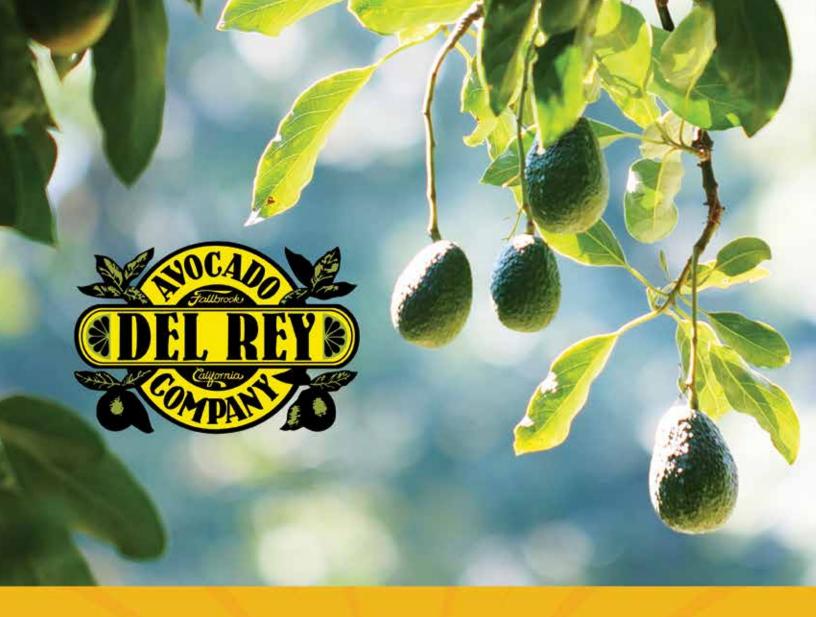


The Latest News from the California Avocado Industry





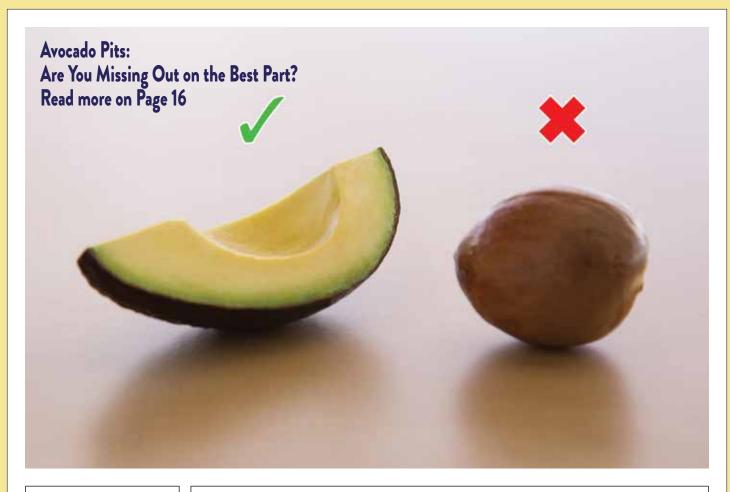
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#### From the Grove

Volume 14, Number 1

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Spring 2024

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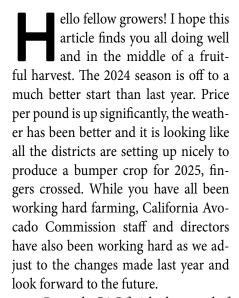
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## Chair's Report

### Focusing on Key Concerns



Recently CAC finished a round of annual meetings, starting in the south and finishing in district 5 in the north. I believe the meetings were a success and highlighted the changes CAC has been through in the last year with more of the focus on what CAC is working on now to help improve the industry for you, our grower stakeholders, in our areas of focus: Marketing, Production Research, Industry Affairs and Governance.

Marketing has seen some big changes over the last year with the hiring of Terry Splane as our new vice president and the signing of a new agency, Curious Plot. Our message is very focused: local sustainable avocados. We have also cut some of our categorical consumer marketing spend and seen an increase in point-of-sale merchandising with this season's plan. Another change this year was the pausing of the Marketing Committee. This was done because the committee was beginning to seem redundant and ineffective. The exciting part is that your board will be discussing our marketing strategy and reimagining the Marketing Committee at our June board meeting.

Production Research has been an integral part of the Commission since its inception in 1976. This year we saw the departure of our long-standing chair Leo McGuire and the addition of Dr. Danny Klittich as our new chair. Danny brings a Ph.D. in entomology to the team along with very strong agronomic knowledge and a solid foundation in avocado nutrition and care. The PRC has already met this year and has put together a new list of potential research topics. The goal of these future research goals is very simple: best on-farm practices to maximize grower yields and, consequently, returns. The hope is that as we move forward more collaborative research with growers will take place in California avocado grove settings.

Industry Affairs is still led by Ken Melban and his team. This year they will work on the usual issues: water, legislation, trade, crop estimates and oversight of foreign fruit entering the market. Most importantly, this year there

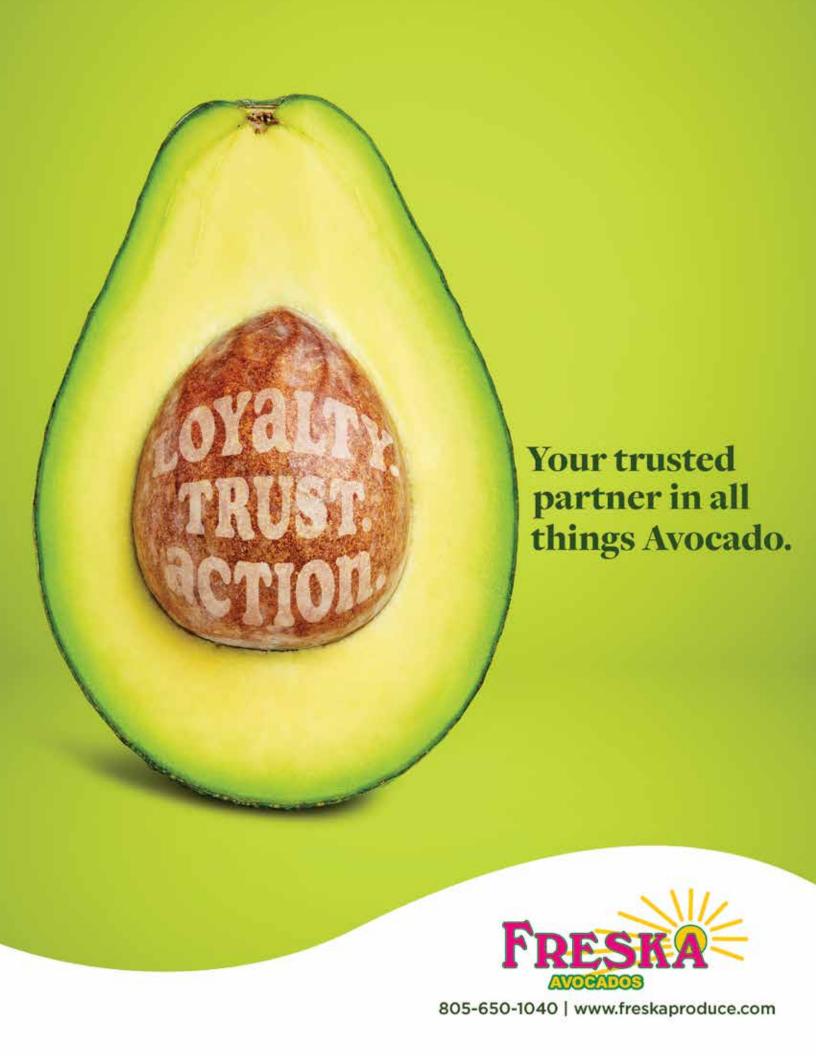


Jason Cole

has been a push to grant Guatemalan avocados entry into the United States. Ken and his team have been working diligently behind the scenes with U.S. Department of Agriculture officials to ensure that no risk of pests presents itself.

Our last committee is Governance. Governance has not previously been a standing committee, but this year it seemed appropriate to form a Governance Committee in order to look at CAC law and bylaws to see if any changes could be made to address grower concerns and desires for change within the Commission. The new committee was asked to dive into CAC laws and consider assessment as a flat rate versus percentage of gross, the packers' role in the Commission moving forward, the definition of a producer and the assessment exemption threshold. These are tough topics and invoke a lot of passionate opinions from our growers. I believe the committee — with its equal representation from all districts — will do a great job bringing a recommendation to the board for discussion and possible action in June.

That's a quick rundown of what the Commission is working on this year. I wish you all the best with harvest and cheers to a big crop for all in 2025!



### **Executive** Notes

By Ken Melban Vice President, Industry Affairs & Operations



## Where We Are & Where We Are Going

e view the California Avocado Commission as a business designed to support the enterprises of our California avocado growers and, like any good business, it's important to review historical information to best plan for the future. That's just what we did at recent CAC grower meetings, and it is what I am providing for you here: an overview of the 2022-23 pricing trends, the budget for the 2023-24 fiscal year and CAC's advocacy concerning issues impacting our growers.

#### A look at last year

As we reflect on last year, it was disappointing from a price perspective. As Figure 1 shows, for most of the 2023 season prices were lower than the 2022 season. That said, even with depressed pricing California avocados performed better than imported avocados. According to Figure 2, California avocados reported an average +8% FOB price differential for the season and finished the season as high as +29% for the week ending August 20. That price advantage applies to California avocados shipped out of state as well as with the four-year average FOB, which is +7% over imports.

Figure 1



Source: AMRIC Hass #1 Conventional (pounds) Mar-Aug 2023, Mar-Aug 2022

Figure 2



#### The 2023-24 budget

This year's budget is based on a 2.25% assessment rate, a projected 200-million-pound crop and \$1.15 average price per pound. The price is strictly a fiscally conservative estimate used for CAC's budgeting purposes. CAC's goal is to pursue the highest possible returns for our growers.

When constructing the 2023-24 budget, CAC approached the process as a matter of "right-sizing" the business, as my colleague Terry Splane, vice president of marketing, calls it. As you can see in Figure 3, in three of the past five seasons we lived beyond our means and had the ability to do so because of larger crop sizes and/or higher pricing. But ultimately right-sizing means budgeting with a goal of stabilizing our revenues and expenses. We are not there yet, but we are moving closer to that goal.

Figure 3

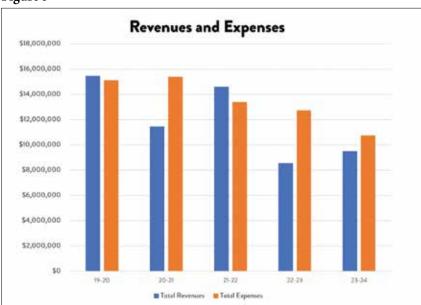
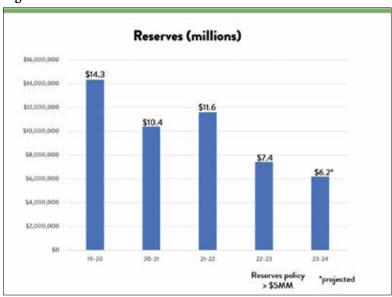


Figure 4



To accomplish this, CAC is using reserves in a fiscally conservative manner. It's important to note the purpose of the reserve fund is to cover expenses that occur in the development and execution of our programs before assessment monies come in for the year. While CAC's programming begins with the fiscal year (November 1), we do not receive assessments until the season starts in March or April. Rather than tap into a line of credit, CAC has a policy of maintaining \$5 million in reserves to cover those pre-season costs (Figure 4).

This year, as we focus on right-sizing the operation, we made a 30% cut in marketing funding (Figure 5). Splane leads the CAC marketing team and our new agency of record, Curious Plot, and we are strategically focusing our marketing resources as much as possible.

Figure 5

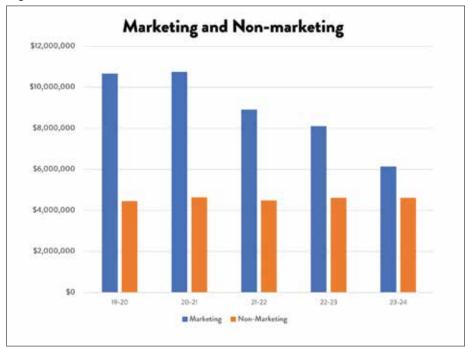
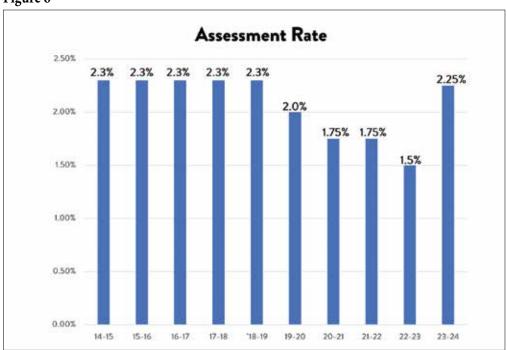


Figure 6



This right-sizing also pertains to the assessment rate. As you can see in Figure 6, the assessment rate was held at 2.3% for five years. It was then decreased to the 1.75-2% range because CAC was amassing greater reserves than needed. Last year, the Board decided to make a one-time significant drop to 1.5% in an effort to help growers manage an anticipated difficult pricing year. Going forward, the goal is to minimize year to year variability in the assessment rate and provide stability for growers and CAC.



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Finally, as we look at data over an extended period, while the price-per-pound varies every season, our 10-year price average is \$1.28. In addition, Figures 7 and 8 compare the volume across five different ranges of production for 2014 and 2022 and the corresponding grower numbers within each range.

Figure 7

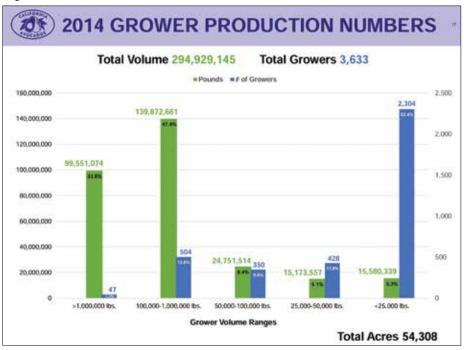
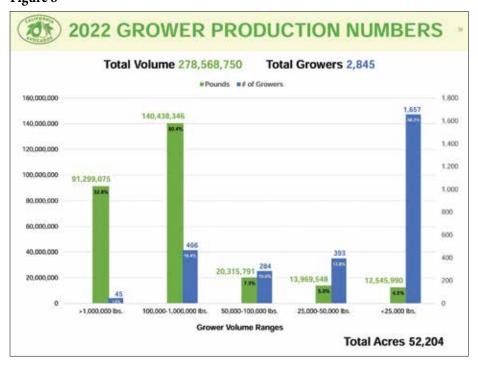


Figure 8



#### Advocacy efforts

CAC continues to advocate on behalf of the industry.

EGAP – CAC has supported the local Escondido Growers for Agricultural Preservation initiative since 2013 by developing and funding research to identify economic and ecosystem services benefits provided by California avocado production. CAC recently provided an update and some additional work in support of EGAP.

Ag Order – CAC has addressed new standards and protocols adopted by the Los Angeles Regional Water Board in the Ag Order. This order, which applied to irrigated agricultural land located in Ventura County, imposes numeric limits on growers who discharge to certain surface waters. CAC is working with agricultural stakeholders and the Water Board to ensure fair and reasonable implementation.

**Invasive Pests** – Another area of concern for growers is the significant rise in pest counts statewide that threaten California avocados. As you will recall, two quarantines were implemented that negatively impacted our growers. The Queensland and Oriental Fruit Fly quarantines. CAC worked with the U.S. Department of Agriculture to successfully remove Hass avocados as a host for both quarantines. Further, CAC will continue to work for the removal of GEM and Lamb Hass for any future fruit fly quarantines. In addition, CAC supported Assembly Bill 2827 that provides increased funding to prevent the spread of invasive pests in California.

Guatemala US Access - CAC has worked for years with Dr. Mark Hoddle, of UC Riverside to ensure we have a comprehensive understanding of specific pest risks associated with avo-

cado imports. Accordingly, CAC filed comments when the USDA initially drafted its Pest Risk Assessment in October 2022 concerning the importation of avocados from Guatemala, resulting in USDA making some changes to the proposed workplan. CAC has since provided additional input regarding the pest risks associated with Guatemalan imports and the proposed systems approach. Further, CAC has requested that if trade access is granted, USDA provide the inspection oversight initially rather than the National Plant Protection Organization of Guatemala.

Tax Relief – To expand tax breaks for growers impacted by wildfires, CAC has backed H.R. 7024, entitled Tax Relief for American Families and Workers Act of 2024. This legislation would change the federal tax code exempting victims of wildfire from federal taxes on payments they receive. Similar legislation was recently passed in California providing victims an exemption under California tax law.

Reverse Trade Mission – In April 2024, CAC hosted a 10-member delegation from South Korea and China consisting of buyers (many of whom own their own import companies) who have done business, or are looking to do business in California. The event, which was funded through a USDA Market Access Program grant, connected global buyers with California packers. All attendees expressed interest in establishing supply chains. Hopefully this will bring California fruit into the high-end retailers of these targeted global markets.

The above is just a sampling of activities CAC is working on to limit production costs for growers where possible. Please contact CAC at kmelban@avocado.org to make us aware of any local issues we can assist you with.



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#### District 2

Member/Victor Araiza Member/Vacant Seat Alternate/Ohannes Karaoghlanian

#### District 3

Member/ Maureen Cottingham-**Treasurer** Member/Robert Grether Alternate/John Berns

#### District 4

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

#### District 5

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#### Handlers

Member/Peter Shore Member/Vacant Seat Alternate/Vacant Seat

#### Public Member

Member/Quinn Cotter Alternate/Maddie Cook

To contact a CAC representative, please visit: CaliforniaAvocadoGrowers.com/Commission/your-representatives

## California Avocado Growers Engage with Commission Staff at 2024 Annual Meetings

rom April 15 - 17 the California Avocado Commission conducted annual meetings in Escondido, Ventura and San Luis Obispo. The meeting objectives were for CAC to share valuable information and program updates with California avocado growers and for growers to have an opportunity to ask questions and provide opinions regarding Commission strategies and actions. Meeting attendance was good and there was lively engagement at each meeting. While the gatherings were referred to as "annual meetings," CAC announced that this year's annual meetings will be semi-annual, with a second round of meetings and engagement scheduled for October 2024.

The full presentation shared at the meetings is available on the California avocado grower website: https://bit.ly/cac-2024

A summary of the presentations follows.

Commission Chair Jason Cole opened each meeting with introductions and an overview of the agenda items and spoke about the challenges and opportunities the California avocado industry faces. Questions and comments were encouraged.

CAC Vice President of Industry Affairs and Operations Ken Melban covered a wide range of topics beginning with F.O.B. pricing. He noted that pricing was lower for most of 2023 compared to the high pricing of 2022, but California still maintained a price premium versus imports. F.O.B. pricing this season is starting off in a better position than prior years.

Melban reviewed CAC's budget assumptions and realities in depth, including a 10-year review of assessment rates, and a concerted board-directed effort to reduce cash reserves over the last five years while staying above a \$5 million floor to cover off-season cash flow needs. He noted the need to "right-size" the budget based on reduced reserves, current volume projections, estimated pricing and assessment rates. CAC's operating budget for the 2023-24 fiscal year is about \$10.7 million, which is the lowest in five years and represents reductions of 30% or more in most areas. This is commensurate with the anticipated reduction in revenue, hence the importance of "right-sizing" investment.



CAC Chair and California avocado grower Jason Cole opened each meeting with introductions and an overview of information.

In addition to reviewing financial information, Melban provided updates on a variety of industry affairs areas the Commission is working on to ease financial, regulatory and legislative burdens on California avocado growers. Examples included the study conducted for Escondido Growers for Agriculture Preservation, which is leading to construction of a wastewater treatment plant and favorable water rates for growers in the region, as well as work with the Los Angeles Regional Water Quality Control Board to reduce burdens on growers. Invasive pests are a key area of concerns, and CAC was successful at removing Hass avocados from the U.S. Department of Agriculture list of hosts for the Queensland fruit fly and the Oriental fruit fly. As a result, growers located in guarantine areas did not have to conduct multiple courses of treatment. Melban noted that GEM is still listed as a host and the Commission is continuing efforts in this area. He highlighted a reverse trade mission with buyers from China and South Korea visiting California avocado groves and meeting with packers to discuss purchasing the fruit, all funded by a federal grant, not grower assessment dollars. He also discussed legislation and other concerns.





Terry Splane, Commission vice president of marketing, introduced the new California avocado advertising campaign.

CAC Vice President of Marketing Terry Splane followed, reviewing fresh marketing objectives and strategies and diving deep into the rationale for a 30% reduction in marketing investment. He noted the budget for trade partner (retailers and foodservice) programs that communicate directly with California avocado consumers were maintained because of their focus and direct value. Programs that communicated to the industry, such as trade advertising, were significantly reduced. Since consumer marketing is the largest part of the market-

ing budget, it had to be cut deeply to achieve the overall budget reduction, but Splane expressed confidence that by focusing tightly on markets and customers where California avocados are in distribution CAC will "do more with less" and should be able to maintain brand awareness among the targeted consumer base.

Splane also introduced CAC's exciting new advertising campaign, "What's Inside a California Avocado." The campaign strategically focuses on messaging that is ownable, believable and relevant to targeted consumers and delivered via media channels they prefer. The ads communicate California avocados are locally grown and sustainably farmed. Using a prominent outline of the State of California and featuring local California avocado groves and growers in the ads, the

campaign moves away from the lifestyle advertising of the last few years and instead focuses overtly on what makes California avocados different. Still encouraging premium brand positioning, the new campaign continues the line, "the best avocados have California in them."

Zac Benedict and Lori Small, both part of the marketing team, discussed the importance of partnering with influencers to reach targeted California avocado consumers and the evolution of CAC's consumer public relations strategy to do more with less, in this case via hyper-local media outreach and integrated events. They shared results to-date of an early season event that integrated in-store displays and chain-wide sampling at Gelson's Markets with a one-day event that brought nine influencers to a California avocado grove in Pauma Valley hosted by California avocado grower Spencer Steed. This was followed by a visit to a participating Gelson's store in Del Mar

where growers Jessica Hunter and Andy Lyall shared information with shoppers about what makes California avocados so special.

Gelson's Markets Supervisor of Produce Purchasing John Fujii commented: "The 2024 season is off to a great start with the promotion event we just ran," he said. "We saw increased sales and are very pleased with the demand for California avocados at our stores. We are looking forward to another great season!"



Ken Melban, CAC vice president of industry affairs and operations, shared information about the state of the industry, legislative issues and more.

April Aymami, CAC director of industry affairs and operations, communicated updates concerning the Commission's production research initiatives. Current projects focus on pests, diseases, breeding, varieties and genetics, cultural management and a new sponsorship of Ph.D. candidate Jesse Landesman's fellowship via the Foundation for Food and Agriculture Research. The sponsorship provides CAC with the opportunity to provide direct industry input on the development of her research proposal, which is focused on understanding the impact of salinity on soil health as it specifically relates to California avocados.

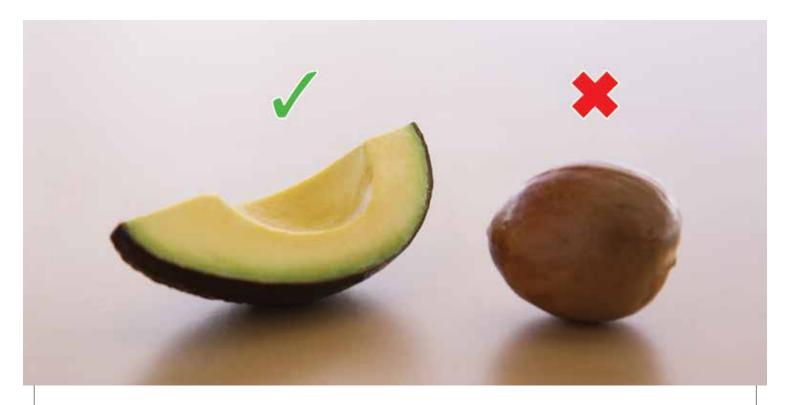
Aymami provided a plethora of information about resources growers can use, encouraging visits to the website designed specifically for their business needs, CaliforniaAvocadoGrowers.com. Growers also can scan the QR code to find links to government resources.



Aymami also shared resources available to growers about projected weekly Hass avocado volume in the marketplace, noting it can be an important piece of information that helps them determine the best opportunities for their harvest timing.

Growers and packers contributed to the meetings with questions and comments on a wide range of topics, with different emphases in each region. A hand-written survey was distributed at the meetings to collect additional grower opinions before the Commission Board of Directors strategic planning session in June. Unfortunately, only 11 growers provided input on that meeting survey. A more in-depth online grower survey is still being conducted at press time.





### **Avocado Pits:**

### Are You Missing Out on the Best Part?

By Tim Spann, PhD Spann Ag Research & Consulting, LLC

common question from consumers that the California Avocado Commission fields on a regular basis is: can I eat avocado pits? Why in the world would anyone eating smooth, buttery, delicious avocado flesh look at the hard pit and think, maybe I should eat that too? But people do. At least some of the reasons for this question coming up are publications by food scientists concerning what nutrients are in avocado pits.

One such article — which was a review article summarizing prior research — was published in late 2022 in the journal Food Chemistry: X by an international group of food scientists, biochemists and agricultural scientists. The article is open access and the full text can be found at https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9789361/. A summary of the article's findings follows.

Avocado seeds do contain a lot of nutritious compounds, such as carbohydrates, fats, fiber, protein, vitamins and minerals. The fact that avocado seeds contain these compounds is not surprising. Most of the material in an avocado seed is the two cotyledons (seed leaves) that we commonly think of as the two halves of an avocado seed. The function of the cotyledons is to fulfill all the nutritional needs of the young

seedling until its roots are functioning and capable of taking up water and nutrients to support the young plant. This characteristic of seeds is precisely why seeds are such a commonly consumed food: all nut crops (almonds, pistachios, walnuts, etc.), beans, peas, wheat, barley, oats, corn, the list goes on. So maybe it's not such a crazy idea to eat avocado seeds.

The macromolecules found in avocado seeds are carbohydrates, lipids and proteins. Carbohydrates are the single largest component of avocado seeds, accounting for about 65% of the mass of a seed, with starch accounting for more than 90% of those carbohydrates. Lipids (fats) account for only about 1% to 1.5% of the avocado seed. Of these lipids, linoleic acid is the most common, making up about 35% to 40% of the lipids in avocado seeds. Linoleic acid is a polyunsaturated omega-6 fatty acid, and it is one of two essential fatty acids that humans must consume in their diet. Various studies have found the protein content of avocado seeds to be quite variable, ranging from about 3% to more than 20%.

The micromolecules in avocado seeds are minerals, vitamins and other bioactive compounds. The primary minerals found in avocado seeds are phosphorus, calcium, potassium, iron, sodium, zinc and copper. Vitamins include vitamin A, thiamine

(B1), riboflavin (B2), niacin (B3), vitamin C and vitamin E. Of the bioactive compounds found in avocado seeds, phenolics are the largest group. Research published in the journal Molecules states that, "From a human physiological standpoint, phenolic compounds are vital in defense responses, such as anti-aging, anti-inflammatory, antioxidant and anti-proliferative activities."

Research has been conducted on the apparent health benefits of extracts of some of these various compounds found in avocado seeds. In studies with animal and human cell lines, biologically active components of avocado seeds were found to exhibit anticancer potential against prostate, lung, breast, and colon cancers as well as hepatocellular carcinoma. In fact, there is a surprising amount of research looking at the effects of avocado seed extracts on cancer cell lines. Then again, plant-based anti-cancer medicines are a major focus of research because they hold the promise of having far fewer side effects than synthetic anti-cancer medications.

In diabetic rat lines, avocado seeds and hot water extracts of avocado seeds were found to lower blood glucose and cholesterol. The response of diabetic rats treated with a reference drug after 14 days was equivalent to the reaction seen following 21 days of treatment with avocado seed extract.

Free radicals are unstable molecules formed during normal cell metabolism, which if not controlled can build up and damage other molecules such as DNA, lipids and proteins and may increase the risk of cancer. In the body, free radicals are dealt with by antioxidant compounds. *In vitro* (in a test tube) studies show avocado seeds have antioxidant potential. And aqueous extracts fed to rats were found to reduce radical-induced oxidative damage. One study added freeze-dried avocado seed powder to ground beef and found that it reduced oxidation,

which could potentially increase the shelf life of the meat.

In other *in vitro* research, it was found that aqueous extracts of avocado seeds could inhibit acetylcholinesterase, which catalyzes the breakdown of acetylcholine, and is believed to be a primary cause of Alzheimer's disease.

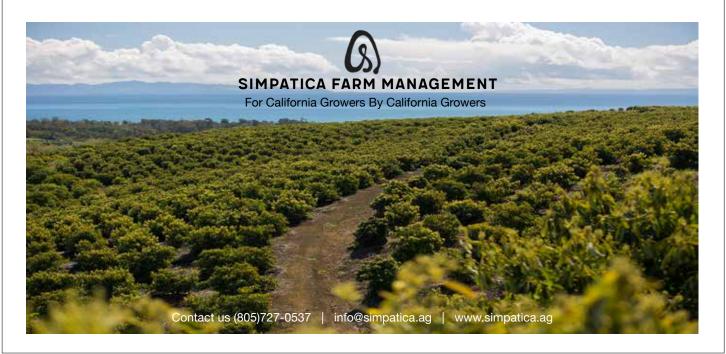
Lastly, avocado seed extracts were found to have antiinflammatory effects on cell lines. Additionally, seed extracts fed to mice suffering from paw edema were found to reduce inflammation (edema) on the test mice paws.

Indisputably, there are many compounds found in avocado seeds that potentially have health benefits. However, to my knowledge none of the trials showing potential health benefits of avocado seeds have been conducted on humans. Furthermore, most of the studies showing potential health benefits utilize various extracts of the seeds or purified compounds extracted from the seeds, not simply raw avocado seeds.

This is all in contrast to the vast library of data that the Hass Avocado Board's nutrition research program has amassed using avocado flesh fed to actual living humans (https://research.loveonetoday.com/published-research/).

HAB's studies have found wide ranging health benefits of eating avocado flesh, including heart health, diabetes, weight management, gut health, and cognition, brain and eye health — virtually all the benefits that can purportedly be gained from eating avocado seeds.

This brings me back to my earlier question: Why would anyone want to eat an avocado pit? Although avocado seeds show a lot of potential concerning health benefits, there are no direct human feeding studies to show the safety or benefits of consuming avocado seeds. Until then, stick to the avocado flesh which has proven health benefits.



## New Ad Campaign Goes Straight to the Groves

t is a story only California avocado growers can tell, and now it's taking center stage in an all-new advertising campaign.

This spring, the California Avocado Commission debuted its "What's Inside a California Avocado" creative and media plan. The advertising campaign will work alongside retail support activities (including signage, display bins and customized retailer programs) to increase demand, awareness and preference for the California Avocados brand. Streaming and airing late March through summer, the ads spotlight the California difference by going straight to the groves to showcase growers' deep roots and the responsible growing practices that uniquely position California avocados as a premium product.

Filmed in mid-February, the lush, beautiful creative profiles two California avocado groves and multi-generational growers:

- Jackson Ranch, Escondido: Jaime and Ricardo Serrato
- Camlam Farms, Camarillo: Maureen Lamb Cottingham, along with David, Robert and John Lamb

#### Shoppers Willing to Pay More for Local and Sustainable

The campaign's spotlight on California growers comes straight from research. According to a 2023 survey of existing and potential avocado shoppers\*, 63% of respondents in the California region agreed that California avocados are worth paying more for. They also have a strong interest in learning more about how California avocados are grown sus-







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tainably. In addition:

- 62% prefer avocados grown in state, and 68% consider them the best
- The majority of avocado shoppers in California perceive California avocados to be safer and more environmentally friendly than other avocados
- 88% of these shoppers say they are willing to pay more for avocados that are grown in safe environmental conditions
- In the California market, being ethically grown is of increasing importance and California avocados are viewed as more ethically grown

"This campaign is not about creating a new story about California avocados. It's instead about confidently leaning into what makes California avocados different and special compared to other origins," said Terry Splane, CAC vice president of marketing. "We seek to remind shoppers that California avocados are locally and sustainably grown with care and a commitment to the community, which is often just down the road from them. By doing so, CAC's aim is to encourage demand for and ongoing loyalty to California avocados."

#### A Strategic and Diverse Mix of Media Placements

From Spotify (a streaming alternative to traditional radio) to grocery store parking lots, the "What's Inside a California Avocado" ads come to life through a strategic and diverse media mix. The media mix targets shopper audiences with a distinct, differentiating message intent on building a preference for California avocados and driving shoppers to retail stores that carry them.

Media placements include video, audio and custom digital partnerships. The campaign creative appears in a variety of

long- and short-form ads (60-, 30-,15- and 6-second spots) that run on a multitude of platforms, including YouTube, social and VideoAmp (a service that places ads on TV streaming services viewed by the target audience).

To directly connect shoppers with retail partners, ads also are appearing on Volta electric vehicle charging stations located in select retailer parking lots. New this year, dynamic map ads are running through the review platform Yelp to target shoppers within select ZIP codes based on relevant interests and searches. These ads on Yelp direct potential shoppers to the nearest retailers stocking California avocados, helping to drive consumer purchase.

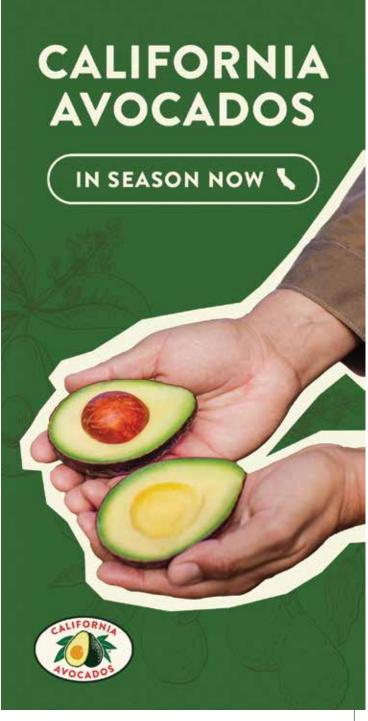


The Commission also is partnering with food-centric media outlets including The Kitchn and Tastemade to run custom content featuring California avocados and the brand story.

Audio channels iHeart Radio and Spotify will feature variations of audio ads gently easing in between listeners' favorite music, and the Commission is collaborating with digital media company GumGum to place custom, eye-catching browser takeover ads on sites with relevant content.

(Editor's Notes: View this year's campaign creative in the images accompanying this story. \*Statistical Data from 2023 California Avocado Commission Avocado Tracking Study)







## Do You Have Enough Water to Grow Avocados?

By Tim Spann, PhD Spann Ag Research & Consulting, LLC

f you drive through the west side of the San Joaquin Valley you will see acres and acres of fallow land along with acres and acres of mostly almonds and pistachios. A lot of that fallow land is owned by the almond and pistachio growers, but they can't plant it. The reason is that the water rights associated with each acre of land on the west side aren't sufficient to grow the thirsty almonds and pistachios that have become the cash cow of the valley. So, the work-around is to own a lot of land and use the total allocated water to irrigate just a portion of the land, thus allowing more thirsty crops to be grown.

Historically this tactic hasn't been necessary for avocados — not because they don't need the water, but because water has been more available in California's avocado growing regions. Unlike the Central Valley that has always relied upon water delivery through the State Water Project, southern avocado growing regions have been largely reliant on Colorado River water and ground water, while northern avocado growing areas have been reliant on ground water and local reservoirs. However, changes in recent years due to overdemand on ground water resources, overallocation of Colorado River water, and prolonged periods of drought have changed the water availability picture for avocado growers. Is it time to start thinking like a west side almond grower?

#### How Much Water Do Avocados Need?

In California, the generalized answer to this question is three acre-feet per year per acre of mature trees assuming about 110 trees per acre. Of course, this varies considerably by location (e.g., Morro Bay vs. Temecula), aspect, heat waves and the need to run a leaching fraction to compensate for poor quality water.

The determination of having enough water available isn't quite as simple as dividing three acre-feet by 365 days and coming up with the need for 2,740 gallons per day per acre. Most growers will not be irrigating every day, so that volume of water needs to be summed across multiple days — for example, irrigating every 7 days equates to needing about 20,000 gallons per acre. But that still doesn't get us there. The trees'



water needs are not equal over the course of the year, it varies with the season from a low of less than 10 gallons per tree per day in winter to as much as 50 gallons per day per tree in summer. That's a range of 6,000 gallons per acre per week in winter to about 40,000 gallons per acre per week in summer. Using 15 gallon per hour microsprinklers would require a run time of 24 hours to apply 40,000 gallons of water per acre.

That said, no irrigation system is 100% efficient. New systems could be 90% efficient or better, reported as the distribution uniformity or DU. A DU of 0.9 means your system is 90% efficient. Older irrigation systems could have DUs well below 0.9, possibly as low as 0.7 or worse. It pays to maintain your irrigation system. Whatever the difference is between 1 and your actual DU needs to be added to your irrigation volume. For example, to apply 40,000 gallons per acre to the trees through a system with a DU of 0.9, 44,445 gallons need to be run to account for the 10% loss in the system.

Similar to compensating for irrigation system DU, water quality needs to be compensated for as well by calculating a leaching fraction. It's important to have a current water quality analysis of your irrigation water, regardless of its source, so you can accurately calculate the necessary leaching fraction. A leaching fraction is the amount of water that needs to be applied above the crop's water needs to compensate for

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the salinity of the irrigation water and maintain an acceptable root zone salinity level (see the resources section at the end of this article for links to information on calculating a leaching fraction). Leaching fractions are reported in percentages and can be found on most agricultural water analyses. The required leaching fraction is additive to the volume needed to compensate for system DU, so in our ongoing example of 40,000 gallons per acre per week with a system DU of 0.9 if the required leaching fraction is 10%, we now need to apply just under 50,000 gallons per acre per week.

#### How Do You Know If You Have Enough Water?

To start, what is your water source and how much water can it supply? If you have a well, what is your pumping capacity? For how long can that well sustain that pumping capacity? If you recently purchased your property and don't know the history of the well it may be a wise investment to have a well company do an inspection and a pump test of the well. During a pump test, water will be pumped from the well as fast as possible to determine the maximum output of the well, and the water level in the well will be monitored to see how much it drops during pumping and how long it takes to recover after pumping.

If you receive your water through a municipal water district, what size water meter do you have? How much water can that meter supply to your grove? For district water it is worth considering worst case scenarios, such as heatwaves. When you and all your neighbors will be irrigating simultaneously, will you still have the maximum flow you expect?

How many acres do you plan to irrigate at a given time? In our ongoing example of 40,000 gallons per acre per week with a DU of 0.9 and a leaching fraction of 10% using 15 gallon per hour microsprinklers the flow would be 1,650 gallons

per hour (assuming 110 trees and sprinklers per acre) for 30 hours. That's not a terribly high flow rate, but what if you have 100 acres and need to irrigate 20 acres at a time so you can irrigate the entire grove every week? Now you need to be able to run 33,000 gallons per hour (550 gallons per minute) for 150 hours out of 168 hours per week. You better not plan on having any equipment failures... ever!

Regardless of your water source, it is never wise to plan on operating at your system's maximum capacity 24/7. I'm not a very conservative person naturally, but when it comes to irrigation I am, and I would not exceed 75% of my system's capacity at the most. So, let's walk through a new example the way it should be done.

You just bought a property that has been planted in avocados historically, but it needs rehabilitation. The property has 30 acres planted with old trees and a 2-inch water meter with a maximum flow of 170 gallons per minute. This grove is in Temecula so the district water is primarily Colorado River water and you've determined you need a leaching fraction of 15%. Can you replant the entire 30 acres?

#### How big can your irrigation blocks be?

- Maximum flow rate 170 gallons per minute × 75% = 128 gallons per minute
- 128 gallons per minute max flow x 60 minutes per hour = 7,680 gallons per hour
- You pick a 10 gallon per hour sprinkler to try to maximize your block sizes = 768 sprinklers
- You want to replant Hass trees at 15 ft x 15 ft or 194 trees per acre with one sprinkler per tree
- 768 sprinklers ÷ 194 trees per acre = 4 acres per irrigation block





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#### Now how long do you need to irrigate at peak need in summer?

- Based on California Irrigation Management Information System (CIMIS) data an acre of mature healthy avocados uses about 37,500 gallons of water per week
- You plan to install a brand-new irrigation system and can achieve a DU of 0.92
- 37,500 gallons of water per week ÷ 0.92 = 40,760 gallons per week
- Your water analysis says you should use a leaching factor of 15%
- 40,760 gallons per week x 0.15 = 6,113 gallons for leaching
- 40,760 gallons per week + 6,113 for leaching = 46,874 gallons per week per acre applied water needed
- You have 194 trees per acre so 46,874 ÷ 194 = 242 gallons per tree per week
- 242 gallons per tree per week ÷ 10 gallons per hour sprinklers = 24 hours of irrigation per week in summer

Now that you know how many acres you can irrigate at once and how long you should irrigate at peak need you can answer the final question: how many acres can you farm effectively?

- Assuming you are willing to irrigate 6 days a week and 24 hours a day there are 144 hours of available irrigation time (6 days x 24 hours per day)
- Divide the number of hours of irrigation time available by the hours of irrigation needed, which is 144 available hours ÷ 24 hours needed irrigation = 6
- 6 is the number of irrigation blocks you can run in a week
- 6 blocks x 4 acres per irrigation block = 24 acres that can be farmed with the available water

Based on these calculations you can replant 24 of the 30 acres.

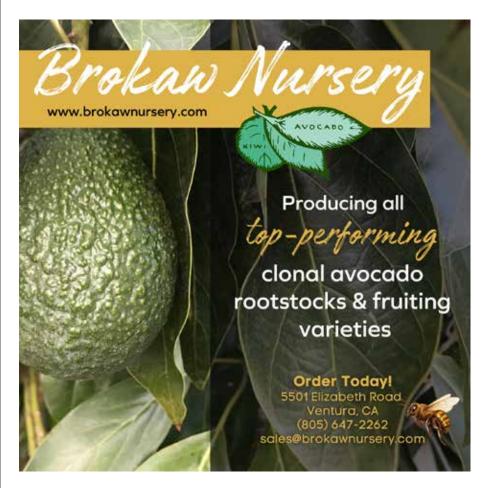
Recently, the California Avocado Commission Production Research Committee began a research and grower outreach prioritization exercise. One of the committee members wrote down, "Irrigation. Irrigation. IRRIGATION!" as their top priority, commenting that there isn't hardly a single grower out there who couldn't improve their irrigation practices. I believe that is true. Without proper irrigation management, fertilizer management is inefficient at best. Over watered trees will suffer from root health issues and set poor crops. Under irrigated trees will suffer from drought stress and grow poorly and set poor crops. Stressed trees are more susceptible to pests and disease and set even poorer crops.

This all highlights the importance of doing the math and farming the acres for which there is water available. Farming more acres than you have water for severely limits yield potential of the grove. For something so critical to the success of your grove, isn't it worth taking a few minutes to do some math and make certain you have the ability to properly manage your trees for the long haul?

#### Resources

Estimating Leaching Fraction Requirements, UC Cooperative Extension Stanislaus County: https://www.waterboards.ca.gov/waterrights/water\_issues/programs/bay\_delta/california\_waterfix/exhibits/docs/dd\_jardins/ddj\_140\_lf.pdf

How to calculate the recommended leaching fraction, Gary Spinelli, UCCE San Diego County, YouTube tutorial: https://www.youtube.com/watch?v=84Y1CkSNngE



## Meet Your Retail Marketing Directors

he California Avocado Commission's retail marketing directors serve as the principal liaison between the Commission, retailers and AMRIC handlers — coordinating merchandising and promotional activities for California avocados. As such, they are the next level of outreach for growers beyond the handler buying contacts and play a crucial role in communicating key CAC marketing messages to retailers. The RMDs are involved throughout the year, particularly in the months leading up to the California avocado harvest and during the harvest season — meeting with vice presidents, directors and category managers of produce, as well as with retailer marketing management, to execute all marketing and produce promotions.

Retail promotion has evolved over the years with RMDs taking on the additional role of promoting California avocados using digital marketing and social media tools. While this involves more work on their part, these tools are the dominant means of communicating with today's consumers, especially young shoppers who have the potential to become lifelong consumers of California avocados. CAC's RMDs focus on the supermarket, mass merchandiser and club chains in the Western U.S. and California specifically, to grow demand, sales and velocity for California avocados. They also outreach opportunistically to distributors, specialty retailers, small store format and Hispanic retailers.



Carolyn Becker resides in Colorado and has two sons. They all enjoy an active outdoor lifestyle.



David Anderson resides in Texas and enjoys golfing, fishing, gardening and considers himself an enthusiastic backyard orchardist.

#### Carolyn Becker

CAC RMD Carolyn Becker brings 27 years of produce marketing experience across many commodities and scale of businesses to her role. During her career she has managed retail marketing for produce items such as pears, cherries, kiwifruit, apples and walnuts. Further, she has experience with direct business development of cherries and medjool dates. Carolyn has worked with the Commission for nine years and covers retailers in the Western U.S. as well as the national accounts of Albertsons/Safeway and Sprouts Farmers Market. As to why she enjoys supporting



CAC RMD Carolyn Becker and CAC staff enjoy a grove tour with Save Mart Supermarket buying, merchandising and quality control team members.

California avocado growers, she says, "Agriculture and growers feed our world, so my small part to ensure the retail environment is educating consumers on health and selling more California avocados has become a passion."

Carolyn resides in Colorado and has two sons who all enjoy an active outdoor lifestyle. She enjoys volunteering for organizations that counsel children who are rebuilding after the loss of a parent.

#### David Anderson

David Anderson is a 24-yearveteran with the Commission whose territories include the Western divisions of the national accounts Costco, Kroger, Sam's Club, Target, Walmart and Whole Foods. He also handles retailers in the Midwest and Eastern United States. "Our work in the field directly enhances the value of California avocados and is both measurable and quantifiable in regard to return on grower investment," he states. "We can directly impact demand for California avocados!"

David has served as a retail marketing contact since the late 1990s and was an independent broker owner/operator prior to beginning with the Commission in 1999.



David Anderson (right) meeting with Dan Fechte from Schnuck Markets during the Southeastern Produce Council Southern Exposure conference.

A native Midwesterner, David has been a resident of Texas since 1998. He currently enjoys golfing, fishing, and gardening and considers himself an enthusiastic backyard orchardist.



Ads feature creative that complements the consumer campaign, highlights the reliability of California avocados and emphasizes the business benefits of carrying the brand.

# Retail Trade Advertising and Public Relations Campaigns Showcase Benefits of Carrying California Avocados

ith California avocados competing for retail shelf space and buyer attention, it is important to remind retail buyers and other decision makers of the high consumer demand for California avocados and the beneficial sales generated by the fruit when it is in season. To keep California avocados top-of-mind with key industry members and buyers prior to and during the season, the California Avocado Commission pairs retail trade advertising with public relations to encourage demand for and distribution of the fruit.

One of CAC's retail trade advertising goals this year is to make the state of California truly stand out as a hero with ads featuring the state outline along with the tagline, "Count on California Avocados." The full-page print ads feature an image of an avocado hanging from a tree branch as well as a beauty shot of a partial grove that fills the center of the California state outline. The visual appeal of the ad is enhanced by diagonal sections that separate the imagery from the ad copy, which points out that shoppers count on the California avo-

cado season for delicious, ethically sourced fruit that delivers unparalleled freshness and is locally grown.

Targeted towards retailers, the ad copy is supported by data from Circana that indicates weekly avocado volume increases by 8% during the California avocado season and that bagged avocado volume has increased by 71% over a four-year period. The digital ads link to CAC's retail section of CaliforniaAvocado.com that includes an infographic concerning California avocado volume lift — reiterating the facts presented in the print ad copy.

Working within a reduced budget this season, the trade advertising media plan relies heavily on digital channels — The Packer, The Produce News, Blue Book Reporter — chosen for their higher impressions, reach and frequency. Ads will run five days a week from March through June with light support in October around the International Fresh Produce Association's The Global Produce and Floral Show. And Now UK now, which provides good coverage and articles, also will feature digital ads throughout the campaign period.

Print ads will run in *The Packer* and *The Produce News* in their respective avocado sections at the start of the season. As part of the process, the Commission negotiated \$76,000 in free bonus print advertising. Of the four *The Packer* ads two are free bonus ads and *The Produce News* ads were provided at a discounted rate. One additional print ad will run in the Snack magazine, which is affiliated with AndNowUKnow and has high quality content and editorial.

The trade public relations campaign complements advertising with media activity that is earned rather than purchased. The Commission distributes press releases to targeted trade publications using a steady cadence that leads up to and throughout the California avocado season. In addition, CAC's media outreach publicizes key communication points that reinforce the benefits of carrying California avocados, showcases how CAC supports customers and shares Commission-related news. Further, Commission Vice President of Marketing Terry Splane and Vice President of Industry Affairs and Operations Ken Melban are regularly available to respond to media requests concerning appropriate topics.

Even working within the confines of a reduced budget, CAC was able to keep its prime positioning in key publications while generating more than 41 million impressions.

"As I noted in the winter edition of From the Grove," said Terry Splane, "in 2024 CAC's investment in industry support (communicating seasonal availability of California avocados to trade customers through advertising and PR) was severely reduced." He continued, "Due to the lower volume expected this season, it is not necessary to pull new customers into the brand. However, it is still very important to communicate about the brand and seasonal availability with targeted customers, reminding them of the benefits of merchandising California avocados."

Working within a reduced budget, CAC's trade media plan relies heavily on targeted digital publications with high impressions, reach and frequency.





#### **COUNT ON CALIFORNIA AVOCADOS**

MAXIMIZE SALES

## Featured California Avocado Recipes

ecipes are a marketing tool often requested by California avocado trade customers – retailers and foodservice operators. In this edition of From the Grove, the California Avocado Commission highlights two quite different recipes created for trade customers.

The first recipe, California Avocado and Hatch Chile Grilled Cheese, was created for retailers to use when promoting California avocados to their shoppers. Retailers look for creative recipes with images and videos that can be promoted across several traditional and social media channels, and they tend to prefer recipes that are simple for home cooks to prepare. Last year in celebration of National Sandwich Month, Mollie Stone's Markets featured this sandwich as a fun and fresh take on a classic made with two in-season produce favorites. The retailer promoted a video of the recipe on its Facebook and Instagram channels and the recipe and photo on their website blog.

The second recipe is a foodservice recipe with a more elevated culinary approach: Sesame Seared Ahi and California Avocado, Radish and Cucumber Salad. The foodservice team uses recipes featuring California avocados to inspire chefs/restaurateurs with innovative applications that other professionals are using on the menu. CAC places photos and recipes with foodservice publications in support of their articles, leveraging the third-party endorsement (i.e., editors) to identify the dish as an on-trend or inspiring dish.

Featuring chef recipes in publications and on CaliforniaAvocado.com also supports chefs/restaurants with trade public relations exposure and encourages them to think of CAC as a resource.

Growers: sharing one of your family's California avocado recipes for use in marketing communications would be valuable and appreciated. Please call 949-341-1955 if you have a recipe to share.

#### California Avocado and Hatch Chile Grilled Cheese

Serves: 4

Time: 30 minutes

#### Ingredients:

- 2 large, mild Hatch green chiles\*
- 8 slices rustic wheat or white bread
- 1/4 cup butter, softened
- 8 (3/4-oz.) slices Cheddar cheese
- 2 medium ripe tomatoes, thinly sliced
- 1/4 cup thinly sliced red onion
- 1 firm but ripe, Fresh California Avocados, peeled, seeded and sliced
- 1/8 tsp. salt
- Fresh basil leaves

\*If Hatch chiles are out of season use fresh poblanos or canned Hatch chiles.



- 1. Cook chiles on a grill or under the broiler until nicely charred. Wrap in foil and let stand for 5 minutes to cool and soften. Carefully remove stem and seeds and cut into 1/4-inch strips.
- 2. Spread ½ tablespoon of butter onto one side of each slice of bread. Top bread slices with one slice cheese, chiles, tomato slices, onion, avocado and salt (on the avocado) in this order, adding basil if desired. Top with remaining slices and close sandwiches.
- 3. Place in a very large skillet, butter side down over medium heat. Cook until the cheese is melted and sandwiches are golden brown, about 3 minutes on each side.



#### Sesame Seared Ahi and California Avocado, Radish and Cucumber Salad

Serves: 12

#### Ingredients:

- Marinated Ahi (recipe follows)
- White Balsamic Vinaigrette (recipe follows)
- California Avocado Radish Cucumber Salad (recipe follows)
- Yuzu Wasabi Aioli (recipe follows)
- 3/4 cup sweet soy sauce\*
- · Garnish: fresh chives, as needed
- Garnish: Toho Shokuhin Ume Goma (Sweet-tart-salty sesame seeds)

#### Marinated Ahi (Yield: 12 servings)

- 2 1/4 lb. ahi
- 4 1/2 oz. sesame oil

#### White Balsamic Vinaigrette (Yield: 3 cups)

- 6 oz. white balsamic vinegar
- 6 oz. seasoned rice wine vinegar
- 12 oz. olive oil
- Salt and pepper, to taste

#### Instructions:

#### Marinated Ahi

- 1. Portion ahi into 3-oz. pieces.
- 2. Marinate in sesame oil for 15 minutes.

#### White Balsamic Vinaigrette

1. Whisk together all ingredients and refrigerate.

#### California Avocado Radish Cucumber Salad

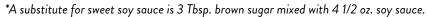
- 1. Place all ingredients in a bowl.
- 2. Add the White Balsamic Vinaigrette and gently stir.

#### Yuzu Wasabi Aioli

- 1. Whisk together the egg yolks and yuzu.
- 2. Slowly whisk in the olive oil whisking until thick.
- 3. Stir in the wasabi and refrigerate.

#### Per Order:

- 1. Place 1/2 cup of the California Avocado Radish Cucumber salad in a ring mold and gently press down.
- 2. Place the molded salad at the top center of the platter.
- 3. In a hot sauté pan, sear ahi then slice thinly.
- 4. Place the ahi down the length of the plate.
- 5. Drizzle 1 heaping Tbsp. Yuzu Wasabi Aioli sauce down one side of the platter.
- 6. Drizzle 1 Tbsp. of sweet soy sauce along the opposite side of the platter.
- 7. Garnish with fresh chives over the salad.
- 8. Garnish with seasoned sesame seeds over ahi.



<sup>\*\*</sup>Large avocados are recommended for these recipes. A large avocado averages about 8 ounces. If using smaller or larger size avocados adjust the quantity accordingly. As with all fruits and vegetables, wash avocados before cutting.

#### California Avocado Radish Cucumber Salad (Yield: 12 servings of 1/2 cup each)

- 3 large Fresh California Avocados, peeled, seeded, 1/4" dice
- 2 1/4 cups radishes, cleaned, 1/4" dice
- 2 cups hot house cucumber, peeled, seeded, 1/4" dice
- 1 Tbsp. fresh chives, minced

#### Yuzu Wasabi Aioli (Yield 1 cup)

- 13/4 oz. pasteurized egg yolks
- 11/2 Tbsp. yuzu juice (or fresh lime juice)
- 11/2 tsp. prepared wasabi
- 3/4 cup olive oil



## Handlers' Report

## California Growers Producing More Volume than Estimated

n late May, the California Avocado Commission released its mid-season 2024 California avocado crop estimate, which was a significant increase from the preseason estimate of 208 million pounds. The mid-season projection actually includes two estimates, with growers predicting that the year-end volume will top 271 million pounds and handlers setting the crop size at 250 million pounds.

The two numbers represent a 20-30% volume increase. In releasing both mid-season estimates, CAC revealed that it typically releases one number as the two industry segments are usually closely aligned. "However, there are times when the grower and handler survey results are not aligned closely enough for the Commission to publish one number," CAC said in its report.

CAC did note that the grower number was derived from responses representing nearly 43% of California's producing acreage, with the growers reporting that, on average, parts of Ventura County should yield about 10,000 pounds to the acre.

While there is obviously a difference of opinion about how much fruit is still on the trees, there is complete agreement that there is much more fruit than originally expected.

Peter Shore, vice president of pro-

duction for Santa Paula-based Calavo Growers Inc., said the revised estimate is the result of taking a look at the trees throughout the state and realizing that, especially in the northern districts, they have performed better than anticipated. He noted that the pre-season estimate was developed through the observation of growers and handlers last fall while the fruit was still very small. He commented that it is not an exact science but rather an educated guess. The midseason estimate is clearly based on more recent data with a higher likelihood of being more accurate.

Shore said the trees in the southern districts did have a lighter crop than usual and that observation was influential in the overall pre-season estimate. But as the season has developed, trees in the northern districts are overperforming and have more fruit on each tree than anticipated. He said in late May that the number of harvested pounds throughout the month made it clear the pre-season estimate was too low. Shore said when the state topped the halfway point of the pre-season estimate in May, it was obvious there was much more fruit on the trees yet to be harvested. While the industry had originally expected to peak in May and early June with much less volume after the 4th of July, that's not the reality playing out in

the groves.

"We are definitely going to have good volume through July and into late August," Shore said. "In fact, we believe we will have California avocados to sell into September."

He said the strong market price that has accompanied California supplies since the first bins were being picked in late January and early February should remain in place through the end of the season. He reasoned that the market dynamics do not appear as if they will be adversely affected by California's increased volume. Mexico's volume is still declining as it always does in summer and the vast majority of Peru's volume, which is a bit later this year, is presold as part of program buys for the larger retail operations.

"The demand for California fruit remains very strong," Shore said, adding that the almost perfect bell-shaped size curve is filling the needs of everyone on the supply chain. "As we go through the California season, we believe the strong market will follow the crop. We are expecting great July 4 promotions."

Mission Produce Inc. Sales Director Brooke Becker credited the substantial rain in both 2023 and 2024 for adding volume to this year's production. "The reason for the better-than-expected season really comes down to

the rainfall from the last two years and the springtime conditions that led to a plentiful fruit set," she said.

The Oxnard-based grower-packer-shipper is taking advantage of the extra California volume to service its customers beyond the U.S. border. "This year, Mission Produce plans to use California fruit to fill customer programs across the U.S., Canada, China, Korea and Japan," Becker noted.

She added that during this time of year the California fruit is expected to be the highest shelf-life option, due to its lower dry matter content compared to other origins. "As a company, we've been connected to California avocados for 40 years – it's where we started," Becker said. "So, California is always a special addition to our diverse portfolio of avocado origins."

Specifically talking about California production, Becker revealed that this season Mission Produce launched new packaging for its limited-edition California GEM avocados. The GEMs are being offered in bags of 40s and 48s, and mixed bags of 36s-60s.

Carson McDaniel, vice president of McDaniel Fruit Company, which is headquartered in Fallbrook, agreed that the California crop is overperforming expectations. Speaking to From the Grove before CAC released its revised estimate, McDaniel did not want to predict the number but he said it has become apparent that there is more fruit on the trees in the northern districts. "We have a ton of fruit in Ventura County," he said. "We are seeing more individual pieces on the trees than we expected. San Diego County is running light but Ventura County is going to have more fruit than we thought."

Urged on by a strong market and a dearth of large fruit, many California avocado growers began harvesting their groves sooner than expected setting themselves and their colleagues up for what appears to be an excellent per pound return all season long.

During the four full weeks of April, California sent more than 45 million pounds of fruit to market, representing about 22% percent of the preseason estimate of 208 million pounds. "We got off to a fast start," said Eco Farms Avocados sales director Gahl Crane on May 1. "The harvest is definitely ahead of schedule. Initially, we (California growers) had a slow start but in the last few weeks – in fact, throughout April – the harvesting pace has surpassed estimates."

He said market demand fueled the harvesting pace as Mexico's slowly decreasing supplies were not able to keep up with the buying habits of the consumer. "Retailers are looking for a second source and California growers have responded," he said, guessing on the first day of May that the month might produce California's peak volume.

May did prove to be a great month for California growers as they sent more than 50 million pounds to market with a very solid pricing structure. It was the very good April/May volume that led many growers and their handlers to determine that the crop was going to pack out at a much higher level than originally anticipated.

Gahl of Eco Farms did note another anomaly of this year's California production in the early going, and that is that northern district growers (Ventura County north) were sending more fruit to market than the southern district growers (San Diego and Riverside) early in the season. "Through April, we typically see a 50/50 split in volume between the northern and southern districts; this year, 75% of the volume to date (May 1) is coming from the north with only 25% from the south."

Gary Clevenger, managing member of Freska Produce International,

Oxnard, CA, agreed the harvesting of California avocados was occurring at a faster clip than anticipated. He noted in late April that almost 30% of the expected volume had been shipped. He commented that the marketing situation has been strong but it could even get stronger in May if Mexico's volume starts to decline as it usually does in May and June.

Clevenger said the strong market is a great incentive for California growers to harvest their fruit on the early side and so is the fruit that is already on the trees for the 2025 season. "We've had an amazing bloom and the trees are loaded," he said. "Some growers are going to want to get this year's crop off the trees to allow next year's crop to grow."

He added that it was far too early to put numbers on the size of the 2025 crop, but initial indicators are for a significant increase with this winter's rain already doing its work for next year.

Shore also commented on the 2025 crop year that is currently sitting on the trees, especially in the more southern districts. "Of course, we don't know what's going to happen until we get through the year, but what we are seeing is very favorable. We had a heavy bloom and heavy rain, which is very good for the tree and the fruit set."

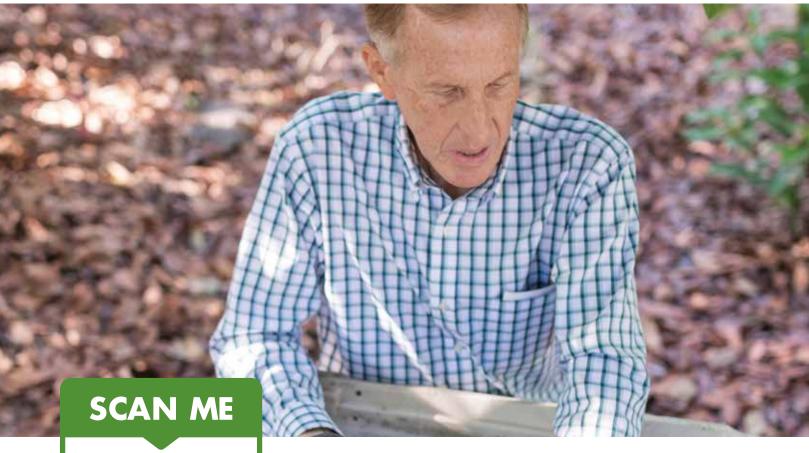
Heading into June, he noted that next year's crop has negotiated many of the potentially negative environmental impacts that could hurt production but there are still some hurdles out there. "We know we will get some wind in the fall and we could also get extreme heat in the summer like we did in 2018 when we had many days over 110 degrees."

But Shore said temperatures that high are very rare and he is not expecting them to occur in the summer of 2024. He went into the summer with the expectation that the 2025 crop will pack out at a relatively high number.



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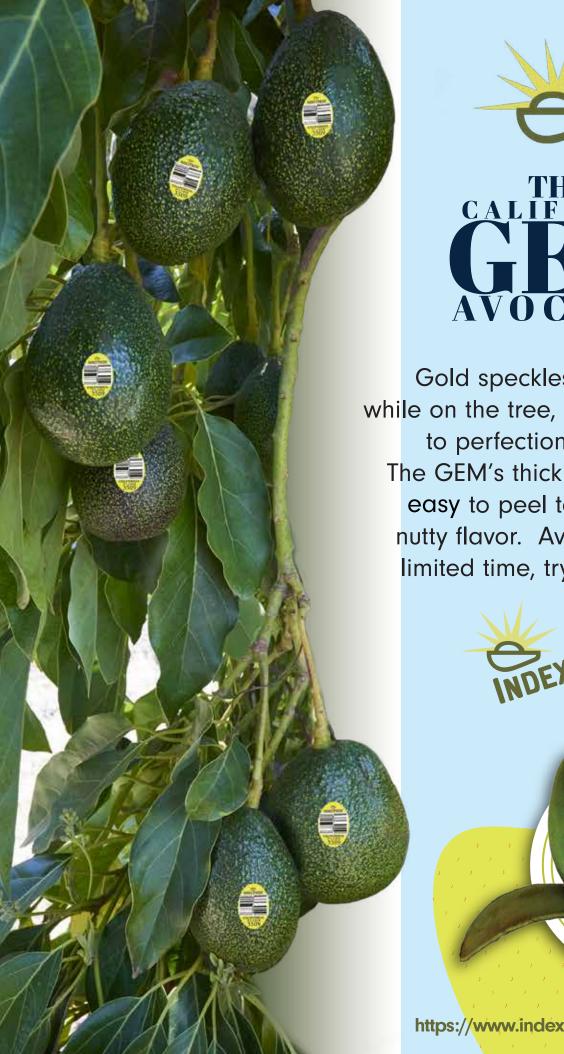
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