined that a quorum was present.

Introductions

April Aymami, CAC industry affairs director, announced the United States Department of Agriculture (USDA), CDFA, CAC staff, CAC agency personnel and known guests participating in the meeting. She asked for all other guests to announce themselves and recorded all participants in attendance.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

None

ITEM # 3 ELECTION OF OFFICERS

Instruction on How Nominations and Voting for Board Officers will be Conducted – Item 3.a.

Mr. Kardokus provided a brief overview of Commission law and procedures pertaining to the nomination and election of Board officers.

Nominations and Election of Chairperson – Item 3.b.

Following the instructions on nominations and voting for board officers, Mr. Kardokus called for nominations for the seat of Chairperson. Jason Cole was nominated for the position of Chairperson by Rob Grether. John Cornell was nominated for the position of Chairperson by Robert Jackson. There were no further nominations for the position of Chairperson.

ACTION:

***Move to elect Jason Cole to the position of Chairperson.
MSC (10 Yea/2 Nay)***

MOTION 23-11-16-1

ITEM #4 CHAIRPERSON TAKES GAVEL AND PRESIDES

Chairperson's Opening Remarks – Item 4.b.

Mr. Cole thanked the Board for their support and electing him to the position of Chairperson. He made a special comment thanking Rob Grether for the three years he served as Chairman. Mr. Cole stated that he knows firsthand how much time Mr. Grether put in off the clock and personally. He commented that Mr. Grether worked harder than any chairman that he has seen so he has a huge pair of shoes to fill. Mr. Cole commented that there has been a lot of positive change that has happened in the Commission but there is still work to be done. He stated that Terry Splane, VP of Marketing, has brought a whole new zest and excitement to our marketing department and he is excited to see what the new agency, Curious Plot, can do for the Commission.

Mr. Cole stated that there are items that will need to be tackled on the governance side, packer involvement as voting members moving forward, what should the specifics be to qualify as a commercial grower, and a hard look at the assessment rate to balance the budget and where we think our production will be in the next few years. Mr. Cole would like to discuss forming a governance committee at the February 2024 meeting. He is bringing this up to plant the seed for anyone that may be interested in serving on a governance committee. For the new Board members, Mr. Cole listed the current standing committees at the Commission: Production Research Committee, Marketing Committee, and Finance Committee.

Nominations and Election of Vice-Chairperson, Secretary, and Treasurer – Item 4.a.

Vice Chairperson

Mr. Cole assumed the position of Chairperson and requested nominations for the position of Vice-Chairperson. Robert Jackson was nominated for the position of Vice-Chairperson by John Cornell. Maureen Cottingham was nominated for the position of Vice-Chairperson by Will Carleton. Rachael Laenen was nominated for the position of Vice-Chairperson by Rob Grether. There were no further nominations for the position of Vice-Chairperson. Subsequently, Mr. Jackson and Ms. Cottingham declined their nominations for the position. There were no further nominations for the position of Vice-Chairperson.

ACTION:

***Move to elect Rachael Laenen to the position of Vice-Chairperson.
MSC (Unanimous)***

MOTION 23-11-16-2

Secretary

Mr. Cole requested nominations for the position of Secretary. Daryn Miller was nominated for the position of Secretary by Rachael Laenen. There were no further nominations for the position of Secretary.

ACTION:

***Move to elect Daryn Miller to the position of Secretary.
MSC (Unanimous)***

MOTION 23-11-16-3

Treasurer

Mr. Cole requested nominations for the position of Treasurer. Maureen Cottingham was nominated for the position of Treasurer by Rachael Laenen. There were no further nominations for the position of Treasurer.

ACTION:

***Move to elect Maureen Cottingham to the position of Treasurer.
MSC (Unanimous)***

MOTION 23-11-16-4

ITEM # 5 CONSENT CALENDAR

Mr. Cole introduced the consent calendar items and asked for questions or comments. Mr. Daryn Miller, Board Treasurer, commented that he would like consideration for having one or two of the Board meetings near the central and northern regions to allow for more local growers to attend in-person. Hearing no further comments, the following motion was put forward:

MOTION:

***The CAC Board of Directors approves the Consent Calendar, Items 5.a through 5.d as presented.
(Miller/Cottingham) MSC Unanimous***

MOTION 23-11-16-5

The Consent Calendar is included in the November 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 5.a through 5.d.

ITEM #6 BOARD MEMBER ORIENTATION

Ken Melban, CAC VP of Industry Affairs and Operations informed the Board that the last orientation was done in 2018 so this information will be a good refresher for all. Mr. Melban shared that the presentation for the Board of Directors Orientation will be available for reference.

Mr. Melban commented that during the Commission's governing documents slide of the orientation, Mr. Jason Cole, CAC Chairman, had contacted him to commend the grower website (<https://www.californiaavocadogrowers.com/>) for the vast amount of resources specific to cultural practices located there. Mr. Melban informed the Board that April Aymami, CAC Director of Industry Affairs, is in the process of completing a website revamp which is expected to be available by the end of 2023.

Jessica Hunter, CAC Board Member, commented on the Industry Statistics orientation slide that she has received several comments from growers that the Board has almost doubled the assessment rate from 1.50% in 2022/23 to 2.25% for 2023/24. Ms. Hunter pointed out the ten-year history of assessment rates and that even though the rate has significantly changed for 2023/24, the amount is not out of place from where we have been. The Board previously lowered the assessment rate to provide growers some relief while the Commission had a large reserve with the knowledge that the assessment rate would eventually go back to where it was previously.

The Board of Directors Orientation Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

ITEM #7 CODE OF CONDUCT AND ETHICS

Jason Cole, CAC Chairman, informed the Board that there would be a presentation from CAC's legal counsel, Mr. George Soares with Kahn, Soares & Conway, LLP on the CAC code of conduct and ethics.

George Soares, CAC Legal Counsel, commented that the modern-day commissions all use the same format that has been tested on court, all the way to U.S. Supreme Court. Mr. Soares informed the Board that he had reviewed the structure of the existing Code of Conduct document and that there were elements of the Code of Conduct document that need to be made clearer. He informed the Board that the document included in the Board packet is the refined Code of Conduct document that has been part of the Commission for many years. Mr. Soares stated that Board members need to have clarity as to what the expectations are so that there is no confusion as the members serve on this Board.

Mr. Cole addressed the Board and stated that this document is just a refinement of the already existing Code of Conduct document. He commented that if the Board approves the document now as presented, if there are any glaring issues found later, the document can be modified again. Mr. Cole commented that this document allows the Board the ability to hold each other accountable and set expectations on how we, as a Board, conduct ourselves.

Ken Melban, CAC VP of Industry Affairs and Operations commented that under the CAC Internal Controls Policies and Procedures, there are Board Code of Conduct elements listed. That document is not approved by the Board as it is an internal document on how the Commission operates. The effort of this revised document is to remove that portion entirely from the CAC Internal Controls Policies and Procedures (ICPPs) and the Board will adhere to their own Code of Conduct that they establish for themselves, separate from staff.

Robert Jackson, CAC Board Member, asked Mr. Soares what current Commission document he used as the base of the Code of Conduct. Mr. Soares informed Mr. Jackson that the language was from the current CAC ICPPs. Mr. Ken Melban clarified that the previous Code of Conduct within the CAC ICPPs document would be removed, and this revised Code of Conduct and Ethics document would be a standalone policy. Mr. Jackson commented that there was some word smithing that he believes needs to be done and he would like the opportunity to work with Mr. Soares in word smithing specifically item 2.d.

MOTION:

The CAC Board of Directors approves the Code of Conduct and Ethics to remove item 2.d. on page 2 of 6 and with the allowance for Robert Jackson, CAC Board Member and George Soares, CAC Legal Counsel, to work on new verbiage to be reviewed at the February 2024 meeting.

(Carleton/Cornell) MSC (4 Yea/7 Nay)

MOTION 22-11-17-6

MOTION:

The CAC Board of Directors approves the Code of Conduct and Ethics as presented and removes any references of the Code of Conduct from the CAC Internal Control Policies & Procedures.

MSC (9 Yea/1 Nay/1 Abstain)

MOTION 22-11-17-7

The Code of Conduct and Ethics is included in the November 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

ITEM #8 CHAIRMANS REPORT

Recommend Member and Alternate to Serve on Hass Avocado Committee – Item 8.a.

Jason Cole, CAC Chairman, informed the Board that they need to appoint a member and alternate to serve on the Hass Avocado Committee. Mr. Cole asked if anyone had any interest in serving on HAC. Rob Grether was nominated as member and Jamie Johnson was nominated as alternate member.

MOTION:

The CAC Board of Directors approves the election of Rob Grether, CAC Board Member as HAC member and Jamie Johnson, CAC Board Alternate Member as HAC alternate member.

(Cottingham/Laenen) MSC (10 Yea/1 Abstain)

MOTION 23-11-16-8

Recommend Member and Alternate to Serve on Avocado Sustainability Advisory – Item 8.b.

Jason Cole, CAC Chairman, informed the Board that they need to appoint two members to serve on the Avocado Sustainability Advisory. It was confirmed that both members of CAC on the Avocado Sustainability Advisory will be voting members, not a member and an alternate. Ken Melban, CAC VP of Industry Affairs and Operations stated that he would be willing to continue to serve. Daryn Miller, CAC Board Member, also agreed to serve.

MOTION:

The CAC Board of Directors approves the election of Ken Melban, CAC VP of Industry Affairs and Operations and Daryn Miller, CAC Board Member as ASA members.

(Grether/Cottingham) MSC (10 Yea/1 Abstain)

MOTION 23-11-16-9

ITEM #9 MARKETING REPORT

Strategy Behind 2023-24 Business Plan Development – Item 9.a.

Terry Splane, CAC VP of Marketing commented that when he was informed that the CAC budget would be cut by thirty percent (30%), it forced the marketing team to think completely differently about what adds value to the grower, the brand, and the consumer that were shown in the Marketing Update presentation. The CAC Marketing objectives are to aspire to an average price per pound that meets or exceeds the target set by the Commission Board, retain or increase California avocado awareness, perceived value and preference with our consumer targets, and build loyalty with existing and target new trade customers.

Introduction of New Resources – Item 9.b.

Lori Small, CAC Marketing Manager commented that she has 10+ years working directly on public relations and influencers on behalf of CAC in previous years. Ms. Small stated that with her experience, we eliminated the need for a separate public relations agency and allows for streamlining the PR and influencer efforts by bringing them in-house.

Insights Driven Business Enhancements – Item 9.c.

Cristie Mathers from the new marketing agency, Curious Plot, informed the Board that their company is a full-service marketing communications and management consulting agency that is dedicated to serving clients in agriculture. Curious Plot is unique in that they are not only a full-service agency dedicated to food and agriculture, but they are an independent subsidiary of Land O' Lakes which is farmer owned.

Ms. Mathers spoke on the 2023 Media Campaign Wrap-Up on the media plan for digital, audio, outdoor and social media. She then informed the Board of the new changes they are excited to

deliver with optimizing programs using strategic, hyperlocal, targeted paid media placements that integrate with retail and drive targets directly to the store.

John Cornell, CAC Board Member commented on one of the marketing presentation slides pertaining to meeting or exceeding the price per pound identified by the CAC Board. Mr. Cornell commented that supply and demand determines what the price per pound is, so he wanted to know where the price came from.

Jason Cole, CAC Chairman replied to Mr. Cornell that the price per pound is the price the Board uses for budgeting purposes to set the annual assessment rate. Mr. Cole reminded Mr. Cornell that an evaluation of the crop was done at the August 2023 meeting to discuss the price for assessment and budgeting purposes.

Mr. Cornell commented that he understands that the price must be used to set the budget and assessment, however, for performance purposes, he believes that the measurement should be the value that the Commission can create for California fruit over our competition which would determine if we were succeeding or failing. Mr. Cornell stated that the only thing we can do is to create a premium. Ken Melban, CAC VP of Industry Affairs and Operations commented that the language should be 'price differential' instead of the word 'premium' because it is subjective.

Rob Grether, CAC Board Member commented that he respectfully disagrees that the measure of success is only if we achieve a premium over imported fruit. He commented that CAC has a marketing budget to promote California avocados. Imported avocados also have marketing support and in some cases a significantly larger marketing budget. Mr. Grether stated that while he believes we should have a goal that California fruit command a premium, if it does not achieve a premium, he does not think we should judge the Commission's marketing efforts as a failure. It may be that the best we can do is just to keep pace with imported volumes. He is not saying this should be the goal, however, but for us to be careful stating that if we do not receive the premium, it is evidence that the program is a failure.

April Aymami, CAC Director of Industry Affairs commented that if the Board chooses, they can set a different price than what is used for the budget. She stated that the price number right now is a dollar and fifteen cents (\$1.15) since this was the number used for the budget. If the Board would like to discuss this matter further and chooses to set a higher price as a goal, the Board can do that as the business plan allows for flexibility. There is no set number in the language at the request of the USDA to avoid issues such as price fixing.

Robert Jackson, CAC Board Member asked if there is any historical metrics to evaluate what if any premium California fruit is getting over Mexican fruit. Mr. Melban replied yes, every year this information is reviewed and there is a price differential graph that is provided to the Board on the CAC Dashboard.

Wayne Brydon, Del Rey Avocado commented that the premium is developed by the consumer wanting the California avocados over Mexican avocados because it has a better shelf life, better quality, and better texture. Consumers are the ones that then create the premium for us with the demand.

John Berns, CAC Board Alternate Member, commented that growers want to see the correlation between the marketing assessment, the marketing budget, and the price differential/premium price. Mr. Berns asked that this data be published regularly in the Grove and in the Greensheet, and presented at Board meetings.

Marji Morrow from Rockwell Morrow presented the 2023 Tracking Research information to the Board. Ms. Morrow informed the Board that CAC has been using the tracking study for decades and is usually updated annually. She shared that the total sample for the western markets was over a thousand, so this is a big statistically significant study.

The tracking survey shows that the awareness of California avocados in social media has been steadily increasing since 2021 with a big jump in 2023. The value perception shows that California avocados are more likely than Mexican avocados to be described as quality and paying more for, even though California avocados are more expensive. There is interest with consumers in sustainability with the fact that California avocados being sustainably grown is extremely or very important to the consumers. The top interests of consumers on sustainability are environmentally friendly farming practices, ensuring worker safety and wellbeing, ethically sourced, and locally grown results in fewer carbon emissions.

The key takeaways are that California is still number one in several key measures, continues to be the preferred region, and seen as the best in terms of quality, best tasting, freshest, and most premium.

The 2023-24 Marketing Update presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

ITEM #10 INDUSTRY AFFAIRS REPORT

Ken Melban, CAC VP of Industry Affairs and Operations informed the Board that he had a few quick items. CAC was successful in petitioning the USDA on the Oriental fruit fly which has been quarantined currently in San Bernadino and Riverside Counties. Hass avocados were listed as a host which would have required treatments of the trees. Based on the Mediterranean fruit fly and Mexican fruit fly, CAC was able to work with the USDA that the information was not consistent and ultimately determined that Hass was not a host for the Oriental fruit fly and the Queensland fruit fly. Jessica Hunter, CAC Board Member asked if GEM and Lamb Hass were affected. Mr. Melban stated CAC is working with USDA to have those varieties changed to non-host also but it is not an easy process.

Mr. Melban informed the Board of the effort underway with the LA Region Water Control Board regarding protocol issues that would be impactful to our growers. CAC is part of a coalition supporting the effort to move this through the courts with the assistance of George Soares' colleagues and he will keep the Board posted as it continues to unfold. Jason Cole, CAC Chairman elaborated that they are trying to change the conditional waiver, setting new discharge thresholds. He commented that because they are not coming to the table with any compromise, we are preparing for a potential legal battle.

Mr. Melban wanted to follow up on the brief conversation on price differential. Rob Grether, CAC Board Member had gone back and reviewed the 2020 winter edition of From the Grove from our previous president, Tom Bellamore, showing a thorough review of the price differentials and price points. Mr. Melban stated that CAC is hearing the comments from the Board about the price, and we will put the updated information out there whether it is positive, negative or neutral.

ITEM #11 – 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 11.a

Mr. Cole convened a Closed Session of board members, alternates, legal counsel, and the CDFA representative at 12:05 p.m.

Return to open session and announce action taken in closed session, if any – Item 11.b.

Mr. Cole returned to open session at 12:39 p.m. In closed session, the Board took action to recognize that Ken Melban, as Vice President of Industry Affairs and Operations, and Terry Splane, as Vice President of Marketing, effective November 16, 2023, will jointly serve as co-executive leaders of the California Avocado Commission.

ADJOURN MEETING

Mr. Cole adjourned the meeting at 12:42 p.m. The next regularly scheduled Board meeting will be held on February 22, 2024.

Respectfully submitted,

Stacia Kierulff, CAC Human Resource Manager

I certify that the above is a true statement of the Minutes of November 16, 2023 approved by the CAC Board of Directors on February 22, 2024.

Daryn Miller, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

- EXHIBIT A November 2023 Board Packet
- EXHIBIT B November 2023 Board of Directors Orientation Presentation
- EXHIBIT C November 2023 Code of Conduct and Ethics
- EXHIBIT D 2023-24 Marketing Update Presentation
- EXHIBIT E November 16, 2023 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

Meeting Name: <i>California Avocado Commission Regular Board Meeting</i>	Meeting Location: <i>Hybrid In-Person – Irvine Online - Zoom</i>	Meeting Date: <i>November 16, 2023</i>
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<i>Attendees Who Voted</i>	<u>MOTION</u> <u>23-11-16-1</u>	<u>MOTION</u> <u>23-11-16-2</u>	<u>MOTION</u> <u>23-11-16-3</u>	<u>MOTION</u> <u>23-11-16-4</u>	<u>MOTION</u> <u>23-11-16-5</u>	<u>MOTION</u> <u>23-11-16-6</u>	<u>MOTION</u> <u>23-11-16-7</u>	<u>MOTION</u> <u>23-11-16-8</u>	<u>MOTION</u> <u>23-11-16-9</u>
Robert Jackson	Nay	Yea	Yea	Yea	Yea	Yea	Abstain	Yea	Yea
Jessica Hunter	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea
Victor Araiza	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea
John Cornell	Nay	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea
Rob Grether	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Abstain	Yea
Maureen Cottingham	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Jason Cole	Yea	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
Daryn Miller	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Abstain
Will Carleton	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Peter Shore	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Quinn Cotter	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Outcome	10 Yea 2 Nay	Unanimous	Unanimous	Unanimous	Unanimous	4 Yea 7 Nay	9 Yea 1 Nay 1 Abstain	10 Yea 1 Nay	10 Yea 1 Nay



BOARD ACTION

ITEM 3.b: Consider approval of Board of Director's meeting minutes of June 5, 2024

SUMMARY:

The minutes of the Board of Directors' regular meeting of June 5, 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 June 5, 2024

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
June 5, 2024**

A meeting of the California Avocado Commission (CAC) Board was held on Wednesday, June 5, 2024 with the following people present:

MEMBERS PRESENT

Victor Araiza
Will Carleton
Jason Cole
Maureen Cottingham
Rob Grether
Jessica Hunter
Robert Jackson
Rachael Laenen
Daryn Miller
Peter Shore

MEMBERS ABSENT

Quinn Cotter

ALTERNATES ABSENT

Maddie Cook

OFFICIALLY PRESENT

Vickie Carpenter, *USDA*
Ben Kardokus, *CDFA*
George Soares, *KSC*
Tim Spann, *Spann Ag*

GUESTS PRESENT

Dan Coxe
Danny Klittich
Jesse Landsman
Marji Morrow
Richard Moslewko
Joanne Robles-Swanson

ALTERNATES PRESENT

John Berns
Jamie Johnson
Ohannes Karaoghlanian
Hayden McIntyre

STAFF PRESENT

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

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Jason Cole, CAC Chairman, called the meeting to order at 2:04 p.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. She asked for all other guests to announce themselves and recorded all participants in attendance.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

Robert Jackson, CAC Board Member, commented that he received remarks from two growers in his district to have Board meetings in the south so that they can attend in-person. He also commented on the status of the proposed change to the Code of Conduct adopted November 16, 2023. This will be added to the next Board meeting agenda in August to be discussed.

Joanne Robles-Swanson from Avocado Growers of California (AGC) commented on understanding how it appears that Mexico is paid more for their fruit than California. She provided a written statement of her full remarks to be included in the meeting minutes.

Public Comment Written Statements – Joanne Robles-Swanson is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 2.

ITEM #3 INDUSTRY STRATEGIC INTENT 2025

What is the purpose of CAC – Item 3.a.

Mr. Cole commented that the Industry Strategic Intent 2025 document is a working document that was adopted several years ago. Mr. Cole said while getting ready for strategic planning, he thought it would be a good opportunity for the Board to read this document and share opinions. He said this document is not going to be rewritten at today's meeting, it was intended only to get the Board started in strategic planning.

The Board discussed the Industry Strategic Intent 2025 document and thoughts on the listed objectives and strategies.

The Industry Strategic Intent 2025 is included in the June 5, 2024 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Item 3.a.

ITEM #4 GOVERNANCE COMMITTEE REPORT

Rachael Laenen, CAC Vice Chairman, and Governance Committee chair, commented that the June Board packet includes the full CAC law with the language updates that the Governance Committee is proposing.

CAC assessment rate structure – Item 4.a.

Ms. Laenen commented on item 67101 under Article 6. Assessments and Records and identified this section in the Board packet as item 4.d-12. She commented that when CAC is setting the budget, there are two variables that we are trying to estimate: crop size and average price per pound. She said in the last two years, we have missed significantly. The recommendation from the Governance Committee is to add the clarifying language of “as a fixed rate or a percentage of value” with the idea that we would eventually move to a fixed rate assessment. A fixed rate assessment would eliminate one of the variables so that CAC will no longer have to predict the price per pound for the following year and give growers some certainty on the assessment rate.

The Board discussed the clarifying language and thoughts on the fixed rate assessment versus percentage of value. Mr. Cole explained that the Board is not making any decisions on the assessment rate today, but that the purpose is to cleanup and clarify the language of the law.

MOTION:

***The CAC Board of Directors moves to approve a change to the CAC law language in section 67101 as a fixed rate or a percentage of gross dollar value.
(Jackson/Hunter) MSC Unanimous***

MOTION 24-6-5-1

Definition of producer – Item 4.b.

Ms. Laenen commented on item 67039 under Article 2. Definitions and identified this section in the Board packet as item 4.d-4. She mentioned there was a lively discussion on this item at the Governance Committee on this item as there are many factors that go into the definition. Ms. Laenen said there was discussion on if we can further limit the definition of a producer to exclude anyone that has financial interest in a packer? She said there is clear indication from CDFA that excluding assessment paying growers from eligibility to run for a Board seat would be problematic. The Governance Committee was proposing adding this language to this section “or a greater amount as may be established by a two-thirds vote of the commission”. This was added with the idea that this would give the Board the option to raise the threshold if needed. Ms. Laenen mentioned that the Board is not setting a threshold today but giving the Board flexibility for the future.

Ben Kardokus, CDFA commented that he has reviewed this language and discussed with his superiors at CDFA. Mr. Kardokus clarified that CDFA is ok with the Board having the authority to raise the threshold, however, they do not believe the Board should have the power to subsequently lower the threshold. The reasoning is once the average is raised and then the Board wants to lower it later, CAC will be then assessing producers that were not assessed the prior year.

John Berns, CAC Board Alternate commented that language should be added to this item pertaining to members having the right to vote and run for a Board seat.

Rob Grether, CAC Board Member commented that the Board should be cognizant of the risk in bringing forward a change to the law. Mr. Grether commented that he is in favor of language stating Board discretion as opposed to a change in the law.

Robert Jackson, CAC Board Member commented that the definition of a producer is tied to the Board composition. Mr. Jackson commented that seventy-three percent of California avocado growers produce less than fifty thousand pounds per year so if the Board adopted this definition of a producer, we will be disenfranchising seventy-three percent of California avocado growers.

Ms. Laenen commented that the number one thing that the Governance Committee agreed upon is that they do not want to send anything to Sacramento that is going to be contentious and is not unanimous.

The Board continued to discuss the definition of a producer. Mr. Cole clarified that the Board is not planning on raising the threshold at this time. He stated that there is really nothing that prohibits anyone to run for the Board. The growers in their districts vote for their representatives, perceived conflict or not, the districts vote for the person they want to represent them and are reviewed by the CDFA, not CAC.

Board composition – Item 4.c.

Ms. Laenen commented that the discussion on this item 67051 under Article 3. The California Avocado Commission and identified this section in the Board packet as item 4.d-5. was based around the handler seats on the Board and the concern about handler influence. The proposed change to the language was “eliminated the two avocado handlers on a statewide basis” and add “The Commission may appoint one or more handlers as ex officio members.” Ms. Laenen commented that there the consensus on the value that the handlers bring to the Board is good and necessary.

The Board continued to discuss the Board composition regarding the pros and cons of handler seats on the Board, thoughts on the proposed language, and attracting handlers to the Board seats.

MOTION:

***The CAC Board of Directors moves to accept the language changes to the CAC law excluding 67039, 67051, and 67054 as presented.
(Jackson/Araiza) MSC Unanimous***

MOTION 24-6-5-2

The California Avocado Commission Law Draft 5/7/24 is included in the June 5, 2024 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT C, Item 4.a.-4.c.

ITEM #5 MARKETING COMMITTEE STRUCTURE

Mr. Cole said the Marketing Committee was paused to review how to ensure there is value for the Committee and its members. The CAC Bylaws pertaining to the Marketing Committee were placed on the screen for the Board to reference and are as follows:

“3. Marketing Committee. The Marketing Committee shall advise Commission personnel, Commission committees and others on avocado packing, handling, distribution and marketing issues impacting on the Commission. These issues may include input regarding wholesalers, distributors, retailers, exporters, and foodservice operators. Additionally, the committee shall provide input on trade advertising and publicity programs, foodservice programs and foreign export. The committee shall also provide input to the Commission personnel concerning the annual crop estimate. The Marketing Committee shall consist of a minimum of four (4) members, each of which represent a separate AMRIC Handler. In the event that the Marketing Committee does not include any seated members of the Commission, the committee shall select one member of the committee who shall serve as a nonvoting ex-officio member of the Commission.”

Terry Splane, CAC VP of Marketing said the marketing team sent out a survey to assess the value of the Marketing Committee and the number one value was forecasting. Mr. Splane commented that he doesn't believe that a committee is needed to discuss forecasting. He also commented that he does not think CAC need handlers telling the marketing team how they should be marketing because handlers don't market fruit to consumers.

Peter Shore, CAC Handler Member commented that handlers need to be in step with CAC marketing and knowing exactly when to push the promotions with the retailers, especially due to the short California season window.

Mr. Splane agreed with Mr. Shore's comments and informed the Board that he had valuable conversations with handlers in March and he plans on having further conversations with handlers in July.

Victor Araiza, CAC Board Member commented that the Marketing Committee should be inviting not only handlers but Board members to allow open dialog for more communication.

The Board continued to discuss the Marketing Committee value. Mr. Cole commented that this item is open ended, and the Board does not need to make any decisions or change the Bylaws. Mr. Cole wanted to present this to the Board and explain why the Marketing Committee is paused. He wanted to make it clear that the Marketing Committee is a place to share ideas, not to direct Mr. Splane and his marketing team.

April Aymami, CAC Industry Affairs and Operations Director commented that the Marketing Committee is a committee of the Board. There are no committees, except for the Executive Committee, that directs CAC staff. The Marketing Committee is structured to create the value for the Board.

ITEM #6 MARKETING

Where are we today? – Item 6.a.

Mr. Splane commented that the marketing team has created the 2024 Consumer Campaign highlighting actionable assets for the media channels. This showcases what the campaign looks like and what the marketing team is working on.

Zac Benedict, CAC Marketing Director presented that they have repositioned the campaign this season and focused on what makes California avocados so special: growers, connection to California, local and fresh, and sustainability.

Lori Small, CAC Marketing Manager presented the PR plan focusing on the hyper local market approach and integrating with our retail partners.

The marketing team fielded questions from the Board on the retailer response to the bins and requests for demo days with growers in store.

Will Carleton, CAC Board Member commented that CAC marketing should call out the health benefits of avocados as a key point among locally grown and sustainability as part of the campaign. Mr. Cole replied to Mr. Carleton that all avocados are healthy, not just California avocados, and the Hass Avocado Board is already spending the funds to market this topic. Mr. Cole commented that CAC would then be spending growers' dollars on health instead of dollars designed to market the differentiation of California fruit.

Targeted Retailer Penetration – Item 6.b.

Mr. Splane commented that we are strategically targeting retailers that fit well with our brand. He said in thinking about retailers and how to target them, we are looking at pricing index, chain size/region, loyalty, handler alignment, collaborative, and RMD intel. The Board continued to discuss the retail margins, pricing, and volume moved through the retail locations.

Looking into next year – Item 6.c.

Mr. Splane reported he has heard from growers concerns on the in-store displays and some inconsistencies with fruit from other countries in California bins. Mr. Splane reported the marketing team is setting up 'Mystery Shopper' audits in-stores to gain fact-based insights on our promotions. CAC is partnering with a company called Field Agent to provide the mystery shopper audits.

Mr. Splane commented on the key strategic issues and the marketing team is in the middle of their planning process leading into next year looking at our strengths and weaknesses. He said we are working on sustainability and what that means for consumer awareness.

The Board continued to discuss strategic issues, packaging strategies, and how to be more consistent on messaging.

The 2024 Consumer Campaign is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

ADJOURN MEETING

Mr. Cole adjourned the meeting at 5:29 p.m. The next regularly scheduled Board meeting will be held on August 15, 2024.

Respectfully submitted,

Stacia Kierulff, CAC Human Resources Manager

I certify that the above is a true statement of the Minutes of June 5, 2024 approved by the CAC Board of Directors on August 15, 2024.

California Avocado Commission
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Daryn Miller, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

- EXHIBIT A Opportunity for Public Comment Statements
- EXHIBIT B June 5, 2024 Board Packet
- EXHIBIT C California Avocado Commission Law Draft
- EXHIBIT D 2024 Consumer Campaign
- EXHIBIT E June 5, 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

Meeting Name: <i>California Avocado Commission Regular Board Meeting</i>	Meeting Location: <i>In-Person – Pasadena</i>	Meeting Date: <i>June 5, 2024</i>
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<i>Attendees Who Voted</i>	<u><i>MOTION 24-6-5-1</i></u>	<u><i>MOTION 24-6-5-2</i></u>
Jessica Hunter	Yea	Yea
Robert Jackson	Yea	Yea
Victor Araiza	Yea	Yea
Ohannes Karaoghlanian	Yea	Yea
Jason Cole	Did Not Vote	Did Not Vote
Rob Grether	Yea	Yea
Maureen Cottingham	Yea	Yea
Rachael Laenen	Yea	Yea
Daryn Miller	Yea	Yea
Will Carleton	Yea	Yea
Peter Shore	Yea	Yea
<i>Outcome</i>	Unanimous	Unanimous



BOARD ACTION

ITEM 3.c: Consider approval of Board of Director's meeting minutes of June 6, 2024

SUMMARY:

The minutes of the Board of Directors' regular meeting of June 6, 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 June 6, 2024

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
June 6, 2024**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, June 6, 2024 with the following people present:

MEMBERS PRESENT

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

ALTERNATES PRESENT

John Berns
Jamie Johnson
Hayden McIntyre

MEMBERS ABSENT

Quinn Cotter

ALTERNATES ABSENT

Maddie Cook

OFFICIALLY PRESENT

Vickie Carpenter, *USDA*
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

Dan Coxe
John Haskett
Danny Klittich
Marji Morrow
Richard Moslewko
Joanne Robles-Swanson

ITEM #1 CALL TO ORDER

Roll Call/Quorum – Item 1.a.

Jason Cole, CAC chairman, called the meeting to order at 8:00 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

Mr. Cole said he received an email the night prior from Duane Urquhart addressed to Mr. Cole and the CAC Board that he read to the Board.

Public Comment Written Statements – Duane Urquhart is attached to the permanent copy of these Minutes and identified as EXHIBIT A.2.

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.d as presented.

(Jackson/Karaoghlanian) MSC Unanimous

MOTION 24-6-6-1

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

ITEM #4 CONSIDER APPOINTMENT OF PRODUCER MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2024

Mr. Cole reported there are five candidates who submitted nomination documents for the District 2 producer member vacancy and asked how the Board would like to proceed with the voting process.

Rob Grether, CAC Board Member suggested the Board verify an election structure for this appointment as the Board will be making a motion on this item. Mr. Grether commented that in the past, we have used a paper vote with each Board member writing down the candidate of their choice. If a candidate receives the majority of the votes, they are elected but if there is not a majority vote for a candidate, the candidate with the lowest number of votes would be eliminated from that round of voting and the vote is repeated.

Ben Kardokus, CDFA representative agreed with Mr. Grether's voting suggestion.

MOTION:

For the vacant Producer member seat in district 2, the board shall appoint the candidate supported by a majority of the board in an election using the exhaustive ballot method, wherein if in a round of voting no candidate receives the majority of the votes, the candidate who has received the fewest number of votes shall be eliminated and the process shall be repeated.

(Laenen/Miller) MSC Unanimous

MOTION 24-6-6-2

District 2 Producer Member – Item 4.a.

Mr. Cole then ran through the list of candidates listed on the agenda for the District 2 producer seat and allowed attending candidates to introduce themselves. For the candidates that were not attending in-person, Mr. Cole reminded the Board that the candidate statement of were listed in the Board packet, Item 4.a.

The election of District 2 candidates resulted in Mr. Karaoghlanian being declared the winner with six votes; Mr. Haskett received three votes and Mr. Moslewko received one vote.

MOTION 23-6-6-3

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

ITEM #5 CONSIDER APPOINTMENT OF HANDLER MEMBER AND HANDLER ALTERNATE TO FILL EXISTING VACANCIES FOR TERMS ENDING OCTOBER 31, 2024 AND OCTOBER 31, 2025

Handler Member – Item 5.a.

Mr. Cole asked if there are any handler members that are interested in serving. Ken Melban, CAC vice president of industry affairs and operations, replied to Mr. Cole's question stating John Dmytriw with Index Fresh has submitted his application for the handler member seat.

Mr. Cole then asked if there were any other nominations from the Board for the handler member seat and there were no other nominations.

Handler Alternate Member – Item 5.b.

Mr. Cole asked Mr. Melban if there were any applications received by CAC for interest in the handler alternate member seat. Mr. Melban replied that CAC has not received any applications for this seat.

Mr. Cole then asked if there were any nominations from the Board for the handler alternate member seat and there were no nominations.

MOTION:

The CAC Board of Directors moves to appoint John Dmytriw as handler member with term ending October 31, 2024.

(Jackson/ Karaoghlanian) MSC 9 Yea/1 Abstain

MOTION 24-6-6-4

ITEM #6 TREASURER'S REPORT

Report on May 15, 2024 Finance Committee meeting – Item 6.a.

Maureen Cottingham, CAC Board treasurer, reported the Finance Committee met on May 15th and discussed the 2023-2024 financial updates, cash disbursement audit, corporate insurance policies, approval of the budget amendment #1 that is listed in the Board packet and the revision of the internal control policies. Ms. Cottingham stated that in reviewing these items, there were no issues or concerns.

2023-24 Crop update and financial implications – Item 6.b.

Mr. Cole said with more fruit than expected CAC will receive more revenue than budgeted. He noted that management was prepared to present their plan for utilizing additional revenue as part of a volume absorption plan, which would be discussed as part of budget amendment #1, in addition to a request from the Production Research Committee for a new online irrigation tool.

Consider approval of Budget Amendment #1 – Item 6.c.

Mr. Cole said budget amendment #1 is located in the Board packet Item 6.c for Board members to review.

Terry Splane, CAC vice president of Marketing discussed the marketing volume absorption plan, requesting an additional \$800,000 be allocated by the Board to drive more demand with the increased volume. He presented the investment strategies, investment impact, and incremental investment. Mr. Splane also discussed the targeted retailers and projected investment levels.

Mr. Splane stated the next step is for the Retail Marketing Directors to be engaged with the handlers, working hand-in-hand with the accounts to make sure there are supply chain resources.

Mr. Cole commented that we have changed CAC as an organization, shrunk the budget, and right sized the marketing strategy so he believes the next step is to work on figuring out the assessment rate to match the dollars CAC is spending instead of the guessing game we have been playing for many years.

Ms. Aymami commented that the budget cuts were a good exercise for the organization and allowed CAC to take a look at what is valuable for the marketing program. The market is doing well right now so, as CAC management, we want to be prepared to support and continue to maintain the market conditions.

Mr. Cole shifted to the Production Research Committee since the Board was discussing the budget amendment and asked Danny Klittich, PRC chairman, and Dr. Tim Spann, CAC research program consultant, to speak on the PRC budget item.

Dr. Spann discussed adapting a user-friendly online irrigation calculator for avocados. Dr. Spann placed the online irrigation calculator slide on the screen and said there are significant improvements in water use efficiency that can be achieved with increased adoption of data-driven irrigation decision frameworks, therefore the online irrigation calculator was developed.

Mr. Klittich summarized the online irrigation calculator commenting that the takeaway is simplistic. It may not be completely accurate, but it will be easy to use and close enough for most growers. The next step is to receive feedback from growers using the calculator to improve it. The downside is that it is only functional within Ventura County for the moment but there are plans to roll it out for more counties as more support is gained.

The Marketing Volume Absorption Plan slides are attached to the permanent copy of these Minutes and identified as EXHIBIT C.

The Online Irrigation Calculator slide is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

The Budget Amendment #1 is included in the June 2024 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B, Items 6.c.

MOTION:

The CAC Board of Directors approves budget amendment #1 as presented, plus \$867,000 for the marketing volume absorption plan and \$7,236 for the irrigation calculator.

(Jackson/Cottingham) MSC Unanimous

MOTION 24-6-6-5

ITEM #8 INDUSTRY AFFAIRS/OPERATIONS

Mr. Melban provided an update reported on activities for industry affairs and operations.

Mr. Cole spoke on list item #15 Florida Tomato Committee regarding the suspension agreement. The call to the Committee was to learn more specifics on the agreement. There were dumping claims against Mexico and a suspension agreement was put in place in 1996. This was supposed to set the price floor and some avocado growers thought this could be something that avocados could pursue. Mr. Cole reported that in speaking with the Committee, CAC learned the agreement was no longer supported by the Committee and in fact was not working as they had intended. Indicating it would not be viable pathway for California avocados.

Mr. Melban reported on item #17 grower survey, indicating a total of 45 surveys were received. representing less than 2 percent of the 2800 growers. John Berns, CAC Board Alternate asked for the survey results, and Mr. Melban said the information is not statically significant but would be provided upon request.

Mr. Melban commented on list items #19 and #23 USDA/USTR fruit & vegetable ATAC meetings. This is Mr. Melban's third appointment with the committee and the committee is made up of representatives across the United States of fruit and vegetable commodity groups. Along with the Secretary of Ag and the Trade Ambassador, the committee collectively voices the pressures that our producers are facing. The question was asked what ATAC is and its purpose. Mr. Melban stated ATAC is the Agricultural Technical Advisory Committee for fruits and vegetables. This committee is an advisory committee to the Secretary of Ag and the Trade Ambassador with the purpose of discussing trade agreements.

Mr. Melban commented on list item #18 USDA and APHIS executive director call regarding Guatemala PRA and less restrictive work plans vs. Mexico. The Mexico workplan has more

onerous requirements than typical work plans and includes USDA employed Mexican nationals responsible to conduct the inspections. The question was raised on why the other work plans aren't modeled after the same level of involvement and oversight. Mr. Melban said there was already a recommendation by the Mexican Embassy to revise the Mexico work plan and remove the requirement for the USDA employed inspectors for safety risks.

Mr. Melban said on list item #20 additional GEM PLU's that CAC is involved in at the behest of our growers. There is one GEM PLU now that was created four years ago and there has been interest from packers/growers to have two more PLU's added that would mirror the Hass PLU. No status on this item currently.

Mr. Melban commented on list item #26 regarding the fruit flies that CAC was able to successfully get Hass removed as a host from the quarantine list late last year. CAC then started working on removing GEM as a host as well, but this will take time.

The Board continued to discuss the fruit fly situation for GEM's and Mr. Cole commented that he believes that GEM will eventually be removed from the quarantine list.

The CAC Operations/Industry Affairs Update is attached to the permanent copy of these Minutes and identified as EXHIBIT E.

ITEM #9 PRODUCTION RESEARCH

Dr. Spann said Westfalia had done an internal study on GEM and they shared the data on the oriental fruit fly on GEM with CAC. This data was shared with the USDA but because it was not a peer reviewed and published in a journal, they did not accept it. Dr. Spann commented that the USDA has a facility in Hilo, HI where the oriental fruit fly is widespread throughout the island. Peter Follett, USDA at this HI facility is working on this data, and he believes avocados on the tree are not a host for the fruit fly. However, further research is needed by USDA with specific data for each avocado variety.

Dr. Spann reported the PRC has met twice this year and is in the process of redesigning priorities and goals. PRC has put together a list of topics of pests, disease, virus, etc. that the PRC can then request for proposals for research projects on the top priorities.

Mr. Klittich said that PRC has put together a list of topics to drive more engagement with the research community that we find relevant to the industry and not just things that are of personal interest to the researcher. The goal is to move the industry forward with new relevant research.

ITEM #7 Board Strategic Review

Board discussion of June 5, 2024 Session-Key Learnings, Changes, New Ideas – Item 7.a.

Mr. Cole said in the Board discussions the prior day, action was already taken but he asked the Board if there was anything further to discuss.

Rachael Laenen, CAC vice chair, suggested for the Marketing Committee a subset of Board members and other industry people as part of the committee for a chance to work closer with Mr. Splane. Ms. Laenen said this would allow for more detail on the marketing programs with the purpose of bringing this information back into the Board room for a deeper understanding of the programs for all.

Jessica Hunter, CAC Board Member said it's valuable for the retail marketing directors for the retail side and Kim Kurata for the food service side to become as intimately involved with buyers as possible. Mr. Splane replied that his team is engaging with the retail and foodservices industries, and he thinks it is working. Ms. Hunter gave positive feedback from CAC food service

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contacting Del Rey to work together once the avocado season had started and the CAC team responded quickly to get the program bumped up several weeks to capitalize on the fruit being ready at that time.

Mr. Splane said the main question for marketing is how we directly add value and elevate pricing for growers in a positive way. He also commented that every year, the team looks at how the work enables next year's planning and investment levels to provide a greater impact.

Victor Araiza, CAC Board Member commented that the marketing team being transparent makes it easier for the Board to understand why marketing is asking for more funds and why marketing is invested in certain programs.

The Board continued to discuss the Marketing Committee structure and thoughts on the value the committee brings to the Board. There were positive comments by the Board regarding the marketing 2024 Consumer Campaign.

Will Carleton, CAC Board Member said he understands the Board is not responsible for micromanaging the CAC staff, however, the Board is responsible for guidelines for CAC staff. Mr. Carleton proposed a guideline for CAC staff to create a monthly schedule in which twenty percent of the working time of all staff will physically be in the CAC office. For example, all staff work physically at the CAC office once a week. He commented that the advantage of this would be synergy, being able to talk through ideas in-person. Mr. Carlton commented that he would like the Board to make a motion on this item.

Mr. Cole said the Board cannot take action for a motion on this item because it is not on the meeting agenda.

Mr. Grether reminded the Board that they are responsible for managing the CAC management and if we have a strong feeling about how productive CAC staff is working remote or working in the office, coming together to be more creative, the right path under our current structure is for this recommendation to be taken up by the Executive Committee and collaborate with the CAC Co-Leadership to make a final recommendation and bring to the Board.

Ohannes Karaoghlanian, CAC Board Member commented that if the CAC office is not being utilized, when the time comes for the office lease renewal, there should be consideration on downsizing the office.

Mr. Melban said he appreciates the perspectives raised by Mr. Carleton, Mr. Grether and Mr. Karaoghlanian. He said staff will meet to discuss and he will report back to Chair Cole

Mr. Grether asked to bring the topic back to marketing. He said the Marketing Committee is valuable for this Board, adding the value would be to meet more frequently, dig deeper and ask more detailed questions that do not take up all the Board's time. Mr. Grether suggested starting with a small committee structure. Mr. Splane agreed with Mr. Grether and likes the crawl, walk, run methodology to see how it evolves.

Mr. Cole wanted to summarize the Marketing Committee thoughts and asked if the Board would like to keep the Marketing Committee paused or call a meeting. Mr. Splane said his thought is to first figure out committee criteria, then he would be comfortable unpausing the committee.

Mr. Melban suggested the Chairman send out an email to the current Marketing Committee members asking if they would still like to remain as a member of the committee along with members of the Board that are interested in being a part of the committee.

Mr. Grether commented that sometime between now and August, his recommendation would be to convene the Marketing Committee to talk about current process and do some current year to crop and marketing execution business but carve out time to receive feedback on how we should move forward with this committee.

Ben Kardokus, CDFA commented on other commodity committees such as the Walnut and Rice Commissions. He said these commodities have high level committees. Mr. Kardokus noticed that there seems to be two different committee models, Committee driven and Board driven.

Vickie Carpenter, USDA commented that she is aware of other Boards that have their committees similar to CAC where the committees discuss the inner workings and report during the Board meetings on what was discussed. If there are any committee actions, they go to the full Board to make the decision.

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

ADJOURN MEETING

Mr. Cole adjourned the meeting at 11:08 a.m. The next regularly scheduled Board meeting will be held on August 15, 2024.

Respectfully submitted,

Stacia Kierulff, CAC Human Resources Manager

I certify that the above is a true statement of the Minutes of June 6, 2024 approved by the CAC Board of Directors on August 15, 2024.

Daryn Miller, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

- EXHIBIT A Opportunity for Public Comment Statements
- EXHIBIT B June 6, 2024 Board Packet
- EXHIBIT C Marketing Volume Absorption Plan
- EXHIBIT D Online Irrigation Calculator
- EXHIBIT E CAC Operations/Industry Affairs Update
- EXHIBIT F June 6, 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

Meeting Name: <i>California Avocado Commission Regular Board Meeting</i>	Meeting Location: <i>In-Person – Pasadena</i>	Meeting Date: <i>June 6, 2024</i>
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<i>Attendees Who Voted</i>	<u>MOTION 24-6-6-1</u>	<u>MOTION 24-6-6-2</u>	<u>MOTION 24-6-6-3</u>	<u>MOTION 24-6-6-4</u>	<u>MOTION 24-6-6-5</u>
Jessica Hunter	Yea	Yea	Abstain	Yea	Yea
Robert Jackson	Yea	Yea	Karaoghlanian	Yea	Yea
Victor Araiza	Yea	Yea	Haskett	Yea	Yea
Ohannes Karaoghlanian	Yea	Yea	Karaoghlanian	Yea	Yea
Jason Cole	Did Not Vote	Did Not Vote	Karaoghlanian	Did Not Vote	Did Not Vote
Rob Grether	Yea	Yea	Karaoghlanian	Abstain	Yea
Maureen Cottingham	Yea	Yea	Haskett	Yea	Yea
Rachael Laenen	Yea	Yea	Karaoghlanian	Yea	Yea
Daryn Miller	Yea	Yea	Moslewko	Yea	Yea
Will Carleton	Yea	Yea	Haskett	Yea	Yea
Peter Shore	Yea	Yea	Karaoghlanian	Yea	Yea
Outcome	Unanimous	Unanimous	6 Karaoghlanian, 3 Haskett, 1 Moslewko	9 Yea 1 Abstain	Unanimous



BOARD INFORMATION

ITEM 3.d: 2023-24 Financial and Crop Update

SUMMARY:

Attached are monthly financial performance reports as prepared by CAC's outsourced accounting firm, Signature Analytics, for the months of April through June 2024. The reports include CAC income statements and statements of net position, including year-to-date actual versus budget comparisons.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Discussion item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- Monthly Financial Performance Reports for April through June 2024
- 2023-24 Pounds & Dollars by Variety Report (November 2023 through June 2024)



California Avocado Commission

MONTHLY REPORT

April 2024



SIGNATURE
ANALYTICS

EXECUTIVE SUMMARY

CAC Total Revenue has exceeded budget by \$95K year-to-date due to larger than expected Year-to-Date Assessment Revenue. Although the timing of the harvest had been slightly delayed, 51.7 lbs were harvested in April alone. CAC and HAB Assessment revenue exceeded budget by \$91K and \$96K, respectively. Pine Tree Ranch Crop revenue, however, is down \$75K to plan.

On the expense side, Marketing expenses accounted for \$1.9M of the total \$3.6M in expenses and were \$457K lower than budget due to lower Consumer Marketing costs of \$378K. Marketing expenses overall are currently 52% of total expenses vs. a budget of 56%.

Total Operations expenses at \$1.4M year-to-date consist mainly of Personnel expenses of \$868K and were under budget by \$44K. Operations accounted for 38% of total spending vs. a budget of 35%.

Industry Affairs & Production Research expenses of \$310K were under the budget by \$63K due to lower than expected Grower Communication costs (\$38K), Travel (\$10K), and Industry Statistics and Information costs (\$8K). These were offset by an increase in Legal Support (\$15K). Industry Affairs & Production Research accounted for 8.6% of total spending vs. a budget of 9%.

Overall, the organization experienced a \$538K deficit as compared to a \$1.2M budgeted deficit. This \$613K favorable variance was driven primarily by lower than expected consumer Marketing costs. The total cash balance is \$4.5M.

Crop Information

For the period of November 2023 through March 2024, CAC assessment reports indicate 21.5M pounds of California avocados (all varieties) were harvested at an average price per pound of \$1.227. Approximately 51.7M pounds were reported to AMRIC as harvested in April 2024 with an estimated average price per pound of \$1.355. This would bring the total estimated harvested through April 2024 to 73.2M pounds at an average price per pound of \$1.318.

Laura Bertagnolli

Laura M. Bertagnolli
Consulting CFO

DocuSigned by:
April Aymami
70EBFF68AC04459...

June 19, 2024 | 11:00 AM PDT

DocuSigned by:
Ken Wells
3D1C29A4FFC2436...

June 19, 2024 | 9:51 AM PDT

DocuSigned by:
Terry Splane
5D9C387C33FD4EF...

June 19, 2024 | 8:51 AM PDT

Key Performance Indicators (KPIs)

California Avocado Commission

	FY2024 YTD	FY2024 YTD Budget	vs Budget
Total Revenue	\$3,070,159	\$2,974,899	3%
Surplus/(Deficit)	-\$537,729	-\$1,150,708	-53%
Marketing Expense %	51.5%	56.1%	-4.6%
Operation Expense %	37.5%	34.8%	2.7%
Industry Affairs Expense %	8.6%	9.0%	-0.5%
Mktg Exp % of Revenue	61%	78%	-17%
Op Exp % of Revenue	44%	48%	-4%
Ind Aff Exp % of Revenue	10%	13%	-2%
Cash on Hand	\$4,452,173		
Current Ratio	8.48:1		

California Avocado Commission
Statement of Financial Position
As of April 30, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
10001-000 Petty Cash	240
10010-000 BMO Checking (5241) - CAC	164,317
10110-000 BMO Money Market (5407) - CAC	4,276,676
10210-000 Cash - LAIF - CAC	10,940
Total Bank Accounts	\$ 4,452,173
Accounts Receivable	
12901-000 Misc Receivables (A/R)	10,900
Total Accounts Receivable	\$ 10,900
Other Current Assets	
11001-000 CAC Assessment Receivable	1,496,600
11002-000 HAB Assessment Receivable	1,314,200
12004-000 Due from Avocado Inspection Program	2,434
12701-000 Grant Receivable	235,931
13001-000 Prepaid Deposits	22,185
13002-000 Prepaid Expenses	121,482
Total Other Current Assets	\$ 3,192,832
Total Current Assets	\$ 7,655,905
Fixed Assets	
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)
Total Fixed Assets	\$ 0
Other Assets	
16001-000 Mauchly Office Lease	634,985
16002-000 Mauchly Amortization	(437,220)
16003-000 Pine Tree Lease	117,985
16004-000 Pine Tree Amortization	(1,966)
16101-000 Quadient Capital Lease	3,436
16102-000 Quadient Amortization	(2,202)
16105-000 CBE 2022 Sharp Capital Lease	13,544
16106-000 CBE 2022 Sharp Amortization	(4,016)

16109-000 CBE 2022 Ricoh Capital Lease	13,653
16110-000 CBE 2022 Ricoh Amortization	(5,309)
Total Other Assets	\$ 332,888
TOTAL ASSETS	\$ 7,988,793
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20001-000 Accounts Payable (A/P)	452,810
Total Accounts Payable	\$ 452,810
Other Current Liabilities	
20101-000 Accrued Expenses	236,864
21021-000 Vacation Payable - Short Term	56,097
24001-000 ST Lease Liability - LACA1	131,327
24002-000 ST Lease Liability - CAPO1	14,299
24101-000 ST Lease Liability - MAFI1	1,084
24103-000 ST Lease Liability - CBE 2022 Sharp	5,228
24105-000 ST Lease Liability - CBE 2022 Ricoh	4,744
Total Other Current Liabilities	\$ 449,643
Total Current Liabilities	\$ 902,453
Long-Term Liabilities	
28011-000 LT Lease Liability - CAPO1	102,133
28110-000 LT Lease Liability - MAFI1	183
28111-000 LT Lease Liability - LACA1	78,033
28112-000 LT Lease Liability - CBE 2022 Sharp	4,514
28114-000 LT Lease Liability - CBE 2022 Ricoh	3,803
Total Long-Term Liabilities	\$ 188,667
Total Liabilities	\$ 1,091,120
Equity	
32000-000 Retained Earnings	4,441,572
32010-000 Net Assets	
32011-000 Net Assets-Restricted for Marketing	2,951,115
32012-000 Net Assets-Invested in Leased Assets	42,715
Total 32010-000 Net Assets	\$ 2,993,831
Net Revenue	(537,729)
Total Equity	\$ 6,897,673
TOTAL LIABILITIES AND EQUITY	\$ 7,988,793

California Avocado Commission
Statement of Activities - Summary
 April 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
Revenue				
40001-000 CAC Assessment Revenue-Current Year	1,675,640	1,584,937	90,703	6%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	1,347,167	1,251,463	95,704	8%
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	30,498	(5,083)	-17%
48001-000 Interest Income	5,168	3,000	2,168	72%
48003-000 Other - Pine Tree Ranch Crop Income		75,000	(75,000)	-100%
48009-000 Other Income - Misc	47		47	
48009-118 Other Income - From the Grove	15,500	30,000	(14,500)	-48%
Total Revenue	\$ 3,070,159	\$ 2,974,899	\$ 95,260	3%
Gross Profit	\$ 3,070,159	\$ 2,974,899	\$ 95,260	3%
Expenditures				
50000-000 Marketing				
51000-000 Consumer Marketing			-	-
Total 51000-000 Consumer Marketing	1,026,060	1,403,750	(377,690)	-27%
Total 52000-001 Trade Relations	354,624	331,933	22,691	7%
Total 52010-000 Retail & Consumer Promotions	74,915	94,500	(19,585)	-21%
Total 52200-000 Data, Research & Analysis	148,543	152,800	(4,258)	-3%
Total 52400-000 Administration & Other	20,887	15,260	5,627	37%
Total 52000-000 Trade - Retail	598,968	594,493	4,475	1%
Total 53000-000 Trade - Foodservice	102,655	133,480	(30,825)	-23%
Total 54000-000 Consumer Public Relations	57,233	115,000	(57,767)	-50%
Total 59000-000 Marketing Activities Support	73,884	69,500	4,384	6%
Total 50000-000 Marketing	\$ 1,858,800	\$ 2,316,223	\$ (457,422)	-20%
64000-000 Industry Affairs				
Total 64000-001 Industry Statistics and Information	46,908	54,525	(7,617)	-14%
Total 64100-000 Grower Communications	35,740	73,510	(37,770)	-51%
Total 64200-000 Issues Management	102,916	102,900	16	0%
Total 64300-000 Legal & Governance	66,276	50,800	15,476	30%
Total 64400-000 Demonstration Grove	29,142	47,365	(18,223)	-38%
Total 64500-000 Education & Outreach	699	1,425	(726)	-51%
Total 64800-000 Other Industry Affairs	28,134	42,640	(14,506)	-34%
Total 64000-000 Industry Affairs	\$ 309,814	\$ 373,165	\$ (63,351)	-17%
65000-000 Production Research				
Total 65000-000 Production Research	22,407	-	22,407	
66010-000 Grant Programs				
Total 66010-000 Grant Programs	62,791	-	62,791	
70000-000 Operations				
Total 71100-000 Office Expense	124,717	218,155	(93,438)	-43%
Total 71200-000 Professional Fees	212,794	223,280	(10,486)	-5%
Total 71301-000 Salaries/Wages	647,970	655,620	(7,650)	-1%
Total 71311-000 Pension Expense	52,029	58,812	(6,783)	-12%
Total 71321-000 Payroll Tax & Work Comp	54,805	50,364	4,441	9%
Total 71331-000 Benefits	113,172	147,336	(34,164)	-23%
Total 71300-000 Personnel Expenses	867,976	912,132	(44,156)	-5%
Total 71400-000 Commissioner Expenses	6,226	39,750	(33,524)	-84%
Total 73000-000 Information Technology	60,764	42,902	17,862	42%
Total 78000-000 Depreciation, Interest & Other Operations	81,599	-	81,599	
Total 70000-000 Operations	\$ 1,354,076	\$ 1,436,219	\$ (82,143)	-6%
Total Expenditures	\$ 3,607,889	\$ 4,125,607	\$ (517,718)	-13%
Net Revenue	\$ (537,729)	\$ (1,150,708)	\$ 612,978	-53%

California Avocado Commission
Statement of Activities - Detail
April 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
Revenue				
40001-000 CAC Assessment Revenue-Current Year	1,675,640	1,584,937	90,703	6%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	1,347,167	1,251,463	95,704	8%
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	30,498	(5,083)	-17%
48001-000 Interest Income	5,168	3,000	2,168	72%
48003-000 Other - Pine Tree Ranch Crop Income		75,000	(75,000)	-100%
48009-000 Other Income - Misc	47		47	
48009-118 Other Income - From the Grove	15,500	30,000	(14,500)	-48%
Total Revenue	\$ 3,070,159	\$ 2,974,899	\$ 95,260	3%
Gross Profit	\$ 3,070,159	\$ 2,974,899	\$ 95,260	3%
Expenditures				
50000-000 Marketing				
51000-000 Consumer Marketing				
51001-072 Media Planning & Buying, Media Cost Reporting-Curious Plot	199,093	335,000	(135,907)	-41%
51002-000 Production	873	-	873	
51002-072 Strategy, Campaign Creative Development & Production-Curious Plot	305,562	295,000	10,562	4%
51004-072 Consumer Marketing - Retail-Curious Plot	208,851	466,250	(257,399)	-55%
51801-072 Account Administration-Curious Plot	141,635	95,000	46,635	49%
55101-000 Email Content	704	-	704	
55101-072 Consumer Email Marketing-Curious Plot	69,643	88,500	(18,858)	-21%
55103-072 Social Media & Content Marketing-Curious Plot	99,700	124,000	(24,300)	-20%
Total 51000-000 Consumer Marketing	\$ 1,026,060	\$ 1,403,750	\$ (377,690)	-27%
52000-000 Trade - Retail				
52000-001 Trade Relations				
52001-066 Trade Advertising-Media-Fusion	57,273	70,000	(12,727)	-18%
52002-066 Trade Advertising-Production-Fusion	35,752	24,600	11,152	45%
52022-000 Dues	16,895	13,505	3,390	25%
52024-000 Sponsorships-Southern California Locations	765	590	175	30%
52042-000 Conventions	21,005	-	21,005	
52043-000 Booth Storage	304	608	(304)	-50%
52052-081 Program Admin/Strategy/Planning-PJ/PR	12,250	12,250	-	0%
52053-081 Retail Communications - Retail Resources-Fees-PJ/PR	8,000	8,000	-	0%
52055-081 Key Account Marketing Communications-Fees-PJ/PR	79,580	79,580	-	0%
52071-075 Key Account Coverage-TX/MW/SE-Anderson	47,800	47,800	-	0%
52075-013 Key Account Coverage-SW/NW-Becker	75,000	75,000	-	0%
Total 52000-001 Trade Relations	\$ 354,624	\$ 331,933	\$ 22,691	7%
52010-000 Retail & Consumer Promotions				
52113-000 Co-Marketing Photo Shoot		13,000	(13,000)	-100%
52124-000 Retail Performance Programs-Retail Promotions	32,956	6,000	26,956	449%
52129-000 Retailer Social Media Advertising Support		5,000	(5,000)	-100%
52132-000 Retail Identity Programs-Display Bins	17,131	-	17,131	
52301-000 Premiums	2,920	-	2,920	
52303-000 Storage/Fulfillment	21,907	10,500	11,407	109%
54205-000 Retail Content Development-CAC		60,000	(60,000)	-100%
Total 52010-000 Retail & Consumer Promotions	\$ 74,915	\$ 94,500	\$ (19,585)	-21%
52200-000 Data, Research & Analysis				
52202-000 Retail POS Scan Data-IRI	33,016	31,000	2,016	7%
52204-066 Data Analysis & Retail Research-FUSION	55,870	73,250	(17,380)	-24%
52206-086 Inventory Reporting-AVMA	1,350	1,350	-	0%
52211-066 California Avocado Market Analysis-Fusion	47,588	32,000	15,588	49%
52213-066 Retail Support, Consultation, Planning, Program & Data Admin-Fusion	10,719	15,200	(4,481)	-29%
Total 52200-000 Data, Research & Analysis	\$ 148,543	\$ 152,800	\$ (4,258)	-3%
52400-000 Administration & Other				
52140-098 Grower Communications-GingerRoot	1,720	3,760	(2,040)	-54%
52401-000 Travel Expenses - Marketing	14,233	4,000	10,233	256%

52411-000 Office Expenses - Marketing	4,935	7,500	(2,565)	-34%
Total 52400-000 Administration & Other	\$ 20,887	\$ 15,260	\$ 5,627	37%
Total 52000-000 Trade - Retail	\$ 598,968	\$ 594,493	\$ 4,475	1%
53000-000 Trade - Foodservice				
53101-070 Public Relations-KC	24,215	43,400	(19,185)	-44%
53103-070 Foodservice Events-KC	36,728	4,200	32,528	774%
53104-000 Chain Promotions	159	-	159	
53104-070 Chain Promotions-KC	29,200	66,700	(37,500)	-56%
53105-070 Culinary Education Program-KC	750	850	(100)	-12%
53801-070 Program Administration Fees-KC	11,600	18,300	(6,700)	-37%
53802-070 Program Administration Expenses-KC	3	30	(27)	-89%
Total 53000-000 Trade - Foodservice	\$ 102,655	\$ 133,480	\$ (30,825)	-23%
54000-000 Consumer Public Relations				
54001-072 Brand Advocates & Chef Partners (PR)-Curious Plot	20,363	25,000	(4,638)	-19%
54102-072 Local Media Outreach/Pitching/Experiential & Reporting (Cision) (PR)-Curious Plot	36,580	40,000	(3,420)	-9%
54206-000 Brand Advocates	291	50,000	(49,709)	-99%
Total 54000-000 Consumer Public Relations	\$ 57,233	\$ 115,000	\$ (57,767)	-50%
59000-000 Marketing Activities Support				
51803-000 Marketing/Planning	820	-	820	
51803-067 Marketing Planning/Special Projects-RoMo	66,625	64,500	2,125	3%
52134-000 Export Program	6,260	5,000	1,260	25%
54201-000 Industry Organization Partnerships-Expenses	179	-	179	
Total 59000-000 Marketing Activities Support	\$ 73,884	\$ 69,500	\$ 4,384	6%
Total 50000-000 Marketing	\$ 1,858,800	\$ 2,316,223	\$ (457,422)	-20%
64000-000 Industry Affairs				
64000-001 Industry Statistics and Information				
64001-000 AMRIC Operation	839	8,100	(7,261)	-90%
64001-130 AMRIC Operation-Hooman Mohammadpour	5,775	5,250	525	10%
64002-000 Crop Forecasting and Analysis	3,119	4,000	(881)	-22%
64002-104 Crop Forecasting And Analysis-Land IQ	37,175	37,175	-	0%
Total 64000-001 Industry Statistics and Information	\$ 46,908	\$ 54,525	\$ (7,617)	-14%
64100-000 Grower Communications				
64105-000 Online Information	1,671	1,800	(129)	-7%
64105-098 Online Information-GingerRoot	7,940	4,950	2,990	60%
64105-099 Online Information-Fishhook		2,400	(2,400)	-100%
64106-000 Publications	551	1,500	(949)	-63%
64106-067 Publications-ROMO	375	1,500	(1,125)	-75%
64106-085 Publications-Fox Wthr	660	660	-	0%
64106-098 Publications-GingerRoot	4,220	7,500	(3,280)	-44%
64106-118 Publications-Champ	16,067	36,000	(19,933)	-55%
64107-000 Annual Meeting	2,196	2,200	(4)	0%
64108-000 Annual Report		8,500	(8,500)	-100%
64108-098 Annual Report-GingerRoot	2,060	6,500	(4,440)	-68%
Total 64100-000 Grower Communications	\$ 35,740	\$ 73,510	\$ (37,770)	-51%
64200-000 Issues Management				
64202-000 Field/Technical Support	33,291	33,000	291	1%
64204-000 Research Program Coordination & Outreach	50,008	50,000	8	0%
64206-000 Legislative & Regulatory Advocacy	18,305	18,500	(195)	-1%
64211-000 Sustainability Project	1,312	1,400	(88)	-6%
Total 64200-000 Issues Management	\$ 102,916	\$ 102,900	\$ 16	0%
64300-000 Legal & Governance				
64301-000 Elections		1,000	(1,000)	-100%
64302-000 Legal Support	66,276	49,800	16,476	33%
Total 64300-000 Legal & Governance	\$ 66,276	\$ 50,800	\$ 15,476	30%
64400-000 Demonstration Grove				
64401-000 Pine Tree - Rent	500	12,450	(11,950)	-96%
64402-000 Pine Tree - Grove Management	10,466	15,800	(5,334)	-34%
64403-000 Pine Tree - Utilities	(3,353)	2,700	(6,053)	-224%
64404-000 Pine Tree - Property Tax & Insurance	473	1,260	(787)	-62%
64405-000 Pine Tree - Miscellaneous Expense	857	-	857	
64406-000 Pine Tree - Crop Harvesting	20,201	12,000	8,201	68%
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%
Total 64400-000 Demonstration Grove	\$ 29,142	\$ 47,365	\$ (18,223)	-38%
64500-000 Education & Outreach				
64501-000 Field Meetings, Seminars & Workshops	699	750	(51)	-7%
64502-000 Pine Tree Ranch Field Days		675	(675)	-100%
Total 64500-000 Education & Outreach	\$ 699	\$ 1,425	\$ (726)	-51%
64800-000 Other Industry Affairs				
64801-000 Coalition Dues, Sponsorships , Registrations & Rep	15,750	15,600	150	1%
64801-086 Industry Reports-AVMA	200	240	(40)	-17%
64803-000 Travel Expenses - Industry Affairs	8,014	18,000	(9,986)	-55%
64804-000 Office Expenses - Industry Affairs	544	4,500	(3,956)	-88%
64901-000 Misc IA Exps (Theft Reward)	3,626	4,300	(674)	-16%
Total 64800-000 Other Industry Affairs	\$ 28,134	\$ 42,640	\$ (14,506)	-34%
Total 64000-000 Industry Affairs	\$ 309,814	\$ 373,165	\$ (63,351)	-17%
65000-000 Production Research				
65200-000 Breeding, Varieties & Genetics				
65215-000 Commercial-Scale Field Testing of Advanced Rootstock	22,407	-	22,407	
Total 65200-000 Breeding, Varieties & Genetics	\$ 22,407	\$ -	\$ 22,407	
Total 65000-000 Production Research	\$ 22,407	\$ -	\$ 22,407	
66010-000 Grant Programs				
66015-000 Export Marketing				
66020-000 USDA Grant - FAS MAP Korea	19,392	-	19,392	
66021-000 USDA Grant - FAS MAP China	43,399	-	43,399	
Total 66015-000 Export Marketing	\$ 62,791	\$ -	\$ 62,791	
Total 66010-000 Grant Programs	\$ 62,791	\$ -	\$ 62,791	
70000-000 Operations				
71100-000 Office Expense				
71101-000 Office Rent - CAC Mauchly, Irvine	-	64,851	(64,851)	-100%
71102-000 Rent-CAM, Ins, Prop Tax	14,771	12,810	1,961	15%
71104-000 Rent-Offsite Storage	3,953	4,650	(697)	-15%
71111-000 Insurance-Liability	76,683	93,084	(16,401)	-18%
71121-000 Office Expenses - Operations	1,126	1,800	(674)	-37%
71122-000 Office Supplies	554	1,800	(1,246)	-69%
71123-000 Janitorial	2,914	3,650	(736)	-20%
71131-000 Office Utilities	5,462	6,300	(838)	-13%
71141-000 Bank & Payroll Fees	4,449	7,890	(3,441)	-44%
71151-000 Equipment Maintenance & Expense	3,008	9,300	(6,292)	-68%
71161-000 Telephone	3,986	3,960	26	1%
71162-000 Employee Communication Expense	7,200	7,200	-	0%
71181-000 Postage & Courier Service	610	860	(250)	-29%
Total 71100-000 Office Expense	\$ 124,717	\$ 218,155	\$ (93,438)	-43%
71200-000 Professional Fees				
71201-000 CPA-Financial Audits	47,722	40,000	7,722	19%
71207-000 CDFA Fiscal and Compliance Audit		14,500	(14,500)	-100%
71211-000 Calif. Department of Food & Ag.-CDFA	39,638	40,980	(1,342)	-3%
71221-000 Dept. of Ag-USDA/AMS	25,209	30,000	(4,791)	-16%
71235-000 Legal-Ballard/Rosenberg-Labor Issues	540	-	540	
71236-000 Outsourced Accounting	87,534	75,000	12,534	17%
78301-000 Pension Adm & Legal	12,151	22,800	(10,649)	-47%
Total 71200-000 Professional Fees	\$ 212,794	\$ 223,280	\$ (10,486)	-5%
71300-000 Personnel Expenses				
71301-000 Salaries/Wages				
71302-000 Salaries/Wages - IA & Ops	303,627	299,220	4,407	1%
71303-000 Salaries/Wages - Marketing	344,343	356,400	(12,057)	-3%
Total 71301-000 Salaries/Wages	\$ 647,970	\$ 655,620	\$ (7,650)	-1%
71311-000 Pension Expense				
71312-000 Pension Expense - IA & Ops	36,121	29,922	6,199	21%
71313-000 Pension Expense - Marketing	15,908	28,890	(12,982)	-45%
Total 71311-000 Pension Expense	\$ 52,029	\$ 58,812	\$ (6,783)	-12%
71321-000 Payroll Tax & Work Comp				
71322-000 Payroll Tax & Work Comp - IA & Ops	27,297	23,622	3,675	16%
71323-000 Payroll Tax & Work Comp - Marketing	27,508	26,742	766	3%
Total 71321-000 Payroll Tax & Work Comp	\$ 54,805	\$ 50,364	\$ 4,441	9%

71331-000 Benefits				
71332-000 Benefits - IA & Ops	56,652	80,438	(23,786)	-30%
71333-000 Benefits - Marketing	56,520	66,898	(10,378)	-16%
Total 71331-000 Benefits	\$ 113,172	\$ 147,336	\$ (34,164)	-23%
Total 71300-000 Personnel Expenses	\$ 867,976	\$ 912,132	\$ (44,156)	-5%
71400-000 Commissioner Expenses				
71403-000 Travel Expenses - Board Members	1,866	20,000	(18,134)	-91%
71404-000 Board Meeting Expenses	2,417	19,750	(17,333)	-88%
71405-000 HAB BOLD Participation	1,943	-	1,943	
Total 71400-000 Commissioner Expenses	\$ 6,226	\$ 39,750	\$ (33,524)	-84%
73000-000 Information Technology				
73001-000 Network Maintenance	19,275	17,460	1,815	10%
73002-000 Network Hardware, Software & Licenses	11,524	6,682	4,842	72%
73003-000 IT Support & Consulting	11,923	9,240	2,683	29%
73004-000 Accounting & Assessment System	14,761	4,600	10,161	221%
73005-000 IT Services	3,280	4,920	(1,640)	-33%
Total 73000-000 Information Technology	\$ 60,764	\$ 42,902	\$ 17,862	42%
78000-000 Depreciation, Interest & Other Operations				
78101-000 Travel Expenses - Operations	406	-	406	
78501-000 Dues, Education, Training, Recruitment & Other	133	-	133	
79001-000 Amortization Expense	79,631	-	79,631	
79100-000 Interest Expense	1,430	-	1,430	
Total 78000-000 Depreciation, Interest & Other Operations	\$ 81,599	\$ -	\$ 81,599	
Total 70000-000 Operations	\$ 1,354,076	\$ 1,436,219	\$ (82,143)	-6%
Total Expenditures	\$ 3,607,889	\$ 4,125,607	\$ (517,718)	-13%
Net Revenue	\$ (537,729)	\$ (1,150,708)	\$ 612,978	-53%



California Avocado Commission

MONTHLY REPORT

May 2024



SIGNATURE
ANALYTICS

EXECUTIVE SUMMARY

CAC Total Revenue has exceeded budget by \$1.3M year-to-date due to larger than expected Year-to-Date Assessment Revenue. Although the timing of the harvest had been slightly delayed, it has exceeded expectations with 67.9M lbs harvested in May alone. CAC and HAB Assessment revenue exceeded budget by \$1.1M and \$301K, respectively. Pine Tree Ranch Crop revenue, however, is down \$40K to plan due to the timing of the harvest.

On the expense side, Marketing expenses accounted for \$2.7M of the total \$4.7M in expenses and were \$519K lower than budget due to lower Consumer Marketing costs of \$462K. Marketing expenses overall are currently 56% of total expenses vs. a budget of 60%.

Total Operations expenses at \$1.6M year-to-date consist mainly of Personnel expenses of \$1M and were under budget by \$112K. Operations accounted for 33% of total spending vs. a budget of 32%.

Industry Affairs & Production Research expenses of \$366K were under the budget by \$66K due to lower than expected Grower Communication costs (\$44K), Travel (\$13K), and Industry Statistics and Information costs (\$10K). Industry Affairs & Production Research accounted for 7.7% of total spending vs. a budget of 8.2%.

Overall, the organization experienced a \$1.35M surplus as compared to a \$528K budgeted deficit. This \$1.88M variance is driven by larger than expected harvest driving \$1.3M in additional assessment revenue. That combined with the lower than expected Consumer Marketing costs is producing favorable financial results overall. At 5.31.24 the total cash balance is \$5.5M.

Crop Information

For the period of November 2023 through April 2024, CAC assessment reports indicate 72.2M pounds of California avocados (all varieties) were harvested at an average price per pound of \$1.264. Approximately 67.9M pounds were reported to AMRIC as harvested in May 2024 with an estimated average price per pound of \$1.296. This would bring the total estimated harvested through May 2024 to 140M pounds at an average price per pound of \$1.28.

Laura Bertagnolli

Laura M. Bertagnolli
Consulting CFO

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April Aymanami
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Key Performance Indicators (KPIs)

California Avocado Commission

	FY2024 YTD	FY2024 YTD Budget	vs Budget
Total Revenue	\$6,079,043	\$4,758,804	28%
Surplus/(Deficit)	\$1,349,195	-\$528,294	-355%
Marketing Expense %	56.4%	60.2%	-3.9%
Operation Expense %	33.0%	31.6%	1.4%
Industry Affairs Expense %	7.7%	8.2%	-0.4%
Mktg Exp % of Revenue	44%	67%	-23%
Op Exp % of Revenue	26%	35%	-9%
Ind Aff Exp % of Revenue	6%	9%	-3%
Cash on Hand	\$5,482,373		
Current Ratio	7.91:1		

California Avocado Commission
Statement of Financial Position
As of May 31, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
10001-000 Petty Cash	240
10010-000 BMO Checking (5241) - CAC	1,468,823
10110-000 BMO Money Market (5407) - CAC	4,002,370
10210-000 Cash - LAIF - CAC	10,940
Total Bank Accounts	5,482,373
Accounts Receivable	
12901-000 Misc Receivables (A/R)	8,800
Total Accounts Receivable	8,800
Other Current Assets	
11001-000 CAC Assessment Receivable	1,880,100
11002-000 HAB Assessment Receivable	2,190,500
12004-000 Due from Avocado Inspection Program	2,490
12701-000 Grant Receivable	235,931
13001-000 Prepaid Deposits	22,185
13002-000 Prepaid Expenses	68,562
Total Other Current Assets	4,399,767
Total Current Assets	9,890,940
Fixed Assets	
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
Total Fixed Assets	0
Other Assets	
16001-000 Mauchly Office Lease	634,985
16002-000 Mauchly Amortization	-447,628
16003-000 Pine Tree Lease	117,985
16004-000 Pine Tree Amortization	-3,933
16101-000 Quadient Capital Lease	3,436
16102-000 Quadient Amortization	-2,291
16105-000 CBE 2022 Sharp Capital Lease	13,544
16106-000 CBE 2022 Sharp Amortization	-4,449

16109-000 CBE 2022 Ricoh Capital Lease	13,653
16110-000 CBE 2022 Ricoh Amortization	-5,689
Total Other Assets	319,613
TOTAL ASSETS	10,210,553
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20001-000 Accounts Payable (A/P)	813,222
Total Accounts Payable	813,222
Other Current Liabilities	
20101-000 Accrued Expenses	224,542
21021-000 Vacation Payable - Short Term	56,097
24001-000 ST Lease Liability - LACA1	131,661
24002-000 ST Lease Liability - CAPO1	14,363
24101-000 ST Lease Liability - MAFI1	1,086
24103-000 ST Lease Liability - CBE 2022 Sharp	5,245
24105-000 ST Lease Liability - CBE 2022 Ricoh	4,744
Total Other Current Liabilities	437,739
Total Current Liabilities	1,250,961
Long-Term Liabilities	
28011-000 LT Lease Liability - CAPO1	100,508
28110-000 LT Lease Liability - MAFI1	92
28111-000 LT Lease Liability - LACA1	66,896
28112-000 LT Lease Liability - CBE 2022 Sharp	4,069
28114-000 LT Lease Liability - CBE 2022 Ricoh	3,429
Total Long-Term Liabilities	174,994
Total Liabilities	1,425,956
Equity	
32000-000 Retained Earnings	4,441,572
32010-000 Net Assets	
32011-000 Net Assets-Restricted for Marketing	2,951,115
32012-000 Net Assets-Invested in Leased Assets	42,715
Total 32010-000 Net Assets	2,993,831
Net Revenue	1,349,195
Total Equity	8,784,597
TOTAL LIABILITIES AND EQUITY	10,210,553

California Avocado Commission
Statement of Activities - Summary
 May 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
Revenue				
40001-000 CAC Assessment Revenue-Current Year	3,651,597	2,567,323	1,084,274	42%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	2,348,308	2,047,400	300,907	15%
40012-000 HAB Rebate Assess. Revenue-Prior Year	(3,480)	-	(3,480)	
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	35,581	(10,166)	-29%
48001-000 Interest Income	5,870	3,500	2,370	68%
48003-000 Other - Pine Tree Ranch Crop Income	34,565	75,000	(40,435)	-54%
48009-000 Other Income - Misc	47	-	47	
48009-118 Other Income - From the Grove	15,500	30,000	(14,500)	-48%
Total Revenue	\$ 6,079,043	\$ 4,758,804	\$ 1,320,239	28%
Gross Profit	\$ 6,079,043	\$ 4,758,804	\$ 1,320,239	28%
Expenditures				
50000-000 Marketing				
51000-000 Consumer Marketing				
Total 51000-000 Consumer Marketing	\$ 1,472,499	\$ 1,934,084	\$ (461,585)	-24%
Total 52000-001 Trade Relations	\$ 395,769	\$ 409,753	\$ (13,983)	-3%
Total 52010-000 Retail & Consumer Promotions	\$ 228,689	\$ 219,500	\$ 9,189	4%
Total 52200-000 Data, Research & Analysis	\$ 178,379	\$ 178,725	\$ (346)	0%
Total 52400-000 Administration & Other	\$ 28,174	\$ 19,080	\$ 9,094	48%
Total 52000-000 Trade - Retail	\$ 831,011	\$ 827,058	\$ 3,954	0%
Total 53000-000 Trade - Foodservice	\$ 205,512	\$ 202,685	\$ 2,827	1%
Total 54000-000 Consumer Public Relations	\$ 72,146	\$ 140,000	\$ (67,854)	-48%
Total 59000-000 Marketing Activities Support	\$ 84,455	\$ 80,750	\$ 3,705	5%
Total 50000-000 Marketing	\$ 2,665,623	\$ 3,184,577	\$ (518,954)	-16%
64000-000 Industry Affairs				
Total 64000-001 Industry Statistics and Information	\$ 48,398	\$ 58,400	\$ (10,002)	-17%
Total 64100-000 Grower Communications	\$ 49,603	\$ 93,820	\$ (44,217)	-47%
Total 64200-000 Issues Management	\$ 118,142	\$ 117,200	\$ 942	1%
Total 64300-000 Legal & Governance	\$ 81,349	\$ 59,100	\$ 22,249	38%
Total 64400-000 Demonstration Grove	\$ 37,037	\$ 53,300	\$ (16,263)	-31%
Total 64500-000 Education & Outreach	\$ 816	\$ 1,425	\$ (610)	-43%
Total 64800-000 Other Industry Affairs	\$ 31,090	\$ 48,930	\$ (17,840)	-36%
Total 64000-000 Industry Affairs	\$ 366,433	\$ 432,175	\$ (65,742)	-15%
65000-000 Production Research				
Total 65000-000 Production Research	\$ 44,814	\$ -	\$ 44,814	
66010-000 Grant Programs				
Total 66010-000 Grant Programs	\$ 94,306	\$ -	\$ 94,306	
70000-000 Operations				
Total 71100-000 Office Expense	\$ 135,776	\$ 238,842	\$ (103,066)	-43%
Total 71200-000 Professional Fees	\$ 245,553	\$ 277,285	\$ (31,732)	-11%
71300-000 Personnel Expenses				
Total 71301-000 Salaries/Wages	\$ 757,114	\$ 764,890	\$ (7,776)	-1%
Total 71311-000 Pension Expense	\$ 61,818	\$ 68,614	\$ (6,796)	-10%
Total 71321-000 Payroll Tax & Work Comp	\$ 63,415	\$ 58,758	\$ 4,657	8%
Total 71331-000 Benefits	\$ 127,210	\$ 161,517	\$ (34,307)	-21%
Total 71300-000 Personnel Expenses	\$ 1,009,557	\$ 1,053,779	\$ (44,222)	-4%
Total 71400-000 Commissioner Expenses	\$ 6,792	\$ 50,500	\$ (43,708)	-87%
Total 73000-000 Information Technology	\$ 65,218	\$ 49,940	\$ 15,278	31%
Total 78000-000 Depreciation, Interest & Other Operations	\$ 95,777	\$ -	\$ 95,777	
Total 70000-000 Operations	\$ 1,558,672	\$ 1,670,346	\$ (111,674)	-7%
Total Expenditures	\$ 4,729,848	\$ 5,287,098	\$ (557,250)	-11%
Net Revenue	\$ 1,349,195	\$ (528,294)	\$ 1,877,488	-355%

California Avocado Commission
Statement of Activities - Detail
 May 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
Revenue				
40001-000 CAC Assessment Revenue-Current Year	3,651,597	2,567,323	1,084,274	42%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	2,348,308	2,047,400	300,907	15%
40012-000 HAB Rebate Assess. Revenue-Prior Year	(3,480)	-	(3,480)	
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	35,581	(10,166)	-29%
48001-000 Interest Income	5,870	3,500	2,370	68%
48003-000 Other - Pine Tree Ranch Crop Income	34,565	75,000	(40,435)	-54%
48009-000 Other Income - Misc	47	-	47	
48009-118 Other Income - From the Grove	15,500	30,000	(14,500)	-48%
Total Revenue	\$ 6,079,043	\$ 4,758,804	\$ 1,320,239	28%
Gross Profit	\$ 6,079,043	\$ 4,758,804	\$ 1,320,239	28%
Expenditures				
50000-000 Marketing				
51000-000 Consumer Marketing				
51001-072 Media Planning & Buying, Media Cost Reporting-Curious Plot	442,452	660,000	(217,548)	-33%
51002-000 Production	1,508	-	1,508	
51002-072 Strategy, Campaign Creative Development & Production-Curious Plot	305,562	315,000	(9,438)	-3%
51004-072 Consumer Marketing - Retail-Curious Plot	336,759	587,251	(250,492)	-43%
51801-072 Account Administration-Curious Plot	153,579	110,833	42,746	39%
55101-000 Email Content	704	-	704	
55101-072 Consumer Email Marketing-Curious Plot	79,289	96,500	(17,211)	-18%
55103-072 Social Media & Content Marketing-Curious Plot	152,646	164,500	(11,854)	-7%
Total 51000-000 Consumer Marketing	\$ 1,472,499	\$ 1,934,084	\$ (461,585)	-24%
52000-000 Trade - Retail				
52000-001 Trade Relations				
52001-066 Trade Advertising-Media-Fusion	65,274	110,000	(44,726)	-41%
52002-066 Trade Advertising-Production-Fusion	35,752	24,600	11,152	45%
52022-000 Dues	18,085	13,505	4,580	34%
52024-000 Sponsorships-Southern California Locations	3,400	1,190	2,210	186%
52042-000 Conventions	21,005	-	21,005	
52043-000 Booth Storage	304	608	(304)	-50%
52052-081 Program Admin/Strategy/Planning-PJ/PR	14,500	14,500	-	0%
52053-081 Retail Communications - Retail Resources-Fees-PJ/PR	8,000	8,000	-	0%
52055-081 Key Account Marketing Communications-Fees-PJ/PR	94,150	94,150	-	0%
52071-075 Key Account Coverage-TX/MW/SE-Anderson	47,800	55,700	(7,900)	-14%
52075-013 Key Account Coverage-SW/NW-Becker	87,500	87,500	-	0%
Total 52000-001 Trade Relations	\$ 395,769	\$ 409,753	\$ (13,983)	-3%
52010-000 Retail & Consumer Promotions				
52113-000 Co-Marketing Photo Shoot	2,087	13,000	(10,913)	-84%
52124-000 Retail Performance Programs-Retail Promotions	46,828	66,000	(19,172)	-29%
52125-000 Retail Brand Awareness Programs	100,000	-	100,000	
52129-000 Retailer Social Media Advertising Support	1,000	10,000	(9,000)	-90%
52132-000 Retail Identity Programs-Display Bins	45,281	55,000	(9,719)	-18%
52301-000 Premiums	2,920	-	2,920	
52303-000 Storage/Fulfillment	14,073	15,500	(1,427)	-9%
54205-000 Retail Content Development-CAC	16,501	60,000	(43,500)	-72%
Total 52010-000 Retail & Consumer Promotions	\$ 228,689	\$ 219,500	\$ 9,189	4%
52200-000 Data, Research & Analysis				
52202-000 Retail POS Scan Data-IRI	49,523	46,500	3,023	7%
52204-066 Data Analysis & Retail Research-FUSION	59,287	76,250	(16,963)	-22%
52206-086 Inventory Reporting-AVMA	1,575	1,575	-	0%
52211-066 California Avocado Market Analysis-Fusion	47,588	32,500	15,088	46%
52213-066 Retail Support, Consultation, Planning, Program & Data Admin-Fusion	20,405	21,900	(1,495)	-7%
Total 52200-000 Data, Research & Analysis	\$ 178,379	\$ 178,725	\$ (346)	0%
52400-000 Administration & Other				
52140-098 Grower Communications-GingerRoot	2,280	5,080	(2,800)	-55%
52401-000 Travel Expenses - Marketing	15,474	5,500	9,974	181%
52411-000 Office Expenses - Marketing	10,421	8,500	1,921	23%

Total 52400-000 Administration & Other	\$	28,174	\$	19,080	\$	9,094	48%
Total 52000-000 Trade - Retail	\$	831,011	\$	827,058	\$	3,954	0%
53000-000 Trade - Foodservice							
53101-070 Public Relations-KC		44,837		48,900		(4,063)	-8%
53103-000 Foodservice Events		767		-		767	
53103-070 Foodservice Events-KC		101,835		52,200		49,635	95%
53104-000 Chain Promotions		169		-		169	
53104-070 Chain Promotions-KC		40,000		78,600		(38,600)	-49%
53105-070 Culinary Education Program-KC		900		1,150		(250)	-22%
53801-070 Program Administration Fees-KC		17,000		21,800		(4,800)	-22%
53802-070 Program Administration Expenses-KC		4		35		(31)	-88%
Total 53000-000 Trade - Foodservice	\$	205,512	\$	202,685	\$	2,827	1%
54000-000 Consumer Public Relations							
54001-072 Brand Advocates & Chef Partners (PR)-Curious Plot		21,704		25,000		(3,296)	-13%
54102-072 Local Media Outreach/Pitching/Experiential & Reporting (Cision) (PR)-Curious Plot		49,894		40,000		9,894	25%
54206-000 Brand Advocates		548		75,000		(74,453)	-99%
Total 54000-000 Consumer Public Relations	\$	72,146	\$	140,000	\$	(67,854)	-48%
59000-000 Marketing Activities Support							
51803-000 Marketing/Planning		820		500		320	64%
51803-067 Marketing Planning/Special Projects-RoMo		77,375		75,250		2,125	3%
52134-000 Export Program		6,260		5,000		1,260	25%
Total 59000-000 Marketing Activities Support	\$	84,455	\$	80,750	\$	3,705	5%
Total 50000-000 Marketing	\$	2,665,623	\$	3,184,577	\$	(518,954)	-16%
64000-000 Industry Affairs							
64000-001 Industry Statistics and Information							
64001-000 AMRIC Operation		929		9,450		(8,521)	-90%
64001-130 AMRIC Operation-Hooman Mohammadpour		6,675		6,125		550	9%
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%
Total 64000-001 Industry Statistics and Information	\$	48,398	\$	58,400	\$	(10,002)	-17%
64100-000 Grower Communications							
64105-000 Online Information		1,748		2,100		(352)	-17%
64105-098 Online Information-GingerRoot		10,040		5,775		4,265	74%
64105-099 Online Information-Fishhook				2,800		(2,800)	-100%
64106-000 Publications		609		1,750		(1,141)	-65%
64106-067 Publications-ROMO		750		1,500		(750)	-50%
64106-085 Publications-Fox Wthr		770		770		-	0%
64106-098 Publications-GingerRoot		5,520		8,125		(2,605)	-32%
64106-118 Publications-Champ		16,067		36,000		(19,933)	-55%
64107-000 Annual Meeting		12,039		20,000		(7,961)	-40%
64108-000 Annual Report				8,500		(8,500)	-100%
64108-098 Annual Report-GingerRoot		2,060		6,500		(4,440)	-68%
Total 64100-000 Grower Communications	\$	49,603	\$	93,820	\$	(44,217)	-47%
64200-000 Issues Management							
64202-000 Field/Technical Support		37,198		36,000		1,198	3%
64204-000 Research Program Coordination & Outreach		58,008		58,000		8	0%
64206-000 Legislative & Regulatory Advocacy		21,624		21,800		(176)	-1%
64211-000 Sustainability Project		1,312		1,400		(88)	-6%
Total 64200-000 Issues Management	\$	118,142	\$	117,200	\$	942	1%
64300-000 Legal & Governance							
64301-000 Elections		830		1,000		(170)	-17%
64302-000 Legal Support		80,518		58,100		22,418	39%
Total 64300-000 Legal & Governance	\$	81,349	\$	59,100	\$	22,249	38%
64400-000 Demonstration Grove							
64401-000 Pine Tree - Rent		500		14,525		(14,025)	-97%
64402-000 Pine Tree - Grove Management		14,563		19,000		(4,438)	-23%
64403-000 Pine Tree - Utilities		(3,353)		3,150		(6,503)	-206%
64404-000 Pine Tree - Property Tax & Insurance		473		1,470		(997)	-68%
64405-000 Pine Tree - Miscellaneous Expense		857		-		857	
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%
Total 64400-000 Demonstration Grove	\$	37,037	\$	53,300	\$	(16,263)	-31%
64500-000 Education & Outreach							
64501-000 Field Meetings, Seminars & Workshops		816		750		66	9%

64502-000 Pine Tree Ranch Field Days		675	(675)	-100%
Total 64500-000 Education & Outreach	\$ 816	\$ 1,425	\$ (610)	-43%
64800-000 Other Industry Affairs				
64801-000 Coalition Dues, Sponsorships , Registrations & Rep	18,250	18,100	150	1%
64801-086 Industry Reports-AVMA	240	280	(40)	-14%
64803-000 Travel Expenses - Industry Affairs	8,375	21,000	(12,625)	-60%
64804-000 Office Expenses - Industry Affairs	600	5,250	(4,650)	-89%
64901-000 Misc IA Exps (Theft Reward)	3,626	4,300	(674)	-16%
Total 64800-000 Other Industry Affairs	\$ 31,090	\$ 48,930	\$ (17,840)	-36%
Total 64000-000 Industry Affairs	\$ 366,433	\$ 432,175	\$ (65,742)	-15%
65000-000 Production Research				
65200-000 Breeding, Varieties & Genetics				
65215-000 Commercial-Scale Field Testing of Advanced Rootstock	44,814	-	44,814	
Total 65200-000 Breeding, Varieties & Genetics	\$ 44,814	\$ -	\$ 44,814	
Total 65000-000 Production Research	\$ 44,814	\$ -	\$ 44,814	
66010-000 Grant Programs				
66015-000 Export Marketing				
66020-000 USDA Grant - FAS MAP Korea	43,279	-	43,279	
66021-000 USDA Grant - FAS MAP China	51,027	-	51,027	
Total 66015-000 Export Marketing	\$ 94,306	\$ -	\$ 94,306	
Total 66010-000 Grant Programs	\$ 94,306	\$ -	\$ 94,306	
70000-000 Operations				
71100-000 Office Expense				
71101-000 Office Rent - CAC Mauchly, Irvine	-	75,718	(75,718)	-100%
71102-000 Rent-CAM, Ins, Prop Tax	17,380	14,945	2,435	16%
71104-000 Rent-Offsite Storage	4,612	5,425	(813)	-15%
71111-000 Insurance-Liability	79,234	93,084	(13,850)	-15%
71121-000 Office Expenses - Operations	1,433	2,000	(567)	-28%
71122-000 Office Supplies	554	2,100	(1,546)	-74%
71123-000 Janitorial	3,388	4,175	(787)	-19%
71131-000 Office Utilities	6,148	7,350	(1,202)	-16%
71141-000 Bank & Payroll Fees	5,563	9,205	(3,642)	-40%
71151-000 Equipment Maintenance & Expense	3,560	10,400	(6,840)	-66%
71161-000 Telephone	4,649	4,620	29	1%
71162-000 Employee Communication Expense	8,400	8,400	-	0%
71181-000 Postage & Courier Service	855	1,420	(565)	-40%
Total 71100-000 Office Expense	\$ 135,776	\$ 238,842	\$ (103,066)	-43%
71200-000 Professional Fees				
71201-000 CPA-Financial Audits	47,722	40,000	7,722	19%
71203-000 CPA-Assessment Audits		28,500	(28,500)	-100%
71207-000 CDFA Fiscal and Compliance Audit		14,500	(14,500)	-100%
71211-000 Calif. Department of Food & Ag.-CDFA	46,409	47,810	(1,401)	-3%
71221-000 Dept. of Ag-USDA/AMS	29,426	35,000	(5,574)	-16%
71235-000 Legal-Ballard/Rosenberg-Labor Issues	540	-	540	
71236-000 Outsourced Accounting	108,403	87,500	20,903	24%
78301-000 Pension Adm & Legal	13,054	23,975	(10,921)	-46%
Total 71200-000 Professional Fees	\$ 245,553	\$ 277,285	\$ (31,732)	-11%
71300-000 Personnel Expenses				
71301-000 Salaries/Wages				
71302-000 Salaries/Wages - IA & Ops	353,607	349,090	4,517	1%
71303-000 Salaries/Wages - Marketing	403,507	415,800	(12,293)	-3%
Total 71301-000 Salaries/Wages	\$ 757,114	\$ 764,890	\$ (7,776)	-1%
71311-000 Pension Expense				
71312-000 Pension Expense - IA & Ops	41,119	34,909	6,210	18%
71313-000 Pension Expense - Marketing	20,700	33,705	(13,005)	-39%
Total 71311-000 Pension Expense	\$ 61,818	\$ 68,614	\$ (6,796)	-10%
71321-000 Payroll Tax & Work Comp				
71322-000 Payroll Tax & Work Comp - IA & Ops	31,249	27,559	3,690	13%
71323-000 Payroll Tax & Work Comp - Marketing	32,166	31,199	967	3%
Total 71321-000 Payroll Tax & Work Comp	\$ 63,415	\$ 58,758	\$ 4,657	8%
71331-000 Benefits				
71332-000 Benefits - IA & Ops	63,471	88,311	(24,840)	-28%
71333-000 Benefits - Marketing	63,739	73,206	(9,467)	-13%
Total 71331-000 Benefits	\$ 127,210	\$ 161,517	\$ (34,307)	-21%
Total 71300-000 Personnel Expenses	\$ 1,009,557	\$ 1,053,779	\$ (44,222)	-4%
71400-000 Commissioner Expenses				

71403-000 Travel Expenses - Board Members	2,431	30,000	(27,569)	-92%
71404-000 Board Meeting Expenses	2,417	20,500	(18,083)	-88%
71405-000 HAB BOLD Participation	1,943	-	1,943	
Total 71400-000 Commissioner Expenses	\$ 6,792	\$ 50,500	\$ (43,708)	-87%
73000-000 Information Technology				
73001-000 Network Maintenance	21,600	20,966	634	3%
73002-000 Network Hardware, Software & Licenses	12,497	7,154	5,343	75%
73003-000 IT Support & Consulting	12,044	10,780	1,264	12%
73004-000 Accounting & Assessment System	14,728	5,300	9,428	178%
73005-000 IT Services	4,350	5,740	(1,390)	-24%
Total 73000-000 Information Technology	\$ 65,218	\$ 49,940	\$ 15,278	31%
78000-000 Depreciation, Interest & Other Operations				
78101-000 Travel Expenses - Operations	406	-	406	
78401-000 Membership Dues & Registration	264	-	264	
78501-000 Dues, Education, Training, Recruitment & Other	133	-	133	
79001-000 Amortization Expense	92,906	-	92,906	
79100-000 Interest Expense	2,069	-	2,069	
Total 78000-000 Depreciation, Interest & Other Operations	\$ 95,777	\$ -	\$ 95,777	
Total 70000-000 Operations	\$ 1,558,672	\$ 1,670,346	\$ (111,674)	-7%
Total Expenditures	\$ 4,729,848	\$ 5,287,098	\$ (557,250)	-11%
Net Revenue	\$ 1,349,195	\$ (528,294)	\$ 1,877,488	-355%



California Avocado Commission

MONTHLY REPORT

June 2024



SIGNATURE
ANALYTICS

EXECUTIVE SUMMARY

CAC Total Revenue has exceeded budget by \$2.8M year-to-date due to larger than expected Year-to-Date Assessment Revenue. Although the timing of the harvest had been slightly delayed, it has exceeded expectations with 72.6M lbs harvested in June alone. CAC and HAB Assessment revenue exceeded budget by \$1.7M and \$1M, respectively. Pine Tree Ranch Crop revenue has also exceeded budget by \$47K.

On the expense side, Marketing expenses accounted for \$3.4M of the total \$5.7M in expenses and were \$731K lower than budget due to lower Consumer Marketing costs of \$417K and Retail & Consumer Promotions of \$308K. Marketing expenses overall are currently 59% of total expenses vs. a budget of 63%.

Total Operations expenses at \$1.8M year-to-date consist mainly of Personnel expenses of \$1.2M and were under budget by \$43K. Operations accounted for 31% of total spending vs. a budget of 29%.

Industry Affairs expenses of \$426K were under the budget by \$54K due to lower than expected Grower Communication costs (\$31K), Travel (\$11K), and Industry Statistics and Information costs (\$11K). Industry Affairs accounted for 7.4% of total spending vs. a budget of 7.3%.

Overall, the organization experienced a \$3.6M surplus as compared to a \$17K budgeted surplus. This \$3.6M variance is driven by the larger than expected harvest, at a higher value than budgeted, driving \$2.8M in additional assessment revenue. That combined with the lower than expected Consumer Marketing costs is producing favorable financial results overall. At June 30, 2024 the total cash balance is \$6.9M.

Crop Information

For the period of November 2023 through May 2024, CAC assessment reports indicate 140.1M pounds of California avocados (all varieties) were harvested at an average price per pound of \$1.26. Approximately 72.6M pounds were reported to AMRIC as harvested in June 2024 with an estimated average price per pound of \$1.49. This would bring the total estimated harvested through June 2024 to 212.7M pounds at an average price per pound of \$1.34.

Laura Bertagnolli

Laura M. Bertagnolli
Consulting CFO

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Key Performance Indicators (KPIs)

California Avocado Commission

	FY2024 YTD	FY2024 YTD Budget	vs Budget
Total Revenue	\$9,396,501	\$6,581,979	43%
Surplus/(Deficit)	\$3,650,420	\$17,041	21322%
Marketing Expense %	59.2%	62.9%	-3.7%
Operation Expense %	30.9%	28.5%	2.5%
Industry Affairs Expense %	7.4%	7.3%	0.1%
Mktg Exp % of Revenue	36%	63%	-27%
Op Exp % of Revenue	19%	28%	-9%
Ind Aff Exp % of Revenue	5%	7%	-3%
Cash on Hand	\$6,865,622		
Current Ratio	10.73:1		

California Avocado Commission
Statement of Financial Position
As of June 30, 2024

	Total
ASSETS	
Current Assets	
Bank Accounts	
10001-000 Petty Cash	240
10010-000 BMO Checking (5241) - CAC	2,851,415
10110-000 BMO Money Market (5407) - CAC	4,003,026
10210-000 Cash - LAIF - CAC	10,940
Total Bank Accounts	\$ 6,865,622
Accounts Receivable	
12901-000 Misc Receivables (A/R)	27,000
Total Accounts Receivable	\$ 27,000
Other Current Assets	
11001-000 CAC Assessment Receivable	2,312,600
11002-000 HAB Assessment Receivable	2,533,700
12004-000 Due from Avocado Inspection Program	2,823
12701-000 Grant Receivable	235,931
12801-000 Voluntary Life Benefit Receivable	-
13001-000 Prepaid Deposits	11,353
13002-000 Prepaid Expenses	75,786
Misc Receivable (old non-AR)	-
Total Other Current Assets	\$ 5,172,192
Total Current Assets	\$ 12,064,813
Fixed Assets	
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)
Total Fixed Assets	\$ -
Other Assets	
16001-000 Mauchly Office Lease	634,985
16002-000 Mauchly Amortization	(458,037)
16003-000 Pine Tree Lease	117,985
16004-000 Pine Tree Amortization	(5,899)
16101-000 Quadient Capital Lease	3,436
16102-000 Quadient Amortization	(2,379)

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	(4,882)
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	(6,068)
17000-000 Merchandise Shop Inventory	-
Total Other Assets	\$ 306,337
TOTAL ASSETS	\$ 12,371,151
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20001-000 Accounts Payable (A/P)	641,381
Total Accounts Payable	\$ 641,381
Other Current Liabilities	
20002-000 Accounts Payable - Clearing	-
20009-000 Miscellaneous Payable	-
20101-000 Accrued Expenses	269,024
21011-000 Section 125 Payable	-
21021-000 Vacation Payable - Short Term	56,097
21031-000 Deferred Compensation Payable	-
24001-000 ST Lease Liability - LACA1	131,995
24002-000 ST Lease Liability - CAPO1	14,428
24101-000 ST Lease Liability - MAFI1	1,088
24102-000 ST Lease Liability - CBE 2020 Sharp	-
24103-000 ST Lease Liability - CBE 2022 Sharp	5,262
24104-000 ST Lease Liability - CBE 2020 Ricoh	-
24105-000 ST Lease Liability - CBE 2022 Ricoh	4,744
Total Other Current Liabilities	\$ 482,639
Total Current Liabilities	\$ 1,124,020
Long-Term Liabilities	
28011-000 LT Lease Liability - CAPO1	98,876
28110-000 LT Lease Liability - MAFI1	-
28111-000 LT Lease Liability - LACA1	55,756
28112-000 LT Lease Liability - CBE 2022 Sharp	3,623
28114-000 LT Lease Liability - CBE 2022 Ricoh	3,053
Total Long-Term Liabilities	\$ 161,308
Total Liabilities	\$ 1,285,328
Equity	
32000-000 Retained Earnings	4,441,572
32010-000 Net Assets	-

32011-000 Net Assets-Restricted for Marketing		2,951,115
32012-000 Net Assets-Invested in Leased Assets		42,715
32013-000 Net Assets-Unrestricted		-
Total 32010-000 Net Assets	\$	2,993,831
Net Revenue		3,650,420
Total Equity	\$	11,085,823
TOTAL LIABILITIES AND EQUITY	\$	12,371,151

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

	Actual	Budget	Variance (\$)	Variance (%)
Revenue				
40001-000 CAC Assessment Revenue-Current Year	5,346,731	3,608,123	1,738,608	48%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	3,863,904	2,824,192	1,039,712	37%
40012-000 HAB Rebate Assess. Revenue-Prior Year	(3,024)	-	(3,024)	
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	40,664	(15,249)	-38%
48001-000 Interest Income	6,526	4,000	2,526	63%
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	33,700	30,000	3,700	12%
Total Revenue	\$ 9,396,501	\$ 6,581,979	\$ 2,814,521	43%
Gross Profit	\$ 9,396,501	\$ 6,581,979	\$ 2,814,521	43%
Expenditures				
50000-000 Marketing				
51000-000 Consumer Marketing				
Total 51000-000 Consumer Marketing	\$ 1,881,961	\$ 2,299,424	\$ (417,463)	-18%
Total 52000-001 Trade Relations	\$ 480,908	\$ 461,773	\$ 19,135	4%
Total 52010-000 Retail & Consumer Promotions	\$ 309,553	\$ 618,000	\$ (308,447)	-50%
Total 52200-000 Data, Research & Analysis	\$ 207,002	\$ 190,600	\$ 16,402	9%
Total 52400-000 Administration & Other	\$ 36,718	\$ 23,540	\$ 13,178	56%
Total 52000-000 Trade - Retail	\$ 1,034,181	\$ 1,293,913	\$ (259,732)	-20%
Total 53000-000 Trade - Foodservice	\$ 242,412	\$ 275,580	\$ (33,168)	-12%
Total 54000-000 Consumer Public Relations	\$ 145,210	\$ 170,681	\$ (25,471)	-15%
Total 59000-000 Marketing Activities Support	\$ 96,716	\$ 91,500	\$ 5,216	6%
Total 50000-000 Marketing	\$ 3,400,479	\$ 4,131,098	\$ (730,618)	-18%
64000-000 Industry Affairs				
Total 64000-001 Industry Statistics and Information	\$ 49,388	\$ 60,625	\$ (11,237)	-19%
Total 64100-000 Grower Communications	\$ 68,352	\$ 98,955	\$ (30,603)	-31%
Total 64200-000 Issues Management	\$ 137,518	\$ 138,200	\$ (682)	0%
Total 64300-000 Legal & Governance	\$ 91,698	\$ 67,400	\$ 24,298	36%
Total 64400-000 Demonstration Grove	\$ 41,095	\$ 59,235	\$ (18,140)	-31%
Total 64500-000 Education & Outreach	\$ 1,769	\$ 1,675	\$ 94	6%
Total 64800-000 Other Industry Affairs	\$ 36,043	\$ 53,720	\$ (17,677)	-33%
Total 64000-000 Industry Affairs	\$ 425,863	\$ 479,810	\$ (53,947)	-11%
65000-000 Production Research				
Total 65000-000 Production Research	\$ 45,959	\$ 85,145	\$ (39,186)	-46%
66010-000 Grant Programs				
Total 66010-000 Grant Programs	\$ 95,844	\$ -	\$ 95,844	
70000-000 Operations				
71100-000 Office Expense				
Total 71100-000 Office Expense	\$ 147,926	\$ 260,379	\$ (112,453)	-43%
Total 71200-000 Professional Fees	\$ 273,748	\$ 302,790	\$ (29,042)	-10%
Total 71301-000 Salaries/Wages	\$ 867,558	\$ 874,160	\$ (6,602)	-1%
Total 71311-000 Pension Expense	\$ 71,738	\$ 78,416	\$ (6,678)	-9%
Total 71321-000 Payroll Tax & Work Comp	\$ 71,494	\$ 67,152	\$ 4,342	6%
Total 71331-000 Benefits	\$ 141,328	\$ 175,698	\$ (34,370)	-20%
Total 71300-000 Personnel Expenses	\$ 1,152,118	\$ 1,195,426	\$ (43,308)	-4%
Total 71400-000 Commissioner Expenses	\$ 21,182	\$ 53,500	\$ (32,318)	-60%
Total 73000-000 Information Technology	\$ 72,570	\$ 56,791	\$ 15,779	28%
Total 78000-000 Depreciation, Interest & Other Operations	\$ 110,391	\$ -	\$ 110,391	
Total 70000-000 Operations	\$ 1,777,935	\$ 1,868,886	\$ (90,951)	-5%
Total Expenditures	\$ 5,746,081	\$ 6,564,939	\$ (818,858)	-12%
Net Operating Revenue	\$ 3,650,420	\$ 17,041	\$ 3,633,379	21322%
Net Revenue	\$ 3,650,420	\$ 17,041	\$ 3,633,379	21322%

California Avocado Commission
Statement of Activities - Detail
 June 2024 YTD

	Actual	Budget	Variance (\$)	Variance (%)
Revenue				
40001-000 CAC Assessment Revenue-Current Year	5,346,731	3,608,123	1,738,608	48%
40002-000 CAC Assessment Revenue-Prior Year	1,221	-	1,221	
40011-000 HAB Rebate Assess. Revenue-Current Year	3,863,904	2,824,192	1,039,712	37%
40012-000 HAB Rebate Assess. Revenue-Prior Year	(3,024)	-	(3,024)	
42001-000 Accounting/Administration Fee Revenue (AIP)	25,415	40,664	(15,249)	-38%
48001-000 Interest Income	6,526	4,000	2,526	63%
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	33,700	30,000	3,700	12%
Total Revenue	\$ 9,396,501	\$ 6,581,979	\$ 2,814,521	43%
Gross Profit	\$ 9,396,501	\$ 6,581,979	\$ 2,814,521	43%
Expenditures				
50000-000 Marketing				
51000-000 Consumer Marketing				
51001-072 Media Planning & Buying, Media Cost Reporting-Curious Plot	629,091	846,640	(217,549)	-26%
51002-000 Production	2,708	-	2,708	
51002-072 Strategy, Campaign Creative Development & Production-Curious Plot	309,178	318,616	(9,438)	-3%
51004-072 Consumer Marketing - Retail-Curious Plot	494,473	691,127	(196,654)	-28%
51801-072 Account Administration-Curious Plot	171,236	126,666	44,570	35%
55101-000 Email Content	704	-	704	
55101-072 Consumer Email Marketing-Curious Plot	88,928	109,500	(20,572)	-19%
55103-072 Social Media & Content Marketing-Curious Plot	185,643	206,875	(21,232)	-10%
Total 51000-000 Consumer Marketing	\$ 1,881,961	\$ 2,299,424	\$ (417,463)	-18%
52000-000 Trade - Retail				
52000-001 Trade Relations				
52001-066 Trade Advertising-Media-Fusion	94,133	120,000	(25,867)	-22%
52002-066 Trade Advertising-Production-Fusion	35,752	24,600	11,152	45%
52022-000 Dues	21,538	13,505	8,033	59%
52024-000 Sponsorships-Southern California Locations	3,570	1,190	2,380	200%
52042-000 Conventions	18,742	-	18,742	
52043-000 Booth Storage	304	608	(304)	-50%
52052-081 Program Admin/Strategy/Planning-PJ/PR	16,750	16,750	-	0%
52053-081 Retail Communications - Retail Resources-Fees-PJ/PR	8,000	8,000	-	0%
52055-081 Key Account Marketing Communications-Fees-PJ/PR	118,720	113,720	5,000	4%
52071-075 Key Account Coverage-TX/MW/SE-Anderson	63,400	63,400	-	0%
52075-013 Key Account Coverage-SW/NW-Becker	100,000	100,000	-	0%
Total 52000-001 Trade Relations	\$ 480,908	\$ 461,773	\$ 19,135	4%
52010-000 Retail & Consumer Promotions				
52113-000 Co-Marketing Photo Shoot	2,087	13,000	(10,913)	-84%
52124-000 Retail Performance Programs-Retail Promotions	113,385	266,000	(152,615)	-57%
52125-000 Retail Brand Awareness Programs	103,764	150,000	(46,236)	-31%
52129-000 Retailer Social Media Advertising Support	2,250	25,000	(22,750)	-91%
52131-000 Retail Merchandising Services (POS Placement)	-	3,500	(3,500)	-100%
52132-000 Retail Identity Programs-Display Bins	46,674	55,000	(8,326)	-15%
52301-000 Premiums	2,920	-	2,920	
52303-000 Storage/Fulfillment	21,717	20,500	1,217	6%
54205-000 Retail Content Development-CAC	16,756	85,000	(68,244)	-80%
Total 52010-000 Retail & Consumer Promotions	\$ 309,553	\$ 618,000	\$ (308,447)	-50%
52200-000 Data, Research & Analysis				
52202-000 Retail POS Scan Data-IRI	49,523	46,500	3,023	7%
52204-066 Data Analysis & Retail Research-FUSION	63,684	79,500	(15,816)	-20%
52206-086 Inventory Reporting-AVMA	1,800	1,800	-	0%
52211-066 California Avocado Market Analysis-Fusion	47,588	33,000	14,588	44%
52213-066 Retail Support, Consultation, Planning, Program & Data Admin-Fusion	44,406	29,800	14,606	49%
Total 52200-000 Data, Research & Analysis	\$ 207,002	\$ 190,600	\$ 16,402	9%
52400-000 Administration & Other				

52140-098 Grower Communications-GingerRoot	2,980	6,040	(3,060)	-51%
52401-000 Travel Expenses - Marketing	20,588	6,500	14,088	217%
52411-000 Office Expenses - Marketing	13,150	11,000	2,150	20%
Total 52400-000 Administration & Other	\$ 36,718	\$ 23,540	\$ 13,178	56%
Total 52000-000 Trade - Retail	\$ 1,034,181	\$ 1,293,913	\$ (259,732)	-20%
53000-000 Trade - Foodservice				
53101-070 Public Relations-KC	48,681	70,100	(21,419)	-31%
53103-000 Foodservice Events	777	-	777	
53103-070 Foodservice Events-KC	103,357	76,700	26,657	35%
53104-000 Chain Promotions	2,648	-	2,648	
53104-070 Chain Promotions-KC	58,800	101,700	(42,900)	-42%
53105-070 Culinary Education Program-KC	1,110	1,300	(190)	-15%
53801-070 Program Administration Fees-KC	25,900	25,300	600	2%
53802-070 Program Administration Expenses-KC	1,138	480	658	137%
Total 53000-000 Trade - Foodservice	\$ 242,412	\$ 275,580	\$ (33,168)	-12%
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	55,575	45,681	9,894	22%
54206-000 Brand Advocates	62,178	100,000	(37,822)	-38%
Total 54000-000 Consumer Public Relations	\$ 145,210	\$ 170,681	\$ (25,471)	-15%
59000-000 Marketing Activities Support				
51803-000 Marketing/Planning	1,928	500	1,428	286%
51803-067 Marketing Planning/Special Projects-RoMo	88,215	86,000	2,215	3%
52134-000 Export Program	6,260	5,000	1,260	25%
54201-000 Industry Organization Partnerships-Expenses	313	-	313	
Total 59000-000 Marketing Activities Support	\$ 96,716	\$ 91,500	\$ 5,216	6%
Total 50000-000 Marketing	\$ 3,400,479	\$ 4,131,098	\$ (730,618)	-18%
64000-000 Industry Affairs				
64000-001 Industry Statistics and Information				
64001-000 AMRIC Operation	1,019	10,800	(9,781)	-91%
64001-130 AMRIC Operation-Hooman Mohammadpour	7,575	7,000	575	8%
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%
Total 64000-001 Industry Statistics and Information	\$ 49,388	\$ 60,625	\$ (11,237)	-19%
64100-000 Grower Communications				
64105-000 Online Information	1,840	2,400	(560)	-23%
64105-098 Online Information-GingerRoot	10,800	6,600	4,200	64%
64105-099 Online Information-Fishhook		3,200	(3,200)	-100%
64106-000 Publications	722	2,000	(1,278)	-64%
64106-067 Publications-ROMO	750	2,250	(1,500)	-67%
64106-085 Publications-Fox Wthr	880	880	-	0%
64106-098 Publications-GingerRoot	5,980	10,625	(4,645)	-44%
64106-118 Publications-Champ	32,671	36,000	(3,329)	-9%
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	2,060	6,500	(4,440)	-68%
Total 64100-000 Grower Communications	\$ 68,352	\$ 98,955	\$ (30,603)	-31%
64200-000 Issues Management				
64202-000 Field/Technical Support	41,198	41,500	(302)	-1%
64204-000 Research Program Coordination & Outreach	68,382	68,500	(118)	0%
64206-000 Legislative & Regulatory Advocacy	25,726	25,800	(74)	0%
64211-000 Sustainability Project	2,212	2,400	(188)	-8%
Total 64200-000 Issues Management	\$ 137,518	\$ 138,200	\$ (682)	0%
64300-000 Legal & Governance				
64301-000 Elections	830	1,000	(170)	-17%
64302-000 Legal Support	90,868	66,400	24,468	37%
Total 64300-000 Legal & Governance	\$ 91,698	\$ 67,400	\$ 24,298	36%
64400-000 Demonstration Grove				
64401-000 Pine Tree - Rent	500	16,600	(16,100)	-97%
64402-000 Pine Tree - Grove Management	16,311	22,200	(5,889)	-27%
64403-000 Pine Tree - Utilities	(3,260)	3,600	(6,860)	-191%
64404-000 Pine Tree - Property Tax & Insurance	2,372	1,680	692	41%
64405-000 Pine Tree - Miscellaneous Expense	1,175	-	1,175	

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%
Total 64400-000 Demonstration Grove	\$ 41,095	\$ 59,235	\$ (18,140)	-31%
64500-000 Education & Outreach				
64501-000 Field Meetings, Seminars & Workshops	932	1,000	(68)	-7%
64502-000 Pine Tree Ranch Field Days	837	675	162	24%
Total 64500-000 Education & Outreach	\$ 1,769	\$ 1,675	\$ 94	6%
64800-000 Other Industry Affairs				
64801-000 Coalition Dues, Sponsorships , Registrations & Rep	18,650	19,100	(450)	-2%
64801-086 Industry Reports-AVMA	280	320	(40)	-13%
64803-000 Travel Expenses - Industry Affairs	12,735	24,000	(11,265)	-47%
64804-000 Office Expenses - Industry Affairs	733	6,000	(5,267)	-88%
64901-000 Misc IA Exps (Theft Reward)	3,645	4,300	(655)	-15%
Total 64800-000 Other Industry Affairs	\$ 36,043	\$ 53,720	\$ (17,677)	-33%
Total 64000-000 Industry Affairs	\$ 425,863	\$ 479,810	\$ (53,947)	-11%
65000-000 Production Research				
65200-000 Breeding, Varieties & Genetics				
65215-000 Commercial-Scale Field Testing of Advanced Rootstock	44,814	44,814	-	0%
65217-000 CAL POLY - Commercial-scale field testing and potential release of five elite advanced rootstocks	1,145	6,804	(5,659)	-83%
Total 65200-000 Breeding, Varieties & Genetics	\$ 45,959	\$ 51,618	\$ (5,659)	-11%
65300-000 Cultural Management				
65323-000 Develop tools and info on crop water use		33,527	(33,527)	-100%
Total 65300-000 Cultural Management	\$ -	\$ 33,527	\$ (33,527)	-100%
Total 65000-000 Production Research	\$ 45,959	\$ 85,145	\$ (39,186)	-46%
66010-000 Grant Programs				
66015-000 Export Marketing				
66020-000 USDA Grant - FAS MAP Korea	43,279	-	43,279	
66021-000 USDA Grant - FAS MAP China	52,565	-	52,565	
Total 66015-000 Export Marketing	\$ 95,844	\$ -	\$ 95,844	
Total 66010-000 Grant Programs	\$ 95,844	\$ -	\$ 95,844	
70000-000 Operations				
71100-000 Office Expense				
71101-000 Office Rent - CAC Mauchly, Irvine	(0)	86,585	(86,585)	-100%
71102-000 Rent-CAM, Ins, Prop Tax	19,989	17,080	2,909	17%
71104-000 Rent-Offsite Storage	5,271	6,200	(929)	-15%
71111-000 Insurance-Liability	81,785	93,084	(11,299)	-12%
71121-000 Office Expenses - Operations	1,517	2,200	(683)	-31%
71122-000 Office Supplies	1,712	2,400	(688)	-29%
71123-000 Janitorial	3,934	4,700	(766)	-16%
71131-000 Office Utilities	7,043	8,400	(1,357)	-16%
71141-000 Bank & Payroll Fees	6,750	10,520	(3,770)	-36%
71151-000 Equipment Maintenance & Expense	4,083	12,850	(8,767)	-68%
71161-000 Telephone	5,387	5,280	107	2%
71162-000 Employee Communication Expense	9,600	9,600	-	0%
71181-000 Postage & Courier Service	855	1,480	(625)	-42%
Total 71100-000 Office Expense	\$ 147,926	\$ 260,379	\$ (112,453)	-43%
71200-000 Professional Fees				
71201-000 CPA-Financial Audits	47,722	40,000	7,722	19%
71203-000 CPA-Assessment Audits		28,500	(28,500)	-100%
71207-000 CDFA Fiscal and Compliance Audit		14,500	(14,500)	-100%
71211-000 Calif. Department of Food & Ag.-CDFA	53,548	54,640	(1,092)	-2%
71221-000 Dept. of Ag-USDA/AMS	34,587	40,000	(5,413)	-14%
71235-000 Legal-Ballard/Rosenberg-Labor Issues	540	-	540	
71236-000 Outsourced Accounting	124,298	100,000	24,298	24%
78301-000 Pension Adm & Legal	13,054	25,150	(12,096)	-48%
Total 71200-000 Professional Fees	\$ 273,748	\$ 302,790	\$ (29,042)	-10%
71300-000 Personnel Expenses				
71301-000 Salaries/Wages				
71302-000 Salaries/Wages - IA & Ops	404,889	398,960	5,929	1%
71303-000 Salaries/Wages - Marketing	462,670	475,200	(12,530)	-3%
Total 71301-000 Salaries/Wages	\$ 867,558	\$ 874,160	\$ (6,602)	-1%
71311-000 Pension Expense				

71312-000 Pension Expense - IA & Ops	46,247	39,896	6,351	16%
71313-000 Pension Expense - Marketing	25,491	38,520	(13,029)	-34%
Total 71311-000 Pension Expense	\$ 71,738	\$ 78,416	\$ (6,678)	-9%
71321-000 Payroll Tax & Work Comp	-			
71322-000 Payroll Tax & Work Comp - IA & Ops	34,670	31,496	3,174	10%
71323-000 Payroll Tax & Work Comp - Marketing	36,824	35,656	1,168	3%
Total 71321-000 Payroll Tax & Work Comp	\$ 71,494	\$ 67,152	\$ 4,342	6%
71331-000 Benefits	-			
71332-000 Benefits - IA & Ops	70,371	96,184	(25,813)	-27%
71333-000 Benefits - Marketing	70,957	79,514	(8,557)	-11%
Total 71331-000 Benefits	\$ 141,328	\$ 175,698	\$ (34,370)	-20%
Total 71300-000 Personnel Expenses	\$ 1,152,118	\$ 1,195,426	\$ (43,308)	-4%
71400-000 Commissioner Expenses				
71403-000 Travel Expenses - Board Members	5,569	30,000	(24,431)	-81%
71404-000 Board Meeting Expenses	13,669	23,500	(9,831)	-42%
71405-000 HAB BOLD Participation	1,943	-	1,943	
Total 71400-000 Commissioner Expenses	\$ 21,182	\$ 53,500	\$ (32,318)	-60%
73000-000 Information Technology				
73001-000 Network Maintenance	23,579	24,535	(956)	-4%
73002-000 Network Hardware, Software & Licenses	17,027	7,776	9,251	119%
73003-000 IT Support & Consulting	12,069	11,920	149	1%
73004-000 Accounting & Assessment System	14,728	6,000	8,728	145%
73005-000 IT Services	5,168	6,560	(1,393)	-21%
Total 73000-000 Information Technology	\$ 72,570	\$ 56,791	\$ 15,779	28%
78000-000 Depreciation, Interest & Other Operations				
78101-000 Travel Expenses - Operations	1,119	-	1,119	
78401-000 Membership Dues & Registration	264	-	264	
78501-000 Dues, Education, Training, Recruitment & Other	133	-	133	
79001-000 Amortization Expense	106,182	-	106,182	
79100-000 Interest Expense	2,694	-	2,694	
Total 78000-000 Depreciation, Interest & Other Operations	\$ 110,391	\$ -	\$ 110,391	
Total 70000-000 Operations	\$ 1,777,935	\$ 1,868,886	\$ (90,951)	-5%
Total Expenditures	\$ 5,746,081	\$ 6,564,939	\$ (818,858)	-12%
Net Operating Revenue	\$ 3,650,420	\$ 17,041	\$ 3,633,379	21322%
Net Revenue	\$ 3,650,420	\$ 17,041	\$ 3,633,379	21322%

CALIFORNIA AVOCADO COMMISSION POUNDS & DOLLARS BY VARIETY

November 2023 Through June 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
1st QTR	188,605	0	0	98,519	287,124	\$168,546	0	0	\$66,436	\$234,982	\$0.818
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
2nd QTR	70,427,985	0	1,381,822	67,013	71,876,820	\$89,139,861	0	\$1,795,813	\$79,881	\$91,015,555	\$1.266
1st Half	70,616,590	0	1,381,822	165,532	72,163,944	\$89,308,407	0	\$1,795,813	\$146,317	\$91,250,537	\$1.264
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	75,674,064	96,316	969,449	58,791	76,798,620	\$113,334,711	\$175,499	\$1,773,780	\$66,520	\$115,350,510	\$1.502
3rd QTR	140,974,842	96,316	3,460,816	154,742	144,686,716	\$194,765,151	\$175,499	\$5,020,562	\$173,097	\$200,134,309	\$1.383
2nd Half	140,974,842	96,316	3,460,816	154,742	144,686,716	\$194,765,151	\$175,499	\$5,020,562	\$173,097	\$200,134,309	\$1.383
Total	211,591,432	96,316	4,842,638	320,274	216,850,660	\$284,073,558	\$175,499	\$6,816,375	\$319,414	\$291,384,846	\$1.344
Year-to-Date % of Crop	97.57%	.04%	2.23%	.15%	100.00%	97.49%	.06%	2.34%	.11%	100.00%	
Year-to-Date Average \$/lb						\$1.343	\$1.822	\$1.408	\$0.997	\$1.344	



ITEM 3.e: Adopt resolutions to modify trustees of CAC 401 and 457 plans

SUMMARY:

As part of its employee benefit package, the Commission has a 401(a) profit-sharing plan and 457(b) deferred compensation plan, assets of which are held in trusts overseen by designated trustees. Previously the trustees have been the CAC Board Treasurer, the President and the Vice President of Finance and Administration. Under the Commission's current management structure, Musick, Peeler & Garrett LLP, CAC's legal counsel, has prepared the following resolutions to allow CAC to appoint trustees:

- **3.e.i - Resolution to amend Section 10.01 of 401 plan** – This amends the 401 plan to refer to anyone appointed to serve solely by reason of an office held, such as the CAC Board Treasurer.
- **3.e.ii - Resolution to amend Section 10.01 of 457 plan** – This amends the 457 plan to refer to anyone appointed to serve solely by reason of an office held, such as the CAC Board Treasurer.
- **3.e.iii and 3.e.iiii - Resolution affirming that the Commission's Treasurer is designated as an automatic appointment as Trustee and Resolution appointing two named CAC staff as Trustees** – This removes all existing trustees of the 401 and 457 plans and authorizes the appointment of Ken Melban and April Aymami (by name) and the CAC Board Treasurer (by position).

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Adopt resolutions as presented
- Amend resolutions
- Take no action

STAFF RECOMMENDATION:

- Adopt resolutions as presented

EXHIBITS / ATTACHMENTS:

- Resolution to amend Section 10.01 of 401 plan
- Resolution to amend Section 10.01 of 457 plan
- Resolution affirming that the Commission's Treasurer is designated as an automatic appointment as Trustee and appointing two named CAC staff as Trustees

CALIFORNIA AVOCADO COMMISSION
RETIREMENT TRUST
AMENDMENT 2024-1

Pursuant to Section 11.01 of the California Avocado Commission Retirement Trust (the “Trust”), the Trust is hereby amended as hereinafter provided, effective as of July 1, 2024.

Section 10.01 is amended to read as follows:

“10.01 Resignation or Removal of Trustee

Any Trustee may resign at any time upon 30 days prior written notice to the Employer and any one or all of the Trustees may be removed by the Employer at any time upon notice to all Trustees; provided that a Trustee who is serving as Trustee solely by virtue of his or her appointment to a designated office in the employ of the Employer shall be automatically removed without notice as Trustee as of the date he or she ceases to hold such office and such person who the Employer appoints as his or her successor to such office shall automatically be appointed as Trustee, and upon acceptance of such appointment, shall become a Trustee under this Trust without further action required, to serve for such time as he or she continues to hold such designated office or until such time as he or she resigns or is removed as otherwise provided for in this Section 10.01.”

Executed this _____ day of _____, 2024.

CALIFORNIA AVOCADO COMMISSION

By: _____

Title: _____

CALIFORNIA AVOCADO COMMISSION
457(b) DEFERRED COMPENSATION TRUST

AMENDMENT 2024-1

Pursuant to Section 11.01 of the California Avocado Commission 457(b) Deferred Compensation Trust (the “Trust”), the Trust is hereby amended as hereinafter provided, effective as of July 1, 2024.

Section 10.01 is amended to read as follows:

“10.01 Resignation or Removal of Trustee

Any Trustee may resign at any time upon 30 days prior written notice to the Employer and any one or all of the Trustees may be removed by the Employer at any time upon notice to all Trustees; provided that a Trustee who is serving as Trustee solely by virtue of his or her appointment to a designated office in the employ of the Employer shall be automatically removed without notice as Trustee as of the date he or she ceases to hold such office and such person who the Employer appoints as his or her successor to such office shall automatically be appointed as Trustee, and upon acceptance of such appointment, shall become a Trustee under this Trust without further action required, to serve for such time as he or she continues to hold such designated office or until such time as he or she resigns or is removed as otherwise provided for in this Section 10.01.”

Executed this _____ day of _____, 2024.

CALIFORNIA AVOCADO COMMISSION

By: _____

Title: _____

Board of Directors
California Avocado Commission
12 Mauchly, Suite L
Irvine, CA 92618-6305

Board Resolution:

We hereby remove the existing trustees of the California Avocado Commission Profit Sharing Plan and its related trust (Profit Sharing Plan and Profit Sharing Trust) and the California Avocado Commission 457(b) Deferred Compensation Plan and its related trust (457(b) Plan or 457(b) Trust).

As a Board, we authorize appointing two trustees by name and the third trustee by position. Whoever holds this position will be automatically appointed trustee for both retirement plans: California Avocado Commission Profit Sharing Plan and its related trust (Profit Sharing Plan and Profit Sharing Trust) and the California Avocado Commission 457(b) Deferred Compensation Plan and its related trust (457(b) Plan or 457(b) Trust).

We appoint the following people and board position as trustees of the California Avocado Commission Retirement Plans:

Ken Melban – Vice President of Industry Affairs and Operations
April Aymami – Director Industry Affairs and Operations
California Avocado Commission Board Treasurer

All the above changes are effective as of August 15, 2024.

Executed this _____ day of _____, 2024.

CALIFORNIA AVOCADO COMMISSION

By: _____

Title: _____



BOARD ACTION

ITEM 4: Consider appointment of producer alternate member to fill existing District 2 vacancy for term ending October 31, 2024

SUMMARY:

There currently exists a District 2 producer alternate member vacancy on the CAC Board for the term ending October 31, 2024. This vacancy is the result of previous District 2 alternate member Ohannes Karaoghlanian being appointed to fill a District 2 member vacancy at the June 2024 Board meeting. The Commission announced the District 2 producer alternate member vacancy in July 2024, and at the time this item was prepared CAC has received nomination documents for the following individuals:

- Rex Kenyon
- Tina Wolfred

Board vacancies, for both member and alternate seats, are filled by a majority vote of the Commission (Election Procedures, Section VII, A), with appointment being conducted at a regularly scheduled meeting as soon as practicable after the vacancy occurs (Election Procedures, Section VII, B). Nominations for appointment to a vacant seat may be solicited by the Commission prior to the meeting at which the appointment will take place and from the floor at the meeting (Section VII, B). Nominees must meet the qualifications set forth in Section IV of the Election Procedures.

While CAC has solicited nominations for the District 2 producer alternate member vacancy prior to the August Board meeting, nominations will also be accepted from the floor at the upcoming meeting. Note that nominees have the option to be present during the vote to fill the vacant seat and voting may not be conducted by secret ballot (Election Procedures, Section VII, C).

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to fill the vacant District 2 producer alternate member seat
- Take no action

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

- Disclosure of Affiliation forms and Candidate Statements for the declared nominees



PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my **grove** is located in California Avocado Commission District Number ____ (Refer to enclosed **Grove District Zip Code List**)

I **own** the following number of planted avocado acres in California ____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **manage** the following number of planted avocado acres in California ____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **pack** my fruit with the following handlers: _____; _____; _____; _____.

In addition, I am also involved in the avocado industry in the following capacities (check all that apply):

- Handler – Owner/Partner
- Handler – Officer/Director
- Handler – Employee
- Holder of a personal financial interest in the production of avocados outside of the United States.
- Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: _____

SIGNATURE: *Rex Kenyon* **DATE:** _____

MUST ARRIVE AT CAC ON OR BEFORE MAY 31, 2024 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 208-3503 EMAIL CAC.IAF@AVOCADO.ORG



2024 CAC GENERAL ELECTION
PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my **grove** is located in California Avocado Commission District Number 2 (Refer to enclosed **Grove District Zip Code List**)

I **own** the following number of planted avocado acres in California 20 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) 2.

I **manage** the following number of planted avocado acres in California NA and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) NA.

I **pack** my fruit with the following handlers: Eco; West PAK; giuoman;

In addition, I am also involved in the avocado industry in the following capacities (check all that apply):

- Handler – Owner/Partner
- Handler – Officer/Director
- Handler – Employee
- Holder of a personal financial interest in the production of avocados outside of the United States.
- Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: Catherine Wolford

SIGNATURE: [Signature] DATE: 8-2-24

MUST ARRIVE AT CAC ON OR BEFORE AUGUST 26, 2024 VIA MAIL, FAX OR EMAIL
12 Mauchly, Suite L, Irvine, CA 92618-6305
FAX: (949) 208-3503 EMAIL AAYMAMI@AVOCADO.ORG

"With your signature you certify that you meet the definition of a "Producer" or "Grower", defined by CAC Law as "any person who is engaged within this state in the business of producing, or causing to be produced, avocados for market. "Producer" or "Grower" does not include any person who has an average annual production of less than 10,000 pounds of avocados in the three preceding marketing years."

MUST ARRIVE AT CAC ON OR BEFORE AUGUST 26, 2024 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

EMAIL AAYMAMI@AVOCADO.ORG
FAX: (949) 208-3503



2024 CAC GENERAL ELECTION
PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: Catherine (Tina) Wolferd

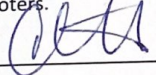
GROVE CITY/CITIES: Temecula

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. Please limit your statement to the space provided.

I am an avocado grower and am very interested in serving California growers. We own a 20 acre avocado grove since 2021 and the industry is very interesting to me. I have learned a great deal in the past 3 years and am eager to learn more and help other growers the best I can. Please accept my self nomination for the CAC alternate board member seat for district 2.
Thank you

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE:  DATE: 8-2-24

MUST ARRIVE AT CAC ON OR BEFORE AUGUST 26, 2024 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305
FAX: (949) 208-3503 EMAIL AAYMAMI@AVOCADO.ORG

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BOARD ACTION

ITEM 5: Consider appointment of handler alternate to fill existing vacancy for term ending October 31, 2025

SUMMARY:

There currently exists a handler alternate member vacancy on the CAC Board for the term ending October 31, 2025. This vacancy is the result of the seat remaining unfilled at the conclusion of the 2023 CAC General Election. The Commission announced the handler alternate member vacancy in July 2024, and at the time this item was prepared CAC has received no nominations for this position.

Board vacancies, for both member and alternate seats, are filled by a majority vote of the Commission (Election Procedures, Section VII, A), with appointment being conducted at a regularly scheduled meeting as soon as practicable after the vacancy occurs (Election Procedures, Section VII, B). Nominations for appointment to a vacant seat may be solicited by the Commission prior to the meeting at which the appointment will take place and from the floor at the meeting (Section VII, B). Nominees must meet the qualifications set forth in Section IV of the Election Procedures.

While CAC has solicited nominations for the handler alternate member vacancy prior to the August Board meeting, nominations will also be accepted from the floor at the upcoming meeting. Note that nominees have the option to be present during the vote to fill the vacant seat and voting may not be conducted by secret ballot (Election Procedures, Section VII, C).

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to fill the vacant handler alternate member seat as
- Take no action

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

- None



BOARD ACTION

ITEM 6a: CODE OF CONDUCT AND ETHICS

SUMMARY:

The Commission reviewed and updated the code of conduct and ethics policy at the November 16, 2024 board meeting, at which time Robert Jackson, board member, requested additional work in the Duty to Support section. Mr. Jackson then worked with Commission legal counsel and staff to develop the proposed additional language highlighted in Red.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Approve the Code of Conduct and Ethics Policy as presented
- Approve the Code of Conduct and Ethics Policy with modification
- Take no action

STAFF RECOMMENDATION:

- CAC management recommends the Board approve an updated Code of Conduct and Ethics policy as presented.

EXHIBITS / ATTACHMENTS:

- CAC Code of Conduct and Ethics – Draft 8/15/24

California Avocado Commission Code of Conduct and Ethics

I. INTRODUCTION

This Code of Conduct and Ethics (Code) applies to all Board members, Committee members, and alternates (collectively “Members”) of the California Avocado Commission (CAC).

The purpose of this Code is to establish standards of conduct required of Members including, but not limited to, complying with CAC statutes, bylaws, policies and procedures.

I. RESPONSIBILITIES OF MEMBERS

1. Duty of Care.

- a. Abide by this Code and ensure that they are in good standing at all times.
- b. Comply with applicable federal, state, and local laws and regulations.
- c. Act in good faith, in a manner reasonably believed to be in CAC's best interest, and with such care, including reasonable inquiry, as a prudent person in like position would use under similar circumstances.
- d. Promptly report violations of this Code, including any illegal activity, to the appropriate person or persons identified in this Code. (See section VII.)
- e. Complete accurate and timely disclosures in reports and documents.
- f. Be informed about the activities, goals, financial condition, and the procedures under which CAC operates.
- g. Attend meetings; volunteer for Committee assignments; participate in discussions, etc.
- h. Comply with Board/Committee actions.

2. Duty of Loyalty.

- a. Avoid Conflicts of interest (a decision in which a Member or his or her immediate family (spouse, children, parents and siblings) may benefit financially or in any other manner).
 - i. Disclose – If a Member thinks they have or may have a conflict of interest on a particular agenda item, they shall disclose such belief to the Chair (of the CAC or Committee, as appropriate) to determine whether a conflict exists.
 - ii. Abstain – If a Member has a conflict, the Member shall abstain from involvement in the matter. The Chair may also instruct the Member not to participate in any related meeting or activities.

- b. Avoid Corporate opportunity/self-dealing: Members shall not profit in any way from CAC (e.g. using CAC resources for personal gain, selling product for use by CAC, etc.). Members shall not attempt to persuade any employee of CAC to leave the employment of CAC or to become employed by the Member or a related entity. Members shall not attempt to persuade exhibitors, advertisers, sponsors, suppliers, contractors, or any other person or entity with an actual or potential relationship with CAC to terminate, curtail, or not enter into a relationship with CAC or to in any way reduce the monetary or other benefits to CAC of such relationship.
 - c. Confidentiality. Maintain in confidence the proprietary and confidential information of CAC unless otherwise required by law, and not utilize confidential and proprietary information of CAC for his or her personal gain or to the detriment of CAC.
 - d. Duty to support.
 - i. When representing CAC, Members shall support positions taken by CAC.
 - 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.
 - e. After Leaving Service. Upon termination of service for any reason, promptly return to CAC all documents, electronic and hard files, reference materials, and any other CAC property in their possession. Such return of materials does not abrogate the duty of confidentiality with respect to the information contained in the materials and the duty of confidentiality continues after leaving service to CAC.
3. Interaction with Staff. The Board shall do the following.
- a. Select a President (or establish other appropriate leadership) who shall guide CAC in its day-to-day activities.
 - b. Use its best efforts to ensure that the President complies with all federal, state, and local employment related laws and regulations and that employees are hired, promoted, and disciplined by the President in a fair and unbiased manner in accordance with CAC's Employee Handbook.
 - c. Supervise the President and address any complaint from employees or third parties about the President's conduct, and prevent retaliation against any employee who makes a good faith complaint against the President.
 - d. Refrain from intruding on administrative issues that are the responsibility of the President or other managers, and shall abide by CAC's Communications Policy.
 - e. Treat employees courteously and professionally, and ensure a workplace free from discrimination and harassment.
4. Interaction among Members. Members shall do the following.
- a. Foster an environment of respect, cooperation and collegiality and not unduly disrupt the Board from operating in an efficient and effective manner.
 - b. Treat other Members with courtesy, allow others to express their views, and respect the differing opinions of others.

- c. Not undermine or falsely impugn others. This does not preclude Members from filing or voicing a complaint against other Members.
5. Execution of documents:
- a. Timely response by Members in reviewing, signing and returning documents provided by CAC is essential to remain in good standing with CAC. Following is a partial list of such documents.
 - i. Acceptance to Serve
 - ii. Policies and Procedures
 - iii. Social Media Policy
 - iv. Mandatory Ethics Orientation Training
 - v. Mandatory Harassment Prevention Training
 - vi. Application for California Government Identification Card
 - b. Members shall provide proof that they have taken or have applied to take mandatory ethics orientation training, and sexual harassment and abusive conduct training, and provide proof of completion or the expected dates of completion.
 - c. Newly elected/appointed Members shall have 30 days from receipt of documents by certified mail to return the signed documents, and evidence of completion of training or expected date of completion, as appropriate, to CAC.
 - d. Currently serving Members who are delinquent in returning signed documents to CAC shall have 15 days to complete the requirements specified in subsection b) above.
 - e. Failure of any Member to comply shall result in the immediate suspension of the Member from participating in any CAC activities including serving on the Board and Committees of CAC.
 - f. Reinstatement of a suspended Member shall be subject to approval by the Board.
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III. DISCLOSURE AND FINANCIAL INTEGRITY

- 1. Members shall comply with disclosure procedures and report the following.
 - a. Material information or unreported transactions that affect the disclosures made in the financial statements.
 - b. Information concerning significant deficiencies and material weaknesses in the design or operation of CAC's internal control over financial reporting which are likely to adversely affect the ability to record, process, summarize and report financial information
 - c. Fraud, whether or not material, that involves Members who have a significant role in internal control or financial reporting

IV. USE OF CAC ASSETS

- 1. Assets. Members shall adhere to the following.

- a. Responsible for the proper use of CAC assets, and shall safeguard such assets against loss, damage, misuse or theft.
 - b. Not use CAC identification, stationery, supplies, or equipment for personal or political purposes.
2. Funds. Members shall adhere to the following.
 - a. Accept responsibility for all CAC funds over which they exercise control.
 - b. Use funds only for CAC purposes and not for personal benefit.
 - c. Follow prescribed procedures for recording, handling, and protecting money as specified in CAC policies.
 - d. Report any information of misuse of funds to the appropriate person at CAC.

V. CONSTITUENTS AND SUPPLIERS

1. Relationship
Members shall not invest in or acquire a financial interest in any business that has a contractual relationship with CAC, and/or that provides goods or services where such investment or interest could influence or create the impression of influencing their decisions.
2. Gift, Entertainment, and Favors
Members shall not accept entertainment, gifts or personal favors that would actually, or appear to undermine or influence their decisions.

VI. GOVERNMENT INTERACTION

Members shall comply with all applicable laws and regulations governing contact and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of conduct.

VII. REPORTING VIOLATIONS

Members are responsible for carrying out and monitoring compliance with this Code including the reporting of possible or actual violations of the Code to the Chair or Board as appropriate.

Reports of suspected violations shall be investigated immediately. All reports shall be treated confidentially, except where disclosure is required to investigate a report or by applicable law or legal process. Members shall be protected from retaliation of any kind.

VIII. DISCIPLINARY ACTIONS/TERMINATION/REMOVAL

1. Members are required to strictly adhere to this Code. Failure to fulfill responsibilities under this Code may result in disciplinary action.
2. Appropriate action shall be taken against any person who is found to have violated any provision of this Code. Where laws have been violated, CAC shall fully cooperate with appropriate authorities. Reprisal, threats, retribution or retaliation against any Member who has in good faith reported a violation or a suspected violation of law, this Code or other CAC policies or procedures, or against any person who is assisting in any investigation or process with respect to such a violation, are prohibited.

3. CAC may discipline or remove any Member from the Board or any Committee for cause, as determined by a two-thirds vote at any properly called and noticed Board meeting where a quorum is present. In the event of removal from the Board, the vacancy shall be filled in the manner provided in Food and Agricultural Code section 67053. In the event of removal from a Committee, the vacancy shall be filled in accordance with CAC bylaws.
4. The procedure for addressing complaints shall be as follows:
 - a. Complaints shall be in writing and forwarded to the Executive Committee which shall determine whether the complaint merits formal process. If the Member who is the subject of the complaint is on the Executive Committee, the Member shall not participate in any discussions and/or decision regarding the complaint. If the complaint is not one that can be informally resolved, the following process shall be followed.
 - b. The Member shall be provided written notice and the specifics of the complaint which shall be sent by certified mail or the equivalent. Notice shall be deemed received on the date of delivery as confirmed by the carrier.
 - c. The written notice shall provide at least 14 calendar days for the Member to respond. The Member's response shall be in writing and shall provide the following:
 - i. A written statement and any documents detailing arguments against the complaint, or
 - ii. A written statement and any documents detailing arguments against the complaint and a request for an in-person hearing before the Board.
 - d. If the Member provides a response within the required time period, the Chair shall call a special Board meeting (or utilize an already scheduled regular meeting) to hear the matter. If the Member provides a written statement and documents, if appropriate, the Board shall consider this information and information provided by CAC legal counsel and other sources, and render its decision based on all such information. If the Member requested an in-person hearing, the Board shall provide the Member with a reasonable amount of time at the Board meeting to address the issues specified in the complaint.
 - e. If the member does not respond, the Board shall utilize any information in its possession and take action it determines to be appropriate.
 - f. The decision to hold the Board meeting in open or closed session shall be governed by state law based on the facts of the particular matter. If the law allows but does not require a closed session, the Chair shall determine the manner in which to proceed.
 - g. Following consideration of information as specified above, the Board shall render its decision, which may result in no action, a written reprimand, temporary suspension from the Board or Committees, or removal from the Board and/or Committees. The decision of the Board shall be final.
 - h. The Member may be prevented by Board action from attending meetings of the Board and Committees pending resolution of the complaint.



BOARD INFORMATION

ITEMS 9.a & 9.b: 2024-25 Planning

SUMMARY:

At the June 2024 Board meeting, the CAC Board reviewed the existing CAC Industry Strategic Intent 2025, which provides management with the high-level strategic direction for development of priorities, objectives and strategies for the coming year. While the Board did not propose any changes to the Strategic Intent document at that time, as a result of subsequent planning discussions, management has proposed the attached revisions to the competitive advantages, brand positioning/promise, as well as the marketing priority, objectives and strategies.

CAC management is well underway in the development of the detailed 2024-25 business plan and budget, which will be presented to the Board for approval at the October 2024 meeting. While this item is presented as informational, if the Board desires any changes to the strategic direction within this document, it should be discussed and communicated to management at this August meeting in order to be incorporated into the final 2024-25 business plan.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Discussion item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- 2024-25 Business Plan – Strategic Intent, Priorities, Objectives and Strategies



2024-25
BUSINESS PLAN
STRATEGIC INTENT

CAC Priorities

CAC Priority No. 1

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

**(~~for~~ targeted consumers, retailers, foodservice operators, wholesalers, ~~growers~~)*

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 ~~and responsibly grown and sustainably farmed~~ by California ~~farmers-growers~~ 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 and sustainably farmed by California growers who nurture the avocados and the land every step of the way.

~~Overall brand positioning/promise in development with the new Consumer Marketing agency~~

- ~~California Avocados; Grown Locally, Farmed Responsibly~~
- ~~Available seasonally in select locations~~

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 **world's** most-valued and desired avocados among targeted audiences*

*(~~for~~ targeted consumers, retailers, foodservice operators, wholesalers, ~~growers~~)

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 means increased profitability for retailers, foodservice operators, wholesalers and, most importantly, growers.)

Objectives:

1. ~~Achieve~~ ~~Aspire to~~ a premium average price per pound that meets or exceeds the four-year average historical price differential between California and imports ~~the target set by the California Avocado Commission Board of Directors~~
2. Retain ~~or increase~~ California Avocado awareness, ~~perceived value and preference~~ with our consumer targets
3. Retain or increase perceived value and preference with our consumer targets
3. Build loyalty with existing and target new trade customers

Strategies:

- A. ~~Assess and define the most viable consumer targets for California Avocados~~

- ~~B. Determine relevant “why California Avocado” messaging that elevates premium brand positioning and motivates consumer purchasing behavior~~
- ~~C. Consistently drive the brand essence and messaging hierarchy, differentiating California Avocados from other origins~~
- ~~DB. Utilize strategic criteria that determines trade customer targets and promotion investment allocations~~ Assess and refine ongoing and new trade customer focus
- ~~EC. Develop consumer and trade communications creating anticipation for the California Avocado season and ongoing demand for throughout the California Avocado seasons~~
- ~~FD. Develop~~ Build Collaborative trade programs that and develop trade target the customers’ Marketing programs that build consumer awareness and purchases avocado shoppers and patrons
- ~~GE. Ensure the “California” in California Avocados is prominent in store and on menu~~ in all trade customer marketing communications, including in store and on menu where allowed

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)

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

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



ITEM 9.d: Consider approval of preliminary 2024-25 CAC budget

SUMMARY:

In January 2024 CAC management participated in the U.S. Department of Agriculture, Agricultural Marketing Service's (USDA AMS) management review to provide assurance that CAC is functioning in accordance with governing policies and regulations. As part of this review, USDA AMS advised the Commission that Section 1219.50(a) of the Order requires budgets to be submitted to USDA AMS not less than 60 days before the beginning of the fiscal period. While CAC is not subject to this requirement, AMS has suggested that the Commission submit in accordance with this timeframe for ample review time and to limit timing issues related to budget approval.

In an effort to comply with this request from USDA AMS and ensure timely approval of 2024-25 agreements that will be effective November 1, 2024, CAC has developed the attached preliminary 2024-25 budget for the Board's approval. Please note, CAC staff is prepared to discuss the details associated with the proposed budget, however complete line-item details for every activity have not yet been finalized. The final 2024-25 CAC business plan and budget, including line-item budget, action plans and performance measure details will be presented for CAC Board approval at the October 2024 meeting.

FISCAL ANALYSIS:

- The proposed 2024-25 CAC preliminary budget has been developed with only the anticipated 2024-25 HAB 85% rebate revenue as income, resulting in ample reserves remaining at 2024-25 year-end. Approval of this budget does not ensure there will be no 2024-25 CAC assessment revenue, as the final decision regarding the 2024-25 CAC assessment rate will be made at the October 2024 CAC Board meeting.

BOARD OPTIONS:

- Approve the 2024-25 CAC Preliminary Budget, as presented
- Approve the 2024-25 CAC Preliminary Budget, with modifications
- Take no action

STAFF RECOMMENDATION:

- Management recommends the Board discuss the proposed preliminary budget, modify if needed, and approve a preliminary 2024-25 budget to ensure timely processing of required USDA approvals for CAC marketing agreements

EXHIBITS / ATTACHMENTS:

- 2024-25 CAC Preliminary Budget

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

ACCT CODE		2024-25		2023-24		2024-25 vs. 2023-24		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%	
	Subtotal Assessment Revenues	\$7,905,000	94.4%	\$8,998,125	94.7%	(\$1,093,125)	-12.15%	
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%	
	Subtotal Other Revenues	\$467,000	5.6%	\$502,000	5.3%	(\$35,000)	-6.97%	
	Total Revenues	\$8,372,000	100.0%	\$9,500,125	100.0%	(\$1,128,125)	-11.87%	
ACCT CODE	EXPENDITURES: Marketing Programs	2024-25 BUDGET		2023-24 BUDGET		2024-25 vs. 2023-24		COMMENT
		BUDGET	%	BUDGET	%	INCREASE (DECREASE)	PERCENT CHANGE	
51000 & 55000	Consumer Marketing	\$4,563,100	35.7%	\$3,615,000	31.0%	\$948,100	26.23%	
54000	Consumer Public Relations	\$0	0.0%	\$192,500	1.7%	(\$192,500)	-100.00%	Included in Consumer Marketing
52000	Trade Marketing - Retail	\$2,650,400	20.7%	\$2,481,000	21.3%	\$169,400	6.83%	
53000	Trade Marketing - Foodservice	\$650,000	5.1%	\$537,500	4.6%	\$112,500	20.93%	
59000	Marketing Activities Support & Personnel	\$971,500	7.6%	\$177,500	1.5%	\$794,000	447.32%	Includes 85% of Marketing Staff Personnel Expense
	Subtotal Marketing Programs	\$8,835,000	69.2%	\$7,003,500	60.1%	\$1,831,500	26.15%	
	EXPENDITURES: Non-Marketing Programs							
64000 & 65000	Industry Affairs & Production Research	\$1,625,000	12.7%	\$1,485,154	12.7%	\$139,846	9.42%	
66010	Grant Programs	\$200,000	1.6%	\$300,000	2.6%	(\$100,000)	-33.33%	
70000	Operations	\$2,115,000	16.6%	\$2,867,339	24.6%	(\$752,339)	-26.24%	85% of Marketing Staff Personnel Expense Transferred to Marketing
	Subtotal Non-Marketing Programs	\$3,940,000	30.8%	\$4,652,493	39.9%	(\$712,493)	-15.31%	
	Total Expenditures	\$12,775,000	100.0%	\$11,655,993	100.0%	\$1,119,007	9.60%	
	Excess Of Revenues Over (Under) Expenditures	(\$4,403,000)	-52.6%	(\$2,155,868)	-22.7%	(\$2,247,132)	104.23%	
	Estimated Beginning Reserves - Nov. 1	\$12,620,086		\$7,425,954		\$5,194,132	69.95%	
	<i>Estimated 2023-24 Revenue Overage based on Volume & Price/LB</i>			\$6,500,000				
	<i>Estimated 2023-24 Unspent Funds Returned to Reserves</i>			\$850,000				
	Estimated Ending Reserves - Oct. 31	\$8,217,086		\$12,620,086		(\$4,403,000)	-34.89%	