



Program Results from 11/1/08 – 8/1/09

CALIFORNIA AVOCADO COMMISSION PURPOSE: MAXIMIZE GROWER RETURNS

CAC MARKETING GOALS:

1. Increase **Demand** In Season
2. Maintain **Premium Positioning** for California Avocados
3. Increase **Awareness** for California Avocados and CAC Programs

CONSUMER ADVERTISING	
Success Measures	<p>1) Demonstrated increases during California Avocado season over prior year in: <i>(Targets were not available in original plan because the 2008 Fall Tracking Study results were received after the plan was published. Prior year benchmarks have been added. Results for this season are expected in November from the 2009 Fall Tracking Study.)</i>Note, “unaided” awareness is not tracked, therefore measure has been modified.)</p> <ul style="list-style-type: none"> a) Awareness of “Hand Grown in California”: 49% b) Percent of households purchasing: 71% c) Frequency of purchase: 22.6 times per year d) Average transaction size: 3.3 e) Attribute ratings <ul style="list-style-type: none"> i) Advertising awareness: 31% ii) Preference for California Avocados: 54% iii) Taste, Quality and Freshness ratings: <ul style="list-style-type: none"> (i) Taste: 22% (ii) Premium Quality: 28% (iii) Freshness: 36 iv) Perception ratings of CA being better at environmental friendly farming <ul style="list-style-type: none"> (i) Environmentally Friendly: 42% (ii) Food Safety: 47%



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TRADE: RETAIL	
Success Measures	<ol style="list-style-type: none">1) Minimum of 200,000 impressions in trade publications (paid advertising plus press hits) delivered: +750%<ol style="list-style-type: none">a. Delivered over 267,533,000 gross impressions to the trade year-to-date in paid advertising alone.b. Achieved more than 2 million gross impressions to the trade in PR outreach (non-paid)



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TRADE: RETAIL	
Success Measures	<p>2) Demonstrated increase of California Avocado brand materials at targeted key accounts during peak season:</p> <p style="margin-left: 20px;">a. Over 1,800 HGIC Bins and 200,000 HGIC Summer Entertaining brochures ordered by retail chains in core CAC markets:</p> <ol style="list-style-type: none"> 1. Safeway – Northern California (268 Stores) [Display Bins 5/09] 2. Vons – Southern California (303 Stores) [Display Bins, POS Cards, Channel Strips & Recipe Brochures 5/09] 3. Safeway – Seattle/Spokane (180 Stores) [Display Bins 5/09] 4. Mollie Stone’s (8 Stores) [Display Bins 4/09] 5. Andronico’s (8 Stores) [Display Bins 3/09] 6. Food Maxx (46 Stores) [CAC Nutrition Banners & Recipe Brochures] 7. Ralphs – Southern California (280 Stores) [Display Bins & Recipe Brochures 5/09] 8. Nugget Markets Northern California (10 Stores) [Display Bins 4/09] 9. Save Mart – Northern California (200 Stores) [Display Bins & Recipe Brochures 5/09] 10. Unified Grocers (servicing over 300 independent retailers) 11. Haggen – Seattle (20 Stores) [Display Bins 5/09] 12. Raley’s – NorCal (160 Stores) [Display Bins & Recipe Brochures 5/09] 13. Sprout’s Markets – SoCal (7 Stores) [Display Bins] 14. Fry’s – Phoenix (250 Stores) [Display Bins 5/09] 15. Stater Bros. (166 Stores) [Display Bins 5/09] 16. QFC – Seattle [20 Display Bins] 17. Albertsons – Phoenix [90 English & 10 Spanish Display Bins 7/09] 18. Fred Meyer – Portland (70 stores) [Display Bins 6/09] 19. Fred Meyer – Seattle (60 stores) [Display Bins 6/09] 20. Safeway – Alaska (44 stores) [Display Bins 6/09]



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TRADE: RETAIL (cont'd)	
Success Measures	<ol style="list-style-type: none"> 1) Confirmed avocado displays, point-of-sale materials, signage/branding during peak season in at least 10 targeted retailers: <ol style="list-style-type: none"> a. HGIC Bins, POS, and/or Summer Entertaining brochures on display at: <ol style="list-style-type: none"> 1. Safeway – Northern California (268 Stores) [Display Bins 5/09] 2. Vons – Southern California (303 Stores) [Display Bins, POS Cards, Channel Strips & Recipe Brochures 5/09] 3. Mollie Stone’s (8 Stores) [Display Bins 4/09] 4. Andronico’s (8 Stores) [Display Bins 3/09] 5. Food Maxx (46 Stores) [CAC Nutrition Banners & Recipe Brochures] 6. Ralphs – Southern California (280 Stores) [Display Bins & Recipe Brochures 5/09] 7. Nugget Markets Northern California (10 Stores) [Display Bins 4/09] 8. Save Mart – Northern California (200 Stores) [Display Bins & Recipe Brochures 5/09] 9. Haggen (20 Stores) [Display Bins 5/09] 10. Raley’s – NorCal (160 Stores) [Display Bins & Recipe Brochures 5/09] 11. Sprout’s Markets – SoCal (7 Stores) [Display Bins] 12. Stater Bros. [Ordered an additional 60 Display Bins for 60 stores 6/09] 13. Stater Bros. – (164 stores) [CAC Recipe Brochures & Brochure Holders posted in all stores 6/09]

TRADE: RETAIL CONSUMER PROMOTION	
Success Measures	<ol style="list-style-type: none"> 1) Demonstrated “fair share” of avocado consumer promotions via Retail Marketing Director tracking of CAC and competitive programs: <ol style="list-style-type: none"> a. Tracking throughout the season with results to be tabulated later in the season 2) Expenditures within limited budget: <ol style="list-style-type: none"> a. Currently tracking within budget



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TRADE: FOODSERVICE	
Success Measures	<p>Secure 5 operator promotions featuring Fresh <i>Hand Grown in California</i> Avocados: + 220%</p> <p>Running promotions with 12 foodservice operators:</p> <ul style="list-style-type: none"> - Compass (4000 locations) - Sodexo (2000 locations) - Sodexo Senior Services (500 locations) - Villa Pizza (355 locations) - Baja Fresh (270 locations) - Togo's (242 locations) - Rubio's (162 locations) - Chevy's (96 locations) - BJ's (80 locations) - Ruby's Diner (36 locations) - Rock Bottom Restaurants (33 locations) - Maggiano's (40 locations)

TRADE: FOODSERVICE	
Success Measures	<p>Achieved 1.2 million <i>Hand Grown in California</i> message impressions via foodservice publications targeting foodservice operators and key decision-makers: Over 150%</p> <p>Have or will achieve nearly 1.8 million impressions:</p> <ul style="list-style-type: none"> - Running 5 ads in <u>Restaurant Hospitality</u> (550,000 impressions) - Running 2 ads in <u>Food Management</u> (94,000 impressions) - Running 4 ads in <u>Food Arts</u> (204,000 impressions) - Internet (947,614 impressions so far)



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TRADE: FOODSERVICE	
Success Measures	<p>1) Achieve 40 product and/or editorial placements generating over 3,000,000 impressions and an ad equivalency value of \$100,000: Over 100% of placements and value, and 71% of impressions</p> <p style="padding-left: 20px;">a. Through July 2009, the foodservice program has achieved 41 feature and/or product placements with a total comparative ad value of \$107,018 and accruing 2,143,000 impressions</p> <p style="padding-left: 20px;">For the remaining three months, armed with a portfolio of excellent new operator recipes and photography, we look forward to continued success with placing Fresh California Avocados within foodservice editorial. Competition from HAB, MHAIA, APEAM and CAIA reduces the regularity of product placements which CAC has enjoyed. However, promoting Fresh California Avocados in the context of foodservice trends helps to keep our messaging top of mind with editors.</p> <p>2) Attend/sponsor conferences and develop 50 new operator contacts: 108%</p> <p style="padding-left: 20px;">a. Worlds of Flavor (8 new contacts)</p> <p style="padding-left: 20px;">b. Research Chefs Association (5 new contacts)</p> <p style="padding-left: 20px;">c. NACUFS – Pacific Region (11 new contacts)</p> <p style="padding-left: 20px;">d. Greystone Flavor Summit (15 new contacts)</p> <p style="padding-left: 20px;">e. Marketing Executives Group (8 new contacts)</p> <p style="padding-left: 20px;">f. International Corporate Chefs Association (5 new contacts)</p> <p style="padding-left: 20px;">g. PMA Chef Demos (2 new contacts)</p>



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PUBLIC RELATIONS AND CONSUMER NUTRITION	
Success Measures	<p>Programs that result in media coverage will be measured based on the standard industry method of evaluating gross media impressions. Recording gross media impressions is a tangible way to measure messages that are delivered through traditional and online consumer media outlets. We also will include online measurements (e.g., unique page views or visitors, whichever is the agreed-upon mechanism since no one industry standard exists). Specific gross impression goals outlined below:</p> <p>1) Artisan Chef Program – 10 million impressions: 77% The results for this program will continue to be tabulated throughout the season. Results to date include:</p> <ol style="list-style-type: none"> a. Secured 14 artisan-style chefs in key and developing CAC markets b. Continued to engage, educate and excite participating chefs on the superior quality and flavor of California Avocados c. Utilized key participating chefs as spokespersons in proactive media initiatives and reactive media opportunities to communicate key <i>Hand Grown in California</i> messages d. Conducted media outreach and have secured the following placements including <i>Sunset, My Midwest, CBS "Saturday Early Show,"</i> and KTLA "Morning News." e. Secured segment with Chef Troy Foshee of George's at the Cove on XETV featuring recipes with California avocados, resulting in more than 10,000 consumer media impressions f. George's at the Cove is now running an advertisement that features one of Foshee's dishes that includes California avocados g. Chefs Mike and Molly Fagnoni recently served dishes with California avocado at their tasting table at a regional charity event h. Secured segments with partner chefs on the following outlets: chefs Mary Sue Milliken and Susan Feniger - KTTV-TV (Los Angeles, CA), chef Kent Rathbun - KDFW-TV (Dallas, TX), chef Eric Tanaka - KOMO-TV (Seattle, WA), chef Trey Foshee - KSWB-TV (San Diego, CA), chefs Mike and Molly Fagnoni - KCRA-TV (Sacramento, CA) and chef Eric Tanaka - KING-TV (Seattle, CA) i. These placements resulted in more than 6.8 million consumer media impressions



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PUBLIC RELATIONS AND CONSUMER NUTRITION (Cont'd)

2) Cinco de Mayo – 70 million impressions: **247%**

The results for this program are still being calculated. Results to date include:

- a. Secured Chefs Mary Sue Milliken and Susan Feniger, known as the Too Hot Tamales, as the program's media spokespeople
- b. Provided media two new avocado-centric recipes perfect for Cinco de Mayo that were developed by Mary Sue and Susan
- c. Conducted media outreach to broadcast, print and online media. Major placements included stories with: CBS "Saturday Early Show," KTLA "Morning News" (Los Angeles, CA), *Houston Chronicle*, *San Antonio Express News*, *Sacramento Bee*, *Indianapolis Star* and *San Diego Union-Tribune*
- d. Developed CAC's first downloadable widget that featured a daily California Avocado recipe offering for perfect for Cinco de Mayo
- e. Secured further coverage with numerous media outlets, including *Tulsa World* and *The Blade* resulting in 173,000,000 consumer media impressions

3) Nutrition Communications/Phytonutrient Research – 5 million impressions: This program is ongoing and spans the entire fiscal year. Results to date include:

- a. Leveraging partnerships with third-party nutrition organizations such as Med Mark, Nutrient Rich Foods Coalition and Produce for Better Health Foundation
- b. Coordinating and overseeing research study being conducted by The Ohio State University
- c. Overseeing communications of UCLA Phytonutrient research study results
- d. Continued communication with UCLA regarding article submission to peer-reviewed journal



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PUBLIC RELATIONS AND CONSUMER NUTRITION (Cont'd)

- 4) Overall Administration – Measurement is positive response to reports by key audiences, including CAC executive staff and CAC board:
 - a. **This program is ongoing throughout the CAC fiscal year. To date, we have been successful in adhering to the new guidelines set forth by CAC**
- 5) Grower Stories – 2 million impressions: **+2330%**
The results for this program will continue throughout the season. However, results to date include:
 - a. **Conducted one-on-one interviews with Mark and Linda Bruce, Duncan and Robert Abbott, and Jaime and Roberto Serrato to gain a better understanding of their stories**
 - b. **Continuing to utilize California avocado growers as spokespeople to convey key *Hand Grown in California* messaging through the media**
 - c. **Story featuring grower Rio Hahn ran in *Relish* resulting in more than 31,000,000 consumer media impressions**
 - d. **Developed, distributed and pitched a press release featuring the stories and personal recipes of California avocado growers Duncan and Robert Abbott, and Mark and Linda Bruce**
 - e. **Total growers stories coverage has resulted in more than 46,000,000 consumer media impressions**
- 6) News Bureau – 80 million impressions: **+157%**
The results for this program will continue throughout the season. However, results to date include:
 - a. **Educated media on the kick-off of the season, seasonality of the crop and availability of the fruit in the market. As a result of these efforts, a number of stories have recently run in conjunction with the opening of California avocado season, including placements in *Sunset*, *Los Angeles* magazine, *Runner's World*, *Prevention* and *My Midwest* magazine**



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	<p style="text-align: center;">PUBLIC RELATIONS AND CONSUMER NUTRITION (Cont'd)</p> <p>b. A number of stories promoting California avocados have recently run, including placements in Sacramento Bee, Express and Shape magazine. The comprehensive coverage resulted in more than 126,000,000 consumer media impressions</p> <p>7) New York Media Tour – 10 million impressions: This is a future program with the following actions:</p> <ol style="list-style-type: none">a. Plan and execute desk side briefings with target media in New York City in September 2009 with a CAC representative and grower serving as spokespeopleb. Conduct face-to-face meetings with top food media to communicate key <i>Hand Grown in California</i> messaging and educate editors about the premium quality, versatility and nutritional attributes of California avocados <p>8) Recipe Development/Photography/Nutritional Analysis:</p> <ol style="list-style-type: none">a. Measurement is outcome of eight usable recipes and photographs: Recipes have been developed and four of the recipes have already been utilized to promote the CAC Cinco de Mayo program <p>9) Radio Media Tours, Radio News Releases, Camera Ready (Mat) Releases, News Releases and Photo Wire Distribution:</p> <ol style="list-style-type: none">a. Measurement is the successful development of these tactical elements for use in key programs: The radio news release tied to Cinco de Mayo resulted in 15 million consumer media impressions The Summer Entertaining mat release was recently distributed, results to be reported in future reports
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PUBLIC RELATIONS AND CONSUMER NUTRITION (Cont'd)	
	<p>10) Promote www.CaliforniaAvocado.com as a resource for avocado information:</p> <p style="padding-left: 20px;">a. Measurement will be based on the increase in visitors to the site: This program is ongoing. The increase of visitors to the site will be in metrics from SiteLab</p> <p>11) Manage crisis and issues:</p> <p style="padding-left: 20px;">a. Measurement is quality of communication surrounding crisis or issue as evaluated by the communications team: This is an ongoing program and the funding for this is reserved for any work that may be needed throughout the fiscal year that is related to managing crises and issues</p>

PUBLIC RELATIONS AND CONSUMER NUTRITION	
Success Measures	<p>Successfully counseling Industry Affairs on communications surrounding the sustainability program: This program is ongoing.</p> <p style="text-align: center;">The only action to date has been attendance at one overview/update meeting and no further action is anticipated following the budget amendment eliminating the Industry Affairs Sustainability program in March</p>



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INTERNET MARKETING	
Success Measures	Equal 2007-08: Visitors, Sessions, Pageviews/Length of Session/Click through path

	Nov 07-May 08	Nov 08- May 09	Change
Visitors	779,708	744,675	▼.6%
Pageviews*	3,849,007	3,559,985	▼7.5%
Length of Session	3:11	3:19	▲4.2%

Results to date: A drop in pageviews (with visitors holding steady), but an increase in length of session indicates that visitors are finding information more easily and having more involved sessions on the site.

INTERNET MARKETING	
Success Measures	1) Sustain subscriber list of 60,000: a. Current list is 62,038 2) Sustain visitors and sessions to the Trade (Retail and Foodservice) portals

	Nov 07- May 08	Nov 08- May 09	Change
Foodservice	18,229	10,531	▼42.2%
Retail/Merchandising	21,308	19,094	▼10.4%

Results to date: Retail/Merchandising is holding steady; the drop in Foodservice pageviews was due in part to a technical error that has now been repaired. The Foodservice section length of session has increased, indicating that users are finding information more easily and having more involved sessions on the site.



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INTERNET MARKETING: INFORMATION TECHNOLOGY	
Success Measures	<p>Timely/accurate reporting, 99% plus uptime of all web servers, top search rankings for keywords, ensure security against hacking and denial of service attacks (DOS)</p> <p><i>Results to date:</i></p> <ol style="list-style-type: none"> 1) <i>Marketing reports reviewed quarterly with CAC – next report due 11/1 covering 8/1-10/31/2009</i> 2) <i>Site has achieved 97% uptime during current fiscal year</i> 3) <i>Secure and hold a ranking as the #1 source of information for avocado information natural searches of the following 8 keywords. Measurements will be gathered and reported at the end of each quarter (1/31/09, 4/30/09, 7/31/09 and 10/31/09) throughout the 2008-09 California Avocado season. An average of all measurements to be calculated at the end of the 2008-09 season to determine the final ratings. Total average rating of all of the keywords should be a #1.5 rating or better.</i> <ol style="list-style-type: none"> a. <i>California Avocado (Current rank #1 in Google; #1 in Yahoo)</i> b. <i>Avocado Grower (Current rank #1 in Google; #1 in Yahoo)</i> c. <i>Hand Grown in California (Current rank #1 in Google; #1 in Yahoo)</i> d. <i>Avocado recipes (Current rank #2 in Google; #1 in Yahoo)</i> e. <i>Avocado nutrition (Current rank #1 in Google; #1 in Yahoo)</i> f. <i>Avocado (Current rank #2 in Google; #1 in Yahoo)</i> g. <i>Avocados (Current rank #2 in Google; #2 in Yahoo)</i> h. <i>Avocado varieties (Current rank #1 in Google; #1 in Yahoo)</i> i. <i>CAC has not experienced any hacking or denial of service attacks (DOS)</i>



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INDUSTRY AFFAIRS GOALS:

1. Maintain Grower Competitiveness
2. Safeguard Growers' Economic Interests
3. Keep Growers Informed and Engaged
4. Ensure Organizational Integrity and Stability

INDUSTRY AFFAIRS: LEADERSHIP AND STRUCTURE	
Success Measures	<p>Complete board level dialogue and build consensus on which to recommend structural or process improvements by September 2009:</p> <p style="color: green; text-align: center;">Initial discussions completed. Outreach efforts will take place to ensure that all sectors of the constituency are heard. Overhead has been reduced by at least \$750,000 for the upcoming year, processes are being streamlined, and baseline budgeting has been proposed. APEAM lawsuit has been settled. Board orientation materials are under development</p>

INDUSTRY AFFAIRS: QUALITY	
Success Measures	<p>Complete first round of stakeholder discussions to identify areas of consensus and make recommendations to the Board by the September 2009:</p> <p style="color: green; text-align: center;">Renewed discussions to take place in August following Cal Flavor request to consider Hass Grading Standards</p>



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INDUSTRY AFFAIRS: RISK MANAGEMENT	
Success Measures	<p>Grower participation in Federal Crop Insurance: Buy In (CAT) and Buy Up vs. Previous Season. In 2008 CAC brokered major revisions in the Federal RMA insurance product for avocados with the aim of reducing risk exposure in the industry. While overall grower numbers participating in the Federal Crop Insurance Program fell slightly comparing coverage levels for the 2009 (Nov 2007 policy) versus 2010 (Nov 2008 policy) crop years, the proportion of total acres covered increased after adjusting total industry acres in 2007 versus 2008 after freeze, fire and drought events.</p> <p>Season to season comparisons show a highly significant increase in the number of growers who have leveraged a greater proportion of program subsidies and reduced their exposure to risk by buying up in the new product with an 80% increase in the number of growers purchasing additional protection for the 2010 harvested crop.</p> <p>CAC/CAS/UCCE have scheduled seminars for November 3,4, and 5 at which RMA officials will present details of about the new APH and Quarantine Crop Insurance programs.</p>

Crop Year/Coverage	Growers	Acres Insured	Percentage of Total Industry Acreage
2010 Buy Up	228	4,745	8.3
2010 Cat Only	829	27,533	47.9
2010 Total Insured	1,057	32,278	56.2
2009 Buy Up	127	3,403	5.2
2009 Cat Only	953	30,715	47.2
2009 Total Insured	1,080	34,118	52.4



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INDUSTRY AFFAIRS: SUSTAINABILITY	
Success Measures	<ol style="list-style-type: none"> 1) Grower dialogue and consensus on augmented sustainable practices obtained by August 2009: <ol style="list-style-type: none"> a. First round of stakeholder meetings conducted in north and south, input recorded 2) Initial survey of current growing practices completed by December 2008: <ol style="list-style-type: none"> a. Completed. Funding for this work was cut in February 2009 by the Board on the recommendation of the CAC Finance Committee

INDUSTRY AFFAIRS: PEST MANAGEMENT	
Success Measures	<ol style="list-style-type: none"> 1) New tools made available for pest detection and control: <ol style="list-style-type: none"> a. Avocado seed moth pheromone identified 2008, seed moth traps tested Jan 2009 in Guatemala, and seed moth commercial traps will be available from Trece Company after publication of results in scientific literature (Hoddle, M.S., J. G. Millar, C. D. Hoddle, Y. Zou, and J. S. McElfresh. 2009. Synthesis and field evaluation of the sex pheromone of <i>Stenomoma catenifer</i>. Journal of Economic Entomology (in press)). Two new materials each for avocado thrips control and perseia mite control continue toward avocado use labeling on track. Labels expected to be in place by the start of the 2010 spray season 2) Crop loss due to exotic pest invasions kept to a minimal amount: <ol style="list-style-type: none"> a. No new pest exotic invasions on record since Diaprepes root weevil. Stakeholder meeting held April 2009 in Temecula on Laurel wilt disease. CDFA Pest Exclusion in attendance and spoke to the issue in public, assuring stakeholders of CDFA commitment to protect California avocados from this pest / disease complex. Laurel wilt article to appear in Western Farm Press, June 19.



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INDUSTRY AFFAIRS: EXPAND MARKET ACCESS	
Success Measures	<p>USDA Listing of Avocados as one of the top-five priorities for export access to China:</p> <p style="color: green;">The 17th U.S.-China Phytosanitary Bilateral Meeting is scheduled for the week of July 13, 2009 in Shanghai, China. California Avocados are one of the 14 commodities on the list for discussion</p> <p style="color: green;">At this Bilateral Meeting, Chinese officials agreed to review the stalled Pest Risk Assessment and report back to APHIS</p>

INDUSTRY AFFAIRS: GROWER COMMUNICATION AND INFORMATION	
Success Measures	<ol style="list-style-type: none"> 1) Improvements in handler and grower sections of Web site implemented by October 2009: <ol style="list-style-type: none"> a. Completed 2) Confirmation by Board feedback that industry communications are on target: <ol style="list-style-type: none"> a. Board discussion occurred May 2009 3) Conduct a pre-and post awareness and attitude survey among growers (or board members if impractical): <ol style="list-style-type: none"> a. Grower survey conducted in connection with April Planning Meeting



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4. Ensure Organizational Integrity and Stability

INDUSTRY AFFAIRS: PRODUCTIVITY	
Success Measures	<ol style="list-style-type: none"> 1) Production Research discovery milestones, mid-year and end-of-year results shared with industry (by April and September 2009, respectively): <ol style="list-style-type: none"> a. All mid-year reports of research progress have been received and posted to the grower Web site. Salinity progress report included in May 2009 Board packet as example of progress exceeding expectations. Grower meetings in Feb, April and June highlighted research achievements b. Selection of projects for FY 2009-10 funding took place as scheduled on August 4, 2009. 2) Progress toward four-year average industry-wide yield increase of 2,000 pounds per acre minimum (for the period 2004-05 through 2007-08 compared with 2008-09 through 2011-12): <ol style="list-style-type: none"> a. Section 18 emergency exemption use label obtained for NAA use on non-bearing avocados; working toward full label use on bearing and non-bearing trees. This is the first plant growth regulator use permitted on avocado. The aim is to decrease vegetative vigor industry-wide and improve yields. Next labeling goal is for 2,4 D use as to increase yield and discussions with the manufacturer have occurred with agreement that this label be pursued using data generated in the Production Research Program b. Tre-Hold approved for use in pruning under newly issued Section 18 exemption granting time-limited tolerance.



Program Results from 11/1/08 – 8/1/09

CALIFORNIA AVOCADO COMMISSION PURPOSE: MAXIMIZE GROWER RETURNS

CAC MARKETING GOALS:

1. Increase **Demand** In Season
2. Maintain **Premium Positioning** for California Avocados
3. Increase **Awareness** for California Avocados and CAC Programs

ADMINISTRATION: FINANCE/ACCOUNTING	
Success Measure	<p>Approval by Finance Committee/Board of independent audits completed with satisfactory assessment of tightened controls and reduced risk:</p> <p>The audit of our financial statements and review of internal control for the fiscal year of 2007-08 have been completed by an independent auditor firm, Macias Gini & O'Connell LLP. The auditors issued an overall satisfactory report, which is reflective on their clean audit opinion. Along with the audit report, the auditors have also given five recommendations regarding CAC's internal control, as follows:</p> <ol style="list-style-type: none"> 1. Review and authorize check registers – CAC has tightened its procedure to review and approve the check registers (by two people every month) 2. Strengthen controls over credit card transactions – CAC has tightened its credit card policies. Furthermore, it has cancelled all employees' credit cards except for two held by the VP of Finance and only used when it is the most efficient and effective method of payment 3. Periodically review and update the policies and procedures – CAC has established a new Finance Committee to review and develop policies and procedures regularly. To date, several new policies have been adopted and updated 4. Develop and implement a policy on internal control assessment and a comprehensive risk assessment plan – CAC's board has formed an internal audit subcommittee that reviews and tests CAC's internal controls. The committee also provides recommendations on internal control improvements. This risk assessment and monitoring over financial reporting will continue throughout the current fiscal year 5. Enforce approval of payroll timesheets – CAC has implemented a new Web-based timesheet system. This new system has a rigid authorization mechanism that ensures proper approvals on the timesheets



Program Results from 11/1/08 – 8/1/09

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ADMINISTRATION: GENERAL ADMINISTRATION	
Success Measure	<p>New California Department of Food & Agriculture policies and revised administration and accounting policies and procedures implemented by 10/31/09:</p> <p>California Department of Food & Agriculture (CDFA) is still finalizing its Accounting Guidelines and General Rules. CAC has performed a preliminary analysis of its compliance based on the draft guidelines. The result shows that CAC is 75% in compliance. The remaining 25% is being developed for completion by the end of the 2009 fiscal year. CAC has also anticipated and implemented several recommendations in the area of petty cash and telecommuting contract.</p>

ADMINISTRATION: HUMAN RESOURCES	
Success Measures	<ol style="list-style-type: none"> 1) 100% completion of harassment training course: <ol style="list-style-type: none"> a. This is 100% complete 2) Market salary survey provided with each performance review: <ol style="list-style-type: none"> a. CAC has provided a market-salary survey for all performance reviews completed to date



Program Results from 11/1/08 – 8/1/09

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INFORMATION TECHNOLOGY																					
Success Measures	<p>1) Complete replacement of Storage Area Network and network performance review by 10/31/09: The Storage Area Network replacement project has been completed</p> <p>2) Achieve 95% network up time: Since November '08, CAC's monthly network up-time measurements have been above the targeted 95%. The details are as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <tbody> <tr><td>July</td><td>75%</td></tr> <tr><td>June</td><td>88%</td></tr> <tr><td>May</td><td>100%</td></tr> <tr><td>April</td><td>100%</td></tr> <tr><td>March</td><td>98%</td></tr> <tr><td>February</td><td>99%</td></tr> <tr><td>January</td><td>98%</td></tr> <tr><td>December</td><td>99%</td></tr> <tr><td>November</td><td>97%</td></tr> <tr><td>Average</td><td>95%</td></tr> </tbody> </table>	July	75%	June	88%	May	100%	April	100%	March	98%	February	99%	January	98%	December	99%	November	97%	Average	95%
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