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## Supporting Unexpected Volume: The Importance of Being Nimble

It is the role of the California Avocado Commission to balance proactive strategic planning with reactive tactical adaptation when market situations turn out to be different than expected. This season, our ability to react quickly and adjust pre-season plans benefitted California avocado growers when it became evident the crop volume was going to exceed expectations. That said, we learned a few things along the way and found areas for improvement. But I'll get to that a bit later.

### Pre-season planning called for fiscal conservatism

Initially, California avocado growers' and handlers' crop forecasts were quite conservative for this season, indicating a somewhat smaller crop than in 2023. As a result, the California Avocado Commission's marketing budget was significantly reduced, right-sizing investment to ensure we didn't spend beyond the expected income. Our overall objective was to do more with less and maximize marketing results with lower investment levels.

In that same vein, we worked with our partner marketing agencies to fine-tune investments with customer-specific early season programs and core market awareness-building campaigns. Working within a limited budget, we also focused consumer media promotions on peak season availability.

### Nimble mid-season adjustments

By May, mid-season forecasts indicated a trend toward increasing availability of California avocados. By the June meeting of CAC's Board of Directors, it was clear the harvest would be significantly higher than early estimates. With a higher volume of fruit to move, we faced a critical juncture. The laws of supply and demand suggest that if supply increases without an increase in demand, price decreases will follow. To avoid a precipitous decrease in the rate of grower returns, the Board asked the marketing team to adjust its retail support and consumer communications and provided incremental funds to do so.

Having a team ready to jump on opportunities quickly is paramount to success. The marketing team promptly took steps to encourage incremental demand, including retail marketing directors immediately contacting handlers for supply coordination and working with targeted retailers to delay their planned transitions to other sources of supply. Programs were set up with retailers in the West as well as outside of the West with H.E.B. and The Fresh Market. In the West, incremental programs were executed with Albertsons Southwest, Kroger West, Raley's, Safeway Northern California, Sprouts Farmers Market and Supermercado Mi Tierra. Promotions including digital offers, coupons, ad flyers and a magazine ad program encouraged demand for California avocados in the latter part of the season.

Equally nimble, the consumer communication team put into place additional media coverage, expanded social media support and developed additional influencer content. Ultimately, the majority of CAC's media partner campaigns outperformed

each partner's benchmarks, some by more than 100%. And high-impact interactive display ads and custom social content remained consistent top performers. Overall, the results of this year's advertising creative and strategic media plan indicate the California Avocados brand has a well-rounded media presence that engages audiences with both the brand story and appealing California avocado content.

### What Ifs

There is little doubt your marketing team's ability to quickly react helped buoy demand and prices despite the unexpected robust crop volume. And to be frank, some market supply disruptions contributed to strong market pricing in the latter half of the season. But honestly, it would have been better to have earlier notification the harvest was going to be so much larger. In the grocery industry, retailers make plans well in advance. Shelf stable item planning can begin up to two years prior and while perishable item planning tends to be more flexible, it doesn't erase the fact that grocers have plans firmly in place early. Because the crop projections were available so late in the game, the programs we were able to execute were limited and California avocado growers could have benefited if we could have taken advantage of other consumer communication opportunities earlier.

Rather than dwell on the "what ifs", we have learned from them. With those lessons under our belts, CAC is looking into possible improvements in crop estimation. And next season, your marketing team will continue to be both proactive and reactive to support your harvest. 🥑

An advertisement for Brokaw Nursery. The background is a close-up of an avocado on a branch with large green leaves. A bee is visible in the bottom right corner. The text is overlaid on a yellow banner at the top and in white and yellow text below.

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