

Optimism Permeates 2025 Annual Meetings

By Tim Linden

With a very strong market, a large crop and a robust marketing campaign just getting underway serving as the backdrop, the 2025 California Avocado Commission Annual Meetings held in the last week of March were full of optimism and many smiling faces. However, it was not all a bed of roses as issues about Mexican fruit inspections and recent weevil finds south of the border were aired as areas of deep concern.

As is typical, the Commission held separate Annual Meetings in three major growing regions to allow more growers to attend without major disruption to their daily farming rou-

tine. The CAC staff made their presentations in San Diego County on March 25, Ventura County on March 26 and San Luis Obispo County on March 27. Vice President of Industry Affairs and Operations Ken Melban reviewed 2024 pricing, discussed CAC's 2025 budget and reported on industry advocacy efforts. Vice President of Marketing Terry Splane and Senior Marketing Manager Lori Small revealed the advertising and promotional plans. Research Program Consultant Dr. Tim Spann discussed the priorities of that program and also some current pest concerns. In addition, CAC's representatives engaged intently with the robust audiences of growers at each stop discussing their concerns and ideas moving forward.

FOB Price Advantage: 4-Year Weekly Average Within California



The FOB price advantage of California avocados averaged +11% vs. imports over the past four California seasons.



Source: AMRIC Hass #1 Conventional (pounds), California seasons 2021-2024



Ken Melban

Melban began his presentation reporting the price advantage California avocados have received in the marketplace, which is a tangible benefit to the state's growers and has long been a core goal of the Commission. "The FOB price advantage of California avocados averaged +10% over imports during the 2024 California season and reached as high as +26% (week ending 7/21)," he revealed.

The statistics were illustrated with several charts showing that the price elevation occurs both within and outside of California and has been an ongoing advantage for many years. In fact, he said the FOB price advantage of California avocados averaged +11% vs. imports over the past four California seasons.

Turning his attention to the 2025 Budget, Melban presented a very strong financial situation for CAC. Because the size of the 2024 crop sold in the marketplace was about 75% greater than what the Commission had budgeted, assessment revenues far exceeded expectations. He noted that the reserves, which are targeted to be in the \$5-6 million range, ballooned to about \$16 million after last season. Melban assured the crowd that "we

don't like sitting on your money."

He noted that income for 2024-2025 is estimated to be around \$10.4 million, with expenditures near \$15.4 million, including an expansive marketing program, utilizing a \$5 million drawdown of the reserves to fund that discrepancy. He said the reserves will still be at a very high level, allowing for the possibility of a similar appropriations plan for 2025-26. "Our plan is to get to a point of equilibrium where the money coming in is the same as the money going out," Melban stated.

He explained that the Commission has adopted a per-pound assessment rate (from the previous percent of value) to create a more predictable income model for growers and for CAC budgeting purposes. For 2024-25 fruit, the CAC assessment rate is set at \$0.005/lb. In addition, the Hass Avocado Board's assessment rate is \$0.025/lb with 85% of the funds rebated to CAC to be spent specifically on marketing.

As a result, Melban revealed that in total about 72% of CAC's budget is spent on the marketing side of the ledger, which is designed specifically to increase returns to growers.

Under the advocacy umbrella, the vice president of industry affairs and operations focused on CAC's current number one priority, which is to return the inspection program in Mexico to the control of USDA and its own Animal & Plant Health Inspection Service (APHIS) employees. Melban reviewed the situation as it unfolded in 2024. After inspectors were once

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again threatened by a cartel and avocado shipments were halted for several days, APHIS unilaterally turned over all avocado orchard inspections to Mexico's corresponding agency.

"In turn, this action has led to increased numbers of weevils and other pests being detected in Mexico packing facilities," he said, adding that the likelihood that some pests will cross the border endangering the livelihood of California avocado growers has been increased. In fact, he revealed that there have been 155 pest finds in Mexico packing sheds since the Mexican agency took over the inspection program. While some call this proof that the system is still working, Melban said zero pests were found the previous nine months by USDA inspectors, indicating something is amiss.

"The Commission's request of President Trump and USDA Secretary Brooke Rollins is simple and straight forward," said Melban. "Respectfully, reverse this reckless decision by the Biden Administration that put California's 3,000 avocado growers and \$1.5 billion avocado industry in harm's way and adopt safeguards to protect USDA inspectors from threats and possible action by the cartel."

Melban has traveled to Washington, D.C., to present the Commission's proposal directly to USDA officials as well as

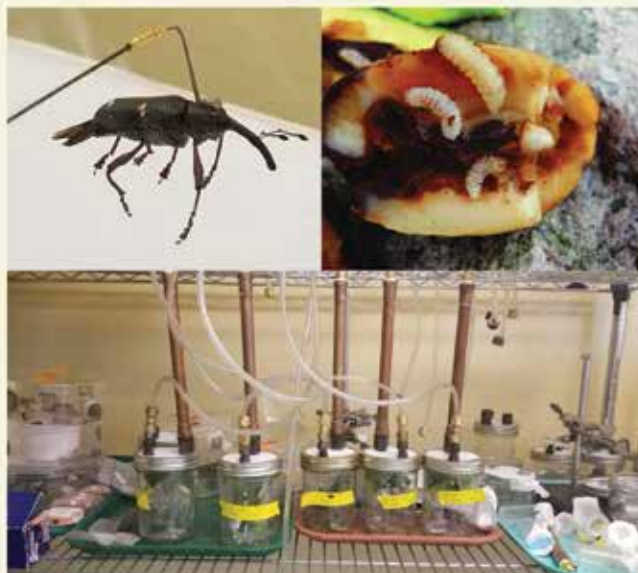
to legislators. CAC has enlisted the aid of Representative Darrell Issa, a Southern California congressman whose district includes many avocado growers. "Our plea is simple... every day that passes (without action) puts us one day closer to finding a pest (in California)."

While the tariffs that President Trump continually threatens were top of mind during the late March meetings, Melban noted that CAC's concerns are more broadly based. "We are not opposed to free trade, but trade should not create risk to American farmers. Exporting avocados into the U.S. is a privilege. If the agreed upon inspection requirements cannot be maintained due to safety concerns for USDA inspectors, then that privilege must be suspended. American farmers must be protected. America first!"

To further discuss the avocado seed weevil issue and other research priorities, Dr. Spann was next up to the podium. He noted that the Avocado seed weevil is a pest of high concern in imported fruit. "We don't deal with anything like that in the United States," he said, adding that it is a fruit-feeding pest that sends the fruit to the dump rather than to a secondary market.

He reported CAC is funding research to determine how

Avocado seed weevil (*Heilipus lauri*) aggregation pheromone



- ASW is a pest of high concern in imported fruit
- The aggregation pheromone of ASW was identified as grandisol from CAC-funded work
- Synthesis of grandisol results in mixtures of different forms (enantiomers)
- Field testing with impure grandisol has been unsuccessful
- ASW may only respond to biologically pure (+)-grandisol

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best to deal with a potential outbreak since it appears the seed weevil is becoming a bigger issue. Spann said earlier research, funded by CAC, identified grandisol as the aggregation pheromone of ASW. However, field testing with impure grandisol has been unsuccessful. He added that ASW may only respond to biologically pure (+) grandisol.

Spann said that CAC-funded work from 2006 through 2009 designed to identify avocado fruit feeding insects in Guatemala, which is native to the avocado. At the time, the researchers limited themselves to a relatively small geographic area where avocado trees were concentrated and identified six pests.

The Commission's Board of Directors has authorized a new project expanding on that effort. He said the goal is to collect as much fruit as possible from six distinct geographic regions of southern Guatemala not previously surveyed for avocado fruit pests. A comprehensive list of avocado fruit feeding insect pests presently in Guatemala will be developed.

"Our concern is that there may be more fruit feeding pests that we are not aware of," Spann said.

CAC's research consultant also reported on the work the Production Research Committee did in 2024 to develop a detailed list of research projects that could help California avocados growers. The committee met numerous times, identified 60 topics that could use exploration, and then created its top priorities. He added that the priorities were separated into five main categories, with high priority topics identified within each category.

"That list was distributed to the avocado research community in September 2024 with a request to submit concept proposals to address the identified priorities," Spann said. "Twenty-two concept proposals were received and reviewed by the PRC, twelve were asked to submit full proposals."

He added that the PRC will meet in April to review full proposals and make funding recommendations to the CAC Board.

Spann also reported that the Commission is working to leverage IR-4 Project funds for avocado-specific pest registrations. The project is a federally funded program established in 1963 to help specialty crop producers register pesticides in a less costly manner. In March, Melban, Spann and PRC Chair Danny Klittich met with Western Region IR-4 Regional Field Coordinator Kari Arnold to discuss the inclusion of avocados in the new IR-4 program, called Integrated Solutions, which is a vehicle for industries to submit requests for research to find solutions for existing problems. CAC is looking to submit two Integrated Solutions requests for Avocado Lace Bug and Avocado Branch Canker in 2025, hoping to be successful on at least one of the requests. If one is unsuccessful, CAC will submit it again in 2026, Spann said.

The CAC Marketing Team concluded the formal Annual



Terry Splane

Meeting presentation with a review of 2024 efforts and a preview of the 2025 campaign. Splane began the discussion explaining that CAC launched a new marketing campaign in 2024, which has far exceeded expectations.

He said the 2025 program is building on and expanding the existing campaign strengths, with an emphasis on local growers and driving home brand values. Last year, the Commission's advertising showcased California avocado growers and communicated the key messages of Locally Grown and Sustainably Farmed. In 2025, the key messages of Ethically Sourced and Responsibly Grown are being added.

Splane said last year's campaign included dynamic mes-



Tim Spann

saging, helping the consumers connect the goodness of the California avocado with the California grower. He noted that the state branding was the differentiator that resonated with consumers.

These videos were aired on social media, including YouTube. Splane said an “astounding” 96% of consumers that open a YouTube video with a California avocado ad attached did not hit “skip ad” but instead watched it. He said these results are three times better than the average delivery. “We didn’t just get lucky,” he said. “We built the campaign from insights!”

For 2025, CAC is using the same focus but Splane said, “We are bringing the campaign out of the grove and into the neighborhood...showing consumers, fresh California avocado dishes.”

He called it lifestyle marketing, adding that the campaign’s graphics will feature consumers enjoying avocados, with the goal of driving the consumer to action. The subtle message is the best way to add delicious local flavor to any dish is with responsibly grown and branded California avocados.

The graphics that Splane presented to the Annual Meeting audiences identified ultra and mega avocado users/buyers as the primary target. Secondary targets include 18–24-year-olds of any race/ethnicity who also are heavy users of avocados. Another target are Hispanics of any age, as 25% of them identify as ultra/mega buyers.

Testing is always an important part of the CAC marketing program as it is important to know how successful any effort is and how well it resonates with consumers. Research among avocado shoppers in the West who viewed the 2024 California avocado video revealed that 85% believe it is important to see the environment where California avocados are grown in the video, and believe the California environment helps create more quality and flavorful avocados (83%). About 82% agreed that knowing that California avocados are sustainably grown makes them more likely to purchase a California avocado.

Consumer research evaluating the 2025 advertising campaign among Western region avocados shoppers revealed a high percentage of consumers viewing a promotional video associating high value attributes to California avocados. Testing of the campaign through consumer research revealed remarkable recall with a very high percentage of consumers viewing the promotional videos associating high value attributes to California avocados. After watching a specific video, 88% believe that California avocados are a fresh local product. About 80% identified California avocados as a premium product. And 75% said they were more likely to buy a California avocado.

Lori Small was the final speaker on the dais and she concentrated her remarks on the use of “influencers” in the marketing effort to interest their followers to purchase California

avocados. She revealed that it is a relatively low-cost program that does have an impact, especially on the local level.

This season, CAC is supporting at least two key retail partners through in-store influencer activations. On April 5, an influencer event took place in conjunction with Bristol Farms in Santa Barbara, which included a local grove tour. Bristol Farms has chainwide commitment to promoting California avocados during that early April time period.

In early June, the CAC marketing team is scheduled to hold an influencers event at PCC Markets in Seattle. Small said the influencer attendees will enjoy an in-store avocado-centric reception and hear from CAC, a retailer representative and a grower. In turn, the attendees will develop content that highlights California avocado availability in the partners’ stores. The effort is designed to inspire consumers to create meals at home and drive sales of California fruit.

Small noted that CAC continually partners with key retailers to host influencers in their store to capture “come shop with me” style content for their social channels. The “Retailer Come Shop With Me” program gives influencers access to the produce floor and California avocado displays to create their content.

“Influencers will have high reach among local audiences to help drive customers in-store to purchase,” Small said, adding that content will include both in-store graphics and at-home meal creation showcasing California avocados.

She added that CAC partners with influencers to develop CAC-owned recipe-focused vertical video content for use with retailer partners. Retailers can use the content across communications channels, with CAC controlling future use of the content. 🥑



Lori Small