

THE YEAR IN REVIEW

The 2017 season will go down in the record books as a remarkable success. Though there were challenges, the year was characterized primarily by good fortune and hard-earned victories. Robust winter rainfall alleviated the stresses inflicted on our groves by five years of drought. California avocado FOB prices for fruit shipped within California were, on average, 14 percent higher — and as much as 25 percent higher — than imports every week of the season, reaching an average price of \$1.60 per pound, nearly 25 percent higher than the previous season's average and an all-time record.

Over the years, as California's share of the U.S. avocado market has declined due to increased global imports, some have speculated whether the California avocado industry would still "be around." It was a legitimate question. But as California's percentage in the market declined, the California Avocado Commission's responsiveness, resourcefulness, adaptability and progressive strategic initiatives continued to evolve. Fortuitously, new digital and social media marketing tools that allowed CAC to efficiently target audiences for the greatest impact emerged during the same period of time.



Tactical Creativity and Industry Firsts

With a smaller budget due to projected crop size, the Commission’s marketing team launched a California-focused marketing campaign leveraging reprised assets from the “Made of California” consumer and trade ad campaigns. The CAC campaign also added engaging new creative for targeted social media and digital marketing strategies. With limited supplies of California avocados in the market, the Commission launched geo-targeted social media campaigns and geo-fenced ads to ensure consumers knew when and where California avocados were available.

The Commission’s strategic approach showcased its creativity and resulted in a positive impact on the industry. CAC was the first advertiser to run a Pin to Pinterest activation on Pandora (audio) that allowed listeners to “pin” a California avocado recipe to their personal digital scrapbooking board. Another innovative industry first was the Commission’s partnership with renowned chocolatier Compartés to develop the first chocolate bar to incorporate California avocados. The one-of-a-kind White Chocolate and California Avocado Bars were noted as one of the best bridal shower favors by *Good Housekeeping* magazine and received coverage by influential media such as *Food & Wine*. And for the sixth year in a row, the Commission secured the *Produce Business Marketing Excellence* award.

ADVERTISING RESULTS

CONSUMER IMPRESSIONS

Print: **900,000** (April - July)

Outdoor: **25.9** Million

Pandora: **19.5** Million

Digital: **61.7** Million (and **3** Million Video Views)

Social: **33.1** Million

In-store radio: **206** Million

Retail Social on CAC Platforms: **30.6** Million

Retail Social on Retail Platforms: **28.1** Million

RETAIL TRADE IMPRESSIONS

Print and Digital: **8.7** Million

FOODSERVICE IMPRESSIONS

870,000



Trusted Messengers

The Commission reinforced its position as a trusted avocado expert, established and renewed relationships with industry leaders and partners, and advanced California avocados’ brand messaging by participating in respected industry coalitions and events.

The Commission’s visibility and trusted leadership serves CAC well in the Public Relations (PR) arena. Besides sharing content positioning California avocados as part of the quintessential California lifestyle, various consumer and trade media outlets turned to the Commission for expert insights concerning avocado varieties, nutritional information, recipes and the history of the Hass avocado. When faced with unfavorable coverage

in the media — high avocado prices or unreliable supplies — the Commission was able to offer a balanced and informed perspective through interviews.

In addition, CAC’s new community management tool — which aggregates all Instagram, Twitter and Facebook avocado conversations and allows CAC to monitor relevant “avocado” threads — helped CAC respond promptly to social media discussions and improve social media customer service drastically. For example, when “avocado hand” injury articles became a trending topic on social media and digital platforms, CAC seized the opportunity to promote its safer “nick and peel” method and drive traffic to CaliforniaAvocado.com.



Jan DeLyser, CAC vice president marketing, was a panelist on a *United FreshMKT Expo* education session for women in produce at the United Fresh produce convention.

PUBLIC RELATIONS RESULTS

CONSUMER

- 5** Artisan Chefs
- 3** Press Releases
- 40** Blogger Posts
- 30** *The Scoop* Blog Posts
- 745.7** Million Print, Broadcast, Online and Social Media Impressions

RETAIL

- 8** Press Releases
- 8.6** Million Impressions

FOODSERVICE

- 50** PR and Editorial Placements
- 2.9** Million Impressions



CAC Retail Marketing Director Connie Stukenberg was installed as chair of the Fresh Produce and Floral Council (FPFC), Jan DeLyser was a featured FPFC speaker and California avocado grower Ed McFadden served as an FPFC panelist.

Not Your Parents' Marketing Program

Increasingly, consumers rely on digital and social media platforms as their go-to news, recipe, event and information sources. They also utilize those same platforms to share their interests, experiences and lifestyle choices with friends. As consumers' use of social media has changed, so too have CAC's marketing tactics. Today CAC's traditional marketing platforms — outdoor ads, radio, in-store events,

Merging traditional marketing programs with innovative digital and social media platforms has allowed CAC to reach consumers in unprecedented ways. Each digital and social media platform has a unique character and attracts different audiences, providing CAC with an opportunity



Content partners distributed California avocado messaging that was authentically woven into popular editorial streams.



Digital ads on social media channels and digital content providers were used to build awareness of the California avocado season and drove traffic to the CaliforniaAvocado.com website.



Grand Central Market chef partners showcased unique California avocado dishes on their menus, digital and social media channels.



CAC shared a podcast on Twitter noting how parents can incorporate avocados into a baby's diet.



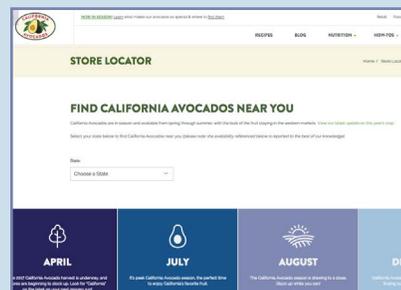
Blogger partner Kirbie's Cravings celebrated California Avocado Month by posting her *Avocado Coconut Smoothie Bowls* recipe on her blog and social media channels.



California avocado fans (and avocado industry stakeholders, like Gene Carbone, pictured here) shared selfies on social media.



Dietitian Katie Ferraro's guest blog post on *The Scoop* netted 70,000 impressions and gathered another 120,000 impressions after she promoted the blog on Instagram.



CAC encouraged its social media fans to find California avocados at their local stores with the Commission's Store Locator Tool.

Online & Social Media Results

CONSUMER WEBSITE 2.6 Million Visits 3.4 Million Total Page Views		THE SCOOP BLOG 659,000 Visits
SOCIAL MEDIA		
Facebook Fans: 330,500 (5% increase over 2016)	YouTube Subscribers: 674 (37% increase over 2016)	
Facebook Impressions: 14.4 Million (-13% decrease over 2016)	YouTube Views: 797,400 (1,903% increase over 2016)	
Twitter Followers: 18,500 (21% increase over 2016)	Instagram Followers: 38,500 (13% increase over 2016)	
Twitter Retweets: 9,100 (1,010% increase over 2016)	Instagram Impressions: 13 Million (250% increase over 2016)	
EMAIL 18 Emails sent to an average of 350,000 successful deliveries		

Expanding the Reach of Consumer Events

The Commission has sponsored and attended California avocado-branded events and festivals for many years because they provide CAC staff, handlers and growers with a unique opportunity to meet consumers face-to-face. But now, CAC’s use of social media has transformed events from “must be there to experience it” moments, to digital experiences that can be enjoyed and shared by all fans at any time.

The Commission shared event-relevant content leading up to, during and after each event they participated in so that fans could like, comment on and share it. For those in attendance, the Commission offered trend-setting, creative social media tools — like California avocado-branded Snapchat filters — allowing fans to “dress up” their event photos and posts with California Avocados’ brand messaging. Because of CAC’s robust social media campaigns, California

avocado fans could “participate” in the event whether they attended or not.

One prime example of this was CAC’s participation in the dineLA Summer Road Trip — a dining event showcasing diverse California avocado menu items at some of the best eateries in the area. Through a combination of media and influencer preview dinners, chef spokesperson recipe promotions, email blasts and social media posts, the dineLA pre-event promotions secured 506 million social media impressions; Instagram influencer and coverage of the event generated another 326 million social media impressions.

CAC also joined Grammy-award winner — and California avocado grower — Jason Mraz, food writers, media, community members and growers for the O’side Feast hosted at Mraz Family Farms to celebrate sustainable farming and California avocados.



Cross-platform Consumer and Retail Programs

By expanding and integrating its use of digital and social media platforms, the Commission has crafted powerful cross-platform consumer and trade marketing programs that effectively reach consumers no matter where they are — in the store, at home or on the move.

As part of its American Summer Holidays promotion, CAC developed the

United Plates of America program — a road-trip themed campaign featuring recipes that blended regional culinary favorites from across the United States with California avocados. The Commission engaged with fans via social media posts and polls. At retail locations the campaign used POS materials, recipe booklets and in-store radio ads. Additional support from

Pandora audio banners and digital ads directed consumers to CAC's store locator tool. Overall, more than 23.5 million in-store, audio, digital and social media impressions were generated during the American Summer Holidays period.

CALIFORNIA AVOCADO MONTH — INTEGRATED CONSUMER & RETAIL PROMOTIONS

In total, California Avocado Month garnered more than 41 million PR impressions, with social media content reaching more than 232,000 users. Media coverage of the Grand Central Market sponsorship exceeded 82 million impressions.

California avocado dishes with an international flare were available throughout the month of June at participating vendors at Los Angeles' Grand Central Market. CAC's blogger spokespersons, Registered Dietitian partners and Instagram influencers incorporated the international food hall trend with their own blog and social media posts.



CAC kicked off the campaign with a Grand Central Market media event. Attendees visited each venue tasting, photographing and sharing social media posts of the avocado-centric dishes. CAC's hashtag and Snapchat filter provided California avocado brand identification.

Vons marketing team members and blogger influencers toured a California avocado grove and shared photos and insights on their blogs and social media channels.



Targeted retailers hosted display and sales contests, events, demo programs, sweepstakes and giveaways while celebrating the fruit on their social media channels.

The “Where” and “Why” of Avocados

Now in its third year, CAC’s tiered marketing program is a blend of science and artistry; timing, procurement, demographic, behavioral, location and performance data are used to target when and where advertising and promotional support are delivered. As part of online marketing partnerships with retail and foodservice partners, California Avocados brand messaging and each specific retailer’s or foodservice operator’s objectives and branding standards are melded to create appealing marketing communication. CAC’s season-long monitoring ensures the customized programs are adjusted accordingly to deliver the highest value and impact.

To create awareness of California

avocado availability and drive sales at retail partner locations in season, both the Commission and its retail partners incorporated messaging into their marketing programs that directed consumers to CAC’s Store Locator Tool, housed on the CaliforniaAvocado.com website. Geo-targeted social media posts and ads also alerted fans of the fruit’s availability when they were within a three-mile radius of select retail locations. Overall, store locator posts reached more than 523,000 fans on Instagram, Twitter and Facebook.

In light of the FDA change to the official avocado serving size (from 1/5 to 1/3), as well as FDA approval of the use of the word “healthy” in reference to

avocados, the Commission enhanced its efforts to share California avocado nutritional information. CAC’s participation in the Produce for Better Health Foundation (PBH) played a beneficial role in disseminating information. CAC met with Supermarket Dietitians (SDs) at the PBH Annual meeting to provide input concerning California avocado messaging on a wide range of promotional activities tailored specifically to each retailer. At the Produce Marketing Association’s Fresh Summit, CAC hosted an SD educational session with nationally recognized, award-winning registered dietitian-nutritionist and author Manuel Villacorta entitled, “Healthy Gut Reboot with California Avocados.”

Social Sampling
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SocialSampling #InStoreSampling of #CaliforniaAvocados at Stater Bros. Markets near you! #StaterBros May 26 - 29

Every time you select California #Avocados, you support the family farmer dedicated to bringing you #fresh, #premium fruit with outstanding taste and creamy texture. California Avocados are in season #Spring through #Fall. Check the label and be sure to Insist on California Avocados." - California Avocados

Try this amazing recipe and we promise you won't be disappointed: <https://www.californiaavocado.com/.../california-avocado-toma...>

California Avocado, Tomato and Bacon on Triscuit Crackers

Looking for delicious avocado recipes? You've come to the right place! Search through hundreds of California Avocado recipes to find the perfect addition to your menu.

CALIFORNIAAVOCADO.COM [Learn More](#)

Partner social media posts shared recipes from CaliforniaAvocado.com while promoting Memorial Day demos at local stores. Nearly 190,000 California avocados were sold during the promotion and social media impressions exceeded 71,000.



CAC’s Big Game Day promotions resulted in sales increases for participating accounts. CAC’s customer-specific Big Game Day social media posts garnered more than 95,000 impressions.

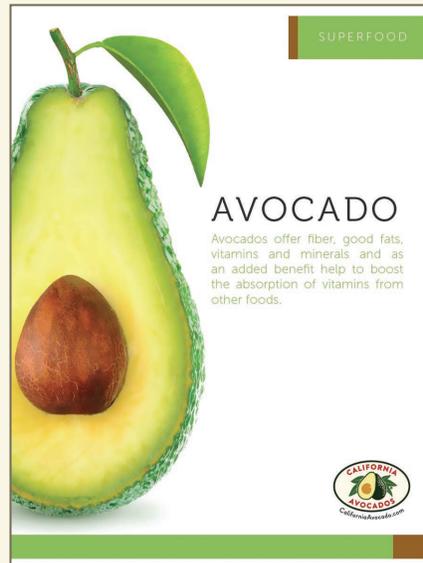
On the foodservice side, the Commission hosted collaborative menu ideation sessions, solidified handler commitments to ensure optimal

promotional timing and worked one-on-one with the operators to create customized promotional plans that incorporated limited-time-offer menus

with point-of-sale materials featuring the California Avocados brand logo, free standing inserts, coupons, eblasts and social media posts.



Fresh, produce-rich Power Bowls showcasing globally-inspired flavors paired with California avocados were available at 194 California Pizza Kitchen locations.



Morrison's Healthcare celebrated Avocado Super Food Month with an avocado-centric menu including Avocado Hummus and Avocado Chocolate Pudding.

Preference for California Avocados Maintained

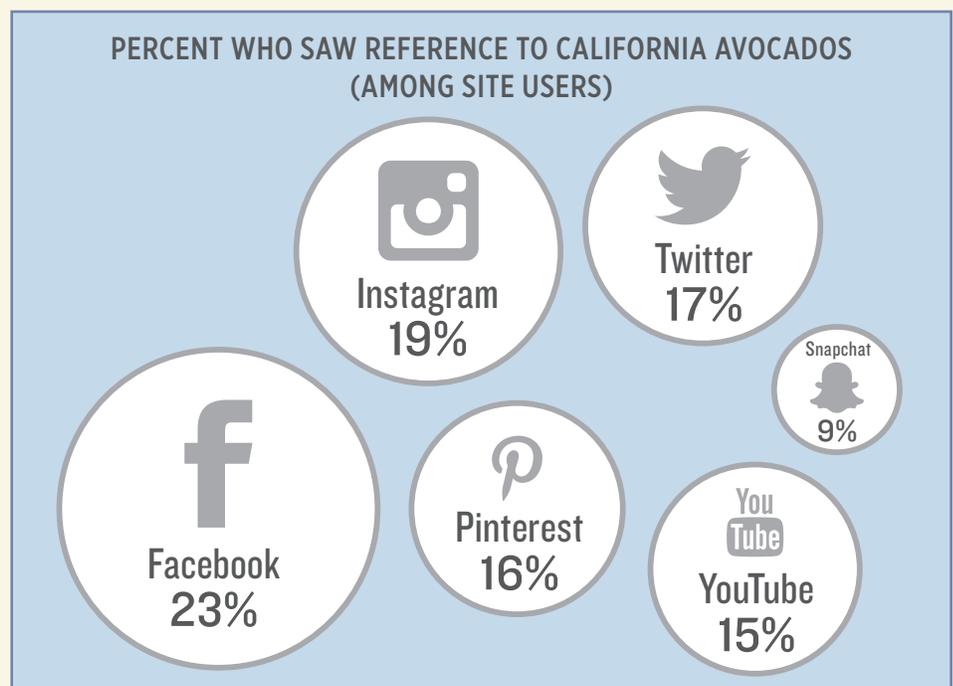
California is the brand of avocados that most avocado shoppers prefer, according to the 2017 California Avocado Tracking Study. This preference was maintained despite declining percent of market share and a reduced marketing budget based on smaller crop volume in 2017.

Survey respondents indicated they strongly associate California avocados with summer and American summer holidays, showing that CAC's efforts to link California avocados with seasonal availability are bearing fruit. Another positive finding from the tracking study is that consumers increasingly opt to serve avocados in new ways.

According to the study, social media channels are popular with respondents. The most popular platforms were Facebook and YouTube — with 72 percent using

Facebook on a weekly basis (58 percent noted they visit it daily) and 56 percent visiting YouTube on a weekly basis.

Awareness of California avocados occurs across all of CAC's social media channels, with Facebook the most common source.



Hands-on Learning Opportunities Take Shape at Pine Tree Ranch

Since 2014, the Commission has hosted a series of California avocado field day sessions at Pine Tree Ranch to provide growers with access to the latest CAC-funded research and cultural management best practices. This year, new on-site

trials were established to investigate the concerns that most consistently plague California avocado growers.

To research grove rehabilitation, a two-acre block of mature trees was parsed into quadrants that will be rehabbed using

four different methods, with data collected concerning input costs and production records.

Utilizing funds from a California Department of Food and Agriculture specialty crop block grant, CAC installed an irrigation trial on the premises. A one-acre block was divided into four different irrigation zones, one traditional irrigation zone and three automated zones that will utilize different soil moisture sensors for testing purposes.

Another test plot was planted with University of California-Riverside and South African rootstocks, while yet another section of the grove is being monitored to test the pros and cons of berm planting.



Pine Tree Ranch field day sessions covered topics including winter grove preparation, irrigation management and cost-sharing programs, crop estimating, reading avocado trees, rehabbing groves, high-density plantings, soil moisture sensors and shot hole borer.

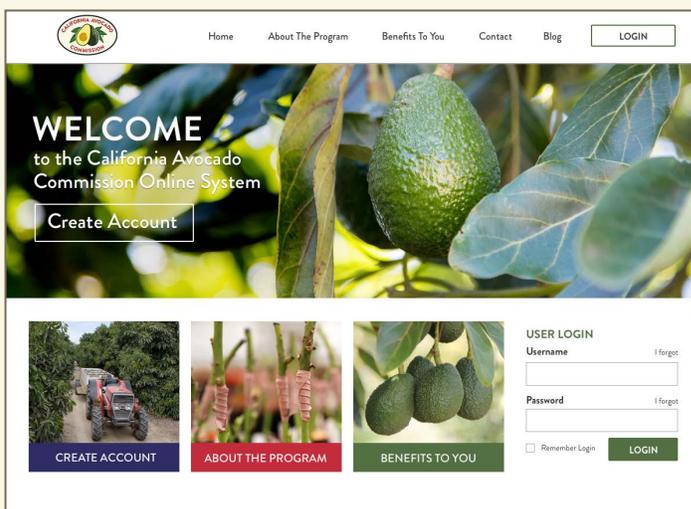
CAC-funded Research Provides Critical Tools and Answers

This year, two CAC-funded research projects came to conclusion, providing California avocado growers with critical information that will help them address grove management issues in the future.

After five years gathering data from hundreds of trees across major avocado production areas, Dr. David Crowley's team released the *Decision Support Tools for Management of Avocado Nutrition and*

Chloride Toxicity: Final Report. Findings from the CAC-funded project have been utilized in the development of an online Decision Support Tool that can be used by California avocado growers to optimize nutrient and salinity management in a cost-effective manner.

Dr. Gary Bender and his team also completed a five-year high-density grove research project designed to produce the maximum amount of fruit per acre on a sustained basis. The researchers compared pruning methods and tracked labor and irrigation costs associated with 10' x 10' groves. Findings showed that the test groves produced an increase in dollars earned per acre, indicating that high-density production is a viable means of increasing per-acre income to help offset rising water costs.



CAC's online Decision Support Tool website will provide growers the ability to create a personalized account to input information unique to their grove and receive suggestions for nutrient optimization.

Congressional Efforts Intensify

The Commission is well positioned with all levels of government and has consistently engaged with members of Congress to advocate on behalf of California avocado growers, but this year those efforts intensified in response to the new administration’s actions concerning immigration and NAFTA. Labor shortages — a perennial concern for growers — came to the fore this year as reports of Immigration and Customs Enforcement (ICE) raids on undocumented workers created anxiety in laborers’ communities, making them unwilling to move around for fear of possible enforcement action. The Commission met with many congressional

members — including Representatives Jimmy Panetta, Salud Carbajal, David Valadao, Devin Nunes, Julia Brownley and Senator Diane Feinstein — to discuss the dire agricultural labor situation and the need for a solution that includes a modernized visa program, a means of allowing current law-abiding workers to remain in a guest worker capacity and a less onerous H2A system.

CAC’s Vice President of Industry Affairs Ken Melban, voiced California avocado growers’ concerns regarding NAFTA renegotiations as a member of the Agricultural Technical Advisory Committee (ATAC) for Fruits and Vegetables. CAC, like

ATAC, adopted a “Do No Harm” position noting that overall U.S. agriculture has benefitted from NAFTA and that changes to the agreement — such as tariffs — could have adverse effects on market stability, the price of California avocados, and export opportunities.

The Commission also partnered with the California Citrus Quality Council (CCQC) on a four-day citrus and avocado grove tour designed to encourage farmers and members of numerous regulatory agencies to discuss the challenges of production agriculture and regulatory issues.



As part of the CCQC tour, CAC and California avocado growers joined staff from the Environmental Protection Agency, the U.S. Department of Agriculture’s Animal and Plant Health Inspection Service, Foreign Agriculture Service and the California Department of Food and Agriculture on a grove tour.



Congressional members, like Representative Salud Carbajal, toured groves with growers and discussed the crucial role migrant workers play in harvesting the fruit and the challenges of the current H2A Program.



CAC hosted two grower seminars concerning immigration and the H2A Temporary Agricultural Workers program.

Communication Key to Navigating Food Safety and Water Issues

The large turnout at CAC's food safety workshops was a clear indicator that California avocado growers are committed to strengthening our premium brand by certifying our practices are safe. The workshops covered changes made to the Food Safety Modernization Act and CAC's

implementation of the Global Food Safety Initiative audit process.

CAC staff and local growers also attended a meeting hosted by Supervisor Peter Foy and successfully argued that agricultural customers' interruptible water deliveries should secure them a different

cost of service rate and should exempt them from storage costs. As a result, the Ventura County Waterworks District 1 approved a 25 percent reduction in water rates for agricultural use.

Future Forward

Because the Commission has immersed itself — at many levels — in the broad fabric of the agricultural industry, we have become adept at sensing large-scale change and proactively shaping the horizons of the avocado industry with precision and efficiency.

This year, CAC operated with a newly streamlined 22-member board and oriented our governance and budgeting structure for two organizational changes took place on November 1, 2017: implementation of a 19-member board and a modified "producer" definition that

exempted growers who produce less than 10,000 pounds annually (based on a three-year rolling average) from payment of CAC assessments.

Both the grower website and *From the Grove* were redesigned to align with the new corporate and marketing brand platforms. Because of the increased use of mobile devices, the refreshed grower website was also made more mobile friendly and responsive, to ensure easy access to content.

April Aymami, CAC industry affairs director, was honored by *Produce Business*

for her trend-setting leadership as one of the 40 under Forty winners.

And as is our wont, the Commission looked forward. Ultimately, our industry will not survive if we do not look to our younger generation of growers and talent. To that end, the Commission put into place contingency plans, secured leadership opportunities for up-and-coming staff and made renewed efforts to engage the next generation in the business of growing the "most-desired avocado in the world."

INSTAGRAM
Instagram is a visually-driven and artistic platform where CAC shares high quality photos of California avocados and meals to inspire its foodie fans.

FACEBOOK
Facebook is the perfect channel for sharing CAC's entertaining brand stories, photos, recipes and The Scoop blog posts.

TWITTER
Twitter is the ideal means of engaging in frequent real-time dialogue with California avocado fans.



In a nod to the importance of CAC's social media campaigns, the redesigned grower website showcases the Commission's live digital feeds.

CAC's Online Marketing Director Zac Benedict shared his expertise with a new generation of industry leaders as an FPFC Apprentice Program Commission/Association panel member.