

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

**F**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 quarantine 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 marketing 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](http://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. 🥑



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