



# AGENDA

## California Avocado Commission Board of Directors Meeting

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### Meeting Information

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**Date: August 20, 2026**

**Time: 8:00 a.m.**

**Meeting Location:**

**United Water Conservation District  
1701 N Lombard St  
Oxnard, CA 93030**

**Meeting materials will be posted online at least 24 hours prior to the meeting at:**  
<https://www.californiaavocadogrowers.com/commission/industry-calendar>

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### Board Member and Alternate Attendance

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**Board members and alternates, please contact Cristina Wede at [cwede@avocado.org](mailto:cwede@avocado.org) to confirm attendance no later than Wednesday, August 12, 2026.**

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| Time      | Item                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8:00 a.m. | <b>1. Call to Order</b> <ul style="list-style-type: none"><li>a. Roll Call/Quorum</li><li>b. Introductions</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                       |
|           | <b>2. Opportunity for Public Comment</b> <p>Persons may address the Board on subjects within the jurisdiction of the Commission.</p>                                                                                                                                                                                                                                                                                                                                                                                                       |
|           | <b>3. Consent Calendar</b> <ul style="list-style-type: none"><li>a. Consider approval of Board of Director's meeting minutes of June 10, 2026</li><li>b. Consider approval of Board of Director's meeting minutes of June 11, 2026</li><li>c. 2025-26 Financial update</li><li>d. Acceptance of Final 2025 Report of Independent Accountants on Management's Assertions on Compliance with Section V.D. of the <i>Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs</i></li></ul> |
|           | <b>4. Chair's Report</b> <ul style="list-style-type: none"><li>a. Consider approval of updated Governance Committee roster</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                       |
|           | <b>5. President's Updates</b> <ul style="list-style-type: none"><li>a. USMCA/TRQ</li></ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|           | <b>6. Marketing Report</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

| Time       | Item                                                                                                                                                                                                                                                                                          |
|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|            | <b>7. Production Research Committee Report</b><br><b>8. Finance Committee Report</b><br><b>9. 2026-27 Planning</b> <ul style="list-style-type: none"> <li>a. Business Plan</li> <li>b. Budget &amp; Assessment Rate</li> </ul> <b>10. Consider approval of preliminary 2026-27 CAC budget</b> |
| 12:00 p.m. | <b>11. Adjourn Meeting</b>                                                                                                                                                                                                                                                                    |

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## Disclosures

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Some agenda items may not be discussed prior to adjournment. Such items will be rescheduled for a subsequent meeting. All meetings of the Commission are open to the public and subject to the Bagley-Keene Open Meeting Act.

All agenda items are subject to discussion and possible action.

For information or a request regarding disability-related modification or accommodation for the meeting, please contact April Aymami at 949-341-1955 via email at [aaymami@avocado.org](mailto:aaymami@avocado.org). Such requests should be made at least 48 hours prior to the meeting.

This meeting schedule notice and agenda is available on the internet at <https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes> and <http://it.cdffa.ca.gov/igov/postings/detail.aspx?type=Notices>.

Contact April Aymami at [aaymami@avocado.org](mailto:aaymami@avocado.org) or 949-341-1955 if you have any questions.

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## Summary Definition of Conflict of Interest

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Commission members and alternates are responsible to determine whether they have a conflict of interest and whether to recuse themselves from discussion or vote during a meeting. The following **Summary Definition of Conflict of Interest** may be helpful.

A Commission *member or employee* has a conflict of interest in a decision of the Commission if it is reasonably foreseeable that the decision will have a material effect, financial or otherwise, on the member or employee or a member of his or her immediate family that is distinguishable from its effect on all persons subject to the Commission's jurisdiction.

No Commission member or employee shall make, or participate in making, any decision in which he or she knows or should know he or she has a conflict of interest.

No Commission member or employee shall, in any way, use his or her position to influence any decision in which he or she knows or should know he or she has a conflict of interest.



## **BOARD INFORMATION**

### **ITEM 2:      Opportunity for Public Comment**

#### **SUMMARY:**

Persons may address the Board on subjects within the jurisdiction of the Commission.

#### **FISCAL ANALYSIS:**

- Not applicable

#### **BOARD OPTIONS:**

- Information item only

#### **STAFF RECOMMENDATION:**

- Not applicable

#### **EXHIBITS / ATTACHMENTS:**

- Public comment submitted by John Cornell on August 12, 2026

## *John and Debbie Cornell*



Mr. Ken Melban, President  
California Avocado Commission  
2271 W Malvern Ave., PMB 234  
Fullerton, CA 92833-9926

August 12, 2027

Dear Ken,

I am writing to express serious concern about any discussion within the California Avocado Commission (CAC) of raising grower assessments at a time when many California growers are already under severe financial strain. Input costs are rising, water remains expensive, grove maintenance is increasingly difficult, and margins have tightened to levels that many growers describe as unsustainable. In this environment, even a modest increase in assessments would have a disproportionate impact on growers who are already struggling to stay afloat.

What makes the situation even more troubling is that CAC's marketing efforts—through no fault of CAC's staff—are simply no longer producing the results growers need. The reason is not mysterious. It is structural. California is being dramatically outspent in the U.S. marketplace by Mexico, and that imbalance is the direct consequence of the way USDA chose to implement the Hass Avocado Board (HAB) assessment distribution.

Congress did not require USDA to send the majority of importer assessments to importer associations. USDA made that choice. And because Mexico ships far more fruit than California produces, USDA's formula ensures that Mexico receives many times more promotional funding than California growers receive for their own fruit. That imbalance has grown larger every year, and today it is the defining force in the marketplace.

CAC's own AMRIC system is now documenting the consequences. Since May 1—during the heart of California's prime harvest season—the so-called California Premium has not only disappeared, it has reversed. AMRIC data shows a negative \$0.17 per carton premium since May 1. Even more concerning, since June 1 the negative premium has quadrupled to \$0.67 per carton, meaning Mexican avocados are now commanding a significant price advantage over California fruit at the very moment California should be strongest.

This is not a marketing failure by CAC. It is the predictable outcome of being outspent manyfold by Mexico year after year. When one origin receives the overwhelming majority of promotional dollars and the other receives a fraction, the market responds exactly as we are seeing:

- Mexican fruit gains visibility
- Mexican fruit gains consumer preference
- Mexican fruit gains pricing power
- California fruit loses all three

Simply put, California has lost the advertising battle to a much better-financed competitor—financed, ironically, through a federal program California growers are required to pay into.

Under these conditions, the value of CAC's marketing spend has been severely diminished. Even the most creative, well-executed campaigns cannot overcome the sheer scale of Mexico's promotional advantage. Raising assessments now would force growers to pay more into a system where the return on investment has been structurally compromised by USDA's distribution formula.

Growers are not asking CAC to solve a problem it created. But they are asking CAC to recognize the reality that USDA's implementation of HAB has tilted the playing field so dramatically that California growers are now paying more and receiving less. Before any assessment increase is considered, growers deserve a candid discussion about whether the current promotional environment can justify additional financial burden—and whether CAC should be advocating for structural reform rather than asking growers to contribute more to a system that is no longer working for them.

I urge CAC to take these concerns seriously and to consider the broader context before moving forward with any assessment increase. California growers are doing everything they can to survive in an increasingly difficult marketplace. They need relief, not additional costs—especially when the data shows that the promotional imbalance created by USDA is eroding the value of every dollar they already contribute.

Thank you for your attention to this matter. I hope CAC will engage growers openly and directly on these issues before any decisions are made.

A handwritten signature in dark ink, appearing to read 'JC', followed by a long horizontal line extending to the right.

John Cornell



**BOARD OF DIRECTORS MEETING, August 20, 2026**

**BOARD ACTION**

**ITEM 3.a: Consider approval of Board of Director's meeting minutes of June 10, 2026**

**SUMMARY:**

The minutes of the Board of Directors' regular meeting of June 10, 2026 are attached for the Board's review and approval.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Approve minutes as presented
- Amend minutes
- Take no action

**STAFF RECOMMENDATION:**

- Approve minutes as presented

**EXHIBITS / ATTACHMENTS:**

- Minutes of the Board of Directors' regular meeting of June 10, 2026

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
June 10, 2026**

A meeting of the California Avocado Commission (CAC) Board was held on Wednesday, June 10, 2026 with the following people present:

**MEMBERS PRESENT**

John Berns  
Maureen Cottingham  
John Dmytriw  
Ohannes Karaoghlanian  
Danny Klittich  
Rachael Laenen  
Daryn Miller  
Marty Ordman  
Stephen Sheldon  
Al Stehly  
Tina Wolferd

**ALTERNATES PRESENT**

Enrico Ferro  
Adam Franscioni  
Nathan Lurie  
Doug O'Hara

**MEMBERS ABSENT**

Robert Jackson  
Andy Sheaffer

**ALTERNATES ABSENT**

Kurt Bantle  
Maddie Cook

**OFFICIALLY PRESENT**

David Anderson, *Anderson  
Food Sales & Marketing*  
Carolyn Becker, *CL  
Marketing*  
Victoria Carpenter, *USDA*  
Ben Kardokus, *CDFA*  
George Soares, *Kahn,  
Soares & Conway, LLP*

**STAFF PRESENT**

April Aymami  
Zac Benedict  
Alya Hijazi  
Stacia Kierulff  
Ken Melban  
Lori Small  
Cristina Wede

**GUESTS PRESENT**

Josie Curtis  
Emiliano Escobedo  
Joanne Robles-Swanson

**ITEM #1 CALL TO ORDER**

**Roll Call/Quorum – Item 1.a.**

Rachael Laenen, CAC chair, called the meeting to order at 2:00 p.m. with a quorum present.

**Introductions – Item 1.b.**

April Aymami, CAC director of industry affairs and operations, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, Hass Avocado Board (HAB) representative, CAC staff and known guests participating in the meeting.

**ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT**

Joanne Robles-Swanson, speaking on behalf of the Avocado Growers of California (AGC), commented on the financial challenges facing avocado growers, including rising water costs and competition from imports. She stated that CAC budget allocations should prioritize these concerns and noted that attendees at a recent AGC meeting opposed increasing the CAC assessment rate, preferring that existing organizational funds be used to cover costs. She also commented that the qualifications for CAC membership should remain unchanged.

**ITEM # 3 CHAIR'S OPENING REMARKS**

Rachael Laenen, CAC chair, noted that the next Board meeting will be held in August in Oxnard and extended an open invitation to visit her ranch the day prior to the meeting for a tour. She indicated that additional details will be shared as the meeting date approaches.

Ms. Laenen reminded the Board that each district has an allocated amount of funds available for use toward district meetings, sponsored events, and related activities. She noted that each district is budgeted \$20,000 for these purposes.

#### **ITEM # 4 INDUSTRY STRATEGIC FRAMEWORK**

##### **Industry make up – Item 4.a.**

##### **Commission purpose – Item 4.b.**

##### **Mission and Vision Statement – Item 4.c.**

Ken Melban, CAC president, provided an overview of the industry strategic framework, noting that staff has worked to present the material in a concise format. He emphasized the importance of aligning with the organization's mission and defining what success looks like in serving growers, particularly given that CAC does not set market pricing. Mr. Melban referenced the ongoing price differential, noting that California avocados have historically averaged approximately 8–10 percent above import FOB pricing, which serves as an indicator of marketing effectiveness, while acknowledging that definitions of success may vary. He further noted the importance of clarifying the tangible benefits CAC can provide to growers, while recognizing that some growers view the organization's role as ensuring profitability and financial success.

Ms. Laenen commented on the importance of taking an internal view of individual businesses while maintaining CAC's primary focus on external factors that influence the industry and where the organization can affect change. She noted that this framework should guide discussions on the CAC vision and mission statements, as well as future direction and the budget needed to support the business plan. She encouraged a collective dialogue to further define the organization's identity and the role it can effectively play.

The Board discussed assessments, pricing, sustainability, production research, marketing strategies, CAC's responsibilities, and the areas in which the organization can affect change to achieve success. It was noted that CAC's role includes marketing initiatives to drive demand, strengthening retailer relationships to encourage fruit movement, research and advocacy efforts to prevent and prepare for invasive pests, food safety and evaluation strategies in response to the increasing influx of imported avocados. It was also reaffirmed that CAC is not responsible for influencing market pricing.

The Board reviewed and discussed both the current and proposed CAC vision and mission statements. It was commented that the vision statement should outline an organization's future goals and aspirations while the mission statement details its purpose, what it does, and how it serves its customers.

During further discussion, Board members expressed a preference to add the word "support" in the proposed vision statement to more accurately reflect CAC's role and purpose. Following deliberation, the Board reached a consensus and approved the following updated vision statement and mission statement:

Vision statement:

To *support* a thriving California Avocado industry renowned for premium avocados.



Mission statement:

To maximize California Avocado grower returns and enhance premium positioning through strategic marketing, advocacy and research.

**MOTION:**

***The CAC Board of Directors approves the proposed updated Mission and Vision Statements, as amended.***

***(Franscioni/Karaoglanian) MSC Unanimous***

**MOTION 26-6-10-1**

The Industry Strategic Framework is included in the June 10, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 4.

**ITEM #5 2026-27 CAC BUSINESS PLAN UPDATES**

Mr. Melban presented the proposed business plan updates and referenced Item 5-2 in the Board packet. He noted that the business plan is intended to serve as a high-level strategic framework that reflects CAC's activities and priorities while allowing for discussion in a more conversational manner. Mr. Melban reported that USDA was consulted and provided examples of approved business plans from other commodity organizations. He explained that the revised business plan utilizes broader, less prescriptive categories to provide flexibility for CAC staff and the Board to adjust strategies and initiatives throughout the year as needed, while minimizing the need for budget amendments.

The Board engaged in a discussion regarding the CAC budget, budget amendments, ongoing projects, the original business plan, and the reallocation of marketing funds. It was noted that, from a budgetary perspective, Item 5-3 of the Board packet illustrates the proposed format for Board budget approval, presenting expenditures in broader budget categories rather than the detailed, multi-page format of the original business plan.

**MOTION:**

***The CAC Board of Directors approves the updated 2026-27 CAC Business Plan format as presented.***

***(Cottingham/Sheldon) MSC Unanimous***

**MOTION 26-6-10-2**

The 2026-27 Business Plan Updates is included in the June 10, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 5.

**ITEM #6 2026-27 CAC ASSESSMENT RATE & BUDGET**

Mr. Melban presented the historical assessment information contained in Item 6-2 of the Board packet. He reminded the Board that two years ago, CAC transitioned from a variable value based assessment structure to a flat rate per-pound assessment with the goal of providing greater stability and predictability for both growers and CAC. Mr. Melban explained that CAC has worked for several years to reduce reserve levels to an amount necessary for prudent operations while bringing greater equilibrium to the assessment structure. He further noted that when the assessment rate was established over the past two years, the Board was aware that the rate was set below the level needed to maintain long-term financial viability, with the understanding that it would eventually need to return to a more sustainable midpoint. Mr. Melban advised that if the CAC assessment is not increased, the Board will need to consider reducing programs and activities in the upcoming year to align expenditures with available funds.

Ms. Laenen commented that this item was being presented for discussion purposes only and that the Board would not be taking action on the assessment rate at this meeting. She explained that the purpose of the discussion was to familiarize Board members with CAC's financial outlook and potential future assessment considerations. Ms. Laenen noted that the discussion would also provide CAC staff with valuable direction as they evaluate program priorities and determine the appropriate level of programming and activities to support the Commission's objectives moving forward.

The Board engaged in discussion regarding marketing programs, CAC's reserve levels, factors impacting future assessment considerations, including crop value, crop size and volume projections, crop survey data, return on investment for CAC programs, FOB pricing trends, and inflationary pressures. It was noted that the purpose of the discussion was to provide the Board with an opportunity to evaluate the advantages and disadvantages of potential assessment rates and work toward a general consensus regarding an appropriate assessment rate for the 2026/27 fiscal year.

Following the discussion, a straw poll was conducted to gauge the Board's position regarding the assessment rate for the 2026/27 fiscal year. The results of the straw poll indicated a majority of the Board supported increasing the assessment to bring it back in line with CAC's historical assessment rate. Board members acknowledged that an increase in the assessment rate would better support the long-term financial sustainability of CAC and its programs while maintaining an appropriate level of reserves.

The 2026-27 CAC Assessment Rate & Budget is included in the June 10, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 6.

#### **ADJOURN MEETING**

Ms. Laenen adjourned the meeting at 5:00 p.m. The next regularly scheduled Board meeting will be held on June 11, 2026.

Respectfully submitted,

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Stacia Kierulff, CAC Business Relations Manager

I certify that the above is a true statement of the Minutes of June 10, 2026 approved by the CAC Board of Directors on June 11, 2026.

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John Berns, CAC Board Secretary

#### **EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES**

EXHIBIT A June 10, 2026 Board Packet

EXHIBIT B June 10, 2026 Board Meeting AB 2720 Roll Call Vote Tally Summary



## Exhibit B

**CALIFORNIA AVOCADO COMMISSION**  
**AB 2720 Roll Call Vote Tally Summary**  
*To be attached to the Meeting Minutes*

|                                                                                            |                                                                                                         |                                              |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <b>Meeting Name:</b><br><i>California Avocado<br/>Commission Regular<br/>Board Meeting</i> | <b>Meeting Location:</b><br><i>Pasadena Hilton<br/>168 South Los Robles Ave.<br/>Pasadena, CA 91101</i> | <b>Meeting Date:</b><br><i>June 10, 2026</i> |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------|

| <b><i>Attendees Who Voted</i></b> | <b><i><u>MOTION</u><br/>26-6-10-1</i></b> | <b><i><u>MOTION</u><br/>26-6-10-2</i></b> |
|-----------------------------------|-------------------------------------------|-------------------------------------------|
| Al Stehly                         | Yea                                       | Yea                                       |
| Enrico Ferro                      | Yea                                       | Yea                                       |
| Ohannes Karaoghlanian             | Yea                                       | Yea                                       |
| Tina Wolferd                      | Yea                                       | Yea                                       |
| Maureen Cottingham                | Yea                                       | Yea                                       |
| John Berns                        | Yea                                       | Yea                                       |
| Rachael Laenen                    | Did Not<br>Vote                           | Did Not<br>Vote                           |
| Stephen Sheldon                   | Yea                                       | Yea                                       |
| Daryn Miller                      | Yea                                       | Yea                                       |
| Adam Franscioni                   | Yea                                       | Yea                                       |
| John Dmytriw                      | Yea                                       | Yea                                       |
| Danny Klittich                    | Yea                                       | Yea                                       |
| Marty Ordman                      | Yea                                       | Yea                                       |
| <b><i>Outcome</i></b>             | <b><i>Unanimous</i></b>                   | <b><i>Unanimous</i></b>                   |



**BOARD ACTION**

**ITEM 3.b: Consider approval of Board of Director's meeting minutes of June 11, 2026**

**SUMMARY:**

The minutes of the Board of Directors' regular meeting of June 11, 2026 are attached for the Board's review and approval.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Approve minutes as presented
- Amend minutes
- Take no action

**STAFF RECOMMENDATION:**

- Approve minutes as presented

**EXHIBITS / ATTACHMENTS:**

- Minutes of the Board of Directors' regular meeting of June 11, 2026

**CALIFORNIA AVOCADO COMMISSION  
BOARD MEETING MINUTES  
June 11, 2026**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, June 11, 2026 with the following people present:

**MEMBERS PRESENT**

John Berns  
Maureen Cottingham  
John Dmytriw  
Ohannes Karaoghlanian  
Danny Klittich  
Rachael Laenen  
Daryn Miller  
Marty Ordman  
Andy Sheaffer  
Stephen Sheldon  
Al Stehly  
Tina Wolferd

**ALTERNATES PRESENT**

Enrico Ferro  
Adam Franscioni  
Nathan Lurie  
Doug O'Hara

**MEMBERS ABSENT**

Robert Jackson

**ALTERNATES ABSENT**

Kurt Bantle  
Maddie Cook

**OFFICIALLY PRESENT**

David Anderson, *Anderson  
Food Sales & Marketing*  
Carolyn Becker, *CL  
Marketing*  
Victoria Carpenter, *USDA*  
Ben Kardokus, *CDFA*  
George Soares, *Kahn,  
Soares & Conway, LLP*

**STAFF PRESENT**

April Aymami  
Zac Benedict  
Alya Hijazi  
Stacia Kierulff  
Ken Melban  
Lori Small  
Cristina Wede

**GUESTS PRESENT**

Josie Curtis  
Emiliano Escobedo  
Norm Kachuck  
Joanne Robles-Swanson

**ITEM #1 CALL TO ORDER**

**Roll Call/Quorum – Item 1.a.**

Rachael Laenen, CAC chair, called the meeting to order at 8:00 a.m. with a quorum present.

**Introductions – Item 1.b.**

April Aymami, CAC director of industry affairs and operations, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, Hass Avocado Board (HAB) representative, CAC staff and known guests participating in the meeting.

**ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT**

Ms. Laenen asked if there was anyone that would like to make a public comment.

Hearing none, she moved to the next agenda item.

**ITEM # 3 CONSENT CALENDAR**

Ms. Laenen introduced the consent calendar items and asked for questions or comments.

Hearing none, the following motion was put forward:

**MOTION:**

***The CAC Board of Directors approves the Consent Calendar, Items 3.a through 3.d. as presented.***

***(Karaoghlanian/Cottingham) MSC Unanimous***

**MOTION 26-6-11-1**

The Consent Calendar is included in the June 11, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 3.a through 3.d.

**ITEM #4 CONSIDER ANY TABLED DISCUSSION ITEMS FROM JUNE 10, 2026 MEETING**

Ms. Laenen commented that there were no items to discuss, therefore she moved to the next agenda item.

**ITEM #5 EXECUTIVE COMMITTEE REPORT**

Ms. Laenen reported that the Executive Committee met in May to review business plan updates, the assessment rate, budget, producer threshold, and grievance procedures. During the meeting, the Committee discussed the need to further examine genetic research related to Carmen Hass, specifically the distinction between true Hass and Carmen Hass varieties. This topic was reviewed with Dr. Tim Spann, and a request for proposals has been issued to several researchers.

Ms. Laenen also noted that the Committee discussed CAC's grievance procedures from a procedural standpoint, as this was the first time in twenty years that CAC had completed the grievance process from start to finish. Through that experience, it was determined that the procedures require updates. As a result, the Executive Committee directed CAC staff to conduct a thorough review of the grievance procedures and bring recommended revisions back to the Committee for further evaluation.

Ken Melban, CAC president, provided an update on the Tariff Rate Quota (TRQ) effort that CAC initiated in the fall of last year. He reported that CAC is participating in a coalition that includes California avocados, blueberry, citrus, pear, and table grape organizations, as well as industry associations from Florida, Georgia, Michigan, and Texas. Mr. Melban distributed a handout to the Board outlining CAC's letter to Ambassador Greer, which was sent on June 2, requesting action to address the negative impact of imported perishable produce on U.S. farmers. As of the meeting date, no response had been received. He also noted that CAC is in the process of developing a congressional support letter to be sent to the Ambassador by members of Congress in support of CAC's inspection request and its inclusion in the broader TRQ effort.

Mr. Melban presented a video developed by CAC designed to be a targeted outreach campaign to raise awareness among the Administration, U.S. trade representatives and staff, the USDA, and Congressional members and their staff through geotargeted advertising. The video featured several California avocado growers, CAC Chair Rachael Laenen, celebrity chef Andrew Gruel, and Congressman Vince Fong, highlighting the importance of California avocados and the industry's key priorities.

The Letter to Ambassador Greer presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

**ITEM #6 GRIEVANCE COMMITTEE FINDINGS AND RECOMMENDATIONS ON KACHUCK GRIEVANCES I, III, AND IV**

Al Stehly, Grievance Committee chair, discussed the Commission law and grievance procedures. He stated that the Committee researched and evaluated the grievances submitted by Dr. Norm Kachuck and conducted two public meetings and a public hearing with recorded testimony. The Committee concluded that the grievant did not support assertions that the Board violated Commission law and policies. More specifically, the grievant failed to comply with the Committee request that state specific statutes and policies that were violated and specify the manner in which each were violated. At the same meeting, the Committee unanimously voted to deny the three grievances submitted by the grievant and to make such recommendations to the Board for its consideration and determination.

Ms. Laenen thanked the members of the Grievance Committee for their time and service, and stated that the Committee's recommendations were now before the Board for consideration and determination. She explained that under the grievance procedures, the Board may approve, deny, or modify the Committee's recommendation. Once a motion and second are made for the Board to consider a specific action, the matter will be opened for discussion, at which time the grievant will be given an opportunity to provide comments. Following that discussion, the Board will proceed with further deliberation and conclude with a roll call vote on the motion.

Ms. Laenen looked for a motion for the recommendations made by the Grievance Committee:

**MOTION:**

***The CAC Board of Directors moved to accept the recommendations from Grievance Committee as presented.***

***(Sheaffer/Ordman) MSC Unanimous***

**MOTION 26-6-11-2**

Prior to the grievant providing remarks, Ms. Laenen stated that Dr. Norm Kachuck's comments were his own and did not represent the views of the Commission. Dr. Kachuck was given the opportunity to provide comments and he read a letter that he provided to the Board.

The Board continued its discussion of grievance matters and noted that, while some of the concerns raised by Dr. Kachuck may be valid, the central issue before the Grievance Committee was whether any clear violations of CAC's existing rules and regulations had occurred. The Committee had been specifically tasked with determining whether such violations existed and concluded that none were found. Board members further noted that this determination does not preclude the need for changes or improvements to CAC's procedures and acknowledged that procedural revisions may still be warranted moving forward.

George Soares, CAC legal counsel, provided clarification to the Board regarding the grievances discussed during the two meetings and hearing that were recorded. He explained that Grievance #2, concerning the indemnification from personal liability for payment of legal fees, was not considered by the Committee because Dr. Kachuck had requested that it not be reviewed at this time; therefore, the matter was not overlooked, but rather set aside at the grievant's request. With respect to Grievance #5, Mr. Soares noted that the matter constitutes a public records request rather than a grievance. The Commission responded to the request and sought clarification from Dr. Kachuck, but because no response has yet been received, the matter remains an open request and was not considered as a grievance. Regarding Grievance #3, Mr. Soares further clarified that the grievant characterized the matter as a governance issue and did not allege a specific violation. He provided this explanation to ensure the Board had a clear understanding of the basis for the Committee's review and consideration of each item.

It was suggested that, now that the Grievance Committee has completed its review of the submitted grievances and found no violations, certain matters raised may be referred to the Governance Committee for further consideration and discussion. It was also proposed that Dr. Kachuck be invited to participate at the Governance Committee level to further discuss the concerns and issues he has raised.

Ms. Laenen thanked the Grievance Committee for its work in reviewing the submitted grievances. She noted that a number of the issues raised warrant further discussion by the Governance Committee, as she believes that committee is the appropriate forum to continue the conversation. Ms. Laenen also acknowledged the effectiveness of the Governance Committee while reminding the Board that there are constraints within which the Commission must operate, including CAC law and the organization's Bylaws. She recognized that these parameters can present challenges in addressing and navigating governance-related issues.

**MOTION:**

***The CAC Board of Directors moves to submit Issues 1, 3, and 4 from Dr. Kachuck's grievances to the Governance Committee for consideration.  
(Berns/Karaoghlanian) MSC Unanimous***

**MOTION 26-6-11-3**

The Dr. Norm Kachuck Letter is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

**ITEM #7 MARKETING REPORT**

Zac Benedict, CAC director of marketing, presented the marketing report and noting that at its previous meeting, the Board approved reallocating marketing funds to increase investment in retail initiatives. He explained that the marketing team is refining its programs and activations to strengthen efforts that most effectively support CAC's objectives, including driving consumer demand, securing retailer commitments, and developing strategic partnerships. Mr. Benedict noted that these initiatives are designed to maximize marketing effectiveness while remaining aligned with CAC's mission and vision statements. He also provided an overview of advertising efforts to increase consumer awareness and in-season demand, including promotion of the California Avocados Store Locator and CAC's partnership with Instacart.

Carolyn Becker, retail marketing director, presented the retail marketing highlights, providing an overview of CAC's retail promotion strategy. Her presentation included the goals of the retail promotions, the retail activation strategy, the 2026 retail promotion budget, the retail promotion calendar, and partner retail marketing initiatives.

Dave Anderson, retail marketing director, presented an overview of CAC's retail programs, highlighting in-store promotions, product demos, point-of-sale signage, promotional flyers, and the Walmart retail program. He discussed how these initiatives are designed to increase consumer engagement and support retail sales of California avocados.

Lori Small, CAC senior marketing manager, presented the public relations segment of the marketing report. She provided an overview of retail and influencer activations designed to generate consumer excitement and encourage purchases, including the Sprouts recap video, consumer influencer engagement efforts, recent media activity, and retail trade media promotion initiatives summary.



The Marketing Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

**Consider Marketing Committee Recommendation Regarding HAB Avocado Conference Sponsorship – Item 7.a.**

Mr. Melban commented on the Marketing Committee's recommendation regarding the Hass Avocado Board (HAB) Avocado Conference. He asked the Marketing Committee Chair, Doug O'Hara, to discuss the details.

Mr. O'Hara reported that the Marketing Committee had extensively discussed participation in the HAB Avocado Conference and included Emiliano Escobedo in its discussions to provide additional information and address questions. Mr. O'Hara stated that the Committee believes it is important for CAC to attend the conference, noting that representatives from other avocado-producing countries are expected to participate, and recommended CAC's participation in the event.

**MOTION:**

***The CAC Board of Directors moves to approve the Marketing Committee's recommendation to sponsor the HAB Conference as presented.***

***(Stehly/Cottingham) MSC Unanimous***

**MOTION 26-6-11-4**

Mr. Melban commented on CAC's foodservice initiatives and advised the Board of his recommendation to pull back on the foodservice program as it currently stands. He noted that the current program did not appear to demonstrate sufficient value and suggested reallocating resources toward more significant promotions with larger partners, such as Chipotle, where CAC may achieve a greater return on investment.

The Board discussed the importance of foodservice and consensus supporting management's recommendation to shift the current strategy.

The HAB Avocado Conference Sponsorship is included in the June 11, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 7.a.

**ITEM #8 PRODUCTION RESEARCH COMMITTEE REPORT**

**Consider PRC Recommendations on New Funding Requests– Item 8.a.**

Danny Klittich, CAC Production Research Committee chair, reported that the PRC had met twice since the last Board meeting. During those meetings, the Committee reviewed two new research proposals and considered two requests for additional funding for existing research projects. Mr. Klittich presented the PRC's recommendations, along with the details of each proposal and funding request, for the Board's review and discussion.

The Board discussed the new research proposals, the requests for additional funding for existing research projects, and the details of each project. Following discussion, the Board reached a consensus to approve the PRC recommendations.

**MOTION:**

***The CAC Board of Directors moves to approve the Production Research Committee's recommendation on new funding requests as presented.***

***(Stehly/Berns) MSC Unanimous***

**MOTION 26-6-11-5**

The PRC Recommendations on New Funding Requests are included in the June 11, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 8.a.

#### **ITEM #9 FINANCE COMMITTEE REPORT**

##### **Consider Approval of Corporate Insurance Schedule – Item 9.a.**

Maureen Cottingham, CAC treasurer, commented that the Finance Committee met on June 1, 2026.. She stated that the Finance Committee conducted their annual review of CAC's corporate insurance schedule and recommended maintaining the insurance levels as presented in the Board packet.

##### **MOTION:**

***The CAC Board of Directors moves to accept the Finance Committee's recommendation to maintain CAC's insurance levels as presented.***

***(Karaoghlanian/Miller) MSC Unanimous***

**MOTION 26-6-11-6**

The Corporate Insurance Schedule are included in the June 11, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 9.a.

##### **Consider Amended and Restated 401(a) and 457(b) Retirement Plans – Item 9.b.**

Ms. Cottingham presented the amended and restated 401(a) and 457(b) retirement plans to the Board. She explained that the complete plan documents were not included in the Board packet, as the Finance Committee had reviewed the plans in their entirety, including the recommended amendments. Ms. Cottingham noted that this restatement process is required every six years to maintain compliance with applicable regulations. Based on its thorough review, the Finance Committee recommended that the Board approve the amended and restated retirement plans as presented.

##### **MOTION:**

***The CAC Board of Directors moves to accept the amended and restated 401(a) and 457(b) retirement plans for ERISA compliance as presented.***

***(Stehly/Klittich) MSC Unanimous***

**MOTION 26-6-11-7**

The Amended and Restated 401(a) and 457(b) Retirement Plans are included in the June 11, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 9.b.

##### **Consider Approval of Budget Amendment #2 – Item 9.c.**

Ms. Cottingham presented Budget Amendment #2, explaining that the amendment reallocates existing budgeted funds within the marketing, industry affairs, and operations departments. She noted that the amendment shifts funds from budget line items that are projected to remain unspent at fiscal year-end to support new projects that were initiated following the Board's approval of the 2025–26 budget in October. The reallocation does not increase the overall budget but ensures that available funds are directed toward current organizational priorities. The Finance Committee reviewed Budget Amendment #2 and recommended that the Board approve the amendment as presented.

##### **MOTION:**

***The CAC Board of Directors moves to approve Budget Amendment #2 as presented.***

***(Klittich/Sheaffer) MSC Unanimous***

**MOTION 26-6-11-8**

The Budget Amendment #2 are included in the June 11, 2026 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 9.c.

**ITEM #10 CLOSED SESSION**

Ms. Laenen noted that there were no matters requiring a closed session at this time.

**ADJOURN MEETING**

Ms. Laenen adjourned the meeting at 11:21 a.m. The next regularly scheduled Board meeting will be held on August 20, 2026.

Respectfully submitted,

---

Stacia Kierulff, CAC Business Relations Manager

I certify that the above is a true statement of the Minutes of June 11, 2026 approved by the CAC Board of Directors on August 20, 2026.

---

John Berns, CAC Board Secretary

**EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES**

|           |                                                                  |
|-----------|------------------------------------------------------------------|
| EXHIBIT A | June 11, 2026 Board Packet                                       |
| EXHIBIT B | Letter to Ambassador Greer                                       |
| EXHIBIT C | Dr. Norm Kachuck Letter                                          |
| EXHIBIT D | Marketing Presentation                                           |
| EXHIBIT E | June 11, 2026 Board Meeting AB 2720 Roll Call Vote Tally Summary |



**Exhibit E**

**CALIFORNIA AVOCADO COMMISSION**  
**AB 2720 Roll Call Vote Tally Summary**  
*To be attached to the Meeting Minutes*

|                                                                                            |                                                                                                         |                                              |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------|
| <b>Meeting Name:</b><br><i>California Avocado<br/>Commission Regular<br/>Board Meeting</i> | <b>Meeting Location:</b><br><i>Pasadena Hilton<br/>168 South Los Robles Ave.<br/>Pasadena, CA 91101</i> | <b>Meeting Date:</b><br><i>June 11, 2026</i> |
|--------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|----------------------------------------------|

| <b><i>Attendees Who Voted</i></b> | <b><i><u>MOTION</u><br/>26-6-11-1</i></b> | <b><i><u>MOTION</u><br/>26-6-11-2</i></b> | <b><i><u>MOTION</u><br/>26-6-11-3</i></b> | <b><i><u>MOTION</u><br/>26-6-11-4</i></b> | <b><i><u>MOTION</u><br/>26-6-11-5</i></b> | <b><i><u>MOTION</u><br/>26-6-11-6</i></b> | <b><i><u>MOTION</u><br/>26-6-11-7</i></b> | <b><i><u>MOTION</u><br/>26-6-11-8</i></b> |
|-----------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|-------------------------------------------|
| Al Stehly                         | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Enrico Ferro                      | Did Not<br>Vote                           | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Ohannes Karaoghlanian             | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Tina Wolferd                      | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Maureen Cottingham                | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| John Berns                        | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Rachael Laenen                    | Did Not<br>Vote                           | Did Not<br>Vote                           | Did Not<br>Vote                           | Did Not<br>Vote                           | Did Not<br>Vote                           | Did Not<br>Vote                           | Did Not<br>Vote                           | Did Not<br>Vote                           |
| Stephen Sheldon                   | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Daryn Miller                      | Did Not<br>Vote                           | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Adam Frascioni                    | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| John Dmytriw                      | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Danny Klittich                    | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| Marty Ordman                      | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       | Yea                                       |
| <b><i>Outcome</i></b>             | <b><i>Unanimous</i></b>                   | <b><i>Unanimous</i></b>                   | <b><i>Unanimous</i></b>                   | <b><i>Unanimous</i></b>                   | <b><i>Unanimous</i></b>                   | <b><i>Unanimous</i></b>                   | <b><i>Unanimous</i></b>                   | <b><i>Unanimous</i></b>                   |



## **BOARD INFORMATION**

**ITEM 3.c: 2025-26 Financial update**

**SUMMARY:**

Attached are CAC's financial statements through June 2026 as prepared by management. The reports include CAC statement of financial position, statement of activity and year-to-date actual versus budget comparisons.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Discussion item only

**STAFF RECOMMENDATION:**

- Not applicable

**EXHIBITS / ATTACHMENTS:**

- CAC Financial Statements through the month ending June 2026

# California Avocado Commission

## Statement of Financial Position As of Jun 30, 2026

|                                                      | TOTAL                  |                         |                        |                 |
|------------------------------------------------------|------------------------|-------------------------|------------------------|-----------------|
|                                                      | As of Jun 30, 2026     | As of Jun 30, 2025 (PY) | \$ Change (PY)         | % Change (PY)   |
| <b>Assets</b>                                        |                        |                         |                        |                 |
| Current Assets                                       |                        |                         |                        |                 |
| Bank Accounts                                        |                        |                         |                        |                 |
| 10010-000 BMO Checking (5241) - CAC (deleted)        | 0.00                   | 1,132,988.15            | -1,132,988.15          | -100.0 %        |
| 10015-000 WAB Checking (4129) - CAC                  | 250,000.00             | 250,000.00              | 0.00                   | 0.0 %           |
| 10110-000 BMO Money Market (5407) - CAC (deleted)    | 0.00                   | 3,001,441.03            | -3,001,441.03          | -100.0 %        |
| 10115-000 WAB Money Market (6144) - Collateralized   | 2,818,179.43           | -10.00                  | 2,818,189.43           | 2.81818943E7 %  |
| 10210-000 Cash - LAIF - CAC                          | 11,941.46              | 11,449.94               | 491.52                 | 4.29 %          |
| 10215-000 WAB ICS Sweep Account                      | 5,551,983.34           | 8,491,567.98            | -2,939,584.64          | -34.62 %        |
| <b>Total for Bank Accounts</b>                       | <b>\$8,632,104.23</b>  | <b>\$12,887,437.10</b>  | <b>-\$4,255,332.87</b> | <b>-33.02 %</b> |
| Accounts Receivable                                  |                        |                         |                        |                 |
| 12901-000 Misc Receivables (A/R)                     | 74,568.46              | 9,850.00                | 64,718.46              | 657.04 %        |
| <b>Total for Accounts Receivable</b>                 | <b>\$74,568.46</b>     | <b>\$9,850.00</b>       | <b>\$64,718.46</b>     | <b>657.04 %</b> |
| Other Current Assets                                 |                        |                         |                        |                 |
| 11001-000 CAC Assessment Receivable                  | 789,000.00             | 227,400.00              | 561,600.00             | 246.97 %        |
| 11002-000 HAB Assessment Receivable                  | 2,670,000.00           | 2,002,000.00            | 668,000.00             | 33.37 %         |
| 12004-000 Due from Avocado Inspection Program        | 0.00                   | 757.15                  | -757.15                | -100.0 %        |
| 12701-000 Grant Receivable                           | 0.00                   | 131,461.19              | -131,461.19            | -100.0 %        |
| 12801-000 Voluntary Life Benefit Receivable          | -0.05                  | 0.00                    | -0.05                  |                 |
| 13001-000 Prepaid Deposits                           | 4,050.00               | 11,352.50               | -7,302.50              | -64.33 %        |
| 13002-000 Prepaid Expenses                           | 159,297.50             | 159,658.14              | -360.64                | -0.23 %         |
| Misc Receivable (old non-AR)                         | 0.00                   | 0.00                    | 0.00                   |                 |
| <b>Total for Other Current Assets</b>                | <b>\$3,622,347.45</b>  | <b>\$2,532,628.98</b>   | <b>\$1,089,718.47</b>  | <b>43.03 %</b>  |
| <b>Total for Current Assets</b>                      | <b>\$12,329,020.14</b> | <b>\$15,429,916.08</b>  | <b>-\$3,100,895.94</b> | <b>-20.1 %</b>  |
| Fixed Assets                                         |                        |                         |                        |                 |
| 15001-000 Furniture                                  | 26,160.00              | 26,160.00               | 0.00                   | 0.0 %           |
| 15002-000 Accumulated Depreciation-Furniture         | -26,160.00             | -26,160.00              | 0.00                   | 0.0 %           |
| 15101-000 Office Equipment                           | 61,002.24              | 61,002.24               | 0.00                   | 0.0 %           |
| 15102-000 Accumulated Depreciation-Office Equip.     | -61,002.24             | -61,002.24              | 0.00                   | 0.0 %           |
| 15301-000 Software                                   | 15,021.62              | 15,021.62               | 0.00                   | 0.0 %           |
| 15302-000 Accumulated Depreciation-Software          | -15,021.62             | -15,021.62              | 0.00                   | 0.0 %           |
| 15401-000 Land Improvements                          | 108,558.63             | 108,558.63              | 0.00                   | 0.0 %           |
| 15402-000 Accumulated Depreciation-Land Improvements | -108,558.63            | -108,558.63             | 0.00                   | 0.0 %           |
| <b>Total for Fixed Assets</b>                        | <b>\$0.00</b>          | <b>\$0.00</b>           | <b>\$0.00</b>          |                 |
| Other Assets                                         |                        |                         |                        |                 |
| 16001-000 Mauchly Office Lease                       | 634,984.73             | 634,984.73              | 0.00                   | 0.0 %           |
| 16002-000 Mauchly Amortization                       | -634,984.69            | -582,941.24             | -52,043.45             | -8.93 %         |
| 16003-000 Pine Tree Lease                            | 117,984.95             | 117,984.95              | 0.00                   | 0.0 %           |
| 16004-000 Pine Tree Amortization                     | -53,093.29             | -29,496.25              | -23,597.04             | -80.0 %         |
| 16101-000 Quadient Capital Lease                     | 3,435.74               | 3,435.74                | 0.00                   | 0.0 %           |
| 16102-000 Quadient Amortization                      | -3,435.77              | -3,435.77               | 0.00                   | 0.0 %           |

# California Avocado Commission

## Statement of Financial Position As of Jun 30, 2026

|                                               | TOTAL                  |                         |                        |                 |
|-----------------------------------------------|------------------------|-------------------------|------------------------|-----------------|
|                                               | As of Jun 30, 2026     | As of Jun 30, 2025 (PY) | \$ Change (PY)         | % Change (PY)   |
| 16103-000 CBE 2020 Sharp Capital Lease        | 0.00                   | 0.00                    | 0.00                   |                 |
| 16104-000 CBE 2020 Sharp Amortization         | 0.00                   | 0.00                    | 0.00                   |                 |
| 16105-000 CBE 2022 Sharp Capital Lease        | 13,543.55              | 13,543.55               | 0.00                   | 0.0 %           |
| 16106-000 CBE 2022 Sharp Amortization         | -13,543.57             | -10,078.86              | -3,464.71              | -34.38 %        |
| 16107-000 CBE 2020 Ricoh Capital Lease        | 0.00                   | 0.00                    | 0.00                   |                 |
| 16108-000 CBE 2020 Ricoh Amortization         | 0.00                   | 0.00                    | 0.00                   |                 |
| 16109-000 CBE 2022 Ricoh Capital Lease        | 13,652.62              | 13,652.62               | 0.00                   | 0.0 %           |
| 16110-000 CBE 2022 Ricoh Amortization         | -13,652.63             | -10,618.71              | -3,033.92              | -28.57 %        |
| 17000-000 Merchandise Shop Inventory          | 0.00                   | 0.00                    | 0.00                   |                 |
| <b>Total for Other Assets</b>                 | <b>\$64,891.64</b>     | <b>\$147,030.76</b>     | <b>-\$82,139.12</b>    | <b>-55.87 %</b> |
| <b>Total for Assets</b>                       | <b>\$12,393,911.78</b> | <b>\$15,576,946.84</b>  | <b>-\$3,183,035.06</b> | <b>-20.43 %</b> |
| <b>Liabilities and Equity</b>                 |                        |                         |                        |                 |
| Liabilities                                   |                        |                         |                        |                 |
| Current Liabilities                           |                        |                         |                        |                 |
| Accounts Payable                              |                        |                         |                        |                 |
| 20001-000 Accounts Payable (A/P)              | 1,270,473.98           | 1,133,766.56            | 136,707.42             | 12.06 %         |
| <b>Total for Accounts Payable</b>             | <b>\$1,270,473.98</b>  | <b>\$1,133,766.56</b>   | <b>\$136,707.42</b>    | <b>12.06 %</b>  |
| Other Current Liabilities                     |                        |                         |                        |                 |
| 20002-000 Accounts Payable - Clearing         | 0.00                   | 0.00                    | 0.00                   |                 |
| 20009-000 Miscellaneous Payable               | 0.00                   | 0.00                    | 0.00                   |                 |
| 20101-000 Accrued Expenses                    | 224,797.71             | 209,528.82              | 15,268.89              | 7.29 %          |
| 21011-000 Section 125 Payable                 | 0.00                   | 0.00                    | 0.00                   |                 |
| 21021-000 Vacation Payable - Short Term       | 61,859.05              | 67,904.44               | -6,045.39              | -8.9 %          |
| 21031-000 Deferred Compensation Payable       | 0.00                   | 0.00                    | 0.00                   |                 |
| 24001-000 ST Lease Liability - LACA1          | -0.01                  | 55,755.79               | -55,755.80             | -100.0 %        |
| 24002-000 ST Lease Liability - CAPO1          | 24,018.68              | 21,740.39               | 2,278.29               | 10.48 %         |
| 24101-000 ST Lease Liability - MAFI1          | 0.00                   | 0.00                    | 0.00                   |                 |
| 24102-000 ST Lease Liability - CBE 2020 Sharp | 0.00                   | 0.00                    | 0.00                   |                 |
| 24103-000 ST Lease Liability - CBE 2022 Sharp | 0.00                   | 3,622.94                | -3,622.94              | -100.0 %        |
| 24104-000 ST Lease Liability - CBE 2020 Ricoh | 0.00                   | 0.00                    | 0.00                   |                 |
| 24105-000 ST Lease Liability - CBE 2022 Ricoh | 0.00                   | 3,184.73                | -3,184.73              | -100.0 %        |
| <b>Total for Other Current Liabilities</b>    | <b>\$310,675.43</b>    | <b>\$361,737.11</b>     | <b>-\$51,061.68</b>    | <b>-14.12 %</b> |
| <b>Total for Current Liabilities</b>          | <b>\$1,581,149.41</b>  | <b>\$1,495,503.67</b>   | <b>\$85,645.74</b>     | <b>5.73 %</b>   |
| Long-term Liabilities                         |                        |                         |                        |                 |
| 28011-000 LT Lease Liability - CAPO1          | 47,925.10              | 71,943.75               | -24,018.65             | -33.39 %        |
| 28110-000 LT Lease Liability - MAFI1          | 0.00                   | 0.00                    | 0.00                   |                 |
| 28111-000 LT Lease Liability - LACA1          | 0.00                   | 0.00                    | 0.00                   |                 |
| 28112-000 LT Lease Liability - CBE 2022 Sharp | 0.00                   | 0.00                    | 0.00                   |                 |
| 28114-000 LT Lease Liability - CBE 2022 Ricoh | 0.00                   | 0.00                    | 0.00                   |                 |
| <b>Total for Long-term Liabilities</b>        | <b>\$47,925.10</b>     | <b>\$71,943.75</b>      | <b>-\$24,018.65</b>    | <b>-33.39 %</b> |
| <b>Total for Liabilities</b>                  | <b>\$1,629,074.51</b>  | <b>\$1,567,447.42</b>   | <b>\$61,627.09</b>     | <b>3.93 %</b>   |

# California Avocado Commission

## Statement of Financial Position As of Jun 30, 2026

|                                                | TOTAL                  |                         |                        |                 |
|------------------------------------------------|------------------------|-------------------------|------------------------|-----------------|
|                                                | As of Jun 30, 2026     | As of Jun 30, 2025 (PY) | \$ Change (PY)         | % Change (PY)   |
| Equity                                         |                        |                         |                        |                 |
| 32010-000 Net Assets                           | \$0.00                 | \$0.00                  | \$0.00                 |                 |
| 32011-000 Net Assets-Restricted for Marketing  | 1,661,386.27           | 1,233,721.82            | 427,664.45             | 34.66 %         |
| 32012-000 Net Assets-Invested in Leased Assets | -6,954.00              | -197,793.53             | 190,839.53             | 96.48 %         |
| 32013-000 Net Assets-Unrestricted              | 1,339,398.39           | 1,957,902.37            | -618,503.98            | -31.59 %        |
| <b>Total for 32010-000 Net Assets</b>          | <b>\$2,993,830.66</b>  | <b>\$2,993,830.66</b>   | <b>\$0.00</b>          | <b>0.0 %</b>    |
| 32000-000 Retained Earnings                    | 7,853,767.63           | 13,095,466.33           | -5,241,698.70          | -40.03 %        |
| Net Revenue                                    | -82,761.02             | -2,079,797.57           | 1,997,036.55           | 96.02 %         |
| <b>Total for Equity</b>                        | <b>\$10,764,837.27</b> | <b>\$14,009,499.42</b>  | <b>-\$3,244,662.15</b> | <b>-23.16 %</b> |
| <b>Total for Liabilities and Equity</b>        | <b>\$12,393,911.78</b> | <b>\$15,576,946.84</b>  | <b>-\$3,183,035.06</b> | <b>-20.43 %</b> |



# California Avocado Commission

MEC Statement of Activity vs. Prior Year  
November, 2025-June, 2026

|                                                                | TOTAL                    |                               |                       |                 |
|----------------------------------------------------------------|--------------------------|-------------------------------|-----------------------|-----------------|
|                                                                | Nov 1 2025 - Jun 30 2026 | Nov 1 2024 - Jun 30 2025 (PY) | \$ Change (PY)        | % Change (PY)   |
| <b>Revenue</b>                                                 |                          |                               |                       |                 |
| 40001-000 CAC Assessment Revenue-Current Year                  | 2,138,338.25             | 965,046.43                    | 1,173,291.82          | 121.58 %        |
| 40002-000 CAC Assessment Revenue-Prior Year                    | -63.21                   | 609.11                        | -672.32               | -110.38 %       |
| 40011-000 HAB Rebate Assess. Revenue-Current Year              | 3,985,866.37             | 3,897,461.00                  | 88,405.37             | 2.27 %          |
| 40012-000 HAB Rebate Assess. Revenue-Prior Year                | 0.00                     | -4,761.19                     | 4,761.19              | 100.0 %         |
| 42001-000 Accounting/Administration Fee Revenue (AIP)          | 42,000.00                | 40,833.31                     | 1,166.69              | 2.86 %          |
| 46000-000 Grant Funding                                        |                          |                               |                       |                 |
| 46022-000 USDA Grant - FAS MAP China/North Asia - Revenue      | 114,437.51               |                               | 114,437.51            |                 |
| <b>Total for 46000-000 Grant Funding</b>                       | <b>\$114,437.51</b>      |                               | <b>\$114,437.51</b>   |                 |
| 48001-000 Interest Income                                      | 142,639.52               | 17,824.47                     | 124,815.05            | 700.25 %        |
| 48003-000 Other - Pine Tree Ranch Crop Income                  | 16,489.03                | 446,297.53                    | -429,808.50           | -96.31 %        |
| 48009-000 Other Income - Misc                                  | 755.00                   | 3,138.05                      | -2,383.05             | -75.94 %        |
| 48009-118 Other Income - From the Grove                        | 31,200.00                | 36,300.00                     | -5,100.00             | -14.05 %        |
| <b>Total for Revenue</b>                                       | <b>\$6,471,662.47</b>    | <b>\$5,402,748.71</b>         | <b>\$1,068,913.76</b> | <b>19.78 %</b>  |
| <b>Cost of Goods Sold</b>                                      |                          |                               |                       |                 |
| <b>Gross Profit</b>                                            | <b>\$6,471,662.47</b>    | <b>\$5,402,748.71</b>         | <b>\$1,068,913.76</b> | <b>19.78 %</b>  |
| <b>Expenditures</b>                                            |                          |                               |                       |                 |
| 50000-000 Marketing                                            |                          |                               |                       |                 |
| 51000-000 Consumer Marketing                                   |                          |                               |                       |                 |
| 51001-072 Media Planning & Buying-Curious Plot                 | 603,689.74               | 834,526.68                    | -230,836.94           | -27.66 %        |
| 51002-072 Creative Strategy, Content & Production-Curious Plot | 239,628.17               | 612,384.27                    | -372,756.10           | -60.87 %        |
| 51004-072 Consumer Marketing-Retail-Curious Plot               | 277,841.80               | 515,169.84                    | -237,328.04           | -46.07 %        |
| 51801-072 Account Administration-Curious Plot                  | 172,087.84               | 243,112.46                    | -71,024.62            | -29.21 %        |
| 54001-072 Consumer PR-Curious Plot                             | 184,214.80               | 309,852.67                    | -125,637.87           | -40.55 %        |
| 55101-072 Consumer Email Marketing & Website-Curious Plot      | 85,313.08                | 124,327.89                    | -39,014.81            | -31.38 %        |
| 55103-072 Social Media & Content Marketing-Curious Plot        | 351,002.31               | 324,881.49                    | 26,120.82             | 8.04 %          |
| 57002-072 Consumer Tracking Study & Research-Curious Plot      | 31,385.00                |                               | 31,385.00             |                 |
| 51002-000 Production                                           |                          | 1,268.58                      | -1,268.58             | -100.0 %        |
| <b>Total for 51000-000 Consumer Marketing</b>                  | <b>\$1,945,162.74</b>    | <b>\$2,965,523.88</b>         | <b>\$1,020,361.14</b> | <b>-34.41 %</b> |

# California Avocado Commission

MEC Statement of Activity vs. Prior Year  
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|                                                                               | TOTAL                       |                                  |                     |                     |
|-------------------------------------------------------------------------------|-----------------------------|----------------------------------|---------------------|---------------------|
|                                                                               | Nov 1 2025 - Jun<br>30 2026 | Nov 1 2024 - Jun 30<br>2025 (PY) | \$ Change<br>(PY)   | %<br>Change<br>(PY) |
| 52000-000 Trade - Retail                                                      |                             |                                  |                     |                     |
| 52000-001 Trade Relations                                                     |                             |                                  |                     |                     |
| 52001-066 Trade Advertising-Media-Fusion                                      | 72,692.77                   | 98,511.76                        | -25,818.99          | -26.21 %            |
| 52002-066 Trade Advertising-Production-Fusion                                 | 22,417.98                   | 28,393.46                        | -5,975.48           | -21.05 %            |
| 52022-000 Dues                                                                | 10,029.18                   | 10,271.58                        | -242.40             | -2.36 %             |
| 52042-000 Conventions                                                         | 15,001.18                   | 18,261.39                        | -3,260.21           | -17.85 %            |
| 52052-081 Program Admin/Strategy/Planning-PJ/PR                               | 12,500.11                   | 13,285.72                        | -785.61             | -5.91 %             |
| 52055-081 Key Account Marketing Communications-Fees-PJ/PR                     | 208,483.33                  | 202,847.64                       | 5,635.69            | 2.78 %              |
| 52059-081 Retail Co-Promotion-PJ/PR                                           | 8,750.00                    |                                  | 8,750.00            |                     |
| 52060-081 Cross-Functional Shopper Insights Survey-PJ/PR                      | 21,950.00                   |                                  | 21,950.00           |                     |
| 52071-075 Key Account Coverage-TX/MW/SE-Anderson                              | 93,225.90                   | 77,448.08                        | 15,777.82           | 20.37 %             |
| 52075-013 Key Account Coverage-SW/NW-Becker                                   | 118,000.00                  | 112,409.08                       | 5,590.92            | 4.97 %              |
| 52015-000 Trade PR Expenses (deleted)                                         |                             | 6,939.96                         | -6,939.96           | -100.0 %            |
| 52058-081 Retailer/Immersive Experiences-Expenses-PJ/PR (deleted)             |                             | 16,090.98                        | -16,090.98          | -100.0 %            |
| <b>Total for 52000-001 Trade Relations</b>                                    | <b>\$583,050.45</b>         | <b>\$584,459.65</b>              | <b>-\$1,409.20</b>  | <b>-0.24 %</b>      |
| 52010-000 Retail & Consumer Promotions                                        |                             |                                  |                     |                     |
| 52124-000 Retail Performance Programs-Retail Promotions                       | 274,593.37                  | 300,960.38                       | -26,367.01          | -8.76 %             |
| 52125-000 Retail Brand Awareness Programs                                     | 166,004.01                  | 106,365.70                       | 59,638.31           | 56.07 %             |
| 52128-066 Retail Trade Promotions-Fusion                                      | 21,148.95                   | 28,539.36                        | -7,390.41           | -25.9 %             |
| 52129-000 Retailer Social Media Advertising Support                           | 101.02                      | 500.00                           | -398.98             | -79.8 %             |
| 52131-000 Retail Merchandising Services (POS Placement)                       | 570.90                      |                                  | 570.90              |                     |
| 52132-000 Retail Identity Programs-Display Bins                               | 3,717.75                    | 90,000.00                        | -86,282.25          | -95.87 %            |
| 52301-000 Premiums                                                            | 0.00                        | 3,754.23                         | -3,754.23           | -100.0 %            |
| 52303-000 Storage/Fulfillment                                                 | 10,050.85                   | 24,099.01                        | -14,048.16          | -58.29 %            |
| 52016-000 Recipe Development (deleted)                                        |                             | 0.00                             | 0.00                |                     |
| 52302-000 POS Materials                                                       |                             | 8,175.00                         | -8,175.00           | -100.0 %            |
| <b>Total for 52010-000 Retail &amp; Consumer Promotions</b>                   | <b>\$476,186.85</b>         | <b>\$562,393.68</b>              | <b>-\$86,206.83</b> | <b>-15.33 %</b>     |
| 52200-000 Data, Research & Analysis                                           |                             |                                  |                     |                     |
| 52202-000 Retail POS Scan Data-Circana                                        | 49,523.25                   | 49,523.25                        | 0.00                | 0.0 %               |
| 52204-066 Data Analysis & Retail Research-FUSION                              | 66,544.38                   | 81,347.69                        | -14,803.31          | -18.2 %             |
| 52206-086 Inventory Reporting-AVMA                                            | 1,800.00                    | 1,800.00                         | 0.00                | 0.0 %               |
| 52211-066 California Avocado Market Analysis-Fusion                           | 47,177.40                   | 46,513.02                        | 664.38              | 1.43 %              |
| 52213-066 Retail Support, Consultation, Planning, Program & Data Admin-Fusion | 16,960.71                   | 32,497.62                        | -15,536.91          | -47.81 %            |
| <b>Total for 52200-000 Data, Research &amp; Analysis</b>                      | <b>\$182,005.74</b>         | <b>\$211,681.58</b>              | <b>-\$29,675.84</b> | <b>-14.02 %</b>     |
| 52400-000 Administration & Other                                              |                             |                                  |                     |                     |
| 52140-098 Grower Communications-GingerRoot                                    | 2,992.50                    | 4,760.00                         | -1,767.50           | -37.13 %            |
| 52401-004 Travel Expenses - Splane                                            | 864.66                      | 5,221.26                         | -4,356.60           | -83.44 %            |
| 52401-019 Travel Expenses - Marketing Staff                                   | 13,754.08                   | 15,544.60                        | -1,790.52           | -11.52 %            |
| 52411-000 Office Expenses - Marketing                                         | 7,175.88                    | 10,375.11                        | -3,199.23           | -30.84 %            |
| <b>Total for 52400-000 Administration &amp; Other</b>                         | <b>\$24,787.12</b>          | <b>\$35,900.97</b>               | <b>-\$11,113.85</b> | <b>-30.96 %</b>     |

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|                                                                | TOTAL                       |                                  |                        |                     |
|----------------------------------------------------------------|-----------------------------|----------------------------------|------------------------|---------------------|
|                                                                | Nov 1 2025 - Jun<br>30 2026 | Nov 1 2024 - Jun 30<br>2025 (PY) | \$ Change<br>(PY)      | %<br>Change<br>(PY) |
| <b>Total for 52000-000 Trade - Retail</b>                      | <b>\$1,266,030.16</b>       | <b>\$1,394,435.88</b>            | <b>-\$128,405.72</b>   | <b>-9.21 %</b>      |
| 53000-000 Trade - Foodservice                                  |                             |                                  |                        |                     |
| 53001-070 Media-Agency                                         | 20,425.00                   | 29,124.05                        | -8,699.05              | -29.87 %            |
| 53002-070 Production-Agency                                    | 15,817.00                   | 30,257.04                        | -14,440.04             | -47.72 %            |
| 53101-070 Public Relations-Agency                              | 35,344.18                   | 59,136.97                        | -23,792.79             | -40.23 %            |
| 53103-070 Foodservice Events-Agency                            | 52,046.55                   | 90,042.17                        | -37,995.62             | -42.2 %             |
| 53104-070 Chain Promotions-Agency                              | 94,414.18                   | 132,041.83                       | -37,627.65             | -28.5 %             |
| 53105-070 Culinary Education Program-Agency                    | 550.00                      | 1,160.00                         | -610.00                | -52.59 %            |
| 53801-070 Program Administration Fees-Agency                   | 13,700.00                   | 24,250.00                        | -10,550.00             | -43.51 %            |
| 53802-070 Program Administration Expenses-Agency               | 704.39                      | 1,268.27                         | -563.88                | -44.46 %            |
| <b>Total for 53000-000 Trade - Foodservice</b>                 | <b>\$233,001.30</b>         | <b>\$367,280.33</b>              | <b>-\$134,279.03</b>   | <b>-36.56 %</b>     |
| 59000-000 Marketing Activities Support                         |                             |                                  |                        |                     |
| 51003-000 Buy California Marketing Agreement                   | 16,666.68                   | 12,499.98                        | 4,166.70               | 33.33 %             |
| 51803-067 Marketing Planning/Special Projects-RoMo             | 29,600.00                   | 44,000.00                        | -14,400.00             | -32.73 %            |
| 51805-000 Marketing Personnel Expense                          | 413,800.03                  | 531,880.36                       | -118,080.33            | -22.2 %             |
| 52134-000 Export Program                                       | 12,600.00                   | 15,000.00                        | -2,400.00              | -16.0 %             |
| 51803-000 Marketing/Planning                                   |                             | 942.97                           | -942.97                | -100.0 %            |
| <b>Total for 59000-000 Marketing Activities Support</b>        | <b>\$472,666.71</b>         | <b>\$604,323.31</b>              | <b>-\$131,656.60</b>   | <b>-21.79 %</b>     |
| <b>Total for 50000-000 Marketing</b>                           | <b>\$3,916,860.91</b>       | <b>\$5,331,563.40</b>            | <b>-\$1,414,702.49</b> | <b>-26.53 %</b>     |
| 64000-000 Industry Affairs                                     |                             |                                  |                        |                     |
| 64000-001 Industry Statistics and Information                  |                             |                                  |                        |                     |
| 64001-000 AMRIC Operation                                      | 2,655.17                    | 2,108.81                         | 546.36                 | 25.91 %             |
| 64001-130 AMRIC Operation-Hooman Mohammadpour                  | 9,900.00                    | 9,386.45                         | 513.55                 | 5.47 %              |
| 64002-000 Crop Forecasting and Analysis                        | 1,842.69                    | 3,764.62                         | -1,921.93              | -51.05 %            |
| 64002-104 Crop Forecasting And Analysis-Land IQ                | 39,436.00                   | 38,287.50                        | 1,148.50               | 3.0 %               |
| 64004-000 Grove ID GIS Project Dmnt                            | 2,399.00                    |                                  | 2,399.00               |                     |
| 64004-104 Grove ID GIS Project Dmnt-Land IQ                    |                             | 1,546.25                         | -1,546.25              | -100.0 %            |
| <b>Total for 64000-001 Industry Statistics and Information</b> | <b>\$56,232.86</b>          | <b>\$55,093.63</b>               | <b>\$1,139.23</b>      | <b>2.07 %</b>       |
| 64100-000 Grower Communications                                |                             |                                  |                        |                     |
| 64105-000 Online Information                                   | 2,648.46                    | 1,868.17                         | 780.29                 | 41.77 %             |
| 64105-098 Online Information-GingerRoot                        | 11,227.50                   | 7,480.00                         | 3,747.50               | 50.1 %              |
| 64105-099 Online Information-Fishhook                          | 3,937.50                    | 5,000.00                         | -1,062.50              | -21.25 %            |
| 64106-000 Publications                                         | 1,602.88                    | 405.65                           | 1,197.23               | 295.14 %            |
| 64106-067 Publications-ROMO                                    | 1,125.00                    | 1,125.00                         | 0.00                   | 0.0 %               |
| 64106-085 Publications-Fox Wthr                                | 880.00                      | 880.00                           | 0.00                   | 0.0 %               |
| 64106-098 Publications-GingerRoot                              | 13,320.00                   | 5,300.00                         | 8,020.00               | 151.32 %            |
| 64106-118 Publications-Champ                                   | 33,011.11                   | 32,242.46                        | 768.65                 | 2.38 %              |

# California Avocado Commission

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|                                                              | TOTAL                    |                               |                     |                  |
|--------------------------------------------------------------|--------------------------|-------------------------------|---------------------|------------------|
|                                                              | Nov 1 2025 - Jun 30 2026 | Nov 1 2024 - Jun 30 2025 (PY) | \$ Change (PY)      | % Change (PY)    |
| 64107-000 Annual Meeting                                     | 5,092.13                 | 14,228.38                     | -9,136.25           | -64.21 %         |
| 64108-098 Annual Report-GingerRoot                           |                          | 3,560.00                      | -3,560.00           | -100.0 %         |
| <b>Total for 64100-000 Grower Communications</b>             | <b>\$72,844.58</b>       | <b>\$72,089.66</b>            | <b>\$754.92</b>     | <b>1.05 %</b>    |
| 64200-000 Issues Management                                  |                          |                               |                     |                  |
| 64204-000 Research Program Coordination & Outreach           | 65,578.87                | 72,471.63                     | -6,892.76           | -9.51 %          |
| 64206-000 Legislative & Regulatory Advocacy                  | 374,929.92               | 263,254.35                    | 111,675.57          | 42.42 %          |
| <b>Total for 64200-000 Issues Management</b>                 | <b>\$440,508.79</b>      | <b>\$335,725.98</b>           | <b>\$104,782.81</b> | <b>31.21 %</b>   |
| 64300-000 Legal & Governance                                 |                          |                               |                     |                  |
| 64301-000 Elections                                          | 1,046.81                 | 918.29                        | 128.52              | 14.0 %           |
| 64302-000 Legal Support                                      | 179,636.83               | 111,580.00                    | 68,056.83           | 60.99 %          |
| 64303-000 Governance Support                                 | 5,302.78                 | 4,529.11                      | 773.67              | 17.08 %          |
| 64304-000 Referendum                                         | 2,082.78                 |                               | 2,082.78            |                  |
| 64305-000 Redistricting                                      | 1,380.00                 |                               | 1,380.00            |                  |
| <b>Total for 64300-000 Legal &amp; Governance</b>            | <b>\$189,449.20</b>      | <b>\$117,027.40</b>           | <b>\$72,421.80</b>  | <b>61.88 %</b>   |
| 64400-000 Demonstration Grove                                |                          |                               |                     |                  |
| 64401-000 Pine Tree - Rent                                   | 0.00                     | 0.00                          | 0.00                |                  |
| 64402-000 Pine Tree - Grove Management                       | 18,205.98                | 23,421.06                     | -5,215.08           | -22.27 %         |
| 64403-000 Pine Tree - Utilities                              | -2,259.83                | -745.89                       | -1,513.94           | -202.97 %        |
| 64404-000 Pine Tree - Property Tax & Insurance               | 2,257.95                 | 2,118.65                      | 139.30              | 6.57 %           |
| 64405-000 Pine Tree - Miscellaneous Expense                  | 1,101.71                 | 32,039.87                     | -30,938.16          | -96.56 %         |
| 64406-000 Pine Tree - Crop Harvesting                        | 7,740.73                 | 47,285.61                     | -39,544.88          | -83.63 %         |
| 64408-000 Pine Tree - CAC Assessment                         | 179.59                   | 1,126.42                      | -946.83             | -84.06 %         |
| 64409-000 Pine Tree - HAB Assessment                         | 449.28                   | 5,589.20                      | -5,139.92           | -91.96 %         |
| <b>Total for 64400-000 Demonstration Grove</b>               | <b>\$27,675.41</b>       | <b>\$110,834.92</b>           | <b>-\$83,159.51</b> | <b>-75.03 %</b>  |
| 64500-000 Education & Outreach                               |                          |                               |                     |                  |
| 64502-000 Pine Tree Ranch Field Days                         | 283.25                   | 1,291.61                      | -1,008.36           | -78.07 %         |
| 64503-000 Grower Outreach                                    | 55,396.25                | 212.00                        | 55,184.25           | 26030.31 %       |
| <b>Total for 64500-000 Education &amp; Outreach</b>          | <b>\$55,679.50</b>       | <b>\$1,503.61</b>             | <b>\$54,175.89</b>  | <b>3603.05 %</b> |
| 64800-000 Other Industry Affairs                             |                          |                               |                     |                  |
| 64801-000 Coalition Dues, Sponsorships , Registrations & Rep | 34,727.80                | 25,900.00                     | 8,827.80            | 34.08 %          |
| 64801-086 Industry Reports-AVMA                              | 320.00                   | 320.00                        | 0.00                | 0.0 %            |
| 64803-000 Travel Expenses - Industry Affairs                 | 6,193.29                 | 18,207.18                     | -12,013.89          | -65.98 %         |
| 64804-000 Office Expenses - Industry Affairs                 | 920.67                   | 1,821.58                      | -900.91             | -49.46 %         |
| 64805-000 Committee Meeting Expense                          | 1,971.45                 |                               | 1,971.45            |                  |
| 64901-000 Misc IA Exps (Theft Reward)                        | 181.83                   | 3,157.51                      | -2,975.68           | -94.24 %         |
| <b>Total for 64800-000 Other Industry Affairs</b>            | <b>\$44,315.04</b>       | <b>\$49,406.27</b>            | <b>-\$5,091.23</b>  | <b>-10.3 %</b>   |
| <b>Total for 64000-000 Industry Affairs</b>                  | <b>\$886,705.38</b>      | <b>\$741,681.47</b>           | <b>\$145,023.91</b> | <b>19.55 %</b>   |

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|                                                                                                                | TOTAL                    |                               |                     |                 |
|----------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------|---------------------|-----------------|
|                                                                                                                | Nov 1 2025 - Jun 30 2026 | Nov 1 2024 - Jun 30 2025 (PY) | \$ Change (PY)      | % Change (PY)   |
| 65000-000 Production Research                                                                                  |                          |                               |                     |                 |
| 65100-000 Pest & Disease                                                                                       |                          |                               |                     |                 |
| 65133-000 Chemical Synthesis and Field Evaluation of an Enantiopure (+)-Grandisol                              | 197,513.00               |                               | 197,513.00          |                 |
| 65135-000 Integrating Chemical and Cultural Practices for Bot Canker Control in Avocado                        | 6,000.00                 |                               | 6,000.00            |                 |
| 65137-000 Improve Phytophthora cinnamomi management by monitoring field populations for changes in fungicide s | 50,633.00                |                               | 50,633.00           |                 |
| 65139-000 Investigating conditional host status of GEM avocado to fruit fly                                    | 7,150.00                 |                               | 7,150.00            |                 |
| <b>Total for 65100-000 Pest &amp; Disease</b>                                                                  | <b>\$261,296.00</b>      |                               | <b>\$261,296.00</b> |                 |
| 65200-000 Breeding, Varieties & Genetics                                                                       |                          |                               |                     |                 |
| 65218-000 CAL POLY Continued Research at the San Luis Obispo Rootstock Trial Site (2025-2027)                  | 12,000.00                |                               | 12,000.00           |                 |
| 65216-000 Commercial-Scale Field Testing of Advanced Rootstock (deleted)                                       |                          | 44,814.00                     | -44,814.00          | -100.0 %        |
| 65217-000 CAL POLY - Commercial-scale field testing and potential release of five elite advanced ro (deleted)  |                          | 1,536.65                      | -1,536.65           | -100.0 %        |
| <b>Total for 65200-000 Breeding, Varieties &amp; Genetics</b>                                                  | <b>\$12,000.00</b>       | <b>\$46,350.65</b>            | <b>-\$34,350.65</b> | <b>-74.11 %</b> |
| 65300-000 Cultural Management                                                                                  |                          |                               |                     |                 |
| 65323-000 Develop tools and info on crop water use (deleted)                                                   | 0.00                     | 27,802.00                     | -27,802.00          | -100.0 %        |
| 65325-000 Artificial Pollination Research                                                                      | 31,058.00                | 31,360.00                     | -302.00             | -0.96 %         |
| 65326-000 Addressing the relationship between soil characteristics and soil salinity in CA avocado groves      | 755.00                   |                               | 755.00              |                 |
| 65327-000 Creating a Weather Station Network to Guide Irrigation Decision of Avocados                          | 88,375.00                |                               | 88,375.00           |                 |
| 65328-000 Assessing irrigation management tools and strategies on avocado fruit quality and yield impacts      | 14,428.87                |                               | 14,428.87           |                 |
| 65324-000 Adapting a User-friendly Online Irrigation Calculator for Avocados (deleted)                         |                          | 0.00                          | 0.00                |                 |
| <b>Total for 65300-000 Cultural Management</b>                                                                 | <b>\$134,616.87</b>      | <b>\$59,162.00</b>            | <b>\$75,454.87</b>  | <b>127.54 %</b> |
| 65400-000 Industry Research Support                                                                            |                          |                               |                     |                 |
| 65403-000 FFAR Fellow Sponsor - Landesman                                                                      | 32,500.00                |                               | 32,500.00           |                 |
| <b>Total for 65400-000 Industry Research Support</b>                                                           | <b>\$32,500.00</b>       |                               | <b>\$32,500.00</b>  |                 |
| <b>Total for 65000-000 Production Research</b>                                                                 | <b>\$440,412.87</b>      | <b>\$105,512.65</b>           | <b>\$334,900.22</b> | <b>317.4 %</b>  |
| 66010-000 Grant Programs                                                                                       |                          |                               |                     |                 |
| 66015-000 Export Marketing                                                                                     |                          |                               |                     |                 |
| 66022-000 USDA Grant - FAS MAP China/North Asia                                                                | 131,007.92               | 108,290.57                    | 22,717.35           | 20.98 %         |
| 66021-000 USDA Grant - FAS MAP China (deleted)                                                                 |                          | 8,000.00                      | -8,000.00           | -100.0 %        |
| <b>Total for 66015-000 Export Marketing</b>                                                                    | <b>\$131,007.92</b>      | <b>\$116,290.57</b>           | <b>\$14,717.35</b>  | <b>12.66 %</b>  |
| 66100-000 Unreimbursed Grant Receivables                                                                       | 8,115.42                 | 31,787.99                     | -23,672.57          | -74.47 %        |
| <b>Total for 66010-000 Grant Programs</b>                                                                      | <b>\$139,123.34</b>      | <b>\$148,078.56</b>           | <b>-\$8,955.22</b>  | <b>-6.05 %</b>  |

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|                                                | TOTAL                       |                                  |                     |                     |
|------------------------------------------------|-----------------------------|----------------------------------|---------------------|---------------------|
|                                                | Nov 1 2025 - Jun<br>30 2026 | Nov 1 2024 - Jun 30<br>2025 (PY) | \$ Change<br>(PY)   | %<br>Change<br>(PY) |
| 70000-000 Operations                           |                             |                                  |                     |                     |
| 71100-000 Office Expense                       |                             |                                  |                     |                     |
| 71101-000 Office Rent - CAC Mauchly, Irvine    | 0.00                        | 0.00                             | 0.00                |                     |
| 71102-000 Rent-CAM, Ins, Prop Tax              | 1,418.71                    | 21,736.68                        | -20,317.97          | -93.47 %            |
| 71104-000 Rent-Offsite Storage                 | 6,840.00                    | 6,640.00                         | 200.00              | 3.01 %              |
| 71111-000 Insurance-Liability                  | 51,527.90                   | 53,768.98                        | -2,241.08           | -4.17 %             |
| 71121-000 Office Expenses - Operations         | 5,577.74                    | 3,542.03                         | 2,035.71            | 57.47 %             |
| 71122-000 Office Supplies                      | 1,833.58                    | 1,013.80                         | 819.78              | 80.86 %             |
| 71123-000 Janitorial                           | 489.00                      | 4,035.87                         | -3,546.87           | -87.88 %            |
| 71131-000 Office Utilities                     | 265.90                      | 6,374.95                         | -6,109.05           | -95.83 %            |
| 71141-000 Bank & Payroll Fees                  | 26,508.56                   | 6,106.04                         | 20,402.52           | 334.14 %            |
| 71151-000 Equipment Maintenance & Expense      | 215.54                      | 4,875.58                         | -4,660.04           | -95.58 %            |
| 71161-000 Telephone                            | 2,815.84                    | 5,467.43                         | -2,651.59           | -48.5 %             |
| 71162-000 Employee Communication Expense       | 9,000.00                    | 9,075.00                         | -75.00              | -0.83 %             |
| 71181-000 Postage & Courier Service            | 238.55                      | 201.10                           | 37.45               | 18.62 %             |
| <b>Total for 71100-000 Office Expense</b>      | <b>\$106,731.32</b>         | <b>\$122,837.46</b>              | <b>-\$16,106.14</b> | <b>-13.11 %</b>     |
| 71200-000 Professional Fees                    |                             |                                  |                     |                     |
| 71201-000 CPA-Financial Audits                 | 42,997.50                   | 41,200.00                        | 1,797.50            | 4.36 %              |
| 71207-000 CDFA Fiscal and Compliance Audit     | 10,762.50                   | 10,290.00                        | 472.50              | 4.59 %              |
| 71211-000 Calif. Department of Food & Ag.-CDFA | 60,546.97                   | 53,721.05                        | 6,825.92            | 12.71 %             |
| 71221-000 Dept. of Ag-USDA/AMS                 | 31,943.99                   | 27,338.95                        | 4,605.04            | 16.84 %             |
| 71235-000 Legal-Ballard/Rosenberg-Labor Issues | 6,413.00                    | 6,497.50                         | -84.50              | -1.3 %              |
| 78301-000 Pension Adm & Legal                  | 19,825.92                   | 15,022.10                        | 4,803.82            | 31.98 %             |
| 71203-000 CPA-Assessment Audits                |                             | 0.00                             | 0.00                |                     |
| 71236-000 Outsourced Accounting                |                             | 21,649.98                        | -21,649.98          | -100.0 %            |
| <b>Total for 71200-000 Professional Fees</b>   | <b>\$172,489.88</b>         | <b>\$175,719.58</b>              | <b>-\$3,229.70</b>  | <b>-1.84 %</b>      |
| 71300-000 Personnel Expenses                   |                             |                                  |                     |                     |
| 71301-000 Salaries/Wages                       |                             |                                  |                     |                     |
| 71302-000 Salaries/Wages - IA & Ops            | 455,248.67                  | 419,952.65                       | 35,296.02           | 8.4 %               |
| 71303-000 Salaries/Wages - Marketing           | 54,791.75                   | 63,657.87                        | -8,866.12           | -13.93 %            |
| <b>Total for 71301-000 Salaries/Wages</b>      | <b>\$510,040.42</b>         | <b>\$483,610.52</b>              | <b>\$26,429.90</b>  | <b>5.47 %</b>       |
| 71311-000 Pension Expense                      |                             |                                  |                     |                     |
| 71312-000 Pension Expense - IA & Ops           | 46,483.36                   | 41,029.48                        | 5,453.88            | 13.29 %             |
| 71313-000 Pension Expense - Marketing          | 4,770.14                    | 6,592.60                         | -1,822.46           | -27.64 %            |
| <b>Total for 71311-000 Pension Expense</b>     | <b>\$51,253.50</b>          | <b>\$47,622.08</b>               | <b>\$3,631.42</b>   | <b>7.63 %</b>       |
| 71321-000 Payroll Tax & Work Comp              |                             |                                  |                     |                     |
| 71322-000 Payroll Tax & Work Comp - IA & Ops   | 34,336.51                   | 31,384.29                        | 2,952.22            | 9.41 %              |
| 71323-000 Payroll Tax & Work Comp - Marketing  | 4,308.07                    | 6,136.40                         | -1,828.33           | -29.79 %            |

# California Avocado Commission

MEC Statement of Activity vs. Prior Year  
November, 2025-June, 2026

|                                                                          | TOTAL                    |                               |                       |                 |
|--------------------------------------------------------------------------|--------------------------|-------------------------------|-----------------------|-----------------|
|                                                                          | Nov 1 2025 - Jun 30 2026 | Nov 1 2024 - Jun 30 2025 (PY) | \$ Change (PY)        | % Change (PY)   |
| <b>Total for 71321-000 Payroll Tax &amp; Work Comp</b>                   | <b>\$38,644.58</b>       | <b>\$37,520.69</b>            | <b>\$1,123.89</b>     | <b>3.0 %</b>    |
| 71331-000 Benefits                                                       |                          | \$0.00                        | \$0.00                |                 |
| 71332-000 Benefits - IA & Ops                                            | 82,069.78                | 74,801.76                     | 7,268.02              | 9.72 %          |
| 71333-000 Benefits - Marketing                                           | 9,411.35                 | 10,548.12                     | -1,136.77             | -10.78 %        |
| <b>Total for 71331-000 Benefits</b>                                      | <b>\$91,481.13</b>       | <b>\$85,349.88</b>            | <b>\$6,131.25</b>     | <b>7.18 %</b>   |
| <b>Total for 71300-000 Personnel Expenses</b>                            | <b>\$691,419.63</b>      | <b>\$654,103.17</b>           | <b>\$37,316.46</b>    | <b>5.7 %</b>    |
| 71400-000 Commissioner Expenses                                          |                          |                               |                       |                 |
| 71403-000 Travel Expenses - Board Members                                | 14,132.31                | 4,415.48                      | 9,716.83              | 220.06 %        |
| 71404-000 Board Meeting Expenses                                         | 21,890.16                | 18,998.37                     | 2,891.79              | 15.22 %         |
| 71405-000 HAB BOLD Participation                                         | 3,656.92                 | 6,392.34                      | -2,735.42             | -42.79 %        |
| 71406-000 District Designated Funds                                      | 15,065.97                |                               | 15,065.97             |                 |
| <b>Total for 71400-000 Commissioner Expenses</b>                         | <b>\$54,745.36</b>       | <b>\$29,806.19</b>            | <b>\$24,939.17</b>    | <b>83.67 %</b>  |
| 73000-000 Information Technology                                         |                          |                               |                       |                 |
| 73001-000 Network Maintenance                                            | 18,870.62                | 8,855.05                      | 10,015.57             | 113.11 %        |
| 73002-000 Network Hardware, Software & Licenses                          | 9,868.35                 | 2,116.42                      | 7,751.93              | 366.28 %        |
| 73003-000 IT Support & Consulting                                        | 12,920.00                | 20,584.50                     | -7,664.50             | -37.23 %        |
| 73004-000 Accounting & Assessment System                                 | 3,674.75                 | 5,175.58                      | -1,500.83             | -29.0 %         |
| 73005-000 IT Services                                                    | 820.00                   | 6,560.00                      | -5,740.00             | -87.5 %         |
| <b>Total for 73000-000 Information Technology</b>                        | <b>\$46,153.72</b>       | <b>\$43,291.55</b>            | <b>\$2,862.17</b>     | <b>6.61 %</b>   |
| 78000-000 Depreciation, Interest & Other Operations                      |                          |                               |                       |                 |
| 78101-000 Travel Expenses - Operations                                   | 23,377.61                | 1,812.76                      | 21,564.85             | 1189.61 %       |
| 78501-000 Dues, Education, Training, Recruitment & Other                 | 14,581.15                | 17,858.93                     | -3,277.78             | -18.35 %        |
| 79001-000 Amortization Expense                                           | 26,140.06                | 106,204.26                    | -80,064.20            | -75.39 %        |
| 79100-000 Interest Expense                                               | 2,813.44                 | 4,076.30                      | -1,262.86             | -30.98 %        |
| 79200-000 Fraud Loss                                                     | 26,475.00                |                               | 26,475.00             |                 |
| <b>Total for 78000-000 Depreciation, Interest &amp; Other Operations</b> | <b>\$93,387.26</b>       | <b>\$129,952.25</b>           | <b>-\$36,564.99</b>   | <b>-28.14 %</b> |
| <b>Total for 70000-000 Operations</b>                                    | <b>\$1,164,927.17</b>    | <b>\$1,155,710.20</b>         | <b>\$9,216.97</b>     | <b>0.8 %</b>    |
| <b>Total for Expenditures</b>                                            | <b>\$6,548,029.67</b>    | <b>\$7,482,546.28</b>         | <b>-\$934,516.61</b>  | <b>-12.49 %</b> |
| <b>Net Operating Revenue</b>                                             | <b>-\$76,367.20</b>      | <b>-\$2,079,797.57</b>        | <b>\$2,003,430.37</b> | <b>96.33 %</b>  |
| Other Revenue                                                            |                          |                               |                       |                 |
| Other Expenditures                                                       |                          |                               |                       |                 |
| 99999-000 Suspense                                                       | 6,393.82                 |                               | 6,393.82              |                 |
| <b>Total for Other Expenditures</b>                                      | <b>\$6,393.82</b>        |                               | <b>\$6,393.82</b>     |                 |
| <b>Net Other Revenue</b>                                                 | <b>-\$6,393.82</b>       |                               | <b>-\$6,393.82</b>    |                 |
| <b>Net Revenue</b>                                                       | <b>-\$82,761.02</b>      | <b>-\$2,079,797.57</b>        | <b>\$1,997,036.55</b> | <b>96.02 %</b>  |



California Avocado Commission

Budget vs. Actuals: CAC 2025-26 Budget Amendment #2 - FY26 P&L Classes  
November 2025 - June 2026

|                                                                | RESTRICTED     |                |                |                | UNRESTRICTED   |                |                |                | TOTAL          |                |                |                |
|----------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|                                                                | ACTUAL         | BUDGET         | OVER<br>BUDGET | % OF<br>BUDGET | ACTUAL         | BUDGET         | OVER<br>BUDGET | % OF<br>BUDGET | ACTUAL         | BUDGET         | OVER<br>BUDGET | % OF<br>BUDGET |
| Revenue                                                        |                |                |                |                |                |                |                |                |                |                |                |                |
| 40001-000 CAC Assessment Revenue-Current Year                  |                |                |                |                | 2,138,338.25   | 2,011,300.00   | 127,038.25     | 106.32 %       | \$2,138,338.25 | \$2,011,300.00 | \$127,038.25   | 106.32 %       |
| 40002-000 CAC Assessment Revenue-Prior Year                    |                |                |                |                | -63.21         |                | -63.21         |                | \$ -63.21      | \$0.00         | \$ -63.21      | 0.00%          |
| 40011-000 HAB Rebate Assess. Revenue-Current Year              | 3,985,866.37   | 4,081,500.00   | -95,633.63     | 97.66 %        |                |                |                |                | \$3,985,866.37 | \$4,081,500.00 | \$ -95,633.63  | 97.66 %        |
| 42001-000 Accounting/Administration Fee Revenue (AIP)          |                |                |                |                | 42,000.00      | 48,000.00      | -6,000.00      | 87.50 %        | \$42,000.00    | \$48,000.00    | \$ -6,000.00   | 87.50 %        |
| 46000-000 Grant Funding                                        |                |                |                |                |                |                |                |                | \$0.00         | \$0.00         | \$0.00         | 0.00%          |
| 46022-000 USDA Grant - FAS MAP China/North Asia - Revenue      |                |                |                |                | 114,437.51     | 50,000.00      | 64,437.51      | 228.88 %       | \$114,437.51   | \$50,000.00    | \$64,437.51    | 228.88 %       |
| Total 46000-000 Grant Funding                                  |                |                |                |                | 114,437.51     | 50,000.00      | 64,437.51      | 228.88 %       | \$114,437.51   | \$50,000.00    | \$64,437.51    | 228.88 %       |
| 48001-000 Interest Income                                      | 13,176.45      | 33,333.36      | -20,156.91     | 39.53 %        | 129,463.07     | 126,666.64     | 2,796.43       | 102.21 %       | \$142,639.52   | \$160,000.00   | \$ -17,360.48  | 89.15 %        |
| 48003-000 Other - Pine Tree Ranch Crop Income                  |                |                |                |                | 16,489.03      | 31,250.00      | -14,760.97     | 52.76 %        | \$16,489.03    | \$31,250.00    | \$ -14,760.97  | 52.76 %        |
| 48009-000 Other Income - Misc                                  |                |                |                |                | 755.00         |                | 755.00         |                | \$755.00       | \$0.00         | \$755.00       | 0.00%          |
| 48009-118 Other Income - From the Grove                        |                |                |                |                | 31,200.00      | 30,000.00      | 1,200.00       | 104.00 %       | \$31,200.00    | \$30,000.00    | \$1,200.00     | 104.00 %       |
| Total Revenue                                                  | \$3,999,042.82 | \$4,114,833.36 | \$ -115,790.54 | 97.19 %        | \$2,472,619.65 | \$2,297,216.64 | \$175,403.01   | 107.64 %       | \$6,471,662.47 | \$6,412,050.00 | \$59,612.47    | 100.93 %       |
| GROSS PROFIT                                                   | \$3,999,042.82 | \$4,114,833.36 | \$ -115,790.54 | 97.19 %        | \$2,472,619.65 | \$2,297,216.64 | \$175,403.01   | 107.64 %       | \$6,471,662.47 | \$6,412,050.00 | \$59,612.47    | 100.93 %       |
| Expenditures                                                   |                |                |                |                |                |                |                |                |                |                |                |                |
| 50000-000 Marketing                                            |                |                |                |                |                |                |                |                | \$0.00         | \$0.00         | \$0.00         | 0.00%          |
| 51000-000 Consumer Marketing                                   |                |                |                |                |                |                |                |                | \$0.00         | \$0.00         | \$0.00         | 0.00%          |
| 51001-072 Media Planning & Buying-Curious Plot                 | 603,689.74     | 445,507.00     | 158,182.74     | 135.51 %       |                |                |                |                | \$603,689.74   | \$445,507.00   | \$158,182.74   | 135.51 %       |
| 51002-072 Creative Strategy, Content & Production-Curious Plot | 239,628.17     | 250,000.00     | -10,371.83     | 95.85 %        |                |                |                |                | \$239,628.17   | \$250,000.00   | \$ -10,371.83  | 95.85 %        |
| 51004-072 Consumer Marketing-Retail-Curious Plot               | 193,255.75     | 207,418.00     | -14,162.25     | 93.17 %        | 84,586.05      | 145,000.00     | -60,413.95     | 58.34 %        | \$277,841.80   | \$352,418.00   | \$ -74,576.20  | 78.84 %        |
| 51801-072 Account Administration-Curious Plot                  | 172,087.84     | 175,838.00     | -3,750.16      | 97.87 %        |                | 0.00           | 0.00           |                | \$172,087.84   | \$175,838.00   | \$ -3,750.16   | 97.87 %        |
| 54001-072 Consumer PR-Curious Plot                             | 184,214.80     | 244,100.00     | -59,885.20     | 75.47 %        | 0.00           |                | 0.00           |                | \$184,214.80   | \$244,100.00   | \$ -59,885.20  | 75.47 %        |
| 55101-072 Consumer Email Marketing & Website-Curious Plot      | 85,313.08      | 125,340.00     | -40,026.92     | 68.07 %        |                |                |                |                | \$85,313.08    | \$125,340.00   | \$ -40,026.92  | 68.07 %        |
| 55103-072 Social Media & Content Marketing-Curious Plot        | 236,754.10     | 92,000.00      | 144,754.10     | 257.34 %       | 114,248.21     | 183,000.00     | -68,751.79     | 62.43 %        | \$351,002.31   | \$275,000.00   | \$76,002.31    | 127.64 %       |
| 57002-072 Consumer Tracking Study & Research-Curious Plot      |                |                |                |                | 31,385.00      | 31,385.00      | 0.00           | 100.00 %       | \$31,385.00    | \$31,385.00    | \$0.00         | 100.00 %       |
| Total 51000-000 Consumer Marketing                             | 1,714,943.48   | 1,540,203.00   | 174,740.48     | 111.35 %       | 230,219.26     | 359,385.00     | -129,165.74    | 64.06 %        | \$1,945,162.74 | \$1,899,588.00 | \$45,574.74    | 102.40 %       |
| 52000-000 Trade - Retail                                       |                |                |                |                |                |                |                |                | \$0.00         | \$0.00         | \$0.00         | 0.00%          |
| 52000-001 Trade Relations                                      |                |                |                |                |                |                |                |                | \$0.00         | \$0.00         | \$0.00         | 0.00%          |
| 52001-066 Trade Advertising-Media-Fusion                       | 72,692.77      | 91,455.59      | -18,762.82     | 79.48 %        |                |                |                |                | \$72,692.77    | \$91,455.59    | \$ -18,762.82  | 79.48 %        |
| 52002-066 Trade Advertising-Production-Fusion                  | 22,417.98      | 27,950.00      | -5,532.02      | 80.21 %        |                |                |                |                | \$22,417.98    | \$27,950.00    | \$ -5,532.02   | 80.21 %        |
| 52022-000 Dues                                                 | 10,029.18      | 9,260.00       | 769.18         | 108.31 %       |                |                |                |                | \$10,029.18    | \$9,260.00     | \$769.18       | 108.31 %       |
| 52042-000 Conventions                                          | 15,001.18      | 0.00           | 15,001.18      |                |                |                |                |                | \$15,001.18    | \$0.00         | \$15,001.18    | 0.00%          |
| 52052-081 Program Admin/Strategy/Planning-PJ/PR                | 13,333.44      | 13,336.00      | -2.56          | 99.98 %        | 0.00           |                | 0.00           |                | \$13,333.44    | \$13,336.00    | \$ -2.56       | 99.98 %        |
| 52055-081 Key Account Marketing Communications-Fees-PJ/PR      | 0.00           |                | 0.00           |                | 206,400.00     | 206,400.00     | 0.00           | 100.00 %       | \$206,400.00   | \$206,400.00   | \$0.00         | 100.00 %       |



# California Avocado Commission

## Budget vs. Actuals: CAC 2025-26 Budget Amendment #2 - FY26 P&L Classes

November 2025 - June 2026

|                                                                               | RESTRICTED          |                     |                    |                | UNRESTRICTED      |                   |                    |                 | TOTAL                 |                       |                       |                |
|-------------------------------------------------------------------------------|---------------------|---------------------|--------------------|----------------|-------------------|-------------------|--------------------|-----------------|-----------------------|-----------------------|-----------------------|----------------|
|                                                                               | ACTUAL              | BUDGET              | OVER<br>BUDGET     | % OF<br>BUDGET | ACTUAL            | BUDGET            | OVER<br>BUDGET     | % OF<br>BUDGET  | ACTUAL                | BUDGET                | OVER<br>BUDGET        | % OF<br>BUDGET |
| 52059-081 Retail Co-Promotion-PJ/PR                                           | 10,000.00           | 10,000.00           | 0.00               | 100.00 %       |                   |                   |                    |                 | \$10,000.00           | \$10,000.00           | \$0.00                | 100.00 %       |
| 52060-000 Cross-Functional Shopper Insights Survey                            |                     | 11,950.00           | -11,950.00         |                |                   |                   |                    |                 | \$0.00                | \$11,950.00           | \$ -11,950.00         | 0.00%          |
| 52060-081 Cross-Functional Shopper Insights Survey-PJ/PR                      | 21,950.00           | 10,700.00           | 11,250.00          | 205.14 %       |                   |                   |                    |                 | \$21,950.00           | \$10,700.00           | \$11,250.00           | 205.14 %       |
| 52071-075 Key Account Coverage-TX/MW/SE-Anderson                              | 93,225.90           | 92,000.00           | 1,225.90           | 101.33 %       |                   |                   |                    |                 | \$93,225.90           | \$92,000.00           | \$1,225.90            | 101.33 %       |
| 52075-013 Key Account Coverage-SW/NW-Becker                                   | 118,000.00          | 118,000.00          | 0.00               | 100.00 %       |                   |                   |                    |                 | \$118,000.00          | \$118,000.00          | \$0.00                | 100.00 %       |
| <b>Total 52000-001 Trade Relations</b>                                        | <b>376,650.45</b>   | <b>384,651.59</b>   | <b>-8,001.14</b>   | <b>97.92 %</b> | <b>206,400.00</b> | <b>206,400.00</b> | <b>0.00</b>        | <b>100.00 %</b> | <b>\$583,050.45</b>   | <b>\$591,051.59</b>   | <b>\$ -8,001.14</b>   | <b>98.65 %</b> |
| 52010-000 Retail & Consumer Promotions                                        |                     | 0.00                | 0.00               |                |                   |                   |                    |                 | \$0.00                | \$0.00                | \$0.00                | 0.00%          |
| 52124-000 Retail Performance Programs-Retail Promotions                       | 274,593.37          | 250,000.00          | 24,593.37          | 109.84 %       |                   | 345,000.00        | -345,000.00        |                 | \$274,593.37          | \$595,000.00          | \$ -320,406.63        | 46.15 %        |
| 52125-000 Retail Brand Awareness Programs                                     | 166,004.01          | 390,000.00          | -223,995.99        | 42.57 %        |                   |                   |                    |                 | \$166,004.01          | \$390,000.00          | \$ -223,995.99        | 42.57 %        |
| 52128-066 Retail Trade Promotions-Fusion                                      | 21,148.95           | 25,450.00           | -4,301.05          | 83.10 %        |                   |                   |                    |                 | \$21,148.95           | \$25,450.00           | \$ -4,301.05          | 83.10 %        |
| 52129-000 Retailer Social Media Advertising Support                           |                     | 22,500.00           | -22,500.00         |                | 101.02            |                   | 101.02             |                 | \$101.02              | \$22,500.00           | \$ -22,398.98         | 0.45 %         |
| 52131-000 Retail Merchandising Services (POS Placement)                       | 570.90              | 125,000.00          | -124,429.10        | 0.46 %         |                   |                   |                    |                 | \$570.90              | \$125,000.00          | \$ -124,429.10        | 0.46 %         |
| 52132-000 Retail Identity Programs-Display Bins                               | 3,717.75            | 191,000.00          | -187,282.25        | 1.95 %         |                   |                   |                    |                 | \$3,717.75            | \$191,000.00          | \$ -187,282.25        | 1.95 %         |
| 52301-000 Premiums                                                            | 0.00                | 5,000.00            | -5,000.00          | 0.00 %         |                   |                   |                    |                 | \$0.00                | \$5,000.00            | \$ -5,000.00          | 0.00 %         |
| 52302-000 POS Materials                                                       |                     | 5,000.00            | -5,000.00          |                |                   |                   |                    |                 | \$0.00                | \$5,000.00            | \$ -5,000.00          | 0.00%          |
| 52303-000 Storage/Fulfillment                                                 | 10,050.85           | 20,500.00           | -10,449.15         | 49.03 %        |                   |                   |                    |                 | \$10,050.85           | \$20,500.00           | \$ -10,449.15         | 49.03 %        |
| <b>Total 52010-000 Retail &amp; Consumer Promotions</b>                       | <b>476,085.83</b>   | <b>1,034,450.00</b> | <b>-558,364.17</b> | <b>46.02 %</b> | <b>101.02</b>     | <b>345,000.00</b> | <b>-344,898.98</b> | <b>0.03 %</b>   | <b>\$476,186.85</b>   | <b>\$1,379,450.00</b> | <b>\$ -903,263.15</b> | <b>34.52 %</b> |
| 52200-000 Data, Research & Analysis                                           |                     |                     |                    |                |                   |                   |                    |                 | \$0.00                | \$0.00                | \$0.00                | 0.00%          |
| 52202-000 Retail POS Scan Data-Circana                                        | 49,523.25           | 50,250.00           | -726.75            | 98.55 %        |                   |                   |                    |                 | \$49,523.25           | \$50,250.00           | \$ -726.75            | 98.55 %        |
| 52204-066 Data Analysis & Retail Research-FUSION                              | 66,544.38           | 83,300.00           | -16,755.62         | 79.89 %        |                   |                   |                    |                 | \$66,544.38           | \$83,300.00           | \$ -16,755.62         | 79.89 %        |
| 52206-086 Inventory Reporting-AVMA                                            |                     | 0.00                | 0.00               |                | 1,800.00          | 1,800.00          | 0.00               | 100.00 %        | \$1,800.00            | \$1,800.00            | \$0.00                | 100.00 %       |
| 52211-066 California Avocado Market Analysis-Fusion                           | 47,177.40           | 53,150.00           | -5,972.60          | 88.76 %        |                   |                   |                    |                 | \$47,177.40           | \$53,150.00           | \$ -5,972.60          | 88.76 %        |
| 52213-066 Retail Support, Consultation, Planning, Program & Data Admin-Fusion | 16,960.71           | 32,000.00           | -15,039.29         | 53.00 %        |                   |                   |                    |                 | \$16,960.71           | \$32,000.00           | \$ -15,039.29         | 53.00 %        |
| <b>Total 52200-000 Data, Research &amp; Analysis</b>                          | <b>180,205.74</b>   | <b>218,700.00</b>   | <b>-38,494.26</b>  | <b>82.40 %</b> | <b>1,800.00</b>   | <b>1,800.00</b>   | <b>0.00</b>        | <b>100.00 %</b> | <b>\$182,005.74</b>   | <b>\$220,500.00</b>   | <b>\$ -38,494.26</b>  | <b>82.54 %</b> |
| 52400-000 Administration & Other                                              |                     |                     |                    |                |                   |                   |                    |                 | \$0.00                | \$0.00                | \$0.00                | 0.00%          |
| 52140-098 Grower Communications-GingerRoot                                    |                     |                     |                    |                | 2,992.50          | 6,040.00          | -3,047.50          | 49.54 %         | \$2,992.50            | \$6,040.00            | \$ -3,047.50          | 49.54 %        |
| 52401-004 Travel Expenses - Splane                                            | 864.66              | 2,500.00            | -1,635.34          | 34.59 %        |                   |                   |                    |                 | \$864.66              | \$2,500.00            | \$ -1,635.34          | 34.59 %        |
| 52401-019 Travel Expenses - Marketing Staff                                   | 13,754.08           | 12,250.00           | 1,504.08           | 112.28 %       |                   |                   |                    |                 | \$13,754.08           | \$12,250.00           | \$1,504.08            | 112.28 %       |
| 52411-000 Office Expenses - Marketing                                         | 7,175.88            | 11,500.00           | -4,324.12          | 62.40 %        | 0.00              |                   | 0.00               |                 | \$7,175.88            | \$11,500.00           | \$ -4,324.12          | 62.40 %        |
| <b>Total 52400-000 Administration &amp; Other</b>                             | <b>21,794.62</b>    | <b>26,250.00</b>    | <b>-4,455.38</b>   | <b>83.03 %</b> | <b>2,992.50</b>   | <b>6,040.00</b>   | <b>-3,047.50</b>   | <b>49.54 %</b>  | <b>\$24,787.12</b>    | <b>\$32,290.00</b>    | <b>\$ -7,502.88</b>   | <b>76.76 %</b> |
| <b>Total 52000-000 Trade - Retail</b>                                         | <b>1,054,736.64</b> | <b>1,664,051.59</b> | <b>-609,314.95</b> | <b>63.38 %</b> | <b>211,293.52</b> | <b>559,240.00</b> | <b>-347,946.48</b> | <b>37.78 %</b>  | <b>\$1,266,030.16</b> | <b>\$2,223,291.59</b> | <b>\$ -957,261.43</b> | <b>56.94 %</b> |
| 53000-000 Trade - Foodservice                                                 |                     |                     |                    |                |                   |                   |                    |                 | \$0.00                | \$0.00                | \$0.00                | 0.00%          |
| 53001-070 Media-Agency                                                        | 20,425.00           | 66,700.00           | -46,275.00         | 30.62 %        |                   |                   |                    |                 | \$20,425.00           | \$66,700.00           | \$ -46,275.00         | 30.62 %        |
| 53002-070 Production-Agency                                                   | 15,817.00           | 22,000.00           | -6,183.00          | 71.90 %        |                   |                   |                    |                 | \$15,817.00           | \$22,000.00           | \$ -6,183.00          | 71.90 %        |
| 53101-070 Public Relations-Agency                                             | 35,344.18           | 53,100.00           | -17,755.82         | 66.56 %        |                   |                   |                    |                 | \$35,344.18           | \$53,100.00           | \$ -17,755.82         | 66.56 %        |
| 53103-070 Foodservice Events-Agency                                           | 52,046.55           | 66,000.00           | -13,953.45         | 78.86 %        |                   |                   |                    |                 | \$52,046.55           | \$66,000.00           | \$ -13,953.45         | 78.86 %        |
| 53104-070 Chain Promotions-Agency                                             | 97,744.32           | 122,475.00          | -24,730.68         | 79.81 %        | -3,330.14         |                   | -3,330.14          |                 | \$94,414.18           | \$122,475.00          | \$ -28,060.82         | 77.09 %        |

# California Avocado Commission

## Budget vs. Actuals: CAC 2025-26 Budget Amendment #2 - FY26 P&L Classes

November 2025 - June 2026

|                                                            | RESTRICTED          |                     |                    |                | UNRESTRICTED      |                   |                    |                | TOTAL                 |                       |                         |                |
|------------------------------------------------------------|---------------------|---------------------|--------------------|----------------|-------------------|-------------------|--------------------|----------------|-----------------------|-----------------------|-------------------------|----------------|
|                                                            | ACTUAL              | BUDGET              | OVER<br>BUDGET     | % OF<br>BUDGET | ACTUAL            | BUDGET            | OVER<br>BUDGET     | % OF<br>BUDGET | ACTUAL                | BUDGET                | OVER<br>BUDGET          | % OF<br>BUDGET |
| 53105-070 Culinary Education Program-Agency                | 550.00              | 1,350.00            | -800.00            | 40.74 %        |                   |                   |                    |                | \$550.00              | \$1,350.00            | \$ -800.00              | 40.74 %        |
| 53801-070 Program Administration Fees-Agency               | 13,700.00           | 25,000.00           | -11,300.00         | 54.80 %        |                   |                   |                    |                | \$13,700.00           | \$25,000.00           | \$ -11,300.00           | 54.80 %        |
| 53802-070 Program Administration Expenses-Agency           | 704.39              | 1,500.00            | -795.61            | 46.96 %        |                   |                   |                    |                | \$704.39              | \$1,500.00            | \$ -795.61              | 46.96 %        |
| <b>Total 53000-000 Trade - Foodservice</b>                 | <b>236,331.44</b>   | <b>358,125.00</b>   | <b>-121,793.56</b> | <b>65.99 %</b> | <b>-3,330.14</b>  |                   | <b>-3,330.14</b>   |                | <b>\$233,001.30</b>   | <b>\$358,125.00</b>   | <b>\$ -125,123.70</b>   | <b>65.06 %</b> |
| 59000-000 Marketing Activities Support                     |                     |                     |                    |                |                   |                   |                    |                | \$0.00                | \$0.00                | \$0.00                  | 0.00%          |
| 51003-000 Buy California Marketing Agreement               | 16,666.68           | 16,665.00           | 1.68               | 100.01 %       |                   |                   |                    |                | \$16,666.68           | \$16,665.00           | \$1.68                  | 100.01 %       |
| 51803-067 Marketing Planning/Special Projects-RoMo         |                     |                     |                    |                | 29,600.00         | 29,600.00         | 0.00               | 100.00 %       | \$29,600.00           | \$29,600.00           | \$0.00                  | 100.00 %       |
| 51805-000 Marketing Personnel Expense                      | 413,800.03          | 523,874.00          | -110,073.97        | 78.99 %        |                   |                   |                    |                | \$413,800.03          | \$523,874.00          | \$ -110,073.97          | 78.99 %        |
| 52134-000 Export Program                                   |                     |                     |                    |                | 12,600.00         | 15,000.00         | -2,400.00          | 84.00 %        | \$12,600.00           | \$15,000.00           | \$ -2,400.00            | 84.00 %        |
| <b>Total 59000-000 Marketing Activities Support</b>        | <b>430,466.71</b>   | <b>540,539.00</b>   | <b>-110,072.29</b> | <b>79.64 %</b> | <b>42,200.00</b>  | <b>44,600.00</b>  | <b>-2,400.00</b>   | <b>94.62 %</b> | <b>\$472,666.71</b>   | <b>\$585,139.00</b>   | <b>\$ -112,472.29</b>   | <b>80.78 %</b> |
| <b>Total 50000-000 Marketing</b>                           | <b>3,436,478.27</b> | <b>4,102,918.59</b> | <b>-666,440.32</b> | <b>83.76 %</b> | <b>480,382.64</b> | <b>963,225.00</b> | <b>-482,842.36</b> | <b>49.87 %</b> | <b>\$3,916,860.91</b> | <b>\$5,066,143.59</b> | <b>\$ -1,149,282.68</b> | <b>77.31 %</b> |
| 64000-000 Industry Affairs                                 |                     |                     |                    |                |                   |                   |                    |                | \$0.00                | \$0.00                | \$0.00                  | 0.00%          |
| 64000-001 Industry Statistics and Information              |                     |                     |                    |                |                   |                   |                    |                | \$0.00                | \$0.00                | \$0.00                  | 0.00%          |
| 64001-000 AMRIC Operation                                  |                     |                     |                    |                | 2,655.17          | 2,400.00          | 255.17             | 110.63 %       | \$2,655.17            | \$2,400.00            | \$255.17                | 110.63 %       |
| 64001-130 AMRIC Operation-Hooman Mohammadpour              |                     |                     |                    |                | 9,900.00          | 9,600.00          | 300.00             | 103.13 %       | \$9,900.00            | \$9,600.00            | \$300.00                | 103.13 %       |
| 64002-000 Crop Forecasting and Analysis                    |                     |                     |                    |                | 1,842.69          | 5,000.00          | -3,157.31          | 36.85 %        | \$1,842.69            | \$5,000.00            | \$ -3,157.31            | 36.85 %        |
| 64002-104 Crop Forecasting And Analysis-Land IQ            |                     |                     |                    |                | 39,436.00         | 39,500.00         | -64.00             | 99.84 %        | \$39,436.00           | \$39,500.00           | \$ -64.00               | 99.84 %        |
| 64004-000 Grove ID GIS Project Dmnt                        |                     |                     |                    |                | 2,399.00          | 2,400.00          | -1.00              | 99.96 %        | \$2,399.00            | \$2,400.00            | \$ -1.00                | 99.96 %        |
| <b>Total 64000-001 Industry Statistics and Information</b> |                     |                     |                    |                | <b>56,232.86</b>  | <b>58,900.00</b>  | <b>-2,667.14</b>   | <b>95.47 %</b> | <b>\$56,232.86</b>    | <b>\$58,900.00</b>    | <b>\$ -2,667.14</b>     | <b>95.47 %</b> |
| 64100-000 Grower Communications                            |                     |                     |                    |                |                   |                   |                    |                | \$0.00                | \$0.00                | \$0.00                  | 0.00%          |
| 64105-000 Online Information                               |                     |                     |                    |                | 2,648.46          | 2,200.00          | 448.46             | 120.38 %       | \$2,648.46            | \$2,200.00            | \$448.46                | 120.38 %       |
| 64105-098 Online Information-GingerRoot                    |                     |                     |                    |                | 11,227.50         | 14,400.00         | -3,172.50          | 77.97 %        | \$11,227.50           | \$14,400.00           | \$ -3,172.50            | 77.97 %        |
| 64105-099 Online Information-Fishhook                      |                     |                     |                    |                | 3,937.50          | 2,800.00          | 1,137.50           | 140.63 %       | \$3,937.50            | \$2,800.00            | \$1,137.50              | 140.63 %       |
| 64106-000 Publications                                     |                     |                     |                    |                | 1,602.88          | 2,000.00          | -397.12            | 80.14 %        | \$1,602.88            | \$2,000.00            | \$ -397.12              | 80.14 %        |
| 64106-067 Publications-ROMO                                |                     |                     |                    |                | 1,125.00          | 1,125.00          | 0.00               | 100.00 %       | \$1,125.00            | \$1,125.00            | \$0.00                  | 100.00 %       |
| 64106-085 Publications-Fox Wthr                            |                     |                     |                    |                | 880.00            | 880.00            | 0.00               | 100.00 %       | \$880.00              | \$880.00              | \$0.00                  | 100.00 %       |
| 64106-098 Publications-GingerRoot                          |                     |                     |                    |                | 13,320.00         | 12,325.00         | 995.00             | 108.07 %       | \$13,320.00           | \$12,325.00           | \$995.00                | 108.07 %       |
| 64106-118 Publications-Champ                               |                     |                     |                    |                | 33,011.11         | 36,000.00         | -2,988.89          | 91.70 %        | \$33,011.11           | \$36,000.00           | \$ -2,988.89            | 91.70 %        |
| 64107-000 Annual Meeting                                   |                     |                     |                    |                | 5,092.13          | 15,000.00         | -9,907.87          | 33.95 %        | \$5,092.13            | \$15,000.00           | \$ -9,907.87            | 33.95 %        |
| 64108-000 Annual Report                                    |                     |                     |                    |                |                   | 9,000.00          | -9,000.00          |                | \$0.00                | \$9,000.00            | \$ -9,000.00            | 0.00%          |
| 64108-098 Annual Report-GingerRoot                         |                     |                     |                    |                |                   | 8,000.00          | -8,000.00          |                | \$0.00                | \$8,000.00            | \$ -8,000.00            | 0.00%          |
| <b>Total 64100-000 Grower Communications</b>               |                     |                     |                    |                | <b>72,844.58</b>  | <b>103,730.00</b> | <b>-30,885.42</b>  | <b>70.23 %</b> | <b>\$72,844.58</b>    | <b>\$103,730.00</b>   | <b>\$ -30,885.42</b>    | <b>70.23 %</b> |
| 64200-000 Issues Management                                |                     |                     |                    |                |                   |                   |                    |                | \$0.00                | \$0.00                | \$0.00                  | 0.00%          |
| 64202-000 Field/Technical Support                          |                     |                     |                    |                |                   | 20,000.00         | -20,000.00         |                | \$0.00                | \$20,000.00           | \$ -20,000.00           | 0.00%          |
| 64204-000 Research Program Coordination & Outreach         |                     |                     |                    |                | 65,578.87         | 66,000.00         | -421.13            | 99.36 %        | \$65,578.87           | \$66,000.00           | \$ -421.13              | 99.36 %        |
| 64206-000 Legislative & Regulatory Advocacy                |                     |                     |                    |                | 374,929.92        | 375,000.00        | -70.08             | 99.98 %        | \$374,929.92          | \$375,000.00          | \$ -70.08               | 99.98 %        |

# California Avocado Commission

## Budget vs. Actuals: CAC 2025-26 Budget Amendment #2 - FY26 P&L Classes

November 2025 - June 2026

|                                                                                                                | RESTRICTED  |        |                |                | UNRESTRICTED      |                   |                    |                | TOTAL               |                     |                       |                |
|----------------------------------------------------------------------------------------------------------------|-------------|--------|----------------|----------------|-------------------|-------------------|--------------------|----------------|---------------------|---------------------|-----------------------|----------------|
|                                                                                                                | ACTUAL      | BUDGET | OVER<br>BUDGET | % OF<br>BUDGET | ACTUAL            | BUDGET            | OVER<br>BUDGET     | % OF<br>BUDGET | ACTUAL              | BUDGET              | OVER<br>BUDGET        | % OF<br>BUDGET |
| <b>Total 64200-000 Issues Management</b>                                                                       |             |        |                |                | <b>440,508.79</b> | <b>461,000.00</b> | <b>-20,491.21</b>  | <b>95.56 %</b> | <b>\$440,508.79</b> | <b>\$461,000.00</b> | <b>\$ -20,491.21</b>  | <b>95.56 %</b> |
| 64300-000 Legal & Governance                                                                                   |             |        |                |                |                   |                   |                    |                | \$0.00              | \$0.00              | \$0.00                | 0.00%          |
| 64301-000 Elections                                                                                            |             |        |                |                | 1,046.81          | 1,500.00          | -453.19            | 69.79 %        | \$1,046.81          | \$1,500.00          | \$ -453.19            | 69.79 %        |
| 64302-000 Legal Support                                                                                        |             |        |                |                | 179,636.83        | 180,000.00        | -363.17            | 99.80 %        | \$179,636.83        | \$180,000.00        | \$ -363.17            | 99.80 %        |
| 64303-000 Governance Support                                                                                   |             |        |                |                | 5,302.78          | 5,000.00          | 302.78             | 106.06 %       | \$5,302.78          | \$5,000.00          | \$302.78              | 106.06 %       |
| 64304-000 Referendum                                                                                           |             |        |                |                | 2,082.78          | 5,000.00          | -2,917.22          | 41.66 %        | \$2,082.78          | \$5,000.00          | \$ -2,917.22          | 41.66 %        |
| 64305-000 Redistricting                                                                                        |             |        |                |                | 1,380.00          | 3,500.00          | -2,120.00          | 39.43 %        | \$1,380.00          | \$3,500.00          | \$ -2,120.00          | 39.43 %        |
| <b>Total 64300-000 Legal &amp; Governance</b>                                                                  |             |        |                |                | <b>189,449.20</b> | <b>195,000.00</b> | <b>-5,550.80</b>   | <b>97.15 %</b> | <b>\$189,449.20</b> | <b>\$195,000.00</b> | <b>\$ -5,550.80</b>   | <b>97.15 %</b> |
| 64400-000 Demonstration Grove                                                                                  |             |        |                |                |                   |                   |                    |                | \$0.00              | \$0.00              | \$0.00                | 0.00%          |
| 64402-000 Pine Tree - Grove Management                                                                         |             |        |                |                | 18,205.98         | 34,665.00         | -16,459.02         | 52.52 %        | \$18,205.98         | \$34,665.00         | \$ -16,459.02         | 52.52 %        |
| 64403-000 Pine Tree - Utilities                                                                                |             |        |                |                | -2,259.83         | 3,600.00          | -5,859.83          | -62.77 %       | \$ -2,259.83        | \$3,600.00          | \$ -5,859.83          | -62.77 %       |
| 64404-000 Pine Tree - Property Tax & Insurance                                                                 |             |        |                |                | 2,257.95          | 1,704.00          | 553.95             | 132.51 %       | \$2,257.95          | \$1,704.00          | \$553.95              | 132.51 %       |
| 64405-000 Pine Tree - Miscellaneous Expense                                                                    |             |        |                |                | 1,101.71          | 0.00              | 1,101.71           |                | \$1,101.71          | \$0.00              | \$1,101.71            | 0.00%          |
| 64406-000 Pine Tree - Crop Harvesting                                                                          |             |        |                |                | 7,740.73          | 6,250.00          | 1,490.73           | 123.85 %       | \$7,740.73          | \$6,250.00          | \$1,490.73            | 123.85 %       |
| 64408-000 Pine Tree - CAC Assessment                                                                           |             |        |                |                | 179.59            | 250.00            | -70.41             | 71.84 %        | \$179.59            | \$250.00            | \$ -70.41             | 71.84 %        |
| 64409-000 Pine Tree - HAB Assessment                                                                           | 0.00        |        | 0.00           |                | 449.28            | 625.00            | -175.72            | 71.88 %        | \$449.28            | \$625.00            | \$ -175.72            | 71.88 %        |
| <b>Total 64400-000 Demonstration Grove</b>                                                                     | <b>0.00</b> |        | <b>0.00</b>    |                | <b>27,675.41</b>  | <b>47,094.00</b>  | <b>-19,418.59</b>  | <b>58.77 %</b> | <b>\$27,675.41</b>  | <b>\$47,094.00</b>  | <b>\$ -19,418.59</b>  | <b>58.77 %</b> |
| 64500-000 Education & Outreach                                                                                 |             |        |                |                |                   |                   |                    |                | \$0.00              | \$0.00              | \$0.00                | 0.00%          |
| 64501-000 Field Meetings, Seminars & Workshops                                                                 |             |        |                |                |                   | 5,000.00          | -5,000.00          |                | \$0.00              | \$5,000.00          | \$ -5,000.00          | 0.00%          |
| 64502-000 Pine Tree Ranch Field Days                                                                           |             |        |                |                | 283.25            | 2,000.00          | -1,716.75          | 14.16 %        | \$283.25            | \$2,000.00          | \$ -1,716.75          | 14.16 %        |
| 64503-000 Grower Outreach                                                                                      |             |        |                |                | 55,396.25         | 60,000.00         | -4,603.75          | 92.33 %        | \$55,396.25         | \$60,000.00         | \$ -4,603.75          | 92.33 %        |
| <b>Total 64500-000 Education &amp; Outreach</b>                                                                |             |        |                |                | <b>55,679.50</b>  | <b>67,000.00</b>  | <b>-11,320.50</b>  | <b>83.10 %</b> | <b>\$55,679.50</b>  | <b>\$67,000.00</b>  | <b>\$ -11,320.50</b>  | <b>83.10 %</b> |
| 64800-000 Other Industry Affairs                                                                               |             |        |                |                |                   | 0.00              | 0.00               |                | \$0.00              | \$0.00              | \$0.00                | 0.00%          |
| 64801-000 Coalition Dues, Sponsorships , Registrations & Rep                                                   |             |        |                |                | 34,727.80         | 35,000.00         | -272.20            | 99.22 %        | \$34,727.80         | \$35,000.00         | \$ -272.20            | 99.22 %        |
| 64801-086 Industry Reports-AVMA                                                                                |             |        |                |                | 320.00            | 320.00            | 0.00               | 100.00 %       | \$320.00            | \$320.00            | \$0.00                | 100.00 %       |
| 64803-000 Travel Expenses - Industry Affairs                                                                   |             |        |                |                | 6,193.29          | 15,200.00         | -9,006.71          | 40.75 %        | \$6,193.29          | \$15,200.00         | \$ -9,006.71          | 40.75 %        |
| 64804-000 Office Expenses - Industry Affairs                                                                   |             |        |                |                | 920.67            | 2,500.00          | -1,579.33          | 36.83 %        | \$920.67            | \$2,500.00          | \$ -1,579.33          | 36.83 %        |
| 64805-000 Committee Meeting Expense                                                                            |             |        |                |                | 1,971.45          | 3,200.00          | -1,228.55          | 61.61 %        | \$1,971.45          | \$3,200.00          | \$ -1,228.55          | 61.61 %        |
| 64901-000 Misc IA Exps (Theft Reward)                                                                          |             |        |                |                | 181.83            | 500.00            | -318.17            | 36.37 %        | \$181.83            | \$500.00            | \$ -318.17            | 36.37 %        |
| <b>Total 64800-000 Other Industry Affairs</b>                                                                  |             |        |                |                | <b>44,315.04</b>  | <b>56,720.00</b>  | <b>-12,404.96</b>  | <b>78.13 %</b> | <b>\$44,315.04</b>  | <b>\$56,720.00</b>  | <b>\$ -12,404.96</b>  | <b>78.13 %</b> |
| <b>Total 64000-000 Industry Affairs</b>                                                                        | <b>0.00</b> |        | <b>0.00</b>    |                | <b>886,705.38</b> | <b>989,444.00</b> | <b>-102,738.62</b> | <b>89.62 %</b> | <b>\$886,705.38</b> | <b>\$989,444.00</b> | <b>\$ -102,738.62</b> | <b>89.62 %</b> |
| 65000-000 Production Research                                                                                  |             |        |                |                |                   |                   |                    |                | \$0.00              | \$0.00              | \$0.00                | 0.00%          |
| 65100-000 Pest & Disease                                                                                       |             |        |                |                |                   |                   |                    |                | \$0.00              | \$0.00              | \$0.00                | 0.00%          |
| 65133-000 Chemical Synthesis and Field Evaluation of an Enantiopure (+)-Grandisol                              |             |        |                |                | 197,513.00        | 197,513.00        | 0.00               | 100.00 %       | \$197,513.00        | \$197,513.00        | \$0.00                | 100.00 %       |
| 65135-000 Integrating Chemical and Cultural Practices for Bot Canker Control in Avocado                        |             |        |                |                | 6,000.00          | 6,000.00          | 0.00               | 100.00 %       | \$6,000.00          | \$6,000.00          | \$0.00                | 100.00 %       |
| 65137-000 Improve Phytophthora cinnamomi management by monitoring field populations for changes in fungicide s |             |        |                |                | 50,633.00         | 50,633.00         | 0.00               | 100.00 %       | \$50,633.00         | \$50,633.00         | \$0.00                | 100.00 %       |
| 65139-000 Investigating conditional host status of GEM avocado to fruit fly                                    |             |        |                |                | 7,150.00          | 7,150.00          | 0.00               | 100.00 %       | \$7,150.00          | \$7,150.00          | \$0.00                | 100.00 %       |

# California Avocado Commission

## Budget vs. Actuals: CAC 2025-26 Budget Amendment #2 - FY26 P&L Classes

November 2025 - June 2026

|                                                                                                           | RESTRICTED |        |             |             | UNRESTRICTED      |                   |                   |                 | TOTAL               |                     |                      |                 |
|-----------------------------------------------------------------------------------------------------------|------------|--------|-------------|-------------|-------------------|-------------------|-------------------|-----------------|---------------------|---------------------|----------------------|-----------------|
|                                                                                                           | ACTUAL     | BUDGET | OVER BUDGET | % OF BUDGET | ACTUAL            | BUDGET            | OVER BUDGET       | % OF BUDGET     | ACTUAL              | BUDGET              | OVER BUDGET          | % OF BUDGET     |
|                                                                                                           |            |        |             | %           |                   |                   |                   | %               |                     |                     |                      | %               |
| <b>Total 65100-000 Pest &amp; Disease</b>                                                                 |            |        |             |             | <b>261,296.00</b> | <b>261,296.00</b> | <b>0.00</b>       | <b>100.00 %</b> | <b>\$261,296.00</b> | <b>\$261,296.00</b> | <b>\$0.00</b>        | <b>100.00 %</b> |
| 65200-000 Breeding, Varieties & Genetics                                                                  |            |        |             |             |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 65218-000 CAL POLY Continued Research at the San Luis Obispo Rootstock Trial Site (2025-2027)             |            |        |             |             | 12,000.00         | 12,000.00         | 0.00              | 100.00 %        | \$12,000.00         | \$12,000.00         | \$0.00               | 100.00 %        |
| <b>Total 65200-000 Breeding, Varieties &amp; Genetics</b>                                                 |            |        |             |             | <b>12,000.00</b>  | <b>12,000.00</b>  | <b>0.00</b>       | <b>100.00 %</b> | <b>\$12,000.00</b>  | <b>\$12,000.00</b>  | <b>\$0.00</b>        | <b>100.00 %</b> |
| 65300-000 Cultural Management                                                                             |            |        |             |             |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 65325-000 Artificial Pollination Research                                                                 |            |        |             |             | 31,058.00         | 31,058.00         | 0.00              | 100.00 %        | \$31,058.00         | \$31,058.00         | \$0.00               | 100.00 %        |
| 65326-000 Addressing the relationship between soil characteristics and soil salinity in CA avocado groves |            |        |             |             | 755.00            | 755.00            | 0.00              | 100.00 %        | \$755.00            | \$755.00            | \$0.00               | 100.00 %        |
| 65327-000 Creating a Weather Station Network to Guide Irrigation Decision of Avocados                     |            |        |             |             | 88,375.00         | 88,375.00         | 0.00              | 100.00 %        | \$88,375.00         | \$88,375.00         | \$0.00               | 100.00 %        |
| 65328-000 Assessing irrigation management tools and strategies on avocado fruit quality and yield impacts |            |        |             |             | 14,428.87         | 75,413.00         | -60,984.13        | 19.13 %         | \$14,428.87         | \$75,413.00         | \$ -60,984.13        | 19.13 %         |
| <b>Total 65300-000 Cultural Management</b>                                                                |            |        |             |             | <b>134,616.87</b> | <b>195,601.00</b> | <b>-60,984.13</b> | <b>68.82 %</b>  | <b>\$134,616.87</b> | <b>\$195,601.00</b> | <b>\$ -60,984.13</b> | <b>68.82 %</b>  |
| 65400-000 Industry Research Support                                                                       |            |        |             |             |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 65403-000 FFAR Fellow Sponsor - Landesman                                                                 |            |        |             |             | 32,500.00         | 32,500.00         | 0.00              | 100.00 %        | \$32,500.00         | \$32,500.00         | \$0.00               | 100.00 %        |
| <b>Total 65400-000 Industry Research Support</b>                                                          |            |        |             |             | <b>32,500.00</b>  | <b>32,500.00</b>  | <b>0.00</b>       | <b>100.00 %</b> | <b>\$32,500.00</b>  | <b>\$32,500.00</b>  | <b>\$0.00</b>        | <b>100.00 %</b> |
| <b>Total 65000-000 Production Research</b>                                                                |            |        |             |             | <b>440,412.87</b> | <b>501,397.00</b> | <b>-60,984.13</b> | <b>87.84 %</b>  | <b>\$440,412.87</b> | <b>\$501,397.00</b> | <b>\$ -60,984.13</b> | <b>87.84 %</b>  |
| 66010-000 Grant Programs                                                                                  |            |        |             |             |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 66015-000 Export Marketing                                                                                |            |        |             |             |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 66022-000 USDA Grant - FAS MAP China/North Asia                                                           |            |        |             |             | 131,007.92        | 135,000.00        | -3,992.08         | 97.04 %         | \$131,007.92        | \$135,000.00        | \$ -3,992.08         | 97.04 %         |
| <b>Total 66015-000 Export Marketing</b>                                                                   |            |        |             |             | <b>131,007.92</b> | <b>135,000.00</b> | <b>-3,992.08</b>  | <b>97.04 %</b>  | <b>\$131,007.92</b> | <b>\$135,000.00</b> | <b>\$ -3,992.08</b>  | <b>97.04 %</b>  |
| 66100-000 Unreimbursed Grant Receivables                                                                  |            |        |             |             | 8,115.42          |                   | 8,115.42          |                 | \$8,115.42          | \$0.00              | \$8,115.42           | 0.00%           |
| <b>Total 66010-000 Grant Programs</b>                                                                     |            |        |             |             | <b>139,123.34</b> | <b>135,000.00</b> | <b>4,123.34</b>   | <b>103.05 %</b> | <b>\$139,123.34</b> | <b>\$135,000.00</b> | <b>\$4,123.34</b>    | <b>103.05 %</b> |
| 70000-000 Operations                                                                                      |            |        |             |             |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71100-000 Office Expense                                                                                  |            |        |             |             |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71102-000 Rent-CAM, Ins, Prop Tax                                                                         |            |        |             |             | 1,418.71          | 4,000.00          | -2,581.29         | 35.47 %         | \$1,418.71          | \$4,000.00          | \$ -2,581.29         | 35.47 %         |
| 71104-000 Rent-Offsite Storage                                                                            |            |        |             |             | 6,840.00          | 7,200.00          | -360.00           | 95.00 %         | \$6,840.00          | \$7,200.00          | \$ -360.00           | 95.00 %         |
| 71111-000 Insurance-Liability                                                                             |            |        |             |             | 51,527.90         | 68,000.00         | -16,472.10        | 75.78 %         | \$51,527.90         | \$68,000.00         | \$ -16,472.10        | 75.78 %         |
| 71121-000 Office Expenses - Operations                                                                    |            |        |             |             | 5,577.74          | 2,500.00          | 3,077.74          | 223.11 %        | \$5,577.74          | \$2,500.00          | \$3,077.74           | 223.11 %        |
| 71122-000 Office Supplies                                                                                 |            |        |             |             | 1,833.58          | 2,000.00          | -166.42           | 91.68 %         | \$1,833.58          | \$2,000.00          | \$ -166.42           | 91.68 %         |
| 71123-000 Janitorial                                                                                      |            |        |             |             | 489.00            | 2,050.00          | -1,561.00         | 23.85 %         | \$489.00            | \$2,050.00          | \$ -1,561.00         | 23.85 %         |
| 71131-000 Office Utilities                                                                                |            |        |             |             | 265.90            | 0.00              | 265.90            |                 | \$265.90            | \$0.00              | \$265.90             | 0.00%           |
| 71141-000 Bank & Payroll Fees                                                                             |            |        |             |             | 26,508.56         | 42,600.00         | -16,091.44        | 62.23 %         | \$26,508.56         | \$42,600.00         | \$ -16,091.44        | 62.23 %         |
| 71151-000 Equipment Maintenance & Expense                                                                 |            |        |             |             | 215.54            | 0.00              | 215.54            |                 | \$215.54            | \$0.00              | \$215.54             | 0.00%           |
| 71161-000 Telephone                                                                                       |            |        |             |             | 2,815.84          | 5,600.00          | -2,784.16         | 50.28 %         | \$2,815.84          | \$5,600.00          | \$ -2,784.16         | 50.28 %         |
| 71162-000 Employee Communication Expense                                                                  |            |        |             |             | 9,000.00          | 9,600.00          | -600.00           | 93.75 %         | \$9,000.00          | \$9,600.00          | \$ -600.00           | 93.75 %         |
| 71181-000 Postage & Courier Service                                                                       |            |        |             |             | 238.55            | 700.00            | -461.45           | 34.08 %         | \$238.55            | \$700.00            | \$ -461.45           | 34.08 %         |

# California Avocado Commission

## Budget vs. Actuals: CAC 2025-26 Budget Amendment #2 - FY26 P&L Classes

November 2025 - June 2026

|                                                    | RESTRICTED |        |                |                | UNRESTRICTED      |                   |                   |                 | TOTAL               |                     |                      |                 |
|----------------------------------------------------|------------|--------|----------------|----------------|-------------------|-------------------|-------------------|-----------------|---------------------|---------------------|----------------------|-----------------|
|                                                    | ACTUAL     | BUDGET | OVER<br>BUDGET | % OF<br>BUDGET | ACTUAL            | BUDGET            | OVER<br>BUDGET    | % OF<br>BUDGET  | ACTUAL              | BUDGET              | OVER<br>BUDGET       | % OF<br>BUDGET  |
| <b>Total 71100-000 Office Expense</b>              |            |        |                |                | <b>106,731.32</b> | <b>144,250.00</b> | <b>-37,518.68</b> | <b>73.99 %</b>  | <b>\$106,731.32</b> | <b>\$144,250.00</b> | <b>\$ -37,518.68</b> | <b>73.99 %</b>  |
| 71200-000 Professional Fees                        |            |        |                |                |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71201-000 CPA-Financial Audits                     |            |        |                |                | 42,997.50         | 43,000.00         | -2.50             | 99.99 %         | \$42,997.50         | \$43,000.00         | \$ -2.50             | 99.99 %         |
| 71203-000 CPA-Assessment Audits                    |            |        |                |                |                   | 30,000.00         | -30,000.00        |                 | \$0.00              | \$30,000.00         | \$ -30,000.00        | 0.00%           |
| 71207-000 CDFA Fiscal and Compliance Audit         |            |        |                |                | 10,762.50         | 11,000.00         | -237.50           | 97.84 %         | \$10,762.50         | \$11,000.00         | \$ -237.50           | 97.84 %         |
| 71211-000 Calif. Department of Food & Ag.-CDFA     |            |        |                |                | 60,546.97         | 50,000.00         | 10,546.97         | 121.09 %        | \$60,546.97         | \$50,000.00         | \$10,546.97          | 121.09 %        |
| 71221-000 Dept. of Ag-USDA/AMS                     |            |        |                |                | 31,943.99         | 33,600.00         | -1,656.01         | 95.07 %         | \$31,943.99         | \$33,600.00         | \$ -1,656.01         | 95.07 %         |
| 71235-000 Legal-Ballard/Rosenberg-Labor Issues     |            |        |                |                | 6,413.00          | 2,000.00          | 4,413.00          | 320.65 %        | \$6,413.00          | \$2,000.00          | \$4,413.00           | 320.65 %        |
| 78301-000 Pension Adm & Legal                      |            |        |                |                | 19,825.92         | 16,300.00         | 3,525.92          | 121.63 %        | \$19,825.92         | \$16,300.00         | \$3,525.92           | 121.63 %        |
| <b>Total 71200-000 Professional Fees</b>           |            |        |                |                | <b>172,489.88</b> | <b>185,900.00</b> | <b>-13,410.12</b> | <b>92.79 %</b>  | <b>\$172,489.88</b> | <b>\$185,900.00</b> | <b>\$ -13,410.12</b> | <b>92.79 %</b>  |
| 71300-000 Personnel Expenses                       |            |        |                |                |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71301-000 Salaries/Wages                           |            |        |                |                |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71302-000 Salaries/Wages - IA & Ops                |            |        |                |                | 455,248.67        | 458,550.00        | -3,301.33         | 99.28 %         | \$455,248.67        | \$458,550.00        | \$ -3,301.33         | 99.28 %         |
| 71303-000 Salaries/Wages - Marketing               |            |        |                |                | 54,791.75         | 70,536.00         | -15,744.25        | 77.68 %         | \$54,791.75         | \$70,536.00         | \$ -15,744.25        | 77.68 %         |
| <b>Total 71301-000 Salaries/Wages</b>              |            |        |                |                | <b>510,040.42</b> | <b>529,086.00</b> | <b>-19,045.58</b> | <b>96.40 %</b>  | <b>\$510,040.42</b> | <b>\$529,086.00</b> | <b>\$ -19,045.58</b> | <b>96.40 %</b>  |
| 71311-000 Pension Expense                          |            |        |                |                |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71312-000 Pension Expense - IA & Ops               |            |        |                |                | 46,483.36         | 45,858.00         | 625.36            | 101.36 %        | \$46,483.36         | \$45,858.00         | \$625.36             | 101.36 %        |
| 71313-000 Pension Expense - Marketing              |            |        |                |                | 4,770.14          | 6,280.00          | -1,509.86         | 75.96 %         | \$4,770.14          | \$6,280.00          | \$ -1,509.86         | 75.96 %         |
| <b>Total 71311-000 Pension Expense</b>             |            |        |                |                | <b>51,253.50</b>  | <b>52,138.00</b>  | <b>-884.50</b>    | <b>98.30 %</b>  | <b>\$51,253.50</b>  | <b>\$52,138.00</b>  | <b>\$ -884.50</b>    | <b>98.30 %</b>  |
| 71321-000 Payroll Tax & Work Comp                  |            |        |                |                |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71322-000 Payroll Tax & Work Comp - IA & Ops       |            |        |                |                | 34,336.51         | 32,810.64         | 1,525.87          | 104.65 %        | \$34,336.51         | \$32,810.64         | \$1,525.87           | 104.65 %        |
| 71323-000 Payroll Tax & Work Comp - Marketing      |            |        |                |                | 4,308.07          | 5,222.64          | -914.57           | 82.49 %         | \$4,308.07          | \$5,222.64          | \$ -914.57           | 82.49 %         |
| <b>Total 71321-000 Payroll Tax &amp; Work Comp</b> |            |        |                |                | <b>38,644.58</b>  | <b>38,033.28</b>  | <b>611.30</b>     | <b>101.61 %</b> | <b>\$38,644.58</b>  | <b>\$38,033.28</b>  | <b>\$611.30</b>      | <b>101.61 %</b> |
| 71331-000 Benefits                                 |            |        |                |                |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71332-000 Benefits - IA & Ops                      |            |        |                |                | 82,069.78         | 85,788.00         | -3,718.22         | 95.67 %         | \$82,069.78         | \$85,788.00         | \$ -3,718.22         | 95.67 %         |
| 71333-000 Benefits - Marketing                     |            |        |                |                | 9,411.35          | 13,514.00         | -4,102.65         | 69.64 %         | \$9,411.35          | \$13,514.00         | \$ -4,102.65         | 69.64 %         |
| <b>Total 71331-000 Benefits</b>                    |            |        |                |                | <b>91,481.13</b>  | <b>99,302.00</b>  | <b>-7,820.87</b>  | <b>92.12 %</b>  | <b>\$91,481.13</b>  | <b>\$99,302.00</b>  | <b>\$ -7,820.87</b>  | <b>92.12 %</b>  |
| <b>Total 71300-000 Personnel Expenses</b>          |            |        |                |                | <b>691,419.63</b> | <b>718,559.28</b> | <b>-27,139.65</b> | <b>96.22 %</b>  | <b>\$691,419.63</b> | <b>\$718,559.28</b> | <b>\$ -27,139.65</b> | <b>96.22 %</b>  |
| 71400-000 Commissioner Expenses                    |            |        |                |                |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 71403-000 Travel Expenses - Board Members          |            |        |                |                | 14,132.31         | 30,000.00         | -15,867.69        | 47.11 %         | \$14,132.31         | \$30,000.00         | \$ -15,867.69        | 47.11 %         |
| 71404-000 Board Meeting Expenses                   |            |        |                |                | 21,890.16         | 28,500.00         | -6,609.84         | 76.81 %         | \$21,890.16         | \$28,500.00         | \$ -6,609.84         | 76.81 %         |
| 71405-000 HAB BOLD Participation                   |            |        |                |                | 3,656.92          | 4,000.00          | -343.08           | 91.42 %         | \$3,656.92          | \$4,000.00          | \$ -343.08           | 91.42 %         |
| 71406-000 District Designated Funds                |            |        |                |                | 15,065.97         | 16,000.00         | -934.03           | 94.16 %         | \$15,065.97         | \$16,000.00         | \$ -934.03           | 94.16 %         |
| <b>Total 71400-000 Commissioner Expenses</b>       |            |        |                |                | <b>54,745.36</b>  | <b>78,500.00</b>  | <b>-23,754.64</b> | <b>69.74 %</b>  | <b>\$54,745.36</b>  | <b>\$78,500.00</b>  | <b>\$ -23,754.64</b> | <b>69.74 %</b>  |
| 73000-000 Information Technology                   |            |        |                |                |                   |                   |                   |                 | \$0.00              | \$0.00              | \$0.00               | 0.00%           |
| 73001-000 Network Maintenance                      |            |        |                |                | 18,870.62         | 20,080.00         | -1,209.38         | 93.98 %         | \$18,870.62         | \$20,080.00         | \$ -1,209.38         | 93.98 %         |
| 73002-000 Network Hardware, Software & Licenses    |            |        |                |                | 9,868.35          | 8,496.00          | 1,372.35          | 116.15 %        | \$9,868.35          | \$8,496.00          | \$1,372.35           | 116.15 %        |
| 73003-000 IT Support & Consulting                  |            |        |                |                | 12,920.00         | 20,720.00         | -7,800.00         | 62.36 %         | \$12,920.00         | \$20,720.00         | \$ -7,800.00         | 62.36 %         |

California Avocado Commission

Budget vs. Actuals: CAC 2025-26 Budget Amendment #2 - FY26 P&L Classes  
November 2025 - June 2026

|                                                                      | RESTRICTED            |                       |                       |                   | UNRESTRICTED          |                         |                       |                 | TOTAL                 |                         |                         |                 |
|----------------------------------------------------------------------|-----------------------|-----------------------|-----------------------|-------------------|-----------------------|-------------------------|-----------------------|-----------------|-----------------------|-------------------------|-------------------------|-----------------|
|                                                                      | ACTUAL                | BUDGET                | OVER<br>BUDGET        | % OF<br>BUDGET    | ACTUAL                | BUDGET                  | OVER<br>BUDGET        | % OF<br>BUDGET  | ACTUAL                | BUDGET                  | OVER<br>BUDGET          | % OF<br>BUDGET  |
| 73004-000 Accounting & Assessment System                             |                       |                       |                       |                   | 3,674.75              | 2,800.00                | 874.75                | 131.24 %        | \$3,674.75            | \$2,800.00              | \$874.75                | 131.24 %        |
| 73005-000 IT Services                                                |                       |                       |                       |                   | 820.00                | 3,500.00                | -2,680.00             | 23.43 %         | \$820.00              | \$3,500.00              | \$ -2,680.00            | 23.43 %         |
| <b>Total 73000-000 Information Technology</b>                        |                       |                       |                       |                   | <b>46,153.72</b>      | <b>55,596.00</b>        | <b>-9,442.28</b>      | <b>83.02 %</b>  | <b>\$46,153.72</b>    | <b>\$55,596.00</b>      | <b>\$ -9,442.28</b>     | <b>83.02 %</b>  |
| 78000-000 Depreciation, Interest & Other Operations                  |                       |                       |                       |                   |                       |                         |                       |                 | \$0.00                | \$0.00                  | \$0.00                  | 0.00%           |
| 78101-000 Travel Expenses - Operations                               |                       |                       |                       |                   | 23,377.61             | 39,600.00               | -16,222.39            | 59.03 %         | \$23,377.61           | \$39,600.00             | \$ -16,222.39           | 59.03 %         |
| 78501-000 Dues, Education, Training, Recruitment & Other             |                       |                       |                       |                   | 14,581.15             | 15,000.00               | -418.85               | 97.21 %         | \$14,581.15           | \$15,000.00             | \$ -418.85              | 97.21 %         |
| 79001-000 Amortization Expense                                       |                       |                       |                       |                   | 26,140.06             | 26,144.00               | -3.94                 | 99.98 %         | \$26,140.06           | \$26,144.00             | \$ -3.94                | 99.98 %         |
| 79100-000 Interest Expense                                           |                       |                       |                       |                   | 2,813.44              | 3,570.00                | -756.56               | 78.81 %         | \$2,813.44            | \$3,570.00              | \$ -756.56              | 78.81 %         |
| 79200-000 Fraud Loss                                                 |                       |                       |                       |                   | 26,475.00             |                         | 26,475.00             |                 | \$26,475.00           | \$0.00                  | \$26,475.00             | 0.00%           |
| <b>Total 78000-000 Depreciation, Interest &amp; Other Operations</b> |                       |                       |                       |                   | <b>93,387.26</b>      | <b>84,314.00</b>        | <b>9,073.26</b>       | <b>110.76 %</b> | <b>\$93,387.26</b>    | <b>\$84,314.00</b>      | <b>\$9,073.26</b>       | <b>110.76 %</b> |
| <b>Total 70000-000 Operations</b>                                    |                       |                       |                       |                   | <b>1,164,927.17</b>   | <b>1,267,119.28</b>     | <b>-102,192.11</b>    | <b>91.94 %</b>  | <b>\$1,164,927.17</b> | <b>\$1,267,119.28</b>   | <b>\$ -102,192.11</b>   | <b>91.94 %</b>  |
| <b>Total Expenditures</b>                                            | <b>\$3,436,478.27</b> | <b>\$4,102,918.59</b> | <b>\$ -666,440.32</b> | <b>83.76 %</b>    | <b>\$3,111,551.40</b> | <b>\$3,856,185.28</b>   | <b>\$ -744,633.88</b> | <b>80.69 %</b>  | <b>\$6,548,029.67</b> | <b>\$7,959,103.87</b>   | <b>\$ -1,411,074.20</b> | <b>82.27 %</b>  |
| NET OPERATING REVENUE                                                | <b>\$562,564.55</b>   | <b>\$11,914.77</b>    | <b>\$550,649.78</b>   | <b>4,721.57 %</b> | <b>\$ -638,931.75</b> | <b>\$ -1,558,968.64</b> | <b>\$920,036.89</b>   | <b>40.98 %</b>  | <b>\$ -76,367.20</b>  | <b>\$ -1,547,053.87</b> | <b>\$1,470,686.67</b>   | <b>4.94 %</b>   |
| Other Expenditures                                                   |                       |                       |                       |                   |                       |                         |                       |                 |                       |                         |                         |                 |
| 99999-000 Suspense                                                   |                       |                       |                       |                   | 6,393.82              |                         | 6,393.82              |                 | \$6,393.82            | \$0.00                  | \$6,393.82              | 0.00%           |
| <b>Total Other Expenditures</b>                                      | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>0.00%</b>      | <b>\$6,393.82</b>     | <b>\$0.00</b>           | <b>\$6,393.82</b>     | <b>0.00%</b>    | <b>\$6,393.82</b>     | <b>\$0.00</b>           | <b>\$6,393.82</b>       | <b>0.00%</b>    |
| NET OTHER REVENUE                                                    | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>\$0.00</b>         | <b>0.00%</b>      | <b>\$ -6,393.82</b>   | <b>\$0.00</b>           | <b>\$ -6,393.82</b>   | <b>0.00%</b>    | <b>\$ -6,393.82</b>   | <b>\$0.00</b>           | <b>\$ -6,393.82</b>     | <b>0.00%</b>    |
| NET REVENUE                                                          | <b>\$562,564.55</b>   | <b>\$11,914.77</b>    | <b>\$550,649.78</b>   | <b>4,721.57 %</b> | <b>\$ -645,325.57</b> | <b>\$ -1,558,968.64</b> | <b>\$913,643.07</b>   | <b>41.39 %</b>  | <b>\$ -82,761.02</b>  | <b>\$ -1,547,053.87</b> | <b>\$1,464,292.85</b>   | <b>5.35 %</b>   |



**BOARD ACTION**

**ITEM 3.d: Acceptance of Final 2025 Report of Independent Accountants on Management's Assertions on Compliance with Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs***

**SUMMARY:**

Each year the Commission engages our auditing firm to complete an examination of CAC's compliance with Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs*. This examination is completed as part of the annual audit services, and was completed for the 2024-25 fiscal year in February 2026. USDA AMS has requested that the CAC Board formally approve the final examination report, which is attached here for the Board's review and approval as part of the Consent Calendar at the August 20, 2026 meeting.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Approve examination report
- Take no action

**STAFF RECOMMENDATION:**

- Approve examination report as presented

**EXHIBITS / ATTACHMENTS:**

- Final 2025 Report of Independent Accountants on Management's Assertions on Compliance with Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs*



Report of Independent Accountants  
**California Avocado Commission –  
Examination – 2025**

October 31, 2025





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**Report of Independent Accountants on Management's  
Assertions on Compliance with Section V.D. of the *Guidelines  
for Agricultural Marketing Service (AMS) Oversight of  
Commodity Research and Promotion Programs***

The Board of Directors  
California Avocado Commission

We have examined California Avocado Commission (the Commission) management's assertion that the Commission complied with the following compliance requirements of Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs* (the Criteria), dated January 2020, for the year ended October 31, 2025:

1. No funds were used for the purpose of influencing governmental policy or action, per 7 U.S.C. Section 7804(k) of the Hass Avocado Promotion, Research, and Information Act (Act) related to the use of assessments for the purpose of influencing legislation, as the term is defined in Section 4911(d) of the Internal Revenue Code and Title 26 of the United States Code.
2. The Commission's investment policy is in compliance with the AMS investment policy, as stated in the Guidelines, Appendix 3 – Directive 2210.2 "Investment of Public Funds" dated November 3, 2023.
3. Funds are used only for projects and other expenses authorized in a budget approved by the United States Department of Agriculture (USDA), per Section II of the of the Guidelines for AMS Oversight Of Commodity Research And Promotion Programs (Guidelines).
4. Funds are used only in accordance with the rules, regulations and policies of the Act, the Guidelines, and the Hass Avocado Promotion, Research, and Information Order (Order).
5. No violations of the Act, Order, or the Guidelines for Research Development Program.
6. Complied with allowability provisions of the *Code of Federal Regulations* (7 CFR Part 1219) – *Hass Avocado Promotion, Research, and Information Order*.
7. Complied with Section 7804 subsection B part (8) of the Hass Avocado Promotion, Research and Information Act and Section 1219.2 subsection (b) of the Hass Avocado Promotion, Research and Information Order.
8. Expended assessment funds for purposes authorized by the Hass Avocado Promotion, Research and Information Act and Order.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guidelines. Those standards and the Guidelines require that we plan and perform the examination to obtain reasonable assurance about whether management's assertions about compliance with the compliance requirements referred to above are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about management's assertions. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertions, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

The Commission's management is responsible for its assertions. Our responsibility is to express an opinion on management's assertions about the Commission's compliance with the compliance requirements referred to above based on our examination.

Our examination does not provide a legal determination on the Commission's compliance with the compliance requirements referred to above.

In our opinion, management's assertions that the Commission complied with the compliance requirements referred to above for the year ended October 31, 2025, are fairly stated, in all material respects.

The purpose of this report is to examine management's assertions about compliance with the compliance requirements referred to above relative to the Commission's application of AMS Guidelines for the year ended October 31, 2025. The report is not suitable for any other purpose.

*Baker Tilly US, LLP*

Irvine, California  
March 6, 2026

**California Avocado Commission**  
**Schedule of Findings and Questioned Costs**  
**Year Ended October 31, 2025**

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**Part A – Attestation Findings**

None reported.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.



**BOARD ACTION**

**ITEM 4.a: Consider approval of updated Governance Committee roster**

**SUMMARY:**

As a follow up to discussion at the June 11, 2026 Board meeting, CAC Chair Rachael Laenen has made updates to the Governance Committee membership, with proposed roster as follows:

- Robert Jackson, Chair
- John Berns
- Adam Franscioni
- John Haskett
- Norm Kachuck
- Ohannes Karaoghlanian
- Doug O'Hara
- Al Stehly
- Charley Wolk

Regarding committee appointments, Commission bylaws specify:

*The Chairperson of the Commission shall appoint all committee chairpersons and shall appoint all members of each committee after consultation with the committee Chairperson affected. Appointments are subject to approval by the Commission and may be changed from time to time as determined by the Chairperson and concurred in by the Commission. (Article IV, 1.b).*

Per CAC bylaws the updated Governance Committee roster is presented here for Board concurrence.

**FISCAL ANALYSIS:**

- Not applicable

**BOARD OPTIONS:**

- Approve the committee appointments, as recommended by the Chair
- Modify the committee appointments
- Take no action

**STAFF RECOMMENDATION:**

- Staff supports the appointments as proposed

**EXHIBITS / ATTACHMENTS:**

- None



## **BOARD ACTION**

### **ITEM 7: Production Research Committee Report**

#### **SUMMARY:**

The Production Research Committee met on Tuesday, July 28, 2026, to review proposals to develop the genetic testing tools necessary to distinguish fruit of the Carmen variety from the Hass variety. This topic was raised by board member Ohannes Karaoghlanian at an executive committee meeting. Following that meeting, a zoom meeting was held among Chair Rachael Laenen, Ohannes, Ken Melban, research program consultant Dr. Tim Spann, and Dr. Edwin Solares, a computer scientist who was interested in working on this topic. Following that meeting, it was decided the best course of action was for Dr. Spann to reach out to qualified researchers around the world who may be able to do the work to develop genetic tests to distinguish the Carmen variety from Hass.

In addition to Dr. Edwin Solares, Dr. Spann identified Dr. Alice Hayward, University of Queensland, Australia; Dr. Luis Herrera-Estrella, Texas Tech University; Dr. Noelani van den Berg, University of Pretoria, South Africa; Dr. Iñaki Hormaza, Institute of Subtropical and Mediterranean Horticulture, Spain; and Dr. Shad Ali, USDA ARS; as qualified experts working in the field of avocado genetics/genomics. On June 7, the following was sent via email to each of these individuals:

*The California Avocado Commission is interested in determining the genetic markers for the avocado variety known as 'Carmen' or 'Mendez'. In the U.S. plant patent, this variety is described as a "sport discovered by the observation of its early flowering in relation to the 'Hass' avocado." While the flowering pattern of 'Carmen' is distinct from that of 'Hass' the fruit is essentially indistinguishable in taste and shape but tends to be slightly smaller than 'Hass'. Currently, the genetic differences between 'Hass' and 'Carmen' are unknown, thus it is impossible to definitively distinguish the fruit in the marketplace.*

*The California Avocado Commission is potentially interested in funding a two-phase research project to understand the differences between 'Hass' and 'Carmen'. Phase 1 will entail identifying the genetic markers that distinguish 'Hass' from 'Carmen'. Phase 2 will be to develop commercially viable testing procedures to be used to test and accurately identify 'Hass' and 'Carmen' fruit in the supply chain.*

*If you are interested in submitting a proposal to the California Avocado Commission for Phase 1 of this research, please do so via email to [tim@spannag.com](mailto:tim@spannag.com) by 15 July 2026. Proposals should be brief, no more than 5 pages and include the following: methodology to be used, detailed budget, project timeline and milestones, summary of yours and your key team members' qualifications.*

*Thank you for your consideration. If you have any questions, please do not hesitate to contact me.*

Drs. Solares, Hormaza, van den Berg and Herrera-Estrella responded by submitting a proposal for review.

Following impassioned public comments by Gray Martin and Ohannes Karaoghlanian, the committee had a robust discussion. Several key points were made, including that the question at hand is not due to concerns that the varieties have potentially been mixed up in the nursery and growers are receiving mislabeled trees. In fact, it was pointed out that the Carmen variety is grown, managed, and harvested and handled separately from Hass due to its distinct characteristics. Rather, the question arises because of the concern that Carmen fruit are being deliberately misidentified as Hass for shipment to the U.S. market, and the fruit of the two varieties are indistinguishable.

Committee members noted the different approaches each researcher presented for answering the question. There was also significant discussion about the origins of the Carmen variety, whether it was a seedling or a sport (random mutation) as described in the original plant patent. There were strong opinions from non-committee members that understanding the origin of the variety was an important piece of the puzzle. However, the committee rejected this assertion as irrelevant to the question at hand of developing a test to distinguish the variety from Hass in the supply chain.

Chair Klittich asked that the committee focus on a fundamental question of whether it was possible, scientifically, to distinguish Carmen from Hass before proceeding with further discussion. A motion was made, **“It is scientifically feasible to find genetic markers to distinguish the Carmen variety from Hass.”** The motion was seconded and passed unanimously.

Additionally, the committee had strong opinions about whether this work was even needed. A vote of the committee members was taken and three members said yes the work is necessary and should be funded, four members said no, the work is not necessary and should not be funded.

Chair Klittich then asked the committee if they believed that any of the four proposals before them could answer the fundamental question being asked. Each committee member then gave their thoughts on the different proposals and named the one they thought was the best. There was some support for the proposal from Dr. Herrera-Estrella (\$360,000) and the robustness of that proposal, but the price was too high; there was generally more support for one of the lower cost proposals to just answer the question by identifying genetic markers to distinguish the varieties. There was no support for the proposal submitted by Dr. Solares because of the intellectual property clause included in the proposal which stated that his company would offer CAC a time-limited (180 days from the end of the completion of the research) right to negotiate a “royalty-bearing license” to use the research results. In addition, Dr. Solares’ proposal requested full payment prior to initiation of the research.

The following motion was made, seconded and passed unanimously by the committee:

***If the Board desires to fund a project on this topic, the Committee recommends the proposal submitted by Dr. Iñaki Hormaza for \$50,306; however, the support was mixed with four committee members ranking Dr. Hormaza’s proposal as their top choice, one ranking Dr. Herrera-Estrella’s as their top choice, one ranking Dr. van den Berg’s as their top choice, one member was supportive of either of the cheapest proposals (Hormaza or van den Berg) and one member supportive of Dr. Herrera-Estrella’s proposal or Dr. Hormaza’s proposal. Overall, support for the proposals by committee members totaled: Solares, 0; Hormaza, 6; Herrera-Estrella, 2; and van den Berg 2.***



**FISCAL ANALYSIS:**

- Dr. Hormaza's proposal is estimated to take 12-months to complete at a total cost of \$50,306. If funded for the 2026-27 fiscal year this would bring the total 2026-27 production research budget to \$737,440 including all other current funding commitments.

**BOARD OPTIONS:**

- Accept the PRC's recommendation
- Modify the PRC's recommendation
- Take no action

**STAFF RECOMMENDATION:**

- Staff defers to the Board

**EXHIBITS / ATTACHMENTS:**

- Hass avocado variety authentication: A genetic diagnostic for supply chain integrity – Dr. Edwin Solares, ESB AI Lab Corporation
- Determining specific genetic markers for 'Carmen Hass/Mendez No1' avocado – Dr. Iñaki Hormaza, La Mayora Institute of Subtropical and Mediterranean Horticulture
- Genomic Identification and Molecular Marker Development for the Unique Identification of 'Hass' and 'Carmen' Avocado – Dr. Luis Herrera-Estrella, Texas Tech University
- Discovery of Carmen Hass-specific genomic variants through whole-genome resequencing – Dr. Noëlani van den Berg, University of Pretoria

# HASS AVOCADO VARIETY AUTHENTICATION

A Genetic Diagnostic for Supply Chain Integrity

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## *Research Proposal and Statement of Work*

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Prepared for: California Avocado Commission  
Prepared by: Dr. Edwin Solares, Principal Investigator  
ESB AI Lab Corporation  
June 2026

**Total Program Estimate: \$160,000**

Timeline: 6 – 9 months | Two phases

Indirect cost rate: 10% of total direct costs

## 1. The Problem

Unauthorized avocado varieties that are morphologically indistinguishable from Hass are entering the U.S. market and being sold as authentic Hass. Visual inspection cannot reliably differentiate Hass from similar cultivars such as Carmen (Mendez), GEM, or Luna. No validated commercial diagnostic test currently exists. The consequence is downward price pressure on California growers, erosion of the Hass premium, and an enforcement gap that grows as import volumes increase.

## 2. What This Project Delivers

A validated genetic diagnostic panel that provides a definitive yes/no answer: is this avocado Hass, or is it Carmen, GEM, Luna, or another validated variety? The test is based on polymerase chain reaction (PCR), a standard laboratory technique that amplifies specific regions of DNA to detect the presence or absence of variety-specific genetic markers. The diagnostic will be transferable to any molecular biology laboratory and designed for eventual deployment at packing houses and ports of entry.

All computational analysis (marker discovery, primer design, data interpretation) is performed by the Principal Investigator (PI). All wet laboratory work (DNA extraction, PCR validation, sequencing confirmation) is outsourced to established core facilities or contract research organizations (CROs).

## 3. Statement of Work

### Phase 1: Marker Discovery and Validation

*Timeline: 8 – 12 weeks from execution of agreement*

**Budget: \$60,000**

**Objective:** Identify single nucleotide polymorphisms (SNPs, pronounced "snips"), which are single-letter differences in the DNA code, that are unique to validated varieties such as Carmen, GEM, etc and absent in Hass or vice-versa. Validate their uniqueness across all available avocado accessions using formal population-genetic methods and machine learning-based feature selection.

**Approach:** Using whole-genome resequencing data from the PI's own published work (Solares et al. 2023, G3 Genes|Genomes|Genetics, 24 accessions) and publicly available genomic datasets (Rendón-Anaya et al. 2019, 13 accessions), the PI will align all 37 samples to the publicly available Hass reference genome (Nath et al. 2022, University of Queensland) and identify positions in the genome where varieties such as Carmen differs from Hass. SNP calls from short-read sequencing carry an approximately 10–15% error rate due to reads aligning to the wrong location in repetitive regions of the genome. The PI accounts for this through stringent computational filtering and machine learning-based ranking of candidate markers.

**Key experimental design:** The analysis exploits the full Hass pedigree chain available in the existing data: Lyon (putative Hass parent) → Hass → Thille (first-generation Hass offspring) → Gwen (second-generation offspring). Carmen's genomic position along this gradient determines whether it is a clone or a genetically distinct seedling. Two independent Hass samples from Rendón-Anaya et al. serve as replicate controls, establishing the analysis pipeline's baseline error rate before any Carmen comparison is made. Kinship analysis (KING software, which computes formal relatedness coefficients between all sample pairs) and principal component analysis (PCA, a

standard method for visualizing genetic relationships) will place varieties such as Carmen in their proper population-genetic context.

**Wet lab work (outsourced):** If candidate markers are identified, custom primers (short synthetic DNA sequences used to target specific regions for PCR amplification) will be ordered from Integrated DNA Technologies (IDT) and validated via outsourced PCR on authenticated samples collected from an authoritative germ plasm such as the germplasm from UCR. If Luna or other target varieties require sequencing, a short-read Illumina run will be contracted.

**Deliverable:** A catalog of variety-specific candidate markers with documented statistical confidence, a validated subset of these markers performed with PCR from young leaves demonstrating proof of concept, formal kinship analysis, population structure analysis, and documented evidence regarding whether Hass-like varieties (Carmen, GEM, Luna) carry markers distinguishable from Hass at short-read resolution. The deliverable is a technical report documenting the validated markers and their performance characteristics. The marker sequences, primer sequences, PCR protocols, and diagnostic methodology described in the report constitute proprietary intellectual property of ESB AI Lab Corporation. Commercial use, reproduction, deployment, or transfer of the markers or protocols described in the report requires a separate license from ESB AI Lab Corporation, as specified in Section 6 (Intellectual Property).

**Known limitation:** If any variety such as Carmen is a somatic mutant of Hass (a clone that diverged through mutations accumulated during vegetative propagation rather than through sexual reproduction), short-read-derived SNP markers may not distinguish them at conventional loci. However, somatic loss of heterozygosity (LOH, where one of the two parental copies of a genomic region is lost or replaced) and transposable element (TE, segments of DNA that can move to new positions within the genome) mediated structural rearrangements may still be detectable through windowed divergence analysis.

## Phase 2: Diagnostic Development

*Timeline: 4 – 6 months following successful Phase 2 completion*

**Budget: \$100,000**

*Contingent on successful Phase 1. Funded separately upon CAC approval.*

**Objective:** Develop validated markers into a deployable PCR-based diagnostic.

**Scope:** The PI will design PCR primers targeting the markers identified in Phase 1, outsource PCR optimization and validation on authenticated samples, benchmark performance across 50–100 samples from commercial fruit, nursery material, and imported product, and prepare a standard operating protocol (SOP) for use in a qualified molecular biology laboratory. If candidate markers produce nonspecific amplification or fail to discriminate at the required confidence threshold, the workflow iterates: additional sequencing to cover gaps, revalidation, and retesting until the panel meets performance standards. This phase includes validation of DNA extraction from avocado fruit tissue (mesocarp), which requires specialized protocols due to high oil, polysaccharide, and polyphenol content.

**Deliverable:** A laboratory-based diagnostic protocol with approximately 48-hour turnaround, operable by a trained technician. This is not a field tool. The deliverable is a technical report documenting the diagnostic protocol and its validated performance characteristics. The primer

sequences, amplification protocols, interpretation criteria, and standard operating procedures described in the report constitute proprietary intellectual property of ESB AI Lab Corporation. Commercial use, reproduction, deployment, sublicensing, or transfer of the diagnostic to third parties requires a separate license from ESB AI Lab Corporation, as specified in Section 6 (Intellectual Property). Delivery of the report does not constitute a grant of rights to use the intellectual property described therein.

Please Note: A field-deployable rapid test usable by inspectors at packing houses or ports of entry requires a separate research and development effort beyond the scope of this proposal. That work would be funded through federal research grants, not solely by CAC.

## 4. Budget

*Indirect cost rate: 10% of total direct costs (TDC). This rate reflects ESB AI Lab Corporation's status as a newly formed nonprofit research organization.*

| Line Item                                                                                    | Phase 1         | Phase 2          |
|----------------------------------------------------------------------------------------------|-----------------|------------------|
| PI salary and fringe benefits                                                                | \$30,000        | \$42,000         |
| DNA extraction (UCI GRT Hub; leaf tissue)                                                    | \$1,500         | —                |
| DNA extraction: leaf + fruit, 100 samples (UCI GRT Hub; leaf + fruit tissue, 50–100 samples) | —               | \$6,000          |
| Fruit tissue extraction protocol optimization (outsourced)                                   | —               | \$5,000          |
| Custom primer synthesis (Integrated DNA Technologies)                                        | \$500           | \$400            |
| PCR validation (UCI GRT Hub)                                                                 | \$3,250         | \$9,500          |
| Sanger confirmation sequencing (outsourced)                                                  | \$1,200         | \$2,000          |
| New Illumina sequencing (Carmen ×3, GEM, Luna, Hass ×3; outsourced UCI)                      | \$2,450         | —                |
| Sample procurement, shipping, handling                                                       | \$2,500         | \$3,500          |
| High-performance computing access                                                            | \$800           | \$500            |
| Consumables and reagents (provided to CRO)                                                   | \$500           | \$3,000          |
| Travel (sample collection, CAC meetings)                                                     | \$1,200         | \$3,000          |
| Contingency reserve (sequencing reruns, additional samples, iterative validation)            | \$5,545         | \$7,000          |
| SOP development and documentation                                                            | —               | \$1,500          |
| Provisional Patent Filings                                                                   | \$3,000         |                  |
| <b>Subtotal Direct Costs</b>                                                                 | <b>\$52,445</b> | <b>\$83,500</b>  |
| Indirect costs (10% of TDC)                                                                  | \$5,244.50      | \$8,350          |
| Rounding / reserve                                                                           | \$2,310.50      | \$8,150          |
| <b>PHASE TOTAL</b>                                                                           | <b>\$60,000</b> | <b>\$100,000</b> |
| <b>COMBINED PROGRAM TOTAL</b>                                                                |                 | <b>\$160,000</b> |

**Of every dollar in this budget, 90 cents goes directly to research.** ESB AI Lab's 10% indirect cost rate reflects its commitment to delivering maximum research value per sponsor dollar. By comparison, the University of California system charges 55–60% in facilities and administrative costs on federally sponsored research.

*Phase 2 funding is contingent on successful Phase 1 completion and separate CAC approval. CAC may elect to fund Phase 1 alone (\$60,000) and evaluate results before committing to Phase 2.*

### Payment Terms

The full award amount for each phase shall be disbursed to ESB AI Lab Corporation within 30 days of execution of the applicable agreement and prior to the commencement of any research. This is standard practice in sponsored research and ensures that the scientific analysis is conducted with complete independence from the funding timeline.

In the event of early termination by either party with 90 days written notice, ESB AI Lab Corporation shall return any unexpended direct costs to the Commission within 60 days of the termination date. All completed work products and data generated to that point shall be delivered to CAC upon termination.

| Phase          | Payment Trigger                                                                 | Amount           |
|----------------|---------------------------------------------------------------------------------|------------------|
| <b>Phase 1</b> | Execution of Phase 1 agreement                                                  | <b>\$60,000</b>  |
| <b>Phase 2</b> | Execution of Phase 2 agreement (contingent on Phase 1 success and CAC approval) | <b>\$100,000</b> |

## 5. Principal Investigator

Edwin Solares, PhD., is the author of the first published haplotype-resolved avocado reference genome (Solares et al. 2023, G3 Genes|Genomes|Genetics). That study resequenced 34 avocado accessions spanning all three botanical races (Mexican, Guatemalan, and West Indian), identified candidate genomic regions for heterodichogamy (the mechanism controlling A-type and B-type flowering) on chromosome 10, and reported 3.8% genic hemizyosity in the Gwen cultivar. The bioinformatic pipelines, reference assemblies, and variant calls generated in that study provide the direct data foundation for the marker discovery proposed here.

Dr. Solares holds a PhD in Computational Biology from UC Irvine and has published peer-reviewed methods for genome assembly optimization (HapSolo, BMC Bioinformatics 2021) and structural variant analysis in plant genomes (Genome Research 2023). He serves as Executive Director of ESB AI Lab Corporation, a California Nonprofit Public Benefit Corporation whose mission includes Food Security research, and teaches at the University of California San Diego in both the Halicioğlu Data Science Institute and the Computer Science and Engineering Department.

## 6. Intellectual Property

ESB AI Lab Corporation retains all patent rights and intellectual property arising from this sponsored research. Any invention, discovery, marker sequence, diagnostic protocol, or patentable idea conceived or reduced to practice in the course of this research belongs to ESB AI Lab Corporation. Funding by the California Avocado Commission (CAC) does not give rise to ownership of the resulting intellectual property.

ESB AI Lab Corporation will grant to the Commission a time-limited first right to negotiate an exclusive or nonexclusive royalty-bearing license, based upon the level of sponsor support. The option period shall not exceed 180 days from delivery of the applicable phase report. An outright license grant is not included in this research agreement. The scope, field of use, and financial terms of any such license will be negotiated separately upon exercise of the option.

This structure is consistent with the intellectual property policies of the University of California system, the Salk Institute for Biological Studies, and comparable nonprofit research institutions.

## 7. Scientific Independence

The full upfront disbursement of each phase's award ensures that the PI conducts the analysis without financial dependency on the outcome. The analysis is data-driven. Results will be dictated by the data, not by the funding schedule. This structure is standard in sponsored research and is essential for maintaining the scientific integrity that gives the results credibility in trade enforcement, regulatory proceedings, and peer-reviewed publication.

## 8. Future Work

If Phase 1 determines that Carmen and Hass are indistinguishable at short-read resolution, the path forward involves higher-resolution long-read sequencing to resolve somatic structural variants. Recent advances in sequencing chemistry have substantially reduced the cost of such work. That



phase could be funded through federal research grants, with CAC participating as a co-investor. Phase 1 results provide the preliminary data necessary for a competitive federal application.

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### **Contact**

Dr. Edwin Solares, Executive Director & Principal Investigator

ESB AI Lab Corporation

[esbailab.org](http://esbailab.org)

## **Determining specific genetic markers for ‘Carmen Hass/Mendez No1’ avocado**

The availability of molecular tools to identify genetic differences among genotypes is essential for breeding programs and the management of genetic resources (Kämper et al., 2021), as these tools support both crop improvement and the conservation of genetic diversity. In avocado, after more than a century breeding programs (Lahav et al., 2024), a wide range of molecular markers have been used to identify accessions and clarify genetic relationships, including minisatellites, VNTRs, RAPDs, RFLPs, SSRs (Alcaraz & Hormaza, 2007), and SNPs (Kuhn et al., 2019; Talavera et al., 2019; Rubinstein et al., 2019; Rendón-Anaya et al., 2019; Solares et al. 2022; Berdugo-Cely et al., 2023; Cañas-Gutiérrez et al., 2025).

Despite these advances, global production remains highly dependent on a limited number of cultivars, with a single cultivar, ‘Hass’ accounting for approximately 90% of the global avocado market (Pérez et al., 2025; Talavera et al. 2019). In addition to most cultivars developed by selection from seedlings, occasional spontaneous somatic mutations (bud sports) have been reported in avocado (Lahav et al., 2024). In the case of ‘Hass’ examples include ‘Carmen Hass’/‘Mendez No 1’, ‘Jimenez-1’, ‘Jimenez-2’ and ‘Flor de Maria’ in Mexico, ‘Andes 3’ and ‘Andes 4’ in Chile or ‘Turner Hass’ in Australia. The most economically important of those mutants is ‘Carmen Hass’, which is grown in several countries, due to its ability to produce fruit outside the typical ‘Hass’ season, allowing growers to access premium market prices. This cultivar originated from a spontaneous sport identified by the observation of its early flowering compared to ‘Hass’ in Uruapan, Michoacan, Mexico. Because these bud sports generally result from single or very few mutations, distinguishing them at the molecular level remains challenging. Consequently, currently available fingerprinting methods based on molecular markers have not been able to unequivocally distinguish ‘Carmen Hass’ from ‘Hass’.

To address this challenge, we propose the use of whole-genome resequencing at 30x coverage to identify Single Nucleotide Polymorphisms (SNPs) specific to ‘Carmen Hass’ and validate them using complementary molecular approaches to determine the most suitable method for routine application. This approach should provide higher resolution and accuracy, particularly given the availability of recently published reference genomes (Nath et al. 2022; Solares et al, 2023), making the detection of these markers more feasible. This strategy is expected to enable the identification of validated molecular markers capable of reliably distinguishing ‘Carmen Hass’ from ‘Hass’ fruit throughout the supply chain.

### **● Materials and Methods.**

Leaf tissue will be collected from a total of 10 avocado trees each of the ‘Carmen Hass’ and ‘Hass’ cultivars provided by The California Avocado Commission. Samples will be obtained from trees showing clear phenotypic differences in the field. Genomic DNA will be extracted from dried young leaves using the Qiagen DNeasy plant Mini kit. DNA quality will be determined using a NanoDrop spectrophotometer (ND-1000; Thermo Scientific, New York, USA), while DNA integrity and fragment size will be evaluated by 1% agarose gel electrophoresis.

Paired-end sequencing libraries will be prepared following the NovaSeq PE150 library preparation protocol and sequenced on the Illumina platform. Raw sequencing reads will be processed using Trimmomatic (0.39) (Bolger et al. 2014) and mapped to the reference genome (Nath et al. 2022) using BWA-mem (2.2.1) (Li, 2013). PCR duplicates will be identified and removed using GATK MarkDuplicates (Poplin et al. 2018). Variant discovery will be conducted using GATK Best Practices (Van der Auwera & O'Connor, 2020) using HaplotypeCaller. Variant files from all chromosomes will be concatenated and filtered to retain high-quality biallelic SNPs using GATK SelectVariants and VariantFiltration with hard-filtering criteria. VCFtools (0.1.14) (Danecek et al. 2011) will be used to remove missing data. Only variants passing all filtering criteria will be retained.

Genetic relationships between the samples will be analysed using Principal Components Analysis (PCA) and phylogenetic approaches using R. Putative private SNPs (specific to ‘Carmen Hass’) will be identified and validated using DNA extracted from fruit skin of ‘Carmen Hass’ using the DNA extraction kit indicated above. Different validation approaches, such as Kompetitive Allele-Specific PCR (KASP) (He et al. 2014), High-Resolution Melting (HRM) (Erali & Wittwer 2010) or Sanger sequencing (Hyten et al. 2010) will be evaluated to identify the most reliable and cost-effective method. For this purpose, specific primers will be designed, and the protocols will be optimized for each validation method.

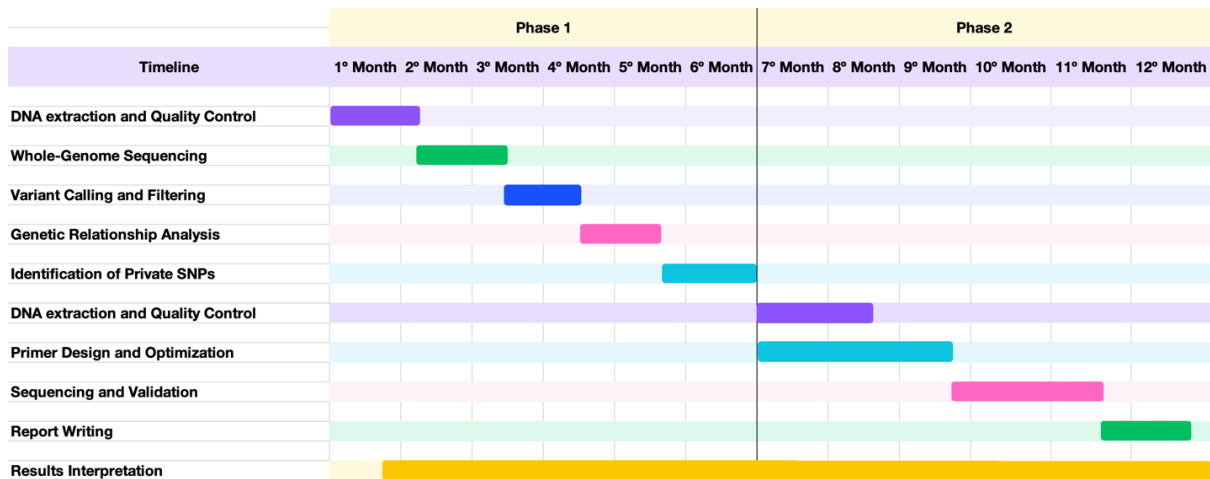
- **Contingency plan.**

While most bud sports in fruit trees result from DNA sequence mutations, some are driven by stable epigenetic modifications, including changes in DNA methylation or histone modifications, that alter gene expression without changing the underlying DNA sequence of the plant (Zhou et al., 2023). Therefore, it is possible that the phenotypic differences between ‘Carmen Hass’ and ‘Hass’ are epigenetic rather than genetic. If whole-genome resequencing does not identify robust cultivar-specific genetic markers, we propose to extend this work to investigate epigenetic differences between the two cultivars using appropriate epigenomic approaches.

- **Budget.**

|               | Price \$ |
|---------------|----------|
| Phase 1       | 19,500   |
| Phase 2       | 21,250   |
| Indirect cost | 9,556    |
| Total         | 50,306   |

- **Timeline and milestones.**



- **Research Team and scientific contributions.**

This project will be executed by a group of three scientists from La Mayora Institute of Subtropical and Mediterranean Horticulture (IHSM La Mayora) with extensive experience in genetics, genomics and bioinformatic analyses in avocado and other subtropical fruit crops: Alicia Talavera (orcid: [0000-0002-1285-7891](https://orcid.org/0000-0002-1285-7891)), Noé Fernández-Pozo (orcid: [0000-0002-6489-5566](https://orcid.org/0000-0002-6489-5566)) and Iñaki Hormaza (orcid: [0000-0001-5449-7444](https://orcid.org/0000-0001-5449-7444)). The group has considerable expertise in the identification and characterizing of avocado cultivars from different collections worldwide and has been involved in numerous avocado projects, as well as the development and maintenance of Avobase, a web portal dedicated to avocado genomics ([https://www.avocado.uma.es/easy\\_gdb/index.php](https://www.avocado.uma.es/easy_gdb/index.php)). Below we attach some of the publications of our group since 2019 on avocado research.

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**PHASE 1 RESEARCH PROPOSAL**  
**Genomic Identification and Molecular Marker Development**  
**for the Unique Identification of ‘Hass’ and ‘Carmen’ Avocado**

Submitted to: California Avocado Commission

Principal Investigator: Luis Herrera-Estrella

Co-Investigators: Dr. Gerardo Alejo Jacuinde

**Project Duration: 18 months | Total Budget: \$331,166**

## **Executive Summary**

The ‘Hass’ and ‘Carmen’ avocado varieties are morphologically indistinguishable by vegetative and fruit characteristics, differing principally in flowering time. This phenotypic similarity creates critical vulnerabilities across the supply chain, from nursery certification and orchard management to post-harvest variety verification and intellectual property protection, with direct economic consequences for California growers, packers, and retailers. Phase 1 of this two-phase research program will deliver a definitive set of validated genetic markers that unambiguously distinguish ‘Hass’ from ‘Carmen’ at the DNA level, grounded in haplotype-resolved, chromosome-level genome assemblies of both varieties. Our preliminary genomic analysis has already confirmed that ‘Carmen’ harbors distinct structural architectures and allelic variations that are entirely absent from the existing public ‘Hass’ reference genome, underscoring the absolute necessity of de novo assembly for both varieties before robust markers can be identified. By the end of Phase 1, we will deliver a validated, commercially deployable panel of 3–5 diagnostic molecular markers, establishing the scientific foundation for the field-ready testing procedures to be developed in Phase 2.

## **Problem Statement and Industry Relevance**

California produces most of the avocados grown in the United States, with ‘Hass’ accounting for most commercial production. ‘Carmen’ (also known as ‘Mendez’) has emerged as a variety of growing commercial interest, valued particularly for its early-flowering phenology, which offers advantages for orchard management and market scheduling. However, the near-identical leaf morphology, tree architecture, and fruit characteristics of the two varieties mean that visual inspection cannot reliably distinguish them at any point in the supply chain.

This creates three categories of industry risk that a validated DNA-based marker system would directly address:

- **Nursery and orchard integrity:** Mislabelled planting material leads to unintended variety mixing, with consequences for orchard management, pollination strategy, and harvest scheduling that may not become apparent for years.
- **Post-harvest and supply chain verification:** Without a rapid, reliable testing method, packing houses and retailers cannot confirm the variety identity of incoming fruit, creating exposure to mislabeling claims and brand integrity issues.
- **Plant variety protection and grower investment:** Growers and breeders investing in ‘Carmen’ production require legally defensible tools for variety verification to protect their intellectual property and commercial interests.

## **Scientific Rationale and Intellectual Merit**

The phenotypic difference between ‘Hass’ and ‘Carmen’, early flowering, is most likely driven by a low-frequency somatic mutation, a small structural variant (SV), or a transposable element (TE) insertion near a gene that modulates flowering time. Because the *Persea americana* genome is highly heterozygous (1.96–2.08% for ‘Hass’; 1.61–1.92% for ‘Carmen’ based on our *k*-mer analyses), this early-flowering phenotype

may be driven by a mutation occurring on only one of the parental haplotypes, making it invisible to standard collapsed (haploid) assemblies.

Our preliminary *k*-mer spectral analysis using Merqury (**Figure 1**) against the publicly available ‘Hass’ reference genome (Nath et al., 2022) reveals a critical limitation: the current reference fails to capture a substantial pool of heterozygous *k*-mers shared by both lines. Crucially, the ‘Carmen’ (‘Mendez’) profile shows a broader, enriched read-only signature relative to ‘Hass’, demonstrating that ‘Carmen’ harbors distinct structural architectures and allelic variations entirely absent from the standard reference. Attempting to identify the mutations responsible for the early-flowering phenotype via standard reference mapping would fundamentally risk false negatives by ignoring this unrepresented allelic space. Although not strictly necessary for the main objective of this proposal, it would be highly desirable to have strong candidates for the causal mutation underlying the ‘Carmen’ flowering phenotype to enable more precise identification and future gene-editing-based breeding programs.

This empirical bottleneck underscores the necessity of our proposed haplotype-resolved, de novo assembly strategy for both varieties, which will capture the true genetic markers that distinguish ‘Carmen’ from ‘Hass’ with the fidelity required for commercial deployment.

### Specific Objectives

1. Generate chromosome-level, haplotype-resolved de novo genome assemblies for both ‘Hass’ and ‘Carmen’.
2. Identify genome-wide sequence polymorphisms, SNPs, indels, structural variants, and TE insertions that consistently and exclusively distinguish ‘Carmen’ from ‘Hass’.
3. Validate a minimal panel of 3–5 diagnostic molecular markers across geographically diverse populations of both varieties.
4. Deposit all genomic assemblies and marker sequences in publicly accessible repositories as a permanent resource for the California avocado industry.

### Methodology

#### Task 1: Sample Collection and DNA Extraction (Months 1–3)

Verified ‘Hass’ and ‘Carmen’ mother trees will be sourced from certified populations in California’s principal avocado-producing counties (Ventura, San Diego, and Santa Barbara). For de novo genome assembly, a single high-quality representative individual per variety will be selected. For population-scale validation, leaf material will be collected from 20 verified ‘Hass’ and 20 verified ‘Carmen’ individuals from geographically distinct orchards.

High-molecular-weight (HMW) DNA will be extracted from young leaf tissue using an optimized CTAB and magnetic bead-based purification protocol validated for the high-lipid, high-polyphenol content of avocado leaf tissue, targeting fragment sizes in the 50–300+ kb range required for PacBio HiFi library preparation. Hi-C crosslinked nuclei will be prepared from fresh leaf tissue following the Arima-HiC 2.0 protocol.

#### Task 2: De Novo Genome Sequencing and Assembly (Months 2–6)

Each genome will be sequenced using a three-technology strategy designed to maximize both base-level accuracy and chromosomal contiguity, targeting the known ~920 Mb avocado genome:

- **PacBio HiFi sequencing** (50× coverage): Long, highly accurate reads essential for phasing heterozygous haplotypes and spanning the repeat-rich regions that dominate the avocado genome.
- **Hi-C chromatin conformation capture** (184 M PE reads; approximately 55 Gb): Proximity ligation data to scaffold assembled contigs into chromosome-level pseudomolecules.



- **Illumina paired-end sequencing** (PE-150 bp, 50× coverage): High-accuracy short reads for base-level polishing and SNV validation.

Phased assembly will be performed using Hifiasm, with Hi-C scaffolding into pseudochromosomes using HapHiC. Assembly completeness, continuity, and phasing precision will be rigorously evaluated using BUSCO completeness benchmarks and Merqury spectral analyses. Repetitive sequences will be characterized using RepeatModeler (de novo) combined with homology-based approaches using RepBase and PlantRep, followed by RepeatMasker annotation. Structural gene annotation will be performed using BRAKER3, integrating public *Persea americana* protein databases and available transcriptomic evidence.

Both assemblies will be generated using identical sequencing technologies and bioinformatics pipelines to eliminate technical artifacts arising from platform or methodological differences, ensuring that observed genomic differences between varieties reflect true biological variation.

### Task 3: Comparative Genomics and Variant Discovery (Months 6–10)

A parallel bioinformatic discovery pipeline will be applied to separate true somatic mutations and variety-specific variants from technical assembly artifacts:

#### *Genome-to-genome alignment*

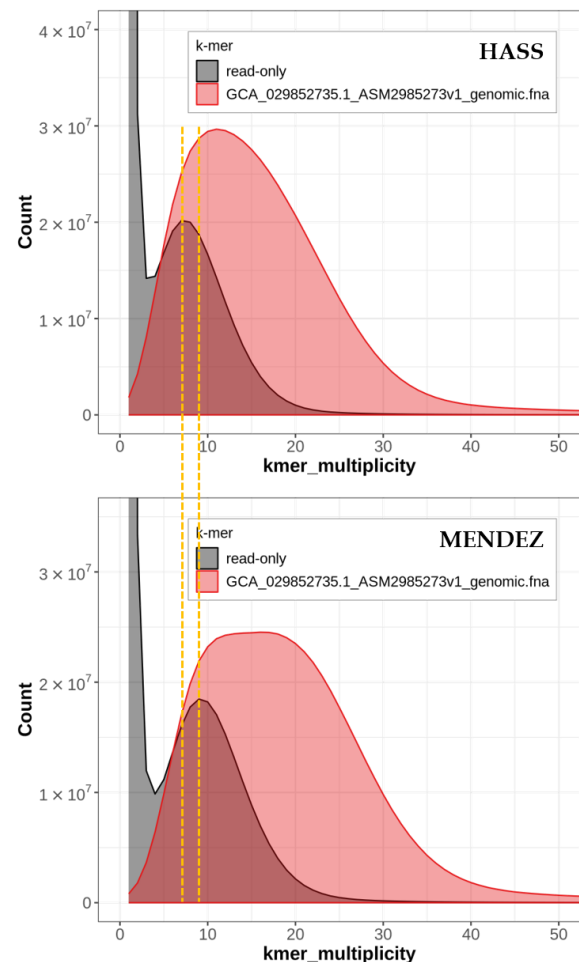
Direct whole-genome alignments between the finalized phased ‘Hass’ and ‘Carmen’ assemblies will be performed with minimap2, and large-scale insertions, deletions, inversions, and translocation breakpoints will be systematically extracted using paftools.js.

#### *Read-based cross-validation*

Short and long reads from both varieties will be reciprocally cross-mapped to both assemblies to establish a high-confidence baseline for variant calling. Short-read alignments (Bowtie2) will be used to run VarScan2 for SNV and micro-indel calling; long-read alignments (minimap2) will be used to run PBSV for structural variant detection. Only variants identified independently by both genome-alignment and read-mapping approaches will advance as high-confidence candidates.

#### *Population-scale filtering*

Candidate variants will be screened against an expanded cohort of 40 commercial populations (20 ‘Hass’, 20 ‘Carmen’) sequenced at 30× depth (Illumina). Short-read data from the 40-population cohort will be processed using the GATK HaplotypeCaller pipeline. Subsequently, custom Bcftools filters and PLINK association analyses will be applied to exclude intra-variety polymorphisms and isolate stable, high-



**Figure 1. *k*-mer spectrum analysis (Merqury) of ‘Hass’ and ‘Mendez’ (‘Carmen’) genomes against the public haploid reference.** Whole-genome Illumina reads from ‘Hass’ (top) and ‘Mendez’ (bottom) were tracked against the standard collapsed ‘Hass’ reference assembly. The prominent gray/brown peaks spanning the heterozygous multiplicity space (marked by yellow dashed lines) represent high-confidence read *k*-mers completely absent from the reference genome. The expanded read-only signature and altered assembly coverage profiles in ‘Mendez’ highlight significant, unrepresented genomic divergence between the two varieties.

confidence variants that segregate perfectly with the 'Carmen' early-flowering phenotype. The software Paragraph will be used to assess candidate structural variants, while transposable element (TE) insertions will be profiled across the cohort using tools such as PopoolationTE2. Priority will be given to stable structural variants and TE insertions, which offer the most reliable and unambiguous diagnostic signatures.

#### **Task 4: Molecular Marker Development and Validation (Months 10–18)**

From the validated candidate locus pool, PCR primers will be designed flanking variety-diagnostic polymorphisms. Three marker formats will be developed in parallel to accommodate different deployment contexts and equipment levels:

- **Indel markers:** Size-polymorphic amplicons distinguished by agarose gel electrophoresis — lowest cost, no specialized equipment required, suitable for nurseries and field laboratories.
- **CAPS markers (Cleaved Amplified Polymorphic Sequences):** SNPs creating or abolishing restriction enzyme sites, distinguished by restriction digest of a PCR product — no specialized equipment required beyond standard PCR and gel electrophoresis.
- **KASP assays (Kompetitive Allele-Specific PCR):** High-throughput fluorescence-based SNP genotyping for large-scale certification programs and high-volume supply chain screening.

An initial panel of 20 candidate markers will be developed to identify a minimally validated set of 3–5 markers that provide complete, unambiguous discrimination of variety. Final validation will be performed by blind genotyping of 50 'Hass' and 50 'Carmen' individuals from independent orchards not used in variant discovery, plus 20 individuals of other commercially relevant California varieties (Lamb Hass, GEM, Maluma) to confirm specificity.

#### **Phase 1 Deliverables**

- **Two chromosome-level, haplotype-resolved genome assemblies** for 'Hass' and 'Carmen', fully annotated and deposited in NCBI, represent the first variety-resolution genomic resource for the California avocado industry and a permanent platform for future research.
- **A high-confidence catalog of variety-specific genetic variants** distinguishing 'Carmen' from 'Hass', validated across 40 geographically diverse populations.
- **A validated molecular marker panel** of 3–5 diagnostic loci capable of unambiguously distinguishing 'Hass' from 'Carmen' from any tissue — leaf, seed, or fruit — at any developmental stage, in three marker formats (indel, CAPS, KASP).
- **Peer-reviewed publications** reporting the genome assemblies and marker development, ensuring scientific credibility and long-term visibility for the Commission's investment.
- **A genomic and bioinformatic framework** ready to support Phase 2 commercial testing protocol development without additional sequencing.

#### **Significance and Connection to Phase 2**

Phase 1 will resolve the fundamental scientific question of what makes 'Carmen' genetically distinct from 'Hass' and deliver validated genetic markers on which all subsequent commercial testing depends. The haplotype-resolved genome assemblies generated in Phase 1 will serve as permanent, publicly available resources that benefit the California avocado industry far beyond this project, providing a foundation for future research into avocado breeding, disease resistance, and climate adaptation.

The marker panel and genomic data from Phase 1 will directly and efficiently enable Phase 2, where the focus shifts from marker discovery to the development of commercially viable testing procedures deployable across the supply chain, from nursery certification to packing house verification, at the speed, cost, and simplicity required for routine industry adoption.

## Research Team

The proposed project will be led by Dr. Luis Herrera-Estrella, a member of the United States National Academy of Sciences and the Royal Society of London, one of Latin America's most distinguished plant scientists with over 30 years of experience in plant biotechnology and genomics. Dr. Herrera-Estrella has direct and relevant expertise in large-scale plant genome sequencing, having led sequencing and assembly projects for avocado, chili pepper, and chia, among others, which makes him uniquely positioned to lead the de novo assembly of the 'Hass' and 'Carmen' genomes. He will be joined by Dr. Gerardo Alejo-Jacuinde, an expert in plant genomics with extensive experience in the sequencing and assembly of complex, highly heterozygous plant genomes, including multiple *Selaginella* species, chia, and most recently, the genome sequencing of five species of resurrection plants, organisms renowned for their genomic complexity and repeat content. Both investigators are faculty members of the Institute of Genomics for Crop Abiotic Stress Tolerance (IGCAST) within the Department of Plant and Soil Science at Texas Tech University, an institute purpose-built for the kind of large-scale, integrative genomics research proposed here. We are requesting funds for a MSc student, who will be trained to participate in the sample collection, data processing and analysis. Together, the team brings directly applicable expertise in every technical component of the proposed Phase 1 strategy, from high-molecular-weight DNA extraction and long-read sequencing to haplotype-resolved assembly, comparative genomics, and molecular marker development.

## Project Timeline

|                                             | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
|---------------------------------------------|---|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|
| Sample Collection and DNA Extraction        |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |
| De Novo Genome Sequencing and Assembly      |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |
| Comparative Genomics and Variant Discovery  |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |
| Molecular Marker Development and Validation |   |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |

## Budget Summary

| Category                                               | Amount            |
|--------------------------------------------------------|-------------------|
| Personnel                                              | \$179,824         |
| Graduate tuition and fees                              | \$13,696          |
| Travel - Sample collection                             | \$22,452          |
| Sequencing and Genomics                                | \$30,000          |
| Bioinformatics and Computing                           | \$4,000           |
| Supplies and Other Direct Costs                        | \$26,000          |
| Subtotal (Direct Costs)                                | \$275,972         |
| Indirect Costs (indirect rate applied to direct costs) | \$55,194          |
| <b>TOTAL PHASE 1 REQUEST</b>                           | <b>\$331,166*</b> |

\*Budget reflects estimated direct and indirect costs; final indirect cost rate to be confirmed by administering institution. The personnel costs above reflect estimated totals, including benefits.

# Discovery of Carmen Hass-specific genomic variants through whole-genome resequencing

Robert Backer and Noëlani van den Berg

*Hans Merensky Chair in Avocado Research*

*Forestry and Agricultural Biotechnology Institute*

*University of Pretoria*

## Key team members

### **Dr Robert Backer**

#### ***Bioinformatics Researcher***

Dr Backer has expertise in whole-genome resequencing, reference-based read alignment, variant discovery, comparative genomics and the development of reproducible bioinformatics workflows. He will lead the analysis of SNPs, indels, optional structural variant candidates, candidate-marker prioritisation and evaluation of marker specificity across avocado resequencing datasets.

### **Prof. Noelani van den Berg**

#### ***Chair of the Hans Merensky Chair in Avocado Research***

Prof. van den Berg has extensive experience in avocado research, plant pathology and the coordination of multidisciplinary research programmes. She will provide project leadership, ensure alignment with avocado-industry priorities and support access to authenticated plant material and relevant industry networks.

### **Dr Nicky Olivier**

#### ***Senior Lecturer***

#### ***Co-manager of the University of Pretoria Genomics Laboratory (UPGL)***

Dr Olivier has expertise in genomics, molecular biology and high-throughput sequencing. As co-manager of the UPGL, he will provide oversight of DNA quality control, sequencing-library preparation and generation of high-quality whole-genome resequencing data.

### **Prof. Fourie Joubert**

#### ***Director of the Bioinformatics and Computational Biology Facility, African Centre for Gene Technologies***

Prof. Joubert has extensive expertise in bioinformatics, computational genomics and research infrastructure. He will provide senior bioinformatics oversight, support workflow optimisation and assist with computational resource planning, data management and quality assurance.

## Executive summary

Hass is the dominant commercial cultivar of *Persea americana*, accounting for approximately 80% of global avocado consumption (Nath et al., 2022). Carmen Hass, originally described as Mendez No. 1, is widely accepted as a somatic sport of Hass identified through earlier flowering and fruit production, while retaining fruit highly similar to Hass in appearance and quality (Mendez Vega,

2000). This extends Hass-type fruit availability, but their close similarity creates a barrier to cultivar authentication and enforcement of plant breeders' rights.

Previous avocado genotyping studies have been unable to distinguish Hass and Carmen Hass confidently. A 384-SNP study placed Hass and Carmen accessions in the same near-identical genotype group, with only 15 differences among 8,671 genotype comparisons and no opposing homozygous calls (Kuhn et al., 2019). A ddRAD-seq study likewise identified 52 homozygous SNPs distinguishing nine other cultivars, but no private homozygous SNPs separating Hass from Carmen Hass (Kämper et al., 2021). These studies demonstrate their close relationship, but were restricted to reduced genomic fractions and focused mainly on homozygous variation, making them poorly suited to detecting rare heterozygous somatic mutations.

Recent low-coverage whole-genome resequencing (WGR) of 205 avocado trees identified more than 64 million SNPs at approximately 4.69x mean depth, but was designed for population structure rather than rare variant discovery between clonally related cultivars (Cañas-Gutiérrez et al., 2025). These data are useful as a specificity panel, but low coverage limits confidence in the absence of individual heterozygous variants. In contrast, preliminary GATK Mutect2 analysis by the Hans Merensky Chair in Avocado Research identified candidate heterozygous SNPs present in Carmen Hass but absent from Hass. Recovery against both the Nath et al. Hass genome and an independently assembled West-Indian genome reduces the likelihood of mapping artefacts and supports targeted whole-genome investigation, consistent with clonal-crop precedents (Calderón et al., 2021; Wang et al., 2024).

This Phase 1 project will resequence approximately four confirmed source trees of each cultivar using PCR-free, 150-bp paired-end Illumina sequencing at approximately 30x usable genome coverage. Closely related cultivars will support stringent filtration. Reads will be mapped to the chromosome-level Hass reference genome, and complementary variant-calling approaches will identify candidate variants distinguishing Carmen Hass from Hass. Variants will be retained only if reproducible across Carmen Hass samples, absent from Hass, close relatives and public datasets, supported by high-quality evidence and suitable for assay development.

The anticipated outcome is three to six independent, high-confidence Carmen Hass-specific genomic variants suitable for KASP, TaqMan or targeted amplicon assay development for cultivar authentication across the avocado supply chain.

## Methodology

### *Discovery material and sampling*

To identify diagnostic markers, WGR will be performed on a curated set of authenticated samples:

- **Target accessions:** four authenticated Carmen Hass trees (original/early-generation source material) and four authenticated Hass trees from verified clonal lines.
- **Comparative controls:** Representative sequencing (n = 2 each) of close relatives to ensure marker specificity, including Gwen, GEM, Lamb Hass, and Thille.
- **Background specificity panel:** A curated set of public avocado resequencing datasets with  $\geq 10x$  mean genome coverage will be reprocessed against the same reference and used downstream to filter out common or non-Carmen variants.

### *DNA extraction and sample requirements*

As Carmen Hass is a clonally propagated sport, distinguishing mutations may vary in allele frequency across tissues. Consequently, DNA will be obtained from both **young, recently expanded flush material** (for high-quality initial discovery) and **unripe fruit peel** (for supply-chain relevance).

Three options for sample provision are available:

1. **Provision of extracted DNA:** The California Avocado Commission may provide extracted DNA meeting the following specifications:  $A_{260/280}$  ratio of 1.8-2.0;  $A_{260/230}$  ratio  $\approx$  2.0 (minimum 1.6); fluorometric concentration (Qubit)  $> 20$  ng/ $\mu$ l; and a minimum of 1  $\mu$ g total DNA per sample (2  $\mu$ g preferred).
2. **Fresh tissue provision:** Alternatively, young flush and unripe fruit peel may be sent to the Hans Merensky Chair in Avocado Research for extraction using an optimised in-house CTAB-based protocol.
3. **Fresh tissue acquisition:** Finally, fresh tissue may be acquired in South Africa, through local industry partners. This would, however, lead to an increased risk of IP complications. It is a viable route, nonetheless.

**Strategic application:** Initial variant discovery will leverage high-quality leaf DNA. However, all candidate variants must be confirmed in matched fruit peel DNA before assay development. Shortlisted variants will undergo targeted PCR-based validation and Sanger sequencing in peel samples; the final assay format (e.g. KASP/TaqMan for clear heterozygosity, or amplicon deep sequencing/ddPCR for variable allele frequencies) will be determined by the observed tissue-specific representation.

### *Sequencing strategy*

A high-fidelity sequencing approach will be employed to maximise variant sensitivity:

- **Platform:** Illumina 150-bp paired-end, PCR-free libraries.
- **Coverage:** Target 30x usable mapped coverage (generating  $\sim 35$ -40x raw coverage) to account for trimming and duplication removal.
- **Consistency:** Identical library preparation and sequencing platforms will be used for Hass, Carmen Hass and close relatives to minimise technical bias.

### *Bioinformatics pipeline*

#### *Processing and alignment*

Reads will be processed via **fastp** (QC/trimming) and **MultiQC**. Alignment will be performed against the *Nath et al.* Hass reference genome using **BWA-MEM2**. BAM files will be processed with **samtools/GATK MarkDuplicates**, and coverage verified using **mosdepth**. Samples failing quality thresholds (mean depth  $< 20$ x, excessive duplication, or evidence of contamination) will be excluded.

#### *Variant discovery*

A dual-analysis approach will be used, with joint cohort variant calling providing the primary genotype matrix and somatic-style calling providing an independent Carmen-versus-Hass candidate-locus set:

- **Joint cohort variant calling:** **GATK HaplotypeCaller** will be used in GVCF mode, followed by GenomicsDBImport and GenotypeGVCFs, to identify variants across the newly generated high-coverage Carmen Hass, Hass and close-relative samples.
- **Somatic-style calling:** **GATK Mutect2** will be used for Carmen-versus-Hass comparisons, treating Carmen Hass as the case genotype and authenticated Hass accessions as pseudo-normal controls, including a pooled Hass “panel-of-normals” with subsequent FilterMutectCalls refinement.
- **Structural variant screening:** SVs may be considered as a secondary candidate class, but the primary focus will be SNPs and small indels suitable for targeted assay development.

Candidate loci from the **joint cohort** and **somatic-style** analyses will be normalised and reconciled at the locus level. The joint cohort VCF will provide the primary genotype matrix across Carmen Hass, Hass and close-relative samples. Initial Carmen-private candidates will be defined as loci where the alternate allele is reproducibly present in Carmen Hass and absent from Hass and close relatives. To generate the highest-confidence candidate set, these loci will be intersected with the independent Carmen-versus-Hass Mutect2 candidate-locus set. If this strict intersection yields too few candidates for validation, secondary candidates may be considered where they show a clean Carmen-private pattern in the joint cohort VCF and strong read-level support, but these will be ranked below candidates supported by both analytical approaches. Candidates will then be screened against the curated public WGS background panel, which will be used as a downstream exclusion panel. Any candidate with alternate-allele support in non-Carmen public data will be removed.

#### *Candidate marker selection and specificity*

To ensure markers are robust for diagnostic use, candidates must meet the following criteria:

- **Distribution:** Primary candidates must be present in 100% of authenticated Carmen samples, absent from all Hass and close relatives, independently supported by Carmen-versus-Hass Mutect2 analysis, and absent from the curated public non-Carmen WGS background panel where locus-level coverage is informative.
- **Quality metrics:** Mapping quality  $\geq 50$ ; coverage  $\geq 20$  with at least 8-10 alternate reads; allele frequency  $\geq 0.4$  and  $\leq 0.6$ .
- **Genomic context:** Located outside repetitive or low-mappability regions, surrounded by clean, assayable flanking sequences for downstream primer design.
- **Validation against public data:** Candidate markers must be absent from the curated  $\geq 10\times$  public WGS background panel. Any candidate with alternate-allele support in a non-Carmen public accession will be excluded, provided the locus has sufficient coverage and read quality for interpretation.

#### *Targeted validation in fruit peel DNA*

Shortlisted candidate loci will be validated by PCR amplification and bidirectional Sanger sequencing in matched fruit peel DNA from authenticated Carmen Hass and Hass samples. This



step will confirm that candidate markers discovered from leaf-derived WGS data are reproducibly detectable in fruit peel, the tissue most relevant for supply-chain authentication. At minimum, validation will include fruit peel DNA from the four Carmen Hass and four Hass accessions used in the discovery panel. Candidate loci showing clear Carmen-specific heterozygous signal in fruit peel and absence from Hass fruit peel will be prioritised for downstream KASP, TaqMan or targeted amplicon assay development. Where Sanger chromatograms indicate reduced or variable allele representation, candidates may be redirected to amplicon deep sequencing or ddPCR-based validation.

## Budget

| <b>Cost category</b>                                  | <b>Description</b>                                                                                                   | <b>Quantity basis</b>                                                                 | <b>Estimated cost</b>                 |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|---------------------------------------|
| <i>DNA extraction reagents and consumables</i>        | Extraction and QC of leaf and/or fruit peel DNA from authenticated Carmen Hass, Hass and control accessions.         | 16 leaf samples + 8 fruit peel samples = 24 samples; 32 samples including contingency | \$470.59**<br>(R8,000.00)             |
| <i>WGS Sample QC, library preparation, sequencing</i> | TruSeq PCR-free libraries, NovaSeqX, 150 bp paired-end sequencing to achieve ~30x usable mapped coverage.            | 16 libraries                                                                          | \$ 4,281.39** (R 72,783.59)           |
| <i>Data delivery</i>                                  | Cloud                                                                                                                | 1 unit                                                                                | \$ 68.29<br>(R1161.00)                |
| <i>Candidate primer sets</i>                          | Synthesis of primers for 20 shortlisted candidate loci.                                                              | 20 primer sets                                                                        | \$ 705.88**<br>(R12,000.00)           |
| <i>PCR reagents and consumables</i>                   | PCR validation of candidate loci across Carmen Hass and Hass fruit peel DNA.                                         | 20 loci x 8 fruit peel DNA samples plus controls/repeats = 200 PCRs                   | \$ 964.71**<br>(R16,400.00)           |
| <i>Sanger sequencing</i>                              | Bidirectional sequencing of amplified candidate loci.                                                                | Up to 160 amplicons x 2 reads = 320 Sanger reads                                      | \$ 2,020.35**<br>(R34,346.00)         |
| <i>Student Bursary</i>                                | One Masters student will be trained to assist in data analysis (alongside Dr R Backer) and academic article writeup. | 2 years                                                                               | \$ 21,176.47<br>(R360,000.00)         |
| <i>UP overhead</i>                                    | Overhead applied to all funds entering University cost-centers.                                                      | 15%                                                                                   | \$ 4,453.15**<br>(R75,703.56)         |
| <b>Total project cost</b>                             |                                                                                                                      |                                                                                       | <b>\$ 34,140.83<br/>(R580,394.15)</b> |

*This budget reflects only the proposed sponsor/funder contribution and excludes the full economic cost of research, including facilities, staff time, student support, supervision, additional overheads, and indirect costs.*

\* Based on ZAR (R) to U.S. Dollar (\$) exchange rate of \$1.00 = R17.00

\*\* If required, cost may be reduced by lowering the number of samples in the resequencing phase and/or reducing the number of candidate loci screened in fruit peels. However, the experimental design is, in our opinion, balanced in terms of cost-benefit ratio.

## Timeline and milestones

| <b>Activity</b> | <b>Milestone</b> | <b>Time</b> |
|-----------------|------------------|-------------|
|-----------------|------------------|-------------|



|                                                       |                                                                                                                                                    |                           |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|
| <i>Sample confirmation and DNA preparation</i>        | Authenticated leaf and fruit peel DNA panel prepared and QC-verified.                                                                              | 2 months (DNA extraction) |
| <i>Whole-genome resequencing</i>                      | PCR-free WGS data generated for Carmen Hass, Hass and close relatives.                                                                             | 3 months                  |
| <i>Bioinformatics processing</i>                      | Pipeline development and QC-passed, reference-aligned BAM files generated.                                                                         | 2 weeks                   |
| <i>Variant discovery</i>                              | Preliminary Carmen Hass-associated SNP/indel candidate list produced.                                                                              | 1 month                   |
| <i>Candidate filtering and specificity assessment</i> | High-confidence candidate markers shortlisted after filtering against Hass, close relatives and public WGS data. Manual curation and verification. | 2 months                  |
| <i>Fruit peel validation</i>                          | Shortlisted loci PCR/Sanger-validated in Carmen Hass and Hass fruit peel DNA.                                                                      | 4 months                  |
| <i>Final marker recommendation</i>                    | Ranked diagnostic marker list and assay-development recommendation delivered.                                                                      | 1 month                   |

*\*Estimated time is based on prior experience along with safety margins. Overall, this project is not expected to take more than 18 months to complete.*

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## **BOARD INFORMATION**

### **ITEM 9.a: 2026-27 Planning – Business Plan**

#### **SUMMARY:**

At its June 2026 meeting the CAC Board approved an updated Business Plan format that clearly articulates the activities of the Commission and provides flexibility in utilizing resources for marketing and non-marketing functions based on current conditions. Included in the updated Business Plan also is a new, streamlined budget format which has been used for development of the draft 2026-27 CAC Budget.

Attached are the draft 2026-27 CAC Business Plan and Budget for Board review and discussion.

#### **FISCAL ANALYSIS:**

- The draft budget is based on a crop size of 400 million pounds and an assessment rate of 1.5 cents per pound, generating \$14.285 million in revenue (including \$500,000 from Other revenue sources). The proposed budget of \$15.558 million allocates 70% to Marketing and 30% to Non-Marketing programs and draws down reserves by \$1.273 to \$5.5 million.

#### **BOARD OPTIONS:**

- Discussion item only

#### **STAFF RECOMMENDATION:**

- Not applicable

#### **EXHIBITS / ATTACHMENTS:**

- Draft 2026-27 CAC Business Plan & Budget



**2026-27 BUSINESS PLAN**  
Presented for Board Approval  
MONTH DAY, 2026

**STRATEGIC FRAMEWORK**

**Mission**

To maximize California Avocado grower returns and enhance premium positioning through strategic marketing, advocacy and research.

**Vision**

To support a thriving California Avocado industry renowned for premium avocados.

**Brand Positioning/Promise**

Fresh to market California Avocados are locally and responsibly grown by farmers who nurture the land every step of the way.

**2026-27 PLAN OVERVIEW**

California Avocado growers face many challenges including increased competition from foreign fruit. In response, the California Avocado Commission refined its approach in early 2026 to increase retailer-focused marketing, including a greater percentage of the marketing budget, while continuing brand and trade marketing, industry affairs and research.

The 2026-27 plan aims to build on 2026 efforts to support distribution of the crop with existing and new trade customers (retail and foodservice, if strategically aligned), while maintaining perceived value and preference for California Avocados, to ultimately achieve a premium average F.O.B. price per pound.

The Commission's business plan includes advocating for and engaging with the industry, as well as supporting growers through research and outreach. The Commission will continue to cultivate organizational excellence and demonstrate effective use of resources.



## MARKETING

### Objectives

- Achieve a premium average price per pound that meets or exceeds the four-year historical F.O.B. price differential between California Avocados and imports
- Build and sustain trade commitments that support California Avocado volume, timing and market priorities
- Maintain or increase preference and perceived value with targeted consumers

### Strategies

- Utilize data and strategic insights to shape trade and consumer targeting and programs
- Develop trade and brand communications that differentiate California Avocados and create demand leading up to and throughout the season
- Create collaborative trade programs that reach avocado shoppers and patrons

| <b>Marketing Budget Summary</b> | <b>2025-26</b>     | <b>% of Total Budget</b> | <b>2026-27</b>      | <b>% of Total Budget</b> |
|---------------------------------|--------------------|--------------------------|---------------------|--------------------------|
| Retail                          | \$4,898,300        | 34.34%                   | \$5,695,000         | 36.60%                   |
| Brand                           | \$3,089,700        | 21.66%                   | \$3,750,000         | 24.10%                   |
| Foodservice                     | \$650,000          | 4.56%                    | -                   | 0.00%                    |
| Flex                            | -                  | 0.00%                    | \$650,000           | 4.18%                    |
| Marketing Support               | \$905,000          | 5.66%                    | \$905,000           | 5.82%                    |
| <b>TOTAL MARKETING</b>          | <b>\$9,445,000</b> | <b>66.21%</b>            | <b>\$11,000,000</b> | <b>70.70%</b>            |

### Retail

*Build California Avocados' retail accessibility through a mix of retail partnerships, customized promotions and other tactics. Key tactics may include:*

- Retail partnerships, promotions and merchandising
- Retail advertising (creative, media planning and buying, digital content, in-person events, administration, strategy and planning)
- Retail trade advertising and public relations (creative, media planning and buying, strategy, planning and reporting)
- Retail trade memberships and activations (associations, trade shows/industry events)
- Retail data and analysis

**Brand**

*The Commission will implement an integrated brand marketing program focused on maintaining California Avocado preference and perceived value among our bullseye target audience (super-heavy avocado consumers within the Western region). Key tactics may include:*

- Advertising (creative, media planning and buying)
- Public relations (earned and paid outreach, monitoring, influencer partnerships)
- Digital (website, email, social media)
- Administration, strategy, planning and reporting

**Flex**

*Provide funding for strategic retail, brand and opportunistic foodservice initiatives that advance Commission priorities and respond to emerging opportunities. Key tactics may include:*

- Incremental retail partnerships and promotions
- Brand advertising and promotions
- Foodservice partnerships and promotions
- Promotional support
- Related strategy and reporting

**Marketing Support**

*Support includes marketing administration and tactics that cross multiple channels, including:*

- Stakeholder communications (*GreenSheet, From the Grove*)
- Export program
- Industry memberships
- Personnel



## INDUSTRY AFFAIRS

### **Objective**

- Strengthen the California Avocado industry's ability to compete in the US market

### **Strategies**

- Establish and leverage relationships with governmental agency personnel, elected officials and other agricultural organizations
- Provide information on domestic and global avocado market forces
- Deliver a comprehensive communications and outreach program

| <b>Industry Affairs Budget Summary</b> | <b>2025-26</b>     | <b>% of Total Budget</b> | <b>2026-27</b>     | <b>% of Total Budget</b> |
|----------------------------------------|--------------------|--------------------------|--------------------|--------------------------|
| Issues Management                      | \$712,000          | 4.99%                    | \$859,500          | 5.52%                    |
| Industry Statistics and Information    | \$123,000          | 0.86%                    | \$126,000          | 0.81%                    |
| Grower Communications and Outreach     | \$346,075          | 2.43%                    | \$379,500          | 2.44%                    |
| <b>TOTAL INDUSTRY AFFAIRS</b>          | <b>\$1,181,075</b> | <b>8.28%</b>             | <b>\$1,365,000</b> | <b>8.77%</b>             |

### **Issues Management**

*Anticipate issues and prioritize resources in industry advocacy. Areas include:*

- Regulatory, legislative and trade
- Water, technical and sustainability initiatives
- Research program coordination
- Industry coalition participation

### **Industry statistics and information**

*Disseminate industry crop and market data to aid in understanding domestic and global avocado supply, including:*

- California inventory and shipment reporting
- California crop estimating and acreage surveys
- Global supply and production estimates

### **Grower Communications and Outreach**

*Utilize a variety of communication and outreach vehicles to inform the industry, including:*

- Publications — *From the Grove* (magazine) and *GreenSheet* (newsletter/SMS messaging)
- Website — CaliforniaAvocadoGrowers.com
- Meetings, Seminars and Workshops — Annual meetings and district meetings
- Demonstration Grove — Pine Tree Ranch



## RESEARCH

### Objective

- Maximize California Avocado farm production of safe, high-quality fruit

### Strategies

- Conduct research focused on practical solutions to grower-defined priorities
- Provide California Avocado growers the tools necessary for optimum productivity
- Educate California Avocado growers and industry stakeholders about research outcomes

| Research Budget Summary   | 2025-26 Budget   | % of Total Budget | Continuing Projects | 2026-27 New Projects | Total 2026-27 Budget | % of Total Budget |
|---------------------------|------------------|-------------------|---------------------|----------------------|----------------------|-------------------|
| Pest and Disease          | \$706,223        | 4.95%             | \$538,570           | TBD                  | \$538,570            | 3.46%             |
| Cultural Practices        | \$361,555        | 2.53%             | \$148,564           | TBD                  | \$148,564            | 0.95%             |
| Industry Research Support | \$32,500         | 0.23%             | -                   | -                    | -                    | 0%                |
| <b>TOTAL RESEARCH</b>     | <b>\$886,163</b> | <b>7.71%</b>      | <b>\$687,134</b>    | <b>\$TotalTBD</b>    | <b>\$687,134</b>     | <b>4.42%</b>      |

### Pest and Disease

*Monitor pest and disease threats — both foreign and domestic — to California avocado production and ensure growers have the resources necessary to manage existing pests and diseases. Projects may include:*

- Foreign pest surveys
- Pesticide resistance monitoring
- Control of avocado branch canker
- Monitor Phytophthora root rot populations for changes in fungicide efficacy
- Recording and enhancing pollinator activity in avocado groves

### Cultural Practices

*Provide growers with the tools and information necessary to grow avocados in California. Projects may include:*

- Understanding the effects of artificial pollination
- Soil salinity effects on avocado orchards
- Developing a weather station network to guide growers' irrigation decisions
- Improving irrigation management tools
- Monitor avocado rootstock responses to Phytophthora root rot



## OPERATIONS

### Objectives

- Ensure the Commission has the proper leadership, organizational structure and resources necessary to carry out its mission
- Uphold organizational compliance with governance requirements

### Strategies

- Align financial resources with objectives and maintain a balanced budget
- Foster a culture of excellence among staff, board members and agencies
- Utilize appropriate professionals for financial audits, elections and legal affairs

| Operations Budget Summary         | 2025-26            | % of Total Budget | 2026-27            | % of Total Budget |
|-----------------------------------|--------------------|-------------------|--------------------|-------------------|
| Operations                        | \$511,646          | 3.59%             | \$436,500          | 2.81%             |
| Governance and Legal              | \$525,500          | 3.68%             | \$505,500          | 3.25%             |
| Meeting and Commissioner Expenses | \$218,000          | 1.53%             | \$218,000          | 1.40%             |
| Personnel                         | \$1,073,683        | 7.53%             | \$1,146,450        | 7.37%             |
| <b>TOTAL OPERATIONS</b>           | <b>\$2,328,829</b> | <b>16.33%</b>     | <b>\$2,306,450</b> | <b>14.82%</b>     |

### Operations

*Continual optimization of business tactics including:*

- Administrative, corporate insurance and travel expenses
- Accounting and information technology systems
- Banking, fixed assets and depreciation
- Training, recruitment and temporary staffing

### Governance and Legal

*Support the governance requirements of the Commission, which may include:*

- Elections and referendum/redistricting (when required)
- Annual financial audits and CDFA/USDA compliance reviews
- Professional and legal services associated with Commission operations

### Meeting and Commissioner Expenses

*Meetings to conduct the regular business of the Commission, along with associated travel expenses, and Board designated contributions and sponsorships, including:*

- Board and committee meetings
- Travel expenses (Board and committee members)
- District designated industry contributions
- Industry sponsorships (HAB BOLD program)

### Personnel

*Professional compensation and benefits including:*

- Salaries
- Health benefits
- Retirement benefits



**CALIFORNIA AVOCADO COMMISSION**  
**2026-27 BUDGET vs. 2025-26 BUDGET AMEND #2**

| <b>REVENUES: Assessments</b>                        | <b>2026-27 BUDGET</b> | <b>%</b>      | <b>2025-26 BUDGET</b> | <b>%</b>      | <b>INC/(DEC)</b>      | <b>% CHANGE</b> | <b>COMMENTS</b>            |
|-----------------------------------------------------|-----------------------|---------------|-----------------------|---------------|-----------------------|-----------------|----------------------------|
| CAC Assessment Revenue                              | \$5,850,000           | 41.0%         | \$3,168,750           | 31.1%         | \$2,681,250           | 84.62%          | 400MM Crop; \$0.015 Assess |
| HAB 85% Rebate Assessment Revenue                   | \$7,905,000           | 55.3%         | \$6,422,813           | 62.9%         | \$1,482,188           | 23.08%          |                            |
| <b>Subtotal Assessment Revenues</b>                 | <b>\$13,755,000</b>   | <b>96.3%</b>  | <b>\$9,591,563</b>    | <b>94.0%</b>  | <b>\$4,163,438</b>    | <b>43.41%</b>   |                            |
| <b>REVENUES: Other Revenues</b>                     |                       |               |                       |               |                       |                 |                            |
| Administration & Accounting Fee Revenue (AIP)       | \$75,000              | 0.5%          | \$72,000              | 0.7%          | \$3,000               | 4.17%           |                            |
| Grant Funding                                       | \$200,000             | 1.4%          | \$210,000             | 2.1%          | (\$10,000)            | -4.76%          |                            |
| Interest Income                                     | \$145,000             | 1.0%          | \$240,000             | 2.4%          | (\$95,000)            | -39.58%         |                            |
| From the Grove Income                               | \$60,000              | 0.4%          | \$60,000              | 0.6%          | \$0                   | 0.00%           |                            |
| Other Income                                        | \$50,000              | 0.4%          | \$31,250              | 0.3%          | \$18,750              | 60.00%          |                            |
| <b>Subtotal Other Revenues</b>                      | <b>\$530,000</b>      | <b>3.7%</b>   | <b>\$613,250</b>      | <b>6.0%</b>   | <b>(\$83,250)</b>     | <b>-13.58%</b>  |                            |
| <b>Total Revenues</b>                               | <b>\$14,285,000</b>   | <b>100.0%</b> | <b>\$10,204,813</b>   | <b>100.0%</b> | <b>(\$169,500)</b>    | <b>-1.66%</b>   |                            |
| <b>EXPENDITURES: Marketing Programs</b>             |                       |               |                       |               |                       |                 |                            |
| Retail                                              | \$5,695,000           | 36.60%        | \$4,898,300           | 34.34%        | \$796,700             | 16.26%          |                            |
| Brand                                               | \$3,750,000           | 24.10%        | \$3,089,700           | 21.66%        | \$660,300             | 21.37%          |                            |
| Foodservice                                         | \$0                   | 0.00%         | \$650,000             | 4.56%         | (\$650,000)           | -100.00%        |                            |
| Flex                                                | \$650,000             | 4.18%         | \$0                   | 0.00%         | \$650,000             | 100.00%         |                            |
| Marketing Activities Support & Personnel            | \$905,000             | 5.82%         | \$807,000             | 5.66%         | \$98,000              | 12.14%          |                            |
| <b>Subtotal Marketing</b>                           | <b>\$11,000,000</b>   | <b>70.70%</b> | <b>\$9,445,000</b>    | <b>66.21%</b> | <b>\$1,555,000</b>    | <b>16.46%</b>   |                            |
| <b>EXPENDITURES: Industry Affairs</b>               |                       |               |                       |               |                       |                 |                            |
| Issues Management                                   | \$859,500             | 5.52%         | \$712,000             | 4.99%         | \$147,500             | 20.72%          |                            |
| Industry Statistics and Information                 | \$126,000             | 0.81%         | \$123,000             | 0.86%         | \$3,000               | 2.44%           |                            |
| Grower Communications and Outreach                  | \$379,500             | 2.44%         | \$346,075             | 2.43%         | \$33,425              | 9.66%           |                            |
| <b>Subtotal Industry Affairs</b>                    | <b>\$1,365,000</b>    | <b>8.77%</b>  | <b>\$1,181,075</b>    | <b>8.28%</b>  | <b>\$183,925</b>      | <b>15.57%</b>   |                            |
| <b>EXPENDITURES: Research</b>                       |                       |               |                       |               |                       |                 |                            |
| Pest and Disease                                    | \$538,570             | 3.46%         | \$706,223             | 4.95%         | (\$167,653)           | -23.74%         |                            |
| Cultural Practices                                  | \$148,564             | 0.95%         | \$361,555             | 2.53%         | (\$212,991)           | -58.91%         |                            |
| Industry Research Support                           | \$0                   | 0.00%         | \$32,500              | 0.23%         | (\$32,500)            | -100.00%        |                            |
| <b>Subtotal Research</b>                            | <b>\$687,134</b>      | <b>4.42%</b>  | <b>\$1,100,278</b>    | <b>7.71%</b>  | <b>(\$413,144)</b>    | <b>-37.55%</b>  |                            |
| <b>EXPENDITURES: Grants</b>                         |                       |               |                       |               |                       |                 |                            |
| Grant Programs                                      | \$200,000             | 1.29%         | \$210,000             | 1.47%         | (\$10,000)            | -4.76%          |                            |
| <b>Subtotal Grants</b>                              | <b>\$200,000</b>      | <b>1.29%</b>  | <b>\$210,000</b>      | <b>1.47%</b>  | <b>(\$10,000)</b>     | <b>-4.76%</b>   |                            |
| <b>EXPENDITURES: Operations</b>                     |                       |               |                       |               |                       |                 |                            |
| Operations                                          | \$436,500             | 2.81%         | \$511,646             | 3.59%         | (\$75,146)            | -14.69%         |                            |
| Governance and Legal                                | \$505,500             | 3.25%         | \$525,500             | 3.68%         | (\$20,000)            | -3.81%          |                            |
| Meeting and Commissioner Expenses                   | \$218,000             | 1.40%         | \$218,000             | 1.53%         | \$0                   | 0.00%           |                            |
| Personnel                                           | \$1,146,450           | 7.37%         | \$1,073,683           | 7.53%         | \$72,767              | 6.78%           |                            |
| <b>Subtotal Research</b>                            | <b>\$2,306,450</b>    | <b>14.82%</b> | <b>\$2,328,829</b>    | <b>16.33%</b> | <b>(\$22,379)</b>     | <b>-0.96%</b>   |                            |
| <b>Total Expenditures</b>                           | <b>\$15,558,584</b>   | <b>100.0%</b> | <b>\$14,265,182</b>   | <b>100.0%</b> | <b>\$1,293,402</b>    | <b>9.07%</b>    |                            |
| <b>Excess Of Revenues Over (Under) Expenditures</b> | <b>(\$1,273,584)</b>  | <b>-8.9%</b>  | <b>(\$4,060,369)</b>  | <b>-39.8%</b> | <b>\$ 2,786,785</b>   | <b>-68.6%</b>   |                            |
| <b>Beginning Reserves - Nov. 1</b>                  | <b>\$6,787,231</b>    |               | <b>\$10,847,600</b>   |               | <b>\$ (4,060,369)</b> | <b>-37.4%</b>   |                            |
| <b>Estimated Ending Reserves - Oct. 31</b>          | <b>\$5,513,647</b>    |               | <b>\$6,787,231</b>    |               | <b>\$ (1,273,584)</b> | <b>-18.8%</b>   |                            |



**BOARD ACTION**

**ITEM 10: Consider approval of preliminary 2026-27 CAC budget**

**SUMMARY:**

In January 2024 USDA AMS advised the Commission that Section 1219.50(a) of the Order requires budgets to be submitted to USDA AMS not less than 60 days before the beginning of the fiscal period. While CAC is not subject to this requirement, AMS has suggested that the Commission submit in accordance with this timeframe for ample review time and to limit timing issues related to budget approval.

In an effort to comply with this request from USDA AMS and ensure timely approval of 2026-27 agreements that will be effective November 1, 2026, CAC has developed the attached preliminary 2026-27 budget for the Board's approval. Please note, CAC staff is prepared to discuss the program areas associated with the proposed budget, however complete line-item details for every activity have not yet been finalized.

**FISCAL ANALYSIS:**

- The proposed 2026-27 preliminary budget is based on a crop size of 400 million pounds and an assessment rate of 1.5 cents per pound and the anticipated 2026-27 HAB 85% rebate revenue, generating \$14.285 million in revenue (including \$500,000 from Other revenue sources). The proposed budget of \$15.558 million allocates 70% to Marketing and 30% to Non-Marketing programs and draws down reserves by \$1.273 to \$5.5 million. Approval of this budget does not set the 2026-27 CAC Assessment rate, as the Board will take action and approve the 2026-27 CAC assessment rate at the October 2026 CAC Board meeting.

**BOARD OPTIONS:**

- Approve the 2026-27 CAC Preliminary Budget, as presented
- Approve the 2026-27 CAC Preliminary Budget, with modifications
- Take no action

**STAFF RECOMMENDATION:**

- Management recommends the Board discuss the proposed preliminary budget, modify if needed, and approve a preliminary 2026-27 budget to ensure timely processing of required USDA approvals for CAC marketing agreements

**EXHIBITS / ATTACHMENTS:**

- 2025-26 CAC Preliminary Budget

**CALIFORNIA AVOCADO COMMISSION**  
**2026-27 BUDGET vs. 2025-26 BUDGET AMEND #2**

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