AGENDA

CALIFORNIA AVOCADO COMMISSION
BOARD OF DIRECTORS
REGULAR WEB/TELECONFERENCE MEETING

Thursday, May 20, 2021
9:00 a.m.

Location:

Per Governor Newsom's Executive Order N-29-20, local and state legislative bodies are authorized to hold public meetings via teleconference, with all requirements in the Bagley-Keene Act and Brown Act expressly or impliedly requiring the physical presence of members, the clerk or other personnel of the body, or the public as a condition for participation in or quorum for public meetings thereby waived.

This meeting is being held strictly as a web/teleconference meeting, where any participants, including members of the public, may participate in the web/teleconference by computer or phone a indicated below:

Web Conference URL: http://bit.ly/CAC-Board-Mtg-5-20-21
Meeting ID: 852 3923 7953
Passcode: 589770
Conference Call #: (669) 900-6833

AS OF FRIDAY, MAY 14, 2021, THE FOLLOWING INDIVIDUALS HAVE ADVISED THE COMMISSION THEY WILL PARTICIPATE IN THIS MEETING VIA WEB/TELECONFERENCE:

Board Members:
Gary Caloroso
Jason Cole
John Cornell
Randy Douglas
Rob Grether
Jessica Hunter
Ohannes Karaoghlanian
Rachael Laenen
Andrew Prechtl
Ryan Rochefort
Peter Shore

Board Alternates:
Maureen Cottingham
Connor Huser
Daryn Miller
Doug O'Hara

9:00 a.m. 1. CALL TO ORDER
A. Roll Call / Establish Quorum
B. Introductions

9:05 a.m. 2. OPPORTUNITY FOR PUBLIC COMMENT

Any person may address the Board at this time on any subject within the jurisdiction of the California Avocado Commission.

9:10 a.m. 3. CONSENT CALENDAR

Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board of Directors at one time without discussion. If any Board member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately.

A. Consider Approval of Board of Director's Meeting Minutes of March 4, 2021
B. 2020-21 Financial and Crop Update
C. Grower Crop Survey Results
D. 2021 General Election Schedule
E. Consider Approval of Avocado Inspection Committee (AIC) Member/Alternate Recommendations

9:15 a.m. 4. CHAIRMAN / PRESIDENT'S REPORT
A. 2021 Referendum Results

9:20 a.m. 5. TREASURER'S REPORT
A. 2020-21 Revised Crop Projections and Revenue Scenarios
B. Consider Approval of Budget Amendment No. 2
C. Consider Finance Committee Recommendation on Corporate Insurance

9:30 a.m. 6. SUCCESSION PLANNING – Jim DeLizia, DeLizia Consulting Services

11:30 a.m. 7. MARKETING REPORT
A. Retail Marketing: Tiered-Account Approach and State of the Category
B. Retail Promotional Activity and Plans
C. Retail and Foodservice Social / Digital Marketing
D. Foodservice Program Update
E. PMA Fresh Summit 2021

12:45 p.m. 8. INDUSTRY AFFAIRS REPORT
A. Status of Pending State Legislation Assembly Bill No. 710
B. Issues Update

1:15 p.m. 9. PRODUCTION RESEARCH REPORT
A. Recap of April 13, 2021 PRC Meeting

1:30 p.m. ADJOURN MEETING

The times listed for each agenda item are estimated and subject to change. It is possible that some of the agenda items may not be able to be discussed prior to adjournment. Consequently, those items will be rescheduled to appear on a subsequent agenda. All meetings of the California Avocado 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 more information, or to make a request regarding a disability-related modification or accommodation for the meeting, please contact April Aymami at 1-800-344-4333, California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618, or via email at aaymami@avocado.org. Requests for disability-related modification or accommodation for the meeting should be made at least 48 hours prior to the meeting time. For individuals with sensory disabilities, this document is available in Braille, large print, audiocassette or computer disk. This

meeting schedule notice and agenda is available on the internet at http://www.californiaavocadogrowers.com/commission/calendar and http://it.cdfa.ca.gov/igov/postings/detail.aspx?type=Notices.

If you have questions on the above agenda, please contact April Aymami at aaymami@avocado.org or 1-800-344-4333.

SUMMARY DEFINITION OF CONFLICT OF INTEREST

It is each member's and alternate's responsibility to determine whether they have a conflict of interest and whether they should excuse themselves from a particular discussion or vote during a meeting. To assist you in this evaluation, 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 ACTION

ITEM 3.A: CONSIDER APPROVAL OF BOARD OF DIRECTORS' MEETING MINUTES OF MARCH 4, 2021

SUMMARY:

The minutes of the Board of Directors' regular meeting of March 4, 2021 are attached for the Board's review and approval.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Adopt 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 March 4, 2021

CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
March 4, 2021

A web/teleconference meeting of the California Avocado Commission (CAC) Board was held on Thursday March 4, 2021 with the following people present:

MEMBERS PRESENT
Gary Caloroso
Jason Cole
John Cornell
Randy Douglas
Rob Grether
Jessica Hunter
Ohannes Karaoghlanian
Rachael Laenen
John Lloyd-Butler
Daniella Malfitano
Andrew Prechtl
Ryan Rochefort
Peter Shore

ALTERNATES PRESENT
Connor Huser
Daryn Miller
Doug O'Hara
Michael Perricone
Charley Wolk

MEMBERS ABSENT
None

ALTERNATES ABSENT
Maureen Cottingham

STAFF PRESENT
Monica Arnett
April Aymami
Tom Bellamore
Zac Benedict
David Cruz
Jan DeLyser
Angela Fraser
Stacia Kierulff
Miriam Martinez
Ken Melban
Cristina Wede

OFFICIALLY PRESENT
Hillary Brandaw, MullenLowe
Vickie Carpenter, USDA
Katie Cook, USDA
Candace Hollar, MullenLowe
Linda Hurley, MGO
Kathleen Johnson, PJ/PR
Ben Kardokus, CDFA
Brittney Theriault
Sean Wright

GUESTS PRESENT
David Anderson
Bruce Beaudoin
Carolyn Becker
Wayne Brydon
Lauren Kelley
Kim Kurata
Gregg Magnus
Ed McFadden
John McGuigan
Leo McGuire
Scott Model
Marji Morrow
Steven Muro
Laura Paden
Bryan Reugebrink
Alexei Rudolf
Sam Schaitberger
Matt Schraut
Scott Wibbenmeyer
Martin Wildgoose

ITEM #1 CALL TO ORDER

Roll Call / Establish Quorum – Item 1.A.
Rob Grether, CAC chairman, called the meeting to order at 10:04 a.m. with a quorum present.

Introductions – Item 1.B.
April Aymami, CAC industry affairs director, announced the California Department of Food and Agriculture (CDFA) and US Department of Agriculture (USDA) representatives, CAC staff and known guests participating in the web/teleconference call. She asked for all other guests to announce themselves and recorded all participants in attendance.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

CAC District 2 Board Member John Cornell read an email he received from District 2 grower Rick Carey which questioned the need for the current level of staffing and asked if a compensation committee review had been conducted. Mr. Carey's email concluded that a lot had changed since 1978 and that he did not believe that current CAC staffing was in line with growers' needs today.

ITEM # 3 CONSENT CALENDAR

Mr. Grether introduced the consent calendar and asked for questions or comments. Mr. Cornell requested that the February meeting minutes be removed from the consent calendar for further

discussion. With no comments on the remaining consent calendar items, the following motion was put forward:

MOTION:
Move to approve Consent Calendar Items 3.B through 3.E as presented.
(Cole/Malfitano) MSC Unanimous ***MOTION 21-3-4-1***

The *Consent Calendar* is included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 3.B through 3.E.

Mr. Cornell requested that the February meeting minutes be amended to reflect that Board members were limited to one comment on Motion 21-2-8-3 which requested that CAC's attorneys ask the International Trade Commission to begin monitoring Hass avocado imports. During discussion and a review of the meeting notes, it was clarified that Board members had not been limited to one comment on the topic, but rather after significant discussion, Chairman Grether requested that further comments be limited to those Board members who had not already spoken. Mr. Cornell was in agreement with these conclusions and put forth the following motion:

MOTION:
Move to approve the February 8, 2021 meeting minutes with the addition of the following sentence to the Motion 21-2-8-3 discussion paragraph: "After significant discussion, Mr. Grether requested that further comments be limited to those Board members who had not already spoken."
(Cornell/Karaoghlanian) MSC 10 Yea/2 Nay ***MOTION 21-3-4-2***

The *February 8, 2021 Meeting Minutes* are included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 3.A.

ITEM #4 CONSIDER APPOINTMENT OF DISTRICT 2 PRODUCER ALTERNATE MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2021

Mr. Grether reported that the board packet sent prior to the meeting included affiliation information and candidate statements of individuals who had stepped forward as nominees for the vacant District 2 producer alternate member seat for the term ending October 31, 2021. Mr. Grether asked if there were any other nominations from the floor, which there were none. He then provided an opportunity for the nominees present to address the board. Nominees Bob Schaar and Heydar Shahrokh were not present and therefore did not speak. Nominees Scott Wibbenmeyer, Martin Wildgoose and Charley Wolk all provided a brief overview of their experience and their interest in joining the CAC Board.

Mr. Grether stated that the Board was required to appoint an individual to fill the vacant seat, however with multiple candidates, the Board could either conduct an election among the five candidates to ascertain support, or the Board could make a motion to appoint an individual. He noted that in the event the Board decided to conduct an election, it would be with the understanding that the winner of the election would be appointed to the vacant District 2 producer alternate member seat. Tom Bellamore, CAC president, commented that management's position on conducting an election is that the appointed candidate should have a majority vote of support from the Board. Mr. Grether also noted that in the event of an election, votes would be submitted confidentially to Ms. Aymami through the meeting chat function, who would then tally and announce the results, to include how each member voted.

MAIN MOTION:
Move to hold an election of the District 2 nominees and if there is a majority Board support for one candidate, that candidate shall be appointed to the District 2 producer alternate member seat for the term ending October 31, 2021. If there is not a majority Board support for one candidate, the candidate who received the fewest number of votes is eliminated and then a runoff election is held among the candidates remaining until a majority of Board support is reached and that individual shall be appointed to the District 2 producer alternate member seat for term ending October 31, 2021.
(Lloyd-Butler/Douglas)

There were comments made that in CAC's general election process the individual with the most votes was deemed the winner of that election and therefore the Board should abide by those same rules and conduct an election with the individual receiving the most votes, and not a majority vote of the board, appointed to the seat. It was also noted that in a general election, constituents from a given district vote on candidates for that district, however in filling the vacant seats, the Board, comprised of individuals from all districts, was voting to appoint individuals to the vacant seat. There was a suggestion that the process should be reviewed so that constituents from districts be given the opportunity to vote in elections to fill vacant seats. In response to this request, there were multiple comments suggesting that CAC's process of giving the Board the authority to appoint individuals to fill vacant seats was common practice among other boards and commissions. During discussion, CAC Board member Gary Caloroso announced that District 2 nominee Bob Schaar had withdrawn his name from consideration, leaving four candidates: Mr. Shahrokh, Mr. Wibbenmeyer, Mr. Wildgoose and Mr. Wolk.

At the conclusion of discussion, an amended motion was offered:

AMMENDED MOTION:
Move to hold an election of the District 2 nominees with the candidate receiving the most votes appointed to the District 2 producer alternate seat for term ending October 31, 2021.
(Karaoghlanian/Cornell) MSF 5 Yea/7 Nay ***MOTION 21-3-4-3***

The amended motion failed and Mr. Grether conducted a vote on the main motion:

MAIN MOTION:
Move to hold an election of the District 2 nominees and if there is a majority Board support for one candidate, that candidate shall be appointed to the District 2 producer alternate member seat for the term ending October 31, 2021. If there is not a majority Board support for one candidate, the candidate who received the fewest number of votes is eliminated and then a runoff election is held among the candidates remaining until a majority of Board support is reached and that individual shall be appointed to the District 2 producer alternate member seat for term ending October 31, 2021.
(Lloyd-Butler/Douglas) MSC Unanimous ***MOTION 21-3-4-4***

Mr. Grether then requested that Board members send the name of their nominee for the District 2 producer alternate member seat to Ms. Aymami through the chat feature. Ms. Aymami tallied the vote results and reported that Mr. Wolk had received the required board majority of 11 votes and was appointed to the District 2 producer alternate member seat. She announced how each board member voted, indicating that Mr. Wibbenmeyer and Mr. Wildgoose each had received one vote. The recorded vote tally can be found as part of Exhibit E attached to these minutes, identified as ***MOTION 21-3-4-5***.

The *District 2 Producer Alternate Member Nominee Affiliations and Candidate Statements* are included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 4.

ITEM #5 CONSIDER APPOINTMENT OF DISTRICT 3 PRODUCER ALTERNATE MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2021

Mr. Grether stated that there was one declared nominee, Maureen Cottingham, for the District 3 producer alternate member seat. He asked for additional nominees from the floor, hearing none, the following motion was offered:

MOTION:
Move to appoint Maureen Cottingham to the District 3 producer alternate seat for the term ending October 31, 2021.
(Cole/Laenen) MSC Unanimous ***MOTION 21-3-4-6***

The *District 3 Producer Alternate Member Nominee Affiliations and Candidate Statements* are included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 5.

ITEM #6 TREASURER'S REPORT

Consider Acceptance of 2019-20 Audited Financial Statements – Item 6.A.

Monica Arnett, CAC vice president of finance and administration, stated that the audited financial reports and supplemental documentation prepared by Macias, Gini, O'Connell (MGO) were included in the board packet and introduced Linda Hurley, MGO partner, to present the results of the 2019-20 audit.

Ms. Hurley presented an overview of the annual audit process and procedures, as well as a summary of the findings included in the report. She noted that MGO issued an unmodified opinion as a result of their audit of the 2019-20 CAC financials, noting that there were no significant findings to report. Ms. Hurley reported that while CAC is already aware that the organization's bid policy differs from CDFA guidelines, MGO was required to note this discrepancy in their review of compliance against agreed-upon procedures. She stated that CAC practice was in compliance with CAC policy, which is to obtain multiple bids for purchases in excess of $25,000, versus the $5,000 threshold suggested by CDFA.

MOTION:
Move to accept the 2019-20 Audited Financial Statements as presented.
(Lloyd-Butler/Cole) MSC Unanimous ***MOTION 21-3-4-7***

The *2019-20 Audited CAC Financial Statements and Supplemental MGO Required Communication Letters* are included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 6.A.

Consider Approval of Budget Amendment No.1 – Item 6.B.

Jason Cole, CAC treasurer, stated that the 2020-21 budget amendment as presented increases the beginning reserves balance to reflect the actual beginning balance, and adds $5,000 to the GEM scarring project to replace windscreens damage in recent wind events. It was noted that, if approved, the increased funding for the GEM scarring project would be taken from reserves.

MOTION:
Move to approved 2020-21 CAC Budget Amendment No.1 as presented.
(Caloroso/Douglas) MSC Unanimous ***MOTION 21-3-4-8***

2020-21 Budget Amendment No. 1 is included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 6.B.

Consider Acceptance of Finance Committee Recommendation Regarding CAC Line of Credit – Item 6.C.
Mr. Cole stated that the Finance Committee had reviewed the terms of CAC's line of credit and recommended approval to the Board. It was noted that the line of credit would be for a two-year term and had no fees. Mr. Cole stated that CAC had not used the line of credit in recent years.

MOTION:
Move to approve the CAC Line of Credit as presented.
(Lloyd-Butler/Prechtl) MSC Unanimous ***MOTION 21-3-4-9***

The *CAC Line of Credit Renewal Information* is included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 6.C.

ITEM #7 CONSIDER REDISTRICTING COMMITTEE RECOMMENDATION REGARDING CAC 2021-2026 DISTRICT LINES
Ryan Rochefort, CAC Redistricting Committee chair, presented an overview of the redistricting requirements and process the redistricting committee used to evaluate production data to determine if redistricting was necessary. He stated that the committee reviewed two-, three-, four- and five-year average production datasets and determined the five-year average production was the most representative of the industry. Mr. Rochefort noted that while all production datasets were within the guidelines for approved district boundaries, and redistricting was not required, the committee still considered multiple options to balance production more evenly in Districts 3, 4 and 5. To move production in these districts, however, required a move of contiguous zip codes, where available options were limited, and all contiguous zip codes contained substantial volume. Upon further review of these options, the new district compositions did not make sense geographically or for the goal of keeping like minded growers with similar industry issues within the same districts. In conclusion, Mr. Rochefort reported that upon review of the data the Redistricting Committee determined the current district lines represent a relatively equal percentage of avocado production and continue to equitably represent the California avocado industry. As such, it was the recommendation of the Redistricting Committee that existing district lines remain in place for the period of November 1, 2021 through October 31, 2026.

MOTION:
Move to approve Redistricting Committee recommendation of leaving existing district boundary lines in place for the period of November 1, 2021 through October 31, 2026.
(Karaoghlanian/Malfitano) MSC Unanimous ***MOTION 21-3-4-10***

The *Redistricting Committee Presentation* is included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

ITEM #8 MARKETING REPORT
Summary of February 16 ,2021 Marketing Committee Meeting – Item 8.A.
Gary Caloroso, CAC Marketing Committee chair, reported on activity that the marketing team had conducted which included a virtual meeting with all AMRIC handlers in early-February to provide an overview of CAC's marketing plans for the season and meetings between retailer marketing directors and retailers to develop custom marketing programs. In addition, the Marketing Committee met on February 16, 2021 and discussed crop projections and timing, and heard an update from the marketing team on the 2021 marketing programs.

Consumer Campaign – Item 8.B.
1. 2021 Creative; 2. 2021 Media Buy; 3. Public Relations; 4. Living Well Brand Advocates
Members of the CAC marketing team and agencies provided an overview of the 2021 marketing program including updates to the 'Premium Californian' target, planned outdoor activity and locations, audio and digital partners, 2021 campaign artwork updates, media timing and spending, as well as public relations activity and living well brand advocate program.

The *2021 Consumer Marketing Presentation* is included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

Shop.CaliforniaAvocado.com Update – Item 8.B.5
Jan DeLyser, CAC vice president of marketing, presented a CAC Merchandise Shop Report which included shop sales and visitor performance metrics for the month, fiscal year-to-date and shop-to-date periods. This new report also included highlights of promotion and engagements on shoppable posts, as well as overall observations. Ms. DeLyser noted that while the shop was underperforming against plan, largely due to the pandemic and social unrest that delayed the launch of the site, the daily operations were performing well and cash flow, excluding marketing expenses, was positive.

The *CAC Merchandise Shop Report Through January 2021* is included in the March 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

During discussion, Mr. Cornell remarked that money was being spent online, but asked about what was being done at retail and point-of-sale (POS) programs. He noted that it had been years since he had seen California avocados distinguished by POS, aside from the sticker. Ms. DeLyser replied that the Board would be receiving an update in May regarding retail activity, but that CAC utilizes Viant to inform consumers of which retailers near them are carrying California avocados. Dave Anderson, CAC retail marketing director, also commented that the current trend within retail was to opt-out of in-store POS materials, however CAC still sends out approximately 5,000 California avocado display bins. Additional comments from Board members indicated that due to the pandemic in-store activity, such as demos had been cut back, and that while POS may not be seen at every store, many of the tier one accounts still utilized POS. It was also noted that in the past CAC had notified growers of which promotions were running and where so that growers could go to those locations to see the promotions firsthand.

CAC Board member John Lloyd-Butler commented on Chipotle's Superbowl commercial which featured where the food came from and suggested that perhaps CAC should steer messaging to the where/locality piece of California avocados. Mr. Bellamore commented that CAC's social activity was full of local messaging and at retail CAC works with each company to build a customized plan which incorporates various consumer marketing messages, including locality.

Mr. Cornell reiterated his position that the decision to buy is made at point of purchase and that is where country of origin can be called out through POS. He noted that Spotify and Facebook were more generic advertising. Ms. DeLyser stated that all of CAC's advertising and promotions were California specific and not generic. Mr. Cornell concluded in saying that CAC was not doing a very good job at differentiating.

ITEM #9 HASS AVOCADO BOARD BOLD PROGRAM
Mr. Grether reported that previously the Hass Avocado Board (HAB) had presented the Board Leadership Development (BOLD) program to the CAC Board, which the CAC Board approved sponsoring one program participant, so long as they were a CAC Board member or alternate.

Mr. Grether stated that CAC had been informed by HAB that CAC Board member Rachael Laenen had applied for the BOLD program.

Ms. Laenen addressed the Board, stating that she felt the BOLD program would be a valuable opportunity and that she was interested in participating and providing feedback as to whether CAC should continue sponsoring participants in the future. She noted that she hoped to use this as an opportunity for CAC to help shape the future of the BOLD program.

Connor Huser, CAC handler alternate member, stated that he had also applied for the BOLD program and saw it as an opportunity to learn more about the avocado industry and become more involved.

In response to Mr. Grether's inquiry about whether CAC needed to act on candidates at this meeting, John McGuigan with HAB stated that HAB was hoping CAC would decide today on who they would sponsor so that HAB can then review the remaining candidates and determine who HAB would fund/sponsor on their end. Mr. McGuigan also commented that it could be Fall before the BOLD program met in-person, therefore the cost for participation could be half the initial estimate since part of the program would be conducted virtually.

The CAC board discussed, with multiple comments made in support of sponsoring both Ms. Laenen and Mr. Huser in the BOLD program.

MOTION:
Move to sponsor Rachael Laenen and Connor Huser in the HAB BOLD program. (Karaoghlanian/Douglas)

It was suggested that a not to exceed dollar amount be placed on CAC's sponsorship of the program participants.

AMENDED MOTION:
Move to sponsor Rachael Laenen and Connor Huser in the HAB BOLD program not to exceed $9,000 total during the 2020-21 fiscal year.
(Cornell/Lloyd-Butler) MSC 11 Yea/1 Abstain ***MOTION 21-3-4-11***

Ms. Arnett stated that while the current budget had not allocated funds specifically for BOLD participation, the current Board member expense line item was sufficient to cover the $9,000 expense.

ADJOURN MEETING
Mr. Cornell stated that he had a few comments and potential motions he would like to make. Mr. Grether responded that Mr. Cornell could make comments, but that if his proposed motions did not tie to an agenda item, the Board was unable to take action.

Mr. Cornell remarked that his sense was that authority to conduct meetings was governed by Robert's Rules of Order (RRO), however, after the events of the last meeting and members comments limited during discussion, he had reviewed RRO and could find nothing supporting this action. Mr. Cornell requested to make a motion to have RRO govern CAC meetings. Mr. Grether responded that the motion was unnecessary, as CAC's Bylaws already specific under Parliamentary Authority that RRO shall govern meetings of the Commission.

Mr. Cornell then asked if the motion he had made at the February Board meeting to request that CAC's attorneys ask the International Trade Commission to begin monitoring Hass avocado imports was in violation of RRO since it was not listed on the agenda. Mr. Grether explained that

motion was not in violation, as it fell under the Section 201 discussion that had been noticed under the agenda.

Lastly, Mr. Cornell commented that as a practice, CAC places the Public Comment at the beginning of the meeting to allow the public an opportunity to comment on agendized items. He noted that at the February meeting his motion was on an item not specifically listed on the agenda and therefore the public was not provided the opportunity to comment on his motion. He requested that the Board consider allowing the public to provide comments during the meeting on motions on items not listed on the agenda. Mr. Grether stated that he would send the request to the Executive Committee for consideration.

Mr. Grether adjourned the meeting at 12:47 p.m.

Respectfully submitted,

_____
April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of March 4, 2021 approved by the CAC Board of Directors on May 20, 2021.

_____
Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

EXHIBIT A	March 2021 Board Packet
EXHIBIT B	The Redistricting Committee Presentation
EXHIBIT C	2021 Consumer Marketing Presentation
EXHIBIT D	CAC Merchandise Shop Report Through January 2021
EXHIBIT E	March 4, 2021 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

Meeting Name:	**Meeting Location:**	**Meeting Date:**
California Avocado Commission Regular Board Meeting	*Zoom Web/Teleconference*	*March 4, 2021*

Attendees Who Voted	***MOTION 21-3-4-1***	***MOTION 21-3-4-2***	***MOTION 21-3-4-3***	***MOTION 21-3-4-4***	***MOTION 21-3-4-5***	***MOTION 21-3-4-6***	***MOTION 21-3-4-7***	***MOTION 21-3-4-8***	***MOTION 21-3-4-9***	***MOTION 21-3-4-10***	***MOTION 21-3-4-11***
Ryan Rochefort	Yea	Yea	Nay	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Jessica Hunter	Yea	Yea	Nay	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Ohannes Karaoghlanian	Yea	Yea	Yea	Yea	Wildgoose	Yea	Yea	Yea	Yea	Yea	Yea
John Cornell	Yea	Yea	Yea	Yea	Wibbenmeyer	Yea	Yea	Yea	Yea	Yea	Yea
Rob Grether	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Wolk	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
John Lloyd-Butler	Yea	Nay	Nay	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Jason Cole	Yea	Nay	Yea	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Yea	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Abstain
Randy Douglas	Yea	Yea	Nay	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Andrew Prechtl	Yea	Yea	Nay	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Peter Shore	Yea	Yea	Yea	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Gary Caloroso	Yea	Yea	Nay	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Daniella Malfitano	Yea	Yea	Nay	Yea	Wolk	Yea	Yea	Yea	Yea	Yea	Yea
Outcome	**Unanimous**	**10 Yea 2 Nay**	**5 Yea 7 Nay**	**Unanimous**	**11 Wolk 1 Wildgoose 1 Wibbenmeyer**	**Unanimous**	**Unanimous**	**Unanimous**	**Unanimous**	**Unanimous**	**11 Yea 1 Abstain**

BOARD INFORMATION

ITEM 3.B: 2020-21 FINANCIAL & CROP UPDATE

SUMMARY:

Financial Position and Operational Indicators

The following are highlights taken from the Commission's Statement of Net Position (Balance Sheet & Reserves) as of April 30, 2021 and Statement of Revenues, Expenses & Changes in Net Position (Income Statement) for the period then ended, with comparison to prior year's figures:

	4/30/21	4/30/20
Assets		
Petty Cash	$200	$200
Cash in Bank–Checking Accounts	421,185	728,973
Investments (LAIF & MMA)	9,917,540	10,136,398
Subtotal CAC Cash & Investment	**10,338,925**	**10,865,571**
Cash & Investments held for AIP	734,286	686,274
Total Cash & Investment	**11,073,211**	**11,551,845**
Assessment Receivable	3,074,059	3,640,103
Other (Other Receivables, Prepaids and Fixed Assets)	275,286	270,334
Total Assets	**14,422,556**	**15,462,282**
Liabilities & Net Reserves		
Accounts Payable and Accrued Expenses	727,115	551,529
Due to AIP	734,286	686,274
Other	221,399	194,154
Total Liabilities	**1,682,800**	**1,431,957**
Total Revenues	4,164,899	5,596,411
Total Expenditures	5,767,585	5,549,874
YTD Surplus (Deficit)	**(1,602,686)**	**46,537**
Net Reserves-Prior Periods	14,342,442	13,983,788
Total Net Reserves	**12,739,756**	**14,030,325**
Total Liabilities & Net Reserves	**$14,422,556**	**$15,462,282**

Crop Statistics

Handlers reported 40 million pounds of California avocados harvested through March 2021 with an average price (per pound) reported at 1.06 dollars. An estimated 51.9 million pounds were harvested in April 2021 with an average price (per pound) of 1.26 dollars. This would bring the total harvested through April 2021 to 91.9 million pounds at an average price (per pound) of 1.17 dollars.

The attached year-to-date 2020-21 U.S. Aggregate Avocado Volume by Month Chart shows the actual crop volume for all countries of origin with prior year comparison.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Discussion item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- Balance Sheet and Reserves as of April 30, 2021
- Statement of Revenues and Expenses for the six months ending April 30, 2021
- 2020-21 Pounds & Dollars by Variety Report (November 2020 – March 2021)
- 2020-21 U.S. Aggregate Avocado Volume by Month Chart (November 2020 – March 2021)

California Avocado Commission
Statement of Net Position
As of April 30, 2021 (with Comparison to Prior Year)

	Current Year		Prior Year		Variance	
	Balance	**%**	**Balance**	**%**	**Amount**	**%**
ASSETS						
Cash and Short Term Investments:						
Petty Cash	200	0.00%	200	0.00%	-	0.00%
Cash in Bank	421,185	2.92%	728,973	4.71%	(307,788)	-42.22%
Cash in Bank-LAIF & Money Market	9,917,540	68.76%	10,136,398	65.56%	(218,858)	-2.16%
Total CAC Cash and Short Term Investme	**10,338,925**	**71.69%**	**10,865,571**	**70.27%**	**(526,647)**	**-4.85%**
Cash in Bank, LAIF & Money Market (held for	734,287	5.09%	686,274	4.44%	48,013	**7.00%**
Total Cash and Short Term Investments	**11,073,211**	**76.78%**	**11,551,845**	**74.71%**	**(478,634)**	**-4.14%**
Other Current Assets:						
Assessment Receivable	3,074,059	21.31%	3,640,103	23.54%	(566,044)	-15.55%
Other Receivable	30,623	0.21%	15,847	0.10%	14,777	93.25%
Prepaids	105,363	0.73%	95,912	0.62%	9,450	9.85%
Merchandise Shop Inventory	30,535	0.21%	-	0.00%	30,535	100.00%
Total Other Current Assets	**3,240,580**	**22.47%**	**3,751,862**	**24.26%**	**(511,282)**	**-13.63%**
Total Current Assets	**14,313,791**	**99.25%**	**15,303,707**	**98.97%**	**(989,916)**	**-6.47%**
Fixed Assets:						
Furniture	78,176	0.54%	110,525	0.71%	(32,349)	-29.27%
Software	-	0.00%	3,338	0.02%	(3,338)	-100.00%
Land Improvements	30,588	0.21%	44,711	0.29%	(14,123)	-31.59%
Total Fixed Assets	**108,765**	**0.75%**	**158,575**	**1.03%**	**(49,810)**	**-31.41%**
Net Fixed Assets	**108,765**	**0.75%**	**158,575**	**1.03%**	**(49,810)**	**-31.41%**
Total Assets	**14,422,556**	**100.00%**	**15,462,282**	**100.00%**	**(1,039,726)**	**-6.72%**
LIABILITIES AND NET RESERVES						
Current Liabilities:						
Accounts Payable & Accrued Expenses	727,115	43.21%	551,529	38.52%	175,586	31.84%
Due to AIP	734,287	43.63%	686,274	47.93%	(48,013)	-7.00%
Other Payable (Vacation/Payroll/Sec. 125)	200,205	11.90%	172,960	12.08%	27,244	15.75%
Research Contract Payable	3,194	0.19%	3,194	0.22%	-	0.00%
Total Current Liabilities	**1,664,800**	**98.93%**	**1,413,958**	**98.74%**	250,843	17.74%
Long Term Liabilities:						
Deposit Due to CDFA/AIP	18,000	1.07%	18,000	1.26%	-	0.00%
Total Long Term Liabilities	18,000	**1.07%**	18,000	**1.26%**	-	0.00%
Total Liabilities	**1,682,800**	100.00%	**1,431,958**	**100.00%**	**250,843**	**17.52%**
Net Reserves:						
Net Reserves-Prior Periods	14,342,442	112.58%	13,983,788	99.67%	358,654	2.56%
Surplus (Deficit)-Current Period	(1,602,686)	-12.58%	46,537	0.33%	(1,649,223)	-3543.92%
Total Net Reserves	**12,739,755**	**100.00%**	**14,030,324**	**100.00%**	**(1,290,569)**	**-9.20%**
Total Liabilities and Net Reserves	**14,422,556**	**100.00%**	**15,462,282**	**100.00%**	**(1,039,726)**	**-6.72%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit)
For the six months ending April 30, 2021 (with Comparison to Prior Year)

	2020/2021		2019/2020		Current Year Vs Prior Year	
	Actual	%	Actual	%	Var-Fav(Unfav)	% of Change
Revenues						
Assessment Revenues						
CAC Assessment Revenue	2,169,401	52.1%	3,229,436	57.71%	(1,060,035)	-32.8%
HAB Assessment Revenue	1,894,362	45.5%	2,258,758	40.36%	(364,397)	-16.1%
Subtotal Assessment Revenue	**4,063,762**	**97.6%**	**5,488,195**	**98.07%**	**(1,424,432)**	**-26.0%**
Other Revenues						
Admin & Accounting Fee Revenue (AIP)	30,498	0.7%	30,498	0.54%	-	0.0%
Grant Funding	-	0.0%	3,519	0.06%	(3,519)	-100.0%
Pine Tree Ranch Crop Income	-	0.0%	22,044	0.39%	(22,044)	-100.0%
Interest and Other Income	58,771	1.4%	52,155	0.93%	6,617	12.7%
Merch Shop Income	11,867	0.3%	-	0.00%	11,867	0.0%
Subtotal Other Revenues	**101,137**	**2.4%**	**108,216**	**1.93%**	**(7,079)**	**-6.5%**
Total Revenue	**4,164,899**	**100.0%**	**5,596,411**	**100.00%**	**(1,431,512)**	**-25.6%**
Expenses						
Marketing Expenses						
Consumer Marketing	2,144,409	37.7%	2,088,604	37.85%	(55,804)	-2.7%
Merchandising	681,665	12.0%	690,779	12.52%	9,114	1.3%
Foodservice	208,015	3.7%	251,129	4.55%	43,114	17.2%
Consumer Public Relations	408,518	7.2%	365,059	6.62%	(43,459)	-11.9%
Consumer/Trade Living Well	91,672	1.6%	70,366	1.28%	(21,306)	-30.3%
Marketing Activities Support	86,756	1.5%	39,756	0.72%	(46,999)	-118.2%
Merch Shop	72,229	1.3%	31,469	0.57%	(40,760)	-129.5%
Subtotal Marketing Expenses	**3,693,263**	**64.8%**	**3,537,163**	**64.10%**	**(156,100)**	**-4.4%**
Non-Marketing Expenses						
Industry Affairs	353,282	6.2%	293,550	5.32%	(59,731)	-20.3%
Production Research	107,431	1.9%	75,584	1.37%	(31,847)	-42.1%
Grant Programs	23,166	0.4%	10,666	0.19%	(12,500)	-117.2%
Administration	1,590,444	27.9%	1,632,911	29.59%	42,467	2.6%
Subtotal Non-Marketing Expenses	**2,074,323**	**36.4%**	**2,012,711**	**36.47%**	**(61,611)**	**-3.1%**
Total Expenses	**5,767,586**	**100.0%**	**5,549,874**	**100.00%**	**(217,711)**	**-3.9%**
Surplus (Deficit)	**(1,602,686)**	**100.0%**	**46,537**	**100.00%**	**(1,649,223)**	**3543.9%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - Actual vs. Budget
For the six months ending April 30, 2021 (with Comparison to Budget)

	YTD		YTD	YTD Actual Vs YTD Budget		Annual	YTD Actual Vs Annual Budget	
	Actual	%	Budget	Var-Fav(Unfav)	% of Budget	Budget	Var-Fav(Unfav)	% of Budget
Revenues								
Assessment Revenues								
CAC Assessment Revenue	2,169,401	52.09%	1,848,090	321,311	17.39%	6,931,641	(4,762,240)	-68.70%
HAB Assessment Revenue	1,894,362	45.48%	1,951,630	(57,268)	-2.93%	6,422,812	(4,528,450)	-70.51%
Subtotal Assessment Revenue	**4,063,762**	**97.57%**	**3,799,720**	**264,042**	**6.95%**	**13,354,453**	**(9,290,691)**	**-69.57%**
Other Revenues								
Admin & Accounting Fee Revenue (AIP)	30,498	0.73%	30,498	-	0.00%	61,000	(30,502)	-50.00%
Grant Funding	-	0.00%	-	-	0.00%	-	-	0.00%
Pine Tree Ranch Crop Income	-	0.00%	-	-	0.00%	37,500	(37,500)	-100.00%
From The Grove Income	44,450	1.07%	32,500	11,950	36.77%	65,000	(20,550)	-31.62%
Interest and Other Income	14,321	0.34%	7,500	6,821	90.95%	15,000	(679)	-4.52%
Merchandise Shop Income	11,867	0.28%	95,172	(83,305)	-87.53%	190,358	(178,491)	-93.77%
Subtotal Other Revenues	**101,137**	**2.43%**	**165,670**	**(64,533)**	**-38.95%**	**368,858**	**(267,721)**	**-72.58%**
Total Revenue	**4,164,899**	**100.00%**	**3,965,390**	**199,509**	**5.03%**	**13,723,311**	**(9,558,412)**	**-69.65%**
Expenses								
Marketing Expenses								
Consumer Marketing	2,144,409	37.18%	2,966,067	821,659	27.70%	6,713,665	4,569,256	68.06%
Merchandising	681,665	11.82%	787,751	106,087	13.47%	2,848,488	2,166,823	76.07%
Foodservice	208,015	3.61%	224,303	16,288	7.26%	970,000	761,985	78.56%
Consumer Public Relations	408,518	7.08%	464,019	55,501	11.96%	1,000,000	591,482	59.15%
Consumer/Trade Living Well	91,672	1.59%	109,065	17,393	15.95%	202,000	110,328	54.62%
Marketing Activities Support	86,756	1.50%	86,965	209	0.24%	201,375	114,619	56.92%
Merchandise Shop	72,229	1.25%	149,992	77,763	51.84%	304,854	232,625	76.31%
Subtotal Marketing Expenses	**3,693,263**	**64.03%**	**4,788,163**	**1,094,900**	**22.87%**	**12,240,382**	**8,547,119**	**69.83%**
Non-Marketing Expenses								
Industry Affairs & Production Research	460,713	7.99%	556,197	95,484	23.18%	1,641,219	1,180,506	142.64%
Grants	23,166	0.40%	-	(23,166)	0.00%	-	(23,166)	#DIV/0!
Administration	1,590,444	27.58%	1,804,897	214,453	11.88%	3,560,570	1,970,126	55.33%
Subtotal Non-Marketing Expenses	**2,074,323**	**35.97%**	**2,361,094**	**286,771**	**12.15%**	**5,201,789**	**3,127,466**	**60.12%**
Total Expenses	**5,767,586**	**100.00%**	**7,149,257**	**1,381,671**	**19.33%**	**17,442,171**	**11,674,585**	**66.93%**
Surplus (Deficit)	**(1,602,686)**	**100.00%**	**(3,183,867)**	**1,581,180**	**-49.66%**	**(3,718,860)**	**2,116,174**	**56.90%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - Actual vs. Budget
For the six months ending April 30, 2021 (with Comparison to Budget)

	YTD		YTD	YTD Actual Vs YTD Budget		Annual	YTD Actual Vs Annual Budget	
	Actual	%	Budget	Var-Fav(Unfav)	% of Budget	Budget	Var-Fav(Unfav)	% of Budget
Consumer Advertising								
Media	722,541	12.53%	1,311,717	589,177	44.92%	4,000,000	3,277,459	81.94%
Production	201,693	3.50%	348,000	146,307	42.04%	425,000	223,307	52.54%
Online Marketing	346,942	6.02%	433,117	86,175	19.90%	542,200	195,258	36.01%
Program Administration	873,233	15.14%	873,233	-	0.00%	1,746,465	873,233	50.00%
Subtotal Consumer Advertising	**2,144,409**	**37.18%**	**2,966,067**	**821,659**	**27.70%**	**6,713,665**	**4,569,256**	**68.06%**
Merchandising Promotions								
Trade Relations	427,020	7.40%	488,521	61,501	12.59%	1,349,188	922,168	68.35%
Retail/Consumer Promotions	95,485	1.66%	107,450	11,965	11.14%	1,007,700	912,215	90.52%
Data, Research & Analysis	147,752	2.56%	171,020	23,268	13.61%	386,600	238,848	61.78%
Administration & Other	11,407	0.20%	20,760	9,353	45.05%	105,000	93,593	89.14%
Subtotal Merchandising Promotion	**681,665**	**11.82%**	**787,751**	**106,087**	**13.47%**	**2,848,488**	**2,166,823**	**76.07%**
Foodservice								
Media	41,263	0.72%	42,203	940	2.23%	110,100	68,837	62.52%
Public Relations & Collateral Materials	28,452	0.49%	37,000	8,548	23.10%	113,000	84,548	74.82%
Foodservice Events	66,573	1.15%	77,000	10,427	13.54%	355,900	289,327	81.29%
Chain Promotions	59,119	1.03%	54,500	(4,619)	-8.47%	335,000	275,881	82.35%
Education Programs	300	0.01%	900	600	66.67%	2,000	1,700	85.00%
Program Administration Fees	12,308	0.21%	12,700	392	3.08%	54,000	41,692	77.21%
Subtotal Foodservice	**208,015**	**3.61%**	**224,303**	**16,288**	**7.26%**	**970,000**	**761,985**	**78.56%**
Consumer Public Relations								
Brand Advocates	137,651	2.39%	142,000	4,349	3.06%	330,000	192,349	58.29%
Public Relations	225,474	3.91%	272,952	47,478	17.39%	545,000	319,526	58.63%
Program Administration	45,394	0.79%	49,068	3,674	7.49%	125,000	79,606	63.69%
Subtotal Public Relations	**408,518**	**7.08%**	**464,019**	**55,501**	**11.96%**	**1,000,000**	**591,482**	**59.15%**
Consumer/Trade Living Well								
RDN Ambassadors	74,672	1.29%	87,065	12,393	14.23%	156,500	81,828	52.29%
Industry Partnerships	15,000	0.26%	20,000	5,000	25.00%	33,500	18,500	55.22%
Program Administration	2,000	0.03%	2,000	-	0.00%	12,000	10,000	83.33%
Subtotal Consumer/Trade Living	**91,672**	**1.59%**	**109,065**	**17,393**	**15.95%**	**202,000**	**110,328**	**54.62%**
Marketing Activities Support								
Marketing Planning	24,256	0.42%	24,465	209	0.86%	115,875	91,619	79.07%
Center for Produce Safety	50,000	0.87%	50,000	-	0.00%	50,000	-	0.00%
"Buy California" Marketing Campaign	12,500	0.22%	12,500	-	0.00%	25,000	12,500	0.00%
Festivals	-	0.00%	-	-	0.00%	10,500	10,500	100.00%
Subtotal Marketing Activities Su	**86,756**	**1.50%**	**86,965**	**209**	**0.24%**	**201,375**	**114,619**	**56.92%**
Merchandise Shop								
Cost of Goods Sold	3,745	0.06%	53,980	50,235	93.06%	107,960	104,214	96.53%
Expenses - Variable	8,353	0.14%	30,907	22,554	72.97%	61,814	53,461	86.49%
Expenses - Fees	60,130	1.04%	65,105	4,975	7.64%	135,080	74,950	55.49%
Subtotal Merchandise Shop	**72,229**	**1.25%**	**149,992**	**77,763**	**51.84%**	**304,854**	**232,625**	**76.31%**
Subtotal Marketing Expenses	**3,693,263**	**64.03%**	**4,788,163**	**1,094,900**	**22.87%**	**12,240,382**	**8,547,119**	**69.83%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - Actual vs. Budget
For the six months ending April 30, 2021 (with Comparison to Budget)

	YTD		YTD	YTD Actual Vs YTD Budget		Annual	YTD Actual Vs Annual Budget	
	Actual	%	Budget	Var-Fav(Unfav)	% of Budget	Budget	Var-Fav(Unfav)	% of Budget
Industry Affairs								
AMRIC Operation	36,373	0.63%	42,350	5,977	14.11%	147,500	111,127	75.34%
Crop Forecasting & Analysis	50,877	0.88%	55,600	4,723	8.49%	121,200	70,323	58.02%
Grower Database	3,430	0.06%	8,000	4,570	57.12%	8,000	4,570	57.12%
Grove ID GIS Project Dmnt	2,580	0.04%	2,100	(480)	-22.87%	20,000	17,420	87.10%
Online Information (Grower Web Site)	20,005	0.35%	39,800	19,795	49.74%	70,500	50,495	71.62%
Publications	44,224	0.77%	39,860	(4,364)	-10.95%	104,000	59,776	57.48%
Annual Meeting	-	0.00%	20,000	20,000	100.00%	20,000	20,000	100.00%
Annual Report	12,982	0.23%	10,000	(2,982)	-29.82%	10,000	(2,982)	-29.82%
Water Issues	-	0.00%	-	-	0.00%	25,000	25,000	100.00%
Field/Technical Support	-	0.00%	-	-	0.00%	65,000	65,000	100.00%
Research Program Coordination & Outre	48,000	0.83%	48,000	-	0.00%	120,000	72,000	60.00%
Legislative & Regulatory Advocacy	55,867	0.97%	55,890	23	0.04%	175,000	119,133	68.08%
Product Registrations	-	0.00%	-	-	0.00%	4,000	4,000	100.00%
Sustainability Project	-	0.00%	-	-	0.00%	50,000	50,000	100.00%
Elections	1,026	0.02%	1,000	(26)	-2.63%	10,000	8,974	89.74%
Legal Support	31,249	0.54%	12,000	(19,249)	-160.41%	25,000	(6,249)	-25.00%
Governance Support	-	0.00%	15,000	15,000	100.00%	45,000	45,000	100.00%
Referendum	365	0.01%	15,000	14,635	97.57%	15,000	14,635	97.57%
Redistricting	630	0.01%	5,000	4,370	87.40%	5,000	4,370	87.40%
Field Meetings, Seminars & Workshops	-	0.00%	-	-	0.00%	32,000	32,000	100.00%
Pine Tree Ranch Field Days	-	0.00%	-	-	0.00%	6,000	6,000	100.00%
Grower Outreach	372	0.01%	400	28	7.00%	19,200	18,828	98.06%
Coalition Dues, Sponsorship & Reports	12,240	0.21%	13,990	1,750	12.51%	25,000	12,760	51.04%
Grant Writing	-	0.00%	-	-	0.00%	2,500	2,500	100.00%
Travel	350	0.01%	18,000	17,650	98.06%	40,000	39,650	99.13%
Office Expense	176	0.00%	5,700	5,524	96.91%	16,500	16,324	98.93%
Committee Meeting Expense	-	0.00%	-	-	0.00%	5,000	5,000	100.00%
Demonstration Grove								
Pine Tree - Rent	11,670	0.20%	11,670	-	0.00%	23,600	11,930	50.55%
Pine Tree - Grove Management	11,409	0.20%	15,800	4,391	27.79%	40,000	28,591	71.48%
Pine Tree - Utilities	952	0.02%	2,700	1,748	64.72%	5,400	4,448	82.36%
Pine Tree - Property Tax & Insurance	1,365	0.02%	1,260	(105)	-8.33%	2,500	1,135	45.40%
Pine Tree - Misc Expenses	6,674	0.12%	7,050	376	5.33%	15,000	8,326	55.51%
Pine Tree - Crop Harvesting	465	0.01%	-	(465)	0.00%	5,400	4,935	91.39%
Pine Tree - Crop Hauling	-	0.00%	-	-	0.00%	500	500	100.00%
Pine Tree - CAC Assessment	-	0.00%	-	-	0.00%	750	750	100.00%
Pine Tree - HAB Assessment	-	0.00%	-	-	0.00%	750	750	100.00%
Subtotal Pine Tree Demonstrati	**32,536**	**0.56%**	**38,480**	**5,944**	**15.45%**	**93,900**	**61,364**	**65.35%**
Subtotal Industry Affairs	**353,282**	**6.13%**	**446,170**	**92,888**	**20.82%**	**1,280,300**	**927,018**	**72.41%**
Production Research								
Phenology of Avocado Infection by Botry	33,849	0.59%	33,849	-	0.00%	67,697	33,848	50.00%
Proactive Mgmt of Avocado Seed and St	-	0.00%	-	-	0.00%	50,000	50,000	100.00%
Commercial-Scale Field Testing of Advar	28,750	0.50%	31,250	2,500	8.00%	125,000	96,250	77.00%
Opening Roads for Micropropagation of A	23,797	0.41%	23,893	96	0.40%	47,786	23,989	50.20%
Safety and Efficacy of Herbicides in Bear	21,035	0.36%	21,035	-	0.00%	46,836	25,801	55.09%
Gem Avocado Scarring Study	-	0.00%	-	-	0.00%	23,600	23,600	100.00%
Subtotal Production Research	**107,431**	**1.86%**	**110,027**	**2,596**	**2.36%**	**360,919**	**253,488**	**70.23%**
Grants								
USDA Grant-FAS MAP South Korea	11,666	0.20%	-	(11,666)	0.00%	-	(11,666)	#DIV/0!
USDA Grant-FAS MAP China	11,500	0.20%	-	(11,500)	0.00%	-	(11,500)	#DIV/0!
Subtotal Grants	**23,166**	**0.40%**	**-**	**(23,166)**	**0.00%**	**-**	**(23,166)**	**#DIV/0!**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - Actual vs. Budget
For the six months ending April 30, 2021 (with Comparison to Budget)

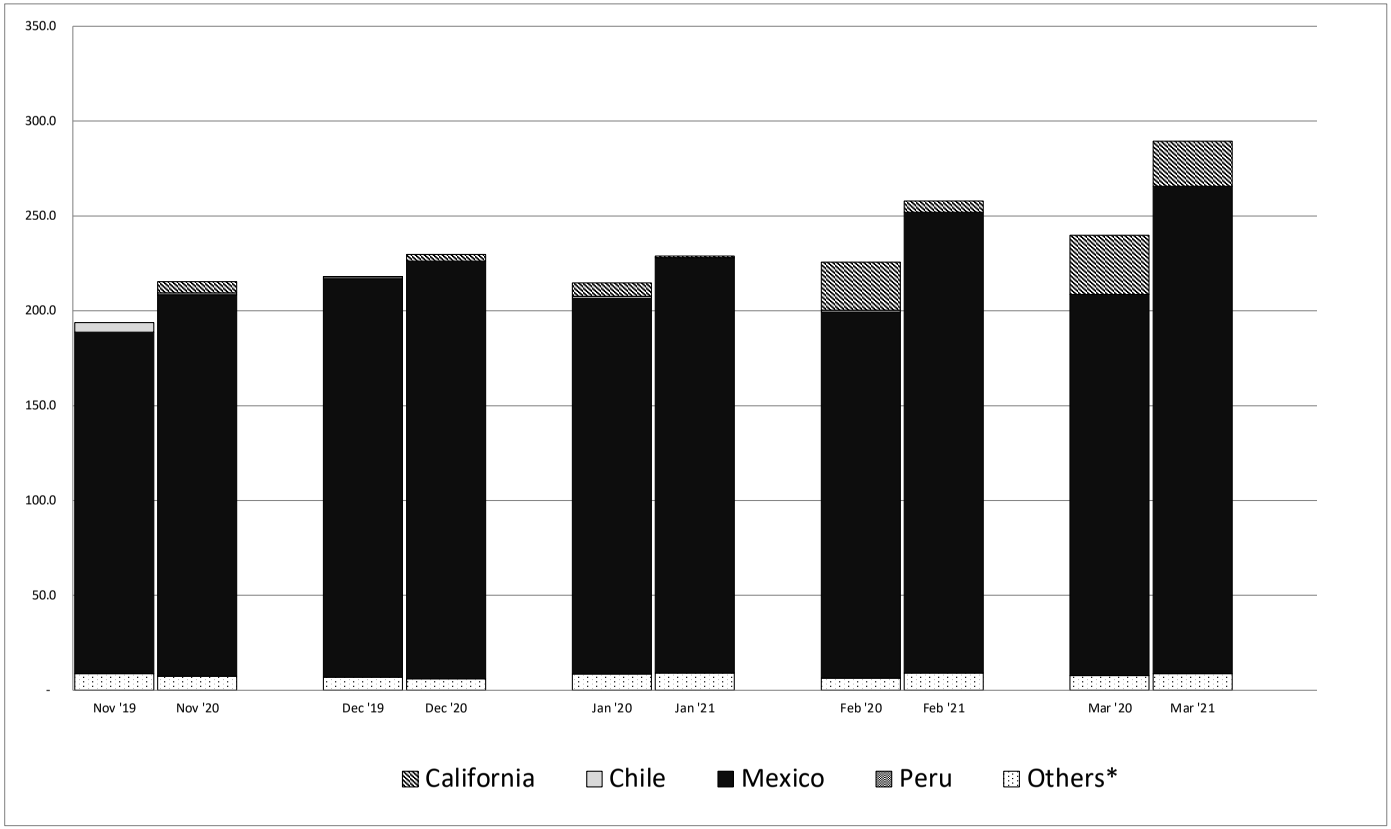
	YTD		YTD	YTD Actual Vs YTD Budget		Annual	YTD Actual Vs Annual Budget	
	Actual	%	Budget	Var-Fav(Unfav)	% of Budget	Budget	Var-Fav(Unfav)	% of Budget
Administration								
Rent-Office-CAM, Ins, Prop Tax-Mauchly	68,742	1.19%	68,910	168	0.24%	138,701	69,959	50.44%
Rent-Offsite Storage	3,510	0.06%	3,540	30	0.85%	7,080	3,570	50.42%
Corporate Insurance	85,903	1.49%	89,000	3,097	3.48%	89,000	3,097	3.48%
Office Expense, Supplies & Janitorial	6,385	0.11%	11,830	5,445	46.03%	38,835	32,450	83.56%
Utilities	3,470	0.06%	6,270	2,800	44.65%	16,540	13,070	79.02%
Bank Fees	4,686	0.08%	7,380	2,694	36.51%	15,860	11,174	70.45%
Equip Maint. & Exp. and Capital Lease Ir	10,404	0.18%	13,050	2,646	20.28%	28,200	17,796	63.11%
Telephone & Postage	9,084	0.16%	14,725	5,641	38.31%	30,470	21,386	70.19%
CPA-Financial Audits	30,461	0.53%	30,975	514	1.66%	30,975	514	1.66%
CPA-Assessment Audits	-	0.00%	-	-	0.00%	20,738	20,738	100.00%
CDFA-Fiscal and Compliance Audit	8,000	0.14%	16,605	8,605	51.82%	16,605	8,605	51.82%
California Dept. of Food & Agriculture	26,000	0.45%	38,600	12,600	32.64%	76,200	50,200	65.88%
U.S. Dept. of Agriculture (AMS)	25,180	0.44%	38,100	12,920	33.91%	75,600	50,420	66.69%
Legal & Other Professional	457	0.01%	500	43	8.60%	5,000	4,543	90.86%
Salaries/Wages	852,055	14.77%	951,000	98,945	10.40%	1,950,000	1,097,945	56.30%
Pension, Payroll Tax & Benefits	334,008	5.79%	356,049	22,041	6.19%	678,385	344,377	50.76%
Board Member District Meetings & Exper	-	0.00%	-	-	0.00%	3,000	3,000	100.00%
Board Member Entertainment	-	0.00%	-	-	0.00%	2,000	2,000	100.00%
Board Member Travel, Lodging, Mileage,	-	0.00%	-	-	0.00%	38,000	38,000	100.00%
Board Meeting Expenses	259	0.00%	19,250	18,991	98.65%	30,500	30,241	99.15%
Network Maint., Hardware, Software & Li	19,220	0.33%	23,433	4,213	17.98%	51,366	32,146	62.58%
IT Support & Consulting and Other Servi	11,530	0.20%	14,140	2,610	18.46%	31,500	19,970	63.40%
Accounting & Assessment System	2,968	0.05%	3,000	32	1.06%	7,910	4,942	62.47%
Administration Staff Travel	-	0.00%	4,500	4,500	100.00%	9,000	9,000	100.00%
Depreciation Expense	24,070	0.42%	25,740	1,670	6.49%	51,480	27,410	53.24%
Pension Admin & Legal	16,464	0.29%	20,600	4,136	20.08%	49,300	32,836	66.61%
Dues, Reg, Education, Recruitment & Otl	3,678	0.06%	3,750	72	1.92%	18,325	14,647	79.93%
Temporary Help	43,909	0.76%	43,950	41	0.09%	50,000	6,091	12.18%
Subtotal Administration	**1,590,444**	**27.58%**	**1,804,897**	**214,453**	**11.88%**	**3,560,570**	**1,970,126**	**55.33%**
Total Expenses	**5,767,586**	**100.00%**	**7,149,257**	**1,381,671**	**19.33%**	**17,442,171**	**11,674,585**	**66.93%**
Surplus (Deficit)	**(1,602,686)**	**100.00%**	**(3,183,867)**	**1,581,180**	**-49.66%**	**(3,718,860)**	**2,116,174**	**56.90%**

CALIFORNIA AVOCADO COMMISSION
POUNDS & DOLLARS BY VARIETY

November 2020 Through March 2021

Month	Hass Pounds	Lamb Pounds	Gem Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Gem Dollars	Others Dollars	Total Dollars	Avg $/Lb
Nov 2020	5,977,035	1,567	0	24,345	6,002,947	$4,620,733	$3,821	$	$21,353	$4,645,907	$0.774
Dec 2020	3,476,394	51	0	94,434	3,570,879	$2,539,032	$203	$	$54,342	$2,593,577	$0.726
Jan 2021	884,650		0	39,095	923,745	$438,382	0	$	$25,474	$463,856	$0.502
1st QTR	**10,338,079**	**1,618**	**0**	**157,874**	**10,497,571**	**$7,598,147**	**$4,024**	**0**	**$101,169**	**$7,703,340**	**$0.734**
Feb 2021	5,692,407		0	75,852	5,768,259	$5,481,457	0	$	$35,721	$5,517,178	$0.956
Mar 2021	23,583,870		87,218	33,952	23,705,040	$29,013,479	0	$115,019	$20,061	$29,148,559	$1.230
2nd QTR	**29,276,277**	**0**	**87,218**	**109,804**	**29,473,299**	**$34,494,936**	**0**	**$115,019**	**$55,782**	**$34,665,737**	**$1.176**
1st Half	**39,614,356**	**1,618**	**87,218**	**267,678**	**39,970,870**	**$42,093,083**	**$4,024**	**$115,019**	**$156,951**	**$42,369,077**	**$1.060**
Total	**39,614,356**	**1,618**	**87,218**	**267,678**	**39,970,870**	**$42,093,083**	**$4,024**	**$115,019**	**$156,951**	**$42,369,077**	**$1.060**
Year-to-Date % of Crop	99.11%	.00%	.22%	.67%	100.00%	99.35%	.01%	.27%	.37%	100.00%	
Year-to-Date Average $/lb						$1.063	$2.487	$1.319	$0.586	$1.060	

2020-21 FISCAL YEAR
WITH PRIOR YEAR COMPARISON
U. S. AGGREGATE AVOCADO VOLUME BY MONTH
All Varieties (million lbs.)



	Actual Nov '19	Actual Nov '20	Actual Dec '19	Actual Dec '20	Actual Jan '20	Actual Jan '21	Actual Feb '20	Actual Feb '21	Actual Mar '20	Actual* Mar '21	YTD Total 2019-20	YTD Total 2020-21	Total 2019-20
California	-	6.0	0.1	3.6	7.1	0.9	25.3	5.8	31.1	23.7	63.6	40.0	375.4
Chile	5.0	1.0	1.0	-	1.0	-	1.0	-	-	-	8.0	1.0	9.0
Mexico	180.0	201.0	210.0	220.0	198.0	219.0	193.0	243.0	201.0	257.0	982.0	1,140.0	2,110.0
Peru	-	-	-	-	-	-	-	-	-	-	-	-	163.0
Others*	8.8	7.4	6.9	6.1	8.6	9.0	6.4	9.0	7.7	8.7	38.4	40.2	87.4
TOTAL	**193.8**	**215.4**	**218.0**	**229.7**	**214.7**	**228.9**	**225.7**	**257.8**	**239.8**	**289.4**	**1,092.0**	**1,221.2**	**2,744.8**

* Others = Florida and Dominican Republic
** California is not final as of this report date

Source(s): CA = California Avocado Commission
Chile = Hass Avocado Board
Mexico = Hass Avocado Board
Peru = Hass Avocado Board
Others = USDA AMS and FATUS databases

BOARD INFORMATION

ITEM 3.C: RESULTS OF GROWER CROP ESTIMATING SURVEY

SUMMARY:

As part of CAC's crop estimating efforts, an annual mid-season crop estimating survey is conducted among growers and handlers during the month of April. Both sets of surveys collect volume information, as well as variety distribution. Additionally, the handler survey requests each organization to provide harvest projections for the remaining months of the season. The results of these surveys are used to inform the industry of the total crop that is expected to come to market and as a guide that helps shape the timing of CAC's marketing efforts.

Included in this write-up are the results of both the 2021 grower and handler mid-season surveys, resulting in CAC's mid-season crop update of 265 million pounds, 27 million pounds less than the February 2021 handler estimate of 292 million pounds. The decrease in volume mostly comes from Hass (26 million pounds), however a slight reduction to the Lamb-Hass volume also has been made (1 million pounds). As a reminder, very early industry crop estimates in September 2020 projected a crop size of 333 million pounds, and in October the CAC Board approved the 2020-21 budget using 325 million pounds. Discussions with industry stakeholders indicate that the reduced volume this season is due in large part to multiple wind events and a lack of rain which has resulted in smaller sized fruit.

Also attached are the monthly and weekly harvest projections based on the 265-million-pound crop volume. Please note that projected volume for the beginning of the season, which has already been harvested, do not show weekly actuals, but instead how the 4-year average and handler forecasting models project a 265-million-pound crop would have come to market. As we move through the season, Commission staff will continue to track crop harvest and remaining volume closely, ensuring that CAC's marketing efforts are aligned when California fruit is in-season.

FISCAL ANALYSIS:

- Fiscal impacts as a result of the crop shortfall will be discussed as part of the Treasurer's Report during the May 20, 2021 meeting

BOARD OPTIONS:

- Information item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- California Avocado 2021 Mid-Season Grower Survey Results
- April 2021 Handler Crop Survey Results
- CAC 2021 Mid-Season Crop and Harvest Projection Update

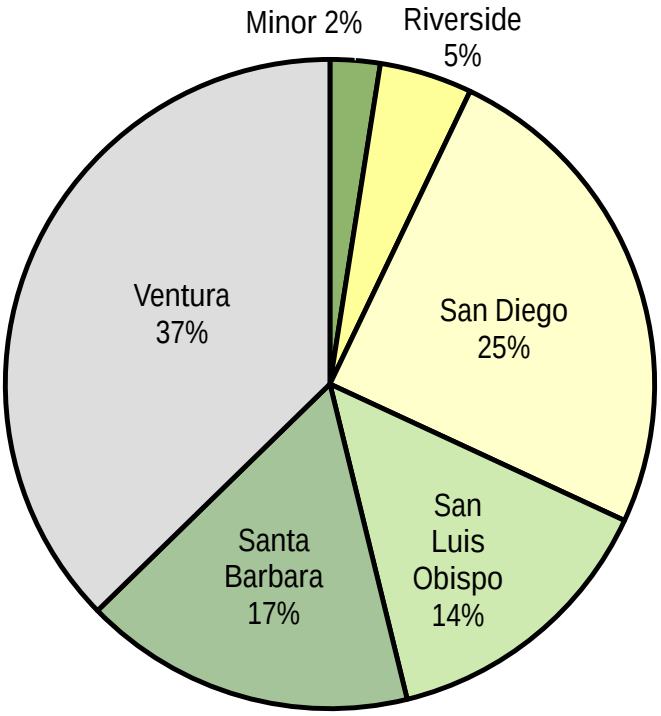
California Avocado 2020 Mid-Season Grower Survey Results

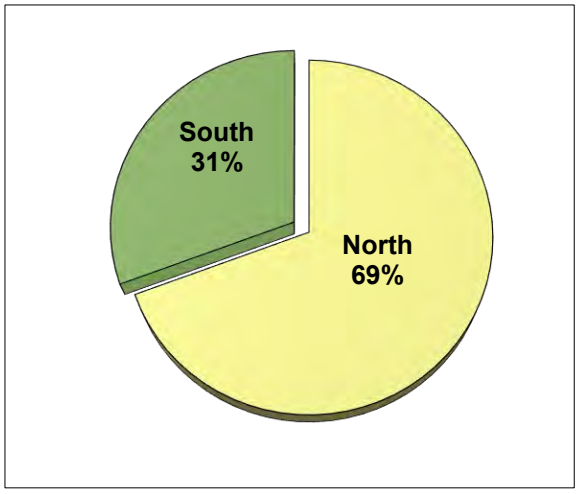
Variety	CAC Acres	Estimated Yield		Response %
		Lbs/Acre	Lbs (MM)	
Hass	45,068	5,678	255.9	45%
Lamb-Hass	1,487	4,183	6.22	39%
GEM	287	5,358	1.54	82%
Other	492	2,946	1.45	29%
Total	**47,334**	**5,601**	**265.1**	**45%**

County	Hass Only			All Varieties		
	CAC Acres	Estimated Yield		CAC Acres	Estimated Yield	
		Lbs/ Acre	Lbs (MM)		Lbs/ Acre	Lbs (MM)
San Diego	13,656	4,679	63.90	14,458	4,547	65.74
Riverside	4,327	2,816	12.18	4,400	2,782	12.24
Orange	975	3,359	3.28	990	3,308	3.28
Ventura	16,001	5,829	93.28	17,026	5,808	98.88
Santa Barbara	5,642	7,628	43.04	5,828	7,517	43.81
San Luis Obispo	3,867	9,667	37.38	3,924	9,641	37.83
Minor Counties	600	4,734	2.84	708	4,690	3.32

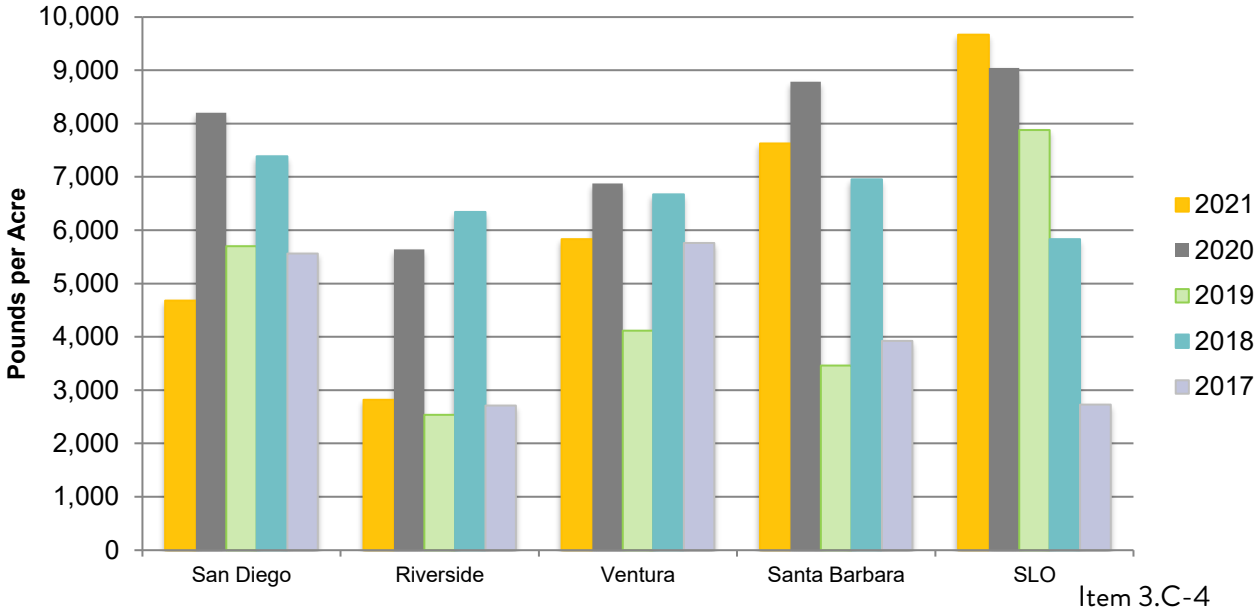
Estimated yields are on-tree forecasts and do not attempt to adjust for future weather factors or project carry-out.
CAC acres include producing trees classified as four years or older .

2021 Crop Distribution by County





Last Five Years Estimated Hass Yield by Acre (Five Major Counties)



AMRIC HANDLER CROP SURVEY RESULTS

MAY 2021

Below is a summary of the AMRIC Handler Mid-Season Crop Survey responses for the 2021 Total Crop Volume:

Hass

- Low: 215 million pounds
- High: 282.5 million pounds
    - *Median – 250 million*
    - *Average 259 million*

Lamb-Hass

- Low: 7 million pounds
- High: 11.3 million pounds

GEM

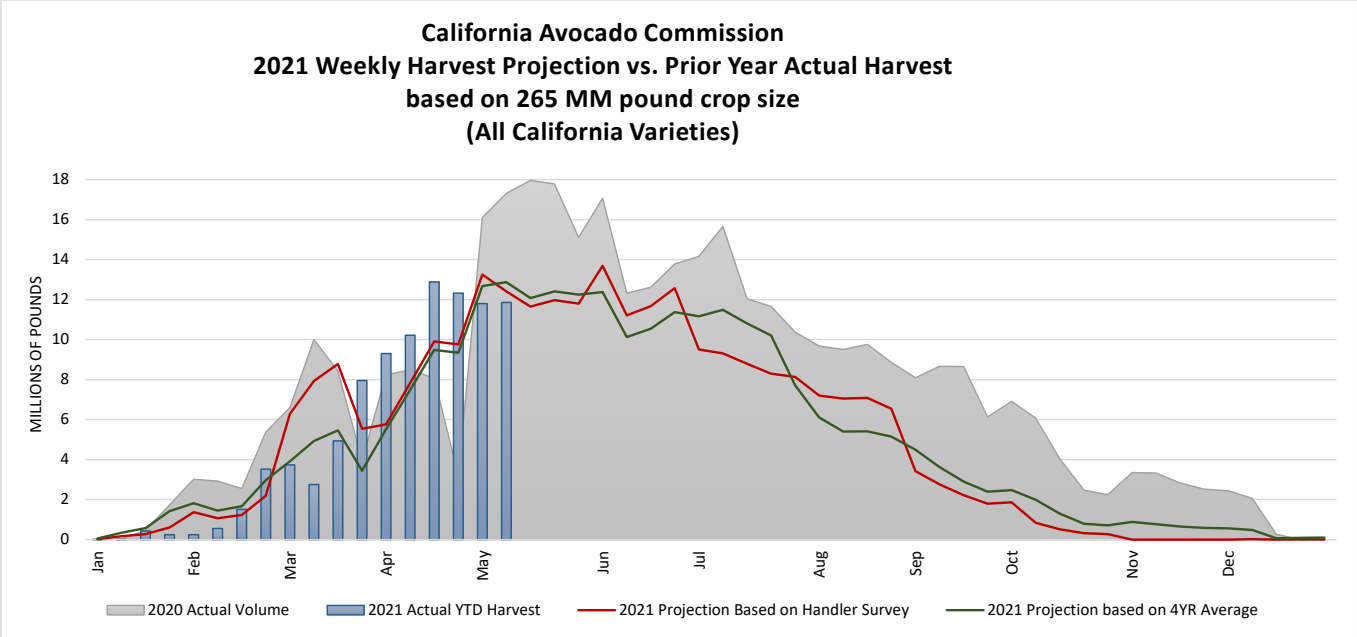
- Low: 1.75 million pounds
- High: 2 million pounds

These responses have been reviewed in conjunction with CAC's Mid-Season Grower Crop Survey responses, resulting in a mid-season crop estimate update of 265 million pounds with the following varietal breakdown:

- Hass – 255 million pounds
- Lamb-Hass – 7 million pounds
- GEM – 2 million pounds
- Other – 1 million pounds

CAC 2021 MID-SEASON CROP AND HARVEST PROJECTION UPDATE
May 2021

2021 California Crop Harvest Projection						May 2021 Handler Survey Hass Distribution
Month	Hass	Lamb	Gem	Other	Total	
Jan	884,650	-	-	199,600	1,084,250	0.3%
Feb	5,692,407	-	-	163,300	5,855,707	2.2%
Mar	28,500,000	-	-	53,500	28,553,500	11.2%
Apr	46,000,000	900	493,300	37,100	46,531,300	18.0%
May	47,097,500	16,800	698,100	27,700	47,840,100	18.5%
Jun	48,029,200	222,900	695,200	198,100	49,145,400	18.8%
Jul	40,406,400	3,394,300	105,500	146,100	44,052,300	15.8%
Aug	25,681,200	2,143,100	4,300	51,500	27,880,100	10.1%
Sep	10,953,500	1,044,900	3,600	69,600	12,071,600	4.3%
Oct	1,755,143	175,800	-	12,300	1,943,243	0.7%
Nov	-	1,300	-	3,900	5,200	0.0%
Dec	-	-	-	37,300	37,300	0.0%
Total	255,000,000	7,000,000	2,000,000	1,000,000	265,000,000	100%



California Avocado Commission

2021 Harvest Distribution Projection by Week

Week Ending	Hass	Lamb	Gem	Other	Total
10-Jan	20,900	-	-	1,900	22,800
17-Jan	114,200	-	-	61,100	175,300
24-Jan	201,400	-	-	75,700	277,100
31-Jan	548,100	-	-	60,900	609,000
7-Feb	1,252,500	-	-	117,900	1,370,400
14-Feb	1,051,700	-	-	21,100	1,072,800
21-Feb	1,225,700	-	-	3,100	1,228,800
28-Feb	2,162,500	-	-	21,200	2,183,700
7-Mar	6,269,800	-	-	21,800	6,291,600
14-Mar	7,920,400	-	-	13,200	7,933,600
21-Mar	8,766,300	-	-	15,300	8,781,600
28-Mar	5,543,500	-	-	3,200	5,546,700
4-Apr	5,763,900	-	1,000	1,900	5,766,800
11-Apr	7,828,500	-	-	9,200	7,837,700
18-Apr	9,770,600	-	139,700	3,900	9,914,200
25-Apr	9,582,800	-	169,400	10,300	9,762,500
2-May	13,054,200	900	183,200	11,800	13,250,100
9-May	12,274,900	900	119,200	17,900	12,412,900
16-May	11,502,000	4,300	131,100	8,000	11,645,400
23-May	11,604,200	2,200	369,400	-	11,975,800
30-May	11,716,500	9,400	78,400	1,800	11,806,100
6-Jun	13,407,900	5,800	243,500	32,900	13,690,100
13-Jun	10,932,100	35,000	181,300	59,300	11,207,700
20-Jun	11,532,100	15,500	62,100	68,600	11,678,300
27-Jun	12,157,100	166,600	208,300	37,300	12,569,300
4-Jul	9,129,700	260,800	80,500	39,700	9,510,700
11-Jul	8,741,700	516,200	25,000	26,800	9,309,700
18-Jul	7,867,900	908,900	-	16,700	8,793,500
25-Jul	7,299,000	958,300	-	40,400	8,297,700
1-Aug	7,368,000	750,100	-	22,500	8,140,600
8-Aug	6,546,900	640,200	1,700	9,800	7,198,600
15-Aug	6,432,700	608,500	-	9,200	7,050,400
22-Aug	6,568,500	521,400	-	900	7,090,800
29-Aug	6,133,100	373,000	2,600	31,600	6,540,300
5-Sep	3,074,400	342,700	1,900	1,800	3,420,800
12-Sep	2,480,000	269,100	-	11,900	2,761,000
19-Sep	1,940,400	252,500	-	33,300	2,226,200
26-Sep	1,695,200	87,600	1,700	16,800	1,801,300
3-Oct	1,763,500	93,000	-	5,800	1,862,300
10-Oct	711,700	119,500	-	3,500	834,700
17-Oct	480,200	27,100	-	8,800	516,100
24-Oct	292,100	28,500	-	-	320,600
31-Oct	271,200	700	-	-	271,900
7-Nov	-	1,300	-	-	1,300
14-Nov	-	-	-	-	-
21-Nov	-	-	-	3,900	3,900
28-Nov	-	-	-	-	-
5-Dec	-	-	-	-	-
12-Dec	-	-	-	16,000	16,000
19-Dec	-	-	-	-	-
26-Dec	-	-	-	8,700	8,700
31-Dec	-	-	-	12,600	12,600
Total	**255,000,000**	**7,000,000**	**2,000,000**	**1,000,000**	**265,000,000**

Hass=Results of April AMRIC Handler survey * Lamb=4-year average distribution * Gem and Other=2-year average distribution

BOARD INFORMATION

ITEM 3.D: 2021 GENERAL ELECTION SCHEDULE

SUMMARY:

Based on deadlines set forth in CAC's Election Procedures that govern when certain events must occur, attached is the 2021 General Election Schedule. Also included with the schedule is the summary of all open seats.

FISCAL ANALYSIS:

- The "Elections" line item (64301) budget of $10,000 was approved as part of the 2020-21 CAC Budget in October 2020 and is sufficient to cover the cost of the upcoming election.

BOARD OPTIONS:

- Information item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- 2021 Board of Directors Election Schedule

CALIFORNIA AVOCADO COMMISSION

2021 BOARD OF DIRECTORS ELECTION

The Annual CAC Board Election will be held in October 2021 for one Producer Member Seat and one Producer Alternate Member Seat in each of the five CAC districts. In addition, one Handler Member Seat and one Handler Alternate Member Seat is also open. All seats in the 2021 CAC Election are for two-year terms. The California Department of Food and Agriculture (CDFA) will announce the results of the 2021 Annual CAC Board Election and seat new Board Members and Alternates at the CAC Board meeting on November 18, 2021.

SUMMARY OF OPEN SEATS*

District	Member	Alternate
1	Ryan Rochefort	Michael Perricone
2	Ohannes Karaoghlanian	Charley Wolk
3	Rob Grether	Maureen Cottingham
4	Jason Cole	Doug O'Hara
5	Randy Douglas	Daryn Miller
Handler	Peter Shore	Connor Huser

** Names shown are incumbents presently holding producer/handler seats*

2021 ELECTION SCHEDULE	
July 15	Election announcement / self-nomination notice sent to all Producers and Handlers
August 27	Deadline for receipt of signed nomination petitions, candidate disclosure statements & affidavits and requests for voter access mailings at CAC
September 7	Deadline for CAC receipt of voter access mailings
September 27	CAC mails ballots to producers and handlers
October 27	Deadline for receipt of ballots by CDFA
November 11	CDFA advises CAC staff of election results
November 18	CDFA announces election results to CAC Board and seats new Board Members and Alternates

BOARD ACTION

ITEM 3.E: CONSIDER APPROVAL OF AVOCADO INSPECTION COMMITTEE (AIC) MEMBER / ALTERNATE RECOMMENDATIONS

SUMMARY:

The California Department of Food and Agriculture, Inspection Services Division provides oversight on inspections of avocados at the point of packing to ensure compliance with maturity, quality, size, and weight standards. The Avocado Certification and Inspection Program (AIP) was established in 1972, and, since 1986, the California Avocado Commission, through a Memorandum of Understanding with the CDFA, has been the administrator of the program, providing accounting services and retaining inspection personnel. The Avocado Inspection Committee (AIC) is advisory to the Secretary on all matters pertaining to avocado inspection.

Growers and handlers are appointed to the AIC by the California Secretary of Agriculture. The Secretary appoints six members (three handlers and three growers) and two alternates (one alternate handler, one alternate grower). Four positions are appointed annually. In odd years, the Secretary appoints two handler members, one grower member and one alternate handler. In even years, the Secretary appoints one handler member, two grower members and one alternate grower. The Secretary may also appoint a public member as appropriate. The current AIC members are:

Name	Seat	Term Expires
Marc Fallini	Handler Member	2021
Keith Blanchard	Handler Member	2021
Stewart Lockwood	Grower Member	2021
Wayne Brydon	Alternate Handler Member	2021
John Schaap	Handler Member	2022
Bryce Bannatyne	Grower Member	2022
Salvador Dominguez	Grower Member	2022
Aaruni Thakur	Alternate Grower Member	2022

Committee member terms and alternate terms are two years. Each committee member is limited to four consecutive terms. Once a person has served four consecutive terms, or portions thereof, as a member or alternate, he or she is not eligible to serve on the AIC as an alternate or member until at least one year has elapsed since the end of his or her last term.

The CDFA reviews all applications for vacant seats and provides the names of interested parties to the California Avocado Commission for consideration. The Commission Board reviews the list of applicants and submits a letter of recommended nominees to the California Secretary of Agriculture.

As of May 14, 2021, the CDFA has notified CAC that the following individuals have expressed an interest in continuing to serve on the AIC for the 2021-2023 term. Individuals appointed to the AIC will be seated at the upcoming September 2021 meeting of the committee:

Name	Seat
Marc Fallini	Handler Member
Keith Blanchard	Handler Member
Stewart Lockwood	Grower Member
Wayne Brydon	Alternate Handler Member

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Take no action
- Submit the names sent by the CDFA to the Secretary for consideration
- Offer alternative names for consideration or direct AIC to do so

STAFF RECOMMENDATION:

- Staff recommends that the Board submit the names of the following individuals to the Secretary for consideration

Proposed Motion:
The California Avocado Commission Board of Directors recommends the appointment of the following persons to serve in the positions and for terms indicated on the Avocado Inspection Committee:

Name	*Seat*	*Term Expires*
Marc Fallini	*Handler Member*	*2023*
Keith Blanchard	*Handler Member*	*2023*
Stewart Lockwood	*Grower Member*	*2023*
Wayne Brydon	*Alternate Handler Member*	*2023*

EXHIBITS / ATTACHMENTS:

- None

BOARD ACTION

ITEM 5.B: CONSIDER APPROVAL OF BUDGET AMENDMENT #2

SUMMARY:

Management has prepared Budget Amendment #2 which reflects an increase in the Grant Programs budget of $375,000 that would be fully offset utilizing recently awarded USDA grant funds. These funds have been provided with intended purpose of facilitating a market development program in South Korea and China.

FISCAL ANALYSIS:

- Budget Amendment #2 increases spending by $375,000, all of which would be offset by USDA grant funds awarded

BOARD OPTIONS:

- Adopt Budget Amendment #2 as presented
- Modify the proposed budget and approve the modifications
- Take no action

STAFF RECOMMENDATION:

- Management recommends approval of Budget Amendment #2

EXHIBITS / ATTACHMENTS:

- Draft CAC 2020-21 Budget Amendment #2

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #2

ACCT CODE	REVENUES:	2020-21 AMEND #2	%	2020-21 AMEND #1	%	2020-21 BUDGET	%	AMEND #1 vs AMEND #2 INCREASE (DECREASE)	AMEND #1 vs AMEND #2 PERCENT CHANGE	COMMENT
40001	CAC Assessment Revenue	$6,931,641	49.2%	$6,931,641	50.5%	$6,931,641	50.5%	$0	0.00%	Assessment rate 1.75%, crop size 325 MM lbs, price $1.25
40011	HAB 85% Rebate Assessment Revenue	$6,422,813	45.6%	$6,422,813	46.8%	$6,422,813	46.8%	$0	0.00%	
	Subtotal Assessment Revenues	**$13,354,453**	**94.7%**	**$13,354,453**	**97.3%**	**$13,354,453**	**97.3%**	**$0**	**0.00%**	
42001	Administration & Accounting Fee Revenue (AIP)	$61,000	0.4%	$61,000	0.4%	$61,000	0.4%	$0	0.00%	
46010	Grant Funding	$375,000	2.7%	$0	0.0%	$0	0.0%	$375,000	100.00%	See details below
48001	Interest Income	$15,000	0.1%	$15,000	0.1%	$15,000	0.1%	$0	0.00%	
48009	From the Grove Income	$65,000	0.5%	$65,000	0.5%	$65,000	0.5%	$0	0.00%	
48003	Other Income	$37,500	0.3%	$37,500	0.3%	$37,500	0.3%	$0	0.00%	
47000	California Avocado Merchandise Shop Income	$190,358	1.4%	$190,358	1.4%	$190,358	1.4%	$0	0.00%	
	Subtotal Other Revenues	**$743,858**	**5.3%**	**$368,858**	**2.7%**	**$368,858**	**2.7%**	**$375,000**	**101.67%**	
	Total Revenues	**$14,098,311**	**100.0%**	**$13,723,311**	**100.0%**	**$13,723,311**	**100.0%**	**$375,000**	**2.73%**	

ACCT CODE	EXPENDITURES: Marketing Programs	2020-21 AMEND #2	%	2020-21 AMEND #1	%	2020-21 BUDGET	%	AMEND #1 vs AMEND #2 INCREASE (DECREASE)	AMEND #1 vs AMEND #2 PERCENT CHANGE	COMMENT
51000 & 55000	Consumer Marketing	$6,713,665	37.7%	$6,713,665	38.5%	$6,713,665	38.5%	$0	0.00%	
54000	Consumer Public Relations	$1,000,000	5.6%	$1,000,000	5.7%	$1,000,000	5.7%	$0	0.00%	
54000	Consumer/Trade Living Well	$202,000	1.1%	$202,000	1.2%	$202,000	1.2%	$0	0.00%	
52000	Merchandising	$2,848,488	16.0%	$2,848,488	16.3%	$2,848,488	16.3%	$0	0.00%	
53000	Foodservice	$970,000	5.4%	$970,000	5.6%	$970,000	5.6%	$0	0.00%	
59000	Marketing Activities Support	$201,375	1.1%	$201,375	1.2%	$201,375	1.2%	$0	0.00%	
57000	California Avocado Merchandise Shop	$304,854	1.7%	$304,854	1.7%	$304,854	1.7%	$0	0.00%	
	Subtotal Marketing Programs	**$12,240,382**	**68.7%**	**$12,240,382**	**70.2%**	**$12,240,382**	**70.2%**	**$0**	**0.00%**	
	EXPENDITURES: Non-Marketing Programs									
64000 & 65000	Industry Affairs & Production Research	$1,641,219	9.2%	$1,641,219	9.4%	$1,636,219	9.4%	$0	0.00%	
66010	Grant Programs	$375,000	2.1%	$0	0.0%	$0	0.0%	$375,000	100.00%	See details below
70000	Administration	$3,560,570	20.0%	$3,560,570	20.4%	$3,560,570	20.4%	$0	0.00%	
	Subtotal Non-Marketing Programs	**$5,576,789**	**31.3%**	**$5,201,789**	**29.8%**	**$5,196,789**	**29.8%**	**$375,000**	**7.22%**	
	Total Expenditures	**$17,817,171**	**100.0%**	**$17,442,171**	**100.0%**	**$17,437,171**	**100.0%**	**$375,000**	**2.15%**	
	Excess Of Revenues Over (Under) Expenditures	**($3,718,860)**	**-26.4%**	**($3,718,860)**	**-27.1%**	**($3,713,860)**	**-27.1%**	**$0**	**0.00%**	
	Estimated Beginning Reserves - Nov. 1	$14,342,442		$14,342,442		$13,983,788		$0	0.00%	
	Estimated Ending Reserves - Oct. 31	**$10,623,582**		**$10,623,582**		**$10,269,928**		**$0**	**0.00%**	

Item 5.B-2

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #2

Department: Marketing

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #2	%	2020-21 AMEND #1	%	2020-21 BUDGET	%	AMEND #1 vs AMEND #2 INCREASE (DECREASE)	AMEND #1 vs AMEND #2 PERCENT CHANGE	COMMENT
	Consumer Marketing:									
51001	Media	$4,000,000	32.7%	$4,000,000	32.7%	$4,000,000	32.7%	$0	0.00%	
51002	Production	$425,000	3.5%	$425,000	3.5%	$425,000	3.5%	$0	0.00%	
55XXX	Online Marketing	$542,200	4.4%	$542,200	4.4%	$542,200	4.4%	$0	0.00%	
51801 & 57002	Program Administration	$1,746,465	14.3%	$1,746,465	14.3%	$1,746,465	14.3%	$0	0.00%	
	Consumer Marketing Subtotal	**$6,713,665**	**54.8%**	**$6,713,665**	**54.8%**	**$6,713,665**	**54.8%**	**$0**	**0.00%**	
	Consumer Public Relations:									
5400X & 5420X	Brand Advocates	$330,000	2.7%	$330,000	2.7%	$330,000	2.7%	$0	0.00%	
5400X & 541XX	Public Relations	$545,000	4.5%	$545,000	4.5%	$545,000	4.5%	$0	0.00%	
5480X	Program Administration	$125,000	1.0%	$125,000	1.0%	$125,000	1.0%	$0	0.00%	
	Consumer Public Relations Subtotal	**$1,000,000**	**8.2%**	**$1,000,000**	**8.2%**	**$1,000,000**	**8.2%**	**$0**	**0.00%**	
	Consumer/Trade Living Well:									
54206	Living Well Brand Advocates	$156,500	1.3%	$156,500	1.3%	$156,500	1.3%	$0	0.00%	
54201	Industry Partnerships	$33,500	0.3%	$33,500	0.3%	$33,500	0.3%	$0	0.00%	
54802	Program Administration	$12,000	0.1%	$12,000	0.1%	$12,000	0.1%	$0	0.00%	
	Consumer/Trade Living Well Subtotal	**$202,000**	**1.7%**	**$202,000**	**1.7%**	**$202,000**	**1.7%**	**$0**	**0.00%**	
	Merchandising:									
520XX	Trade Relations	$1,349,188	11.0%	$1,349,188	11.0%	$1,349,188	11.0%	$0	0.00%	
521XX & 523XX	Retail & Consumer Promotions	$1,007,700	8.2%	$1,007,700	8.2%	$1,007,700	8.2%	$0	0.00%	
522XX	Data, Research & Analysis	$386,600	3.2%	$386,600	3.2%	$386,600	3.2%	$0	0.00%	
524XX	Administration & Other	$105,000	0.9%	$105,000	0.9%	$105,000	0.9%	$0	0.00%	
	Merchandising Subtotal	**$2,848,488**	**23.3%**	**$2,848,488**	**23.3%**	**$2,848,488**	**23.3%**	**$0**	**0.00%**	
	Foodservice:									
53001	Media	$110,100	0.9%	$110,100	0.9%	$110,100	0.9%	$0	0.00%	
53101	Public Relations & Collateral Materials	$113,000	0.9%	$113,000	0.9%	$113,000	0.9%	$0	0.00%	
53103	Foodservice Events	$355,900	2.9%	$355,900	2.9%	$355,900	2.9%	$0	0.00%	
53104	Chain Promotions	$335,000	2.7%	$335,000	2.7%	$335,000	2.7%	$0	0.00%	
53105	Education Programs	$2,000	0.0%	$2,000	0.0%	$2,000	0.0%	$0	0.00%	
5380X	Program Administration	$54,000	0.4%	$54,000	0.4%	$54,000	0.4%	$0	0.00%	
	Foodservice Subtotal	**$970,000**	**7.9%**	**$970,000**	**7.9%**	**$970,000**	**7.9%**	**$0**	**0.00%**	
	Marketing Activities Support:									
51803	Marketing Planning	$115,875	0.9%	$115,875	0.9%	$115,875	0.9%	$0	0.00%	
51003	Buy California Marketing Agreement	$25,000	0.2%	$25,000	0.2%	$25,000	0.2%	$0	0.00%	
51005	Center for Produce Safety	$50,000	0.4%	$50,000	0.4%	$50,000	0.4%	$0	0.00%	
580XX	Festivals	$10,500	0.1%	$10,500	0.1%	$10,500	0.1%	$0	0.00%	
	Marketing Activities Support Subtotal	**$201,375**	**1.6%**	**$201,375**	**1.6%**	**$201,375**	**1.6%**	**$0**	**0.00%**	
	California Avocado Merchandise Shop:									
57XXX	Cost of Goods Sold	$111,710	0.9%	$111,710	0.9%	$111,710	0.9%	$0	0.00%	
577XX & 57900	Expenses - Variable	$58,064	0.5%	$58,064	0.5%	$58,064	0.5%	$0	0.00%	
5780X	Expenses - Fees	$135,080	1.1%	$135,080	1.1%	$135,080	1.1%	$0	0.00%	
	California Avocado Merchandise Shop Subtotal	**$304,854**	**2.5%**	**$304,854**	**2.5%**	**$304,854**	**2.5%**	**$0**	**0.00%**	
	Total Marketing	**$12,240,382**	**100.0%**	**$12,240,382**	**100.0%**	**$12,240,382**	**100.0%**	**$0**	**0.00%**	

Item 5.B-3

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #2

Department: Industry Affairs & Production Research

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #2	%	2020-21 AMEND #1	%	2020-21 BUDGET	%	AMEND #1 vs AMEND #2 INCREASE (DECREASE)	AMEND #1 vs AMEND #2 PERCENT CHANGE	COMMENT
	Industry Statistics And Information:									
64001	AMRIC Operation	$147,500	11.5%	$147,500	11.5%	$147,500	11.5%	$0	0.00%	
64002	Crop Forecasting and Analysis	$121,200	9.5%	$121,200	9.5%	$121,200	9.5%	$0	0.00%	
64003	Grower Database	$8,000	0.6%	$8,000	0.6%	$8,000	0.6%	$0	0.00%	
64004	Grove Identification GIS Project Development	$20,000	1.6%	$20,000	1.6%	$20,000	1.6%	$0	0.00%	
	Industry Statistics And Information Subtotal	**$296,700**	**23.2%**	**$296,700**	**23.2%**	**$296,700**	**23.2%**	**$0**	**0.00%**	
	Grower Communications:									
64105	Online Information	$70,500	5.5%	$70,500	5.5%	$70,500	5.5%	$0	0.00%	
64106	Publications	$104,000	8.1%	$104,000	8.1%	$104,000	8.1%	$0	0.00%	
64107	Annual Meeting	$20,000	1.6%	$20,000	1.6%	$20,000	1.6%	$0	0.00%	
64108	Annual Report	$10,000	0.8%	$10,000	0.8%	$10,000	0.8%	$0	0.00%	
	Grower Communications Subtotal	**$204,500**	**16.0%**	**$204,500**	**16.0%**	**$204,500**	**16.0%**	**$0**	**0.00%**	
	Issues Management:									
64201	Water Issues	$25,000	2.0%	$25,000	2.0%	$25,000	2.0%	$0	0.00%	
64202	Field/Technical Support	$65,000	5.1%	$65,000	5.1%	$65,000	5.1%	$0	0.00%	
64204	Research Program Coordination & Outreach	$120,000	9.4%	$120,000	9.4%	$120,000	9.4%	$0	0.00%	
64206	Legislative & Regulatory Advocacy	$175,000	13.7%	$175,000	13.7%	$175,000	13.7%	$0	0.00%	
64208	Product Registrations	$4,000	0.3%	$4,000	0.3%	$4,000	0.3%	$0	0.00%	
64211	Sustainability Project	$50,000	3.9%	$50,000	3.9%	$50,000	3.9%	$0	0.00%	
	Issues Management Subtotal	**$439,000**	**34.3%**	**$439,000**	**34.3%**	**$439,000**	**34.3%**	**$0**	**0.00%**	
	Legal/Governance:									
64301	Elections	$10,000	0.8%	$10,000	0.8%	$10,000	0.8%	$0	0.00%	
64302	Legal Support	$25,000	2.0%	$25,000	2.0%	$25,000	2.0%	$0	0.00%	
64303	Governance Support	$45,000	3.5%	$45,000	3.5%	$45,000	3.5%	$0	0.00%	
64304	Referendum	$15,000	1.2%	$15,000	1.2%	$15,000	1.2%	$0	0.00%	
64305	Redistricting	$5,000	0.4%	$5,000	0.4%	$5,000	0.4%	$0	0.00%	
	Legal/Governance Subtotal	**$100,000**	**7.8%**	**$100,000**	**7.8%**	**$100,000**	**7.8%**	**$0**	**0.00%**	
	Demonstration Grove:									
64401	Pine Tree - Rent	$23,600	1.8%	$23,600	1.8%	$23,600	1.8%	$0	0.00%	
64402	Pine Tree - Grove Management	$40,000	3.1%	$40,000	3.1%	$40,000	3.1%	$0	0.00%	
64403	Pine Tree - Utilities	$5,400	0.4%	$5,400	0.4%	$5,400	0.4%	$0	0.00%	
64404	Pine Tree - Property Tax & Insurance	$2,500	0.2%	$2,500	0.2%	$2,500	0.2%	$0	0.00%	
64405	Pine Tree - Improvements & Misc Expenses	$15,000	1.2%	$15,000	1.2%	$15,000	1.2%	$0	0.00%	
64406 - 64409	Pine Tree - Harvesting, Hauling, CAC & HAB Assessments	$7,400	0.6%	$7,400	0.6%	$7,400	0.6%	$0	0.00%	
	Demonstration Grove Subtotal	**$93,900**	**7.3%**	**$93,900**	**7.3%**	**$93,900**	**7.3%**	**$0**	**0.00%**	
	Education & Outreach:									
64501	Field Meetings, Seminars & Workshops	$32,000	2.5%	$32,000	2.5%	$32,000	2.5%	$0	0.00%	
64502	Pine Tree Ranch Field Days	$6,000	0.5%	$6,000	0.5%	$6,000	0.5%	$0	0.00%	
64503	Grower Outreach	$19,200	1.5%	$19,200	1.5%	$19,200	1.5%	$0	0.00%	
	Education & Outreach Subtotal	**$57,200**	**4.5%**	**$57,200**	**4.5%**	**$57,200**	**4.5%**	**$0**	**0.00%**	
	Other:									
64801	Dues, Sponsorships, & Reports	$25,000	2.0%	$25,000	2.0%	$25,000	2.0%	$0	0.00%	
64802	Grant Writing	$2,500	0.2%	$2,500	0.2%	$2,500	0.2%	$0	0.00%	
64803	Travel	$40,000	3.1%	$40,000	3.1%	$40,000	3.1%	$0	0.00%	
64804	Office Expense	$16,500	1.3%	$16,500	1.3%	$16,500	1.3%	$0	0.00%	
64805	Committee Meeting Expense	$5,000	0.4%	$5,000	0.4%	$5,000	0.4%	$0	0.00%	
	Other Industry Affairs Subtotal	**$89,000**	**7.0%**	**$89,000**	**7.0%**	**$89,000**	**7.0%**	**$0**	**0.00%**	
	Total Industry Affairs	**$1,280,300**	**100.0%**	**$1,280,300**	**100.0%**	**$1,280,300**	**100.0%**	**$0**	**0.00%**	

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #2

Department: Industry Affairs & Production Research

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #2	%	2020-21 AMEND #1	%	2020-21 BUDGET	%	AMEND #1 vs AMEND #2 INCREASE (DECREASE)	AMEND #1 vs AMEND #2 PERCENT CHANGE	COMMENT
	Pest & Disease Projects:									
65127	Phenology of Avocado Infection by Botryosphaeria Branch Canker and [	$67,697	18.8%	$67,697	18.8%	$67,697	19.0%	$0	0.00%	
65129	Proactive Management of Avocado Seed and Stem Feeding Weevils	$50,000	13.9%	$50,000	13.9%	$50,000	14.0%	$0	0.00%	
	Pest & Disease Project Subtotal	**$117,697**	**32.6%**	**$117,697**	**32.6%**	**$117,697**	**33.1%**	**$0**	**0.00%**	
	Breeding, Varieties, Genetics Projects:									
65215	Commercial-Scale Field Testing and Potential Release of Rootstocks	$125,000	34.6%	$125,000	34.6%	$125,000	35.1%	$0	0.00%	
	Breeding, Varieties, Genetics Projects Subtotal	**$125,000**	**34.6%**	**$125,000**	**34.6%**	**$125,000**	**35.1%**	**$0**	**0.00%**	
	Cultural Management Projects:									
65318	Opening Roads for Micropropagation of Avocado in California	$47,786	13.2%	$47,786	13.2%	$47,786	13.4%	$0	0.00%	
65319	Safety and Efficacy of Herbicides in Bearing Avocado Groves	$46,836	13.0%	$46,836	13.0%	$46,836	13.2%	$0	0.00%	
65320	Gem Avocado Scarring Study	$23,600	6.5%	$23,600	6.5%	$18,600	5.2%	$0	0.00%	
	Cultural Management Projects Subtotal	**$118,222**	**32.8%**	**$118,222**	**32.8%**	**$113,222**	**31.8%**	**$0**	**0.00%**	
	Total Production Research	**$360,919**	**100.0%**	**$360,919**	**100.0%**	**$355,919**	**100.0%**	**$0**	**0.00%**	

Department: Grant Programs

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #2	%	2020-21 AMEND #1	%	2020-21 BUDGET	%	AMEND #1 vs AMEND #2 INCREASE (DECREASE)	AMEND #1 vs AMEND #2 PERCENT CHANGE	COMMENT
66020-91	USDA Grant-FAS MAP South Korea	$200,000	53.3%	$0	#DIV/0!	$0	#DIV/0!	$200,000	100.00%	Increase for Grant Funding
66021-92	USDA Grant-FAS MAP China	$175,000	46.7%	$0	#DIV/0!	$0	#DIV/0!	$175,000	100.00%	Increase for Grant Funding
	Total Grant Programs	**$375,000**	**100.0%**	**$0**	**#DIV/0!**	**$0**	**#DIV/0!**	**$375,000**	**100.00%**	

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #2

Department: Administration

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #2	%	2020-21 AMEND #1	%	2020-21 BUDGET	%	AMEND #1 vs AMEND #2 INCREASE (DECREASE)	AMEND #1 vs AMEND #2 PERCENT CHANGE	COMMENT
	Office Expense:									
71101 & 71102	Office Rent & Property Tax	$138,701	3.9%	$138,701	3.9%	$138,701	3.9%	$0	0.00%	
71104	Offsite Storage	$7,080	0.2%	$7,080	0.2%	$7,080	0.2%	$0	0.00%	
71111	Corporate Insurance	$89,000	2.5%	$89,000	2.5%	$89,000	2.5%	$0	0.00%	
71121 - 71123	Office Expense, Supplies & Janitorial	$38,835	1.1%	$38,835	1.1%	$38,835	1.1%	$0	0.00%	
71131	Utilities	$16,540	0.5%	$16,540	0.5%	$16,540	0.5%	$0	0.00%	
71141	Bank & Payroll Fees	$15,860	0.4%	$15,860	0.4%	$15,860	0.4%	$0	0.00%	
71151	Equipment Maintenance & Expense	$28,200	0.8%	$28,200	0.8%	$28,200	0.8%	$0	0.00%	
71161 - 71181	Telephone, Cell Phone, Postage & Courier Service	$30,470	0.9%	$30,470	0.9%	$30,470	0.9%	$0	0.00%	
	Office Expense Subtotal	**$364,686**	**10.2%**	**$364,686**	**10.2%**	**$364,686**	**10.2%**	**$0**	**0.00%**	
	Professional Fees:									
71201	CPA-Financial Audits	$30,975	0.9%	$30,975	0.9%	$30,975	0.9%	$0	0.00%	
71203	CPA-Assessment Audits	$20,738	0.6%	$20,738	0.6%	$20,738	0.6%	$0	0.00%	
71207	CDFA Fiscal and Compliance Audit	$16,605	0.5%	$16,605	0.5%	$16,605	0.5%	$0	0.00%	
71211	CDFA Charges	$76,200	2.1%	$76,200	2.1%	$76,200	2.1%	$0	0.00%	
71221	USDA-AMS Charges	$75,600	2.1%	$75,600	2.1%	$75,600	2.1%	$0	0.00%	
71231 - 71235	Legal & Other Professional	$5,000	0.1%	$5,000	0.1%	$5,000	0.1%	$0	0.00%	
78301	Pension Admin & Legal	$49,300	1.4%	$49,300	1.4%	$49,300	1.4%	$0	0.00%	
	Professional Fees Subtotal	**$274,418**	**7.7%**	**$274,418**	**7.7%**	**$274,418**	**7.7%**	**$0**	**0.00%**	
	Personnel Expenses:									
71301	Salaries/Wages	$1,950,000	54.8%	$1,950,000	54.8%	$1,950,000	54.8%	$0	0.00%	
71311 - 71331	Pension, Payroll Tax & Benefits	$678,385	19.1%	$678,385	19.1%	$678,385	19.1%	$0	0.00%	
	Personnel Expenses Subtotal	**$2,628,385**	**73.8%**	**$2,628,385**	**73.8%**	**$2,628,385**	**73.8%**	**$0**	**0.00%**	
	Commissioner Expenses:									
71401	District Meetings & Expenses	$3,000	0.1%	$3,000	0.1%	$3,000	0.1%	$0	0.00%	
71402 & 71403	Travel, Lodging, Mileage, Meals & Entertainment	$40,000	1.1%	$40,000	1.1%	$40,000	1.1%	$0	0.00%	
71404	Board Meeting Expenses	$30,500	0.9%	$30,500	0.9%	$30,500	0.9%	$0	0.00%	
	Commissioner Expenses Subtotal	**$73,500**	**2.1%**	**$73,500**	**2.1%**	**$73,500**	**2.1%**	**$0**	**0.00%**	
	Information Technology:									
73001 & 73002	Network Maint., Hardware, Software & Licenses	$51,366	1.4%	$51,366	1.4%	$51,366	1.4%	$0	0.00%	
73003 & 73005	IT Support, Consulting & IT Service	$31,500	0.9%	$31,500	0.9%	$31,500	0.9%	$0	0.00%	
73004	Accounting & Assessment System	$7,910	0.2%	$7,910	0.2%	$7,910	0.2%	$0	0.00%	
	Information Technology Subtotal	**$90,776**	**2.5%**	**$90,776**	**2.5%**	**$90,776**	**2.5%**	**$0**	**0.00%**	
	Depreciation, Interest & Other Admin:									
78101	Admin Staff Travel	$9,000	0.3%	$9,000	0.3%	$9,000	0.3%	$0	0.00%	
78201	Depreciation Expense	$51,480	1.4%	$51,480	1.4%	$51,480	1.4%	$0	0.00%	
78401 - 78501	Dues & Reg., Education, Training, Recruitment, Other	$18,325	0.5%	$18,325	0.5%	$18,325	0.5%	$0	0.00%	
78601	Temporary Help	$50,000	1.4%	$50,000	1.4%	$50,000	1.4%	$0	0.00%	
	Depreciation, Interest & Other Admin Subtotal	**$128,805**	**3.6%**	**$128,805**	**3.6%**	**$128,805**	**3.6%**	**$0**	**0.00%**	
	Total Administration	**$3,560,570**	**100.0%**	**$3,560,570**	**100.0%**	**$3,560,570**	**100.0%**	**$0**	**0.00%**	

BOARD ACTION

ITEM 5.C: CONSIDER APPROVAL OF CORPORATE INSURANCE

SUMMARY:

As part of its fiduciary role, the Board is required to ensure that CAC is adequately insured against various liabilities and potential losses. The Finance Committee is tasked to review the Commission's schedule of corporate insurance and bring its recommendation to the Board.

The 2020-21 schedule of insurance is very similar to prior year's schedule, and management believes that it provides CAC with adequate coverage against potential liability and loss. In addition to coverage provided in previous years, management has included a cyber liability insurance policy that would provide coverage in the event of a data breach involving sensitive customer information in connection with the launch of selling CAC ecommerce merchandise.

FISCAL ANALYSIS:

The total premium for all CAC corporate liability insurance policies is estimated to be $88,105 which is $10,650 higher than prior year and $895 lower than budget.

BOARD OPTIONS:

- Accept management's recommendation on CAC's corporate insurance
- Modify CAC's corporate insurance portfolio or coverage amounts
- Direct management to obtain more information or modify the corporate insurance information
- Take no action

STAFF RECOMMENDATION:

- Management recommends that the Board of Directors approve the current schedule of insurance.

EXHIBITS / ATTACHMENTS:

- Premium comparison 2020-21 vs. 2019-20
- CAC's current schedule of corporate insurance

CALIFORNIA AVOCADO COMMISSION
CORPORATE INSURANCE PREMIUMS
PREMIUM COMPARISON – 2020-21 vs. 2019-20

	2020-21	2019-20	Difference Over (Under)
BUDGET	$ 89,000	$ 89,000	$ -
ACTUAL			
Commercial General Liability – Property, Auto (Fireman's Fund Co)	$ 18,341	$ 10,599	$ 7,742
Umbrella Liability (Fireman's Fund Co)	$ 5,654	$ 4,080	$ 1,574
Crime Liability (Travelers Casualty & Surety)	$ 4,045	$ 4,045	$ -
Travel Accident (Hartford Life & Accident Co)	$ 1,443	$ 1,443	$ -
Directors & Officers Coverage (Great American Insurance Co)	$ 37,064	$ 33,433	$ 3,631
Employed Lawyers Professional Liability (Federal Insurance Co)	$ 2,372	$ 2,372	$ -
Fiduciary Liability (U.S. Specialty Insurance Co)	$ 2,370	$ 2,370	$ -
Media Content/Network Security & Privacy (Lloyd's of London)	$ 11,930	$ 14,277	$ (2,347)
Foreign Package (Fireman's Fund Co)	$ 2,700	$ 2,650	$ 50
Cyber Liability (HSB Specialty Insurance Co)	$ 2,186	$ 2,186	$ -
Total	**$ 88,105**	**$ 77,455**	**$ 10,650**
Over (Under) Budget	**$ (895)**	**$ (11,454)**	

Brown & Brown Insurance Services of CA, Inc.

California Avocado Commission
Schedule of Insurance
2021-2022

Company & Policy No.	Policy Period	Coverage Limits	Type of Coverage	Premium
			COMMERCIAL PACKAGE	$ 18,341.00
Fireman's Fund Insurance Co.(Allianz)	1/1/21	Loc #	Locations:	
Pol. # USC010873210	to	1	12 Mauchly, Bldg L, Irvine, CA. 92618	
A.M.. Best Rating: A+ XV	1/1/22	2	326 State Pace, Escondido, CA. 92029	
		3	27537 Commerce Center Dr, Suite 103, Temecula, CA. 92590	
		4	15875 Laguna Canyon Rd., Irvine, CA. 92618	
		5	705 E. Main Street, Suite A, Santa Paula, CA. 93060	
		6	19455 E. Telegraph Rd., Santa Paula, CA. 93060	
			PROPERTY:	
		$ 484,900	Blanket Personal Property	
			Replacement Cost, Agreed Amount	
		$ 165,000	Unnamed Location Coverage (Fulfillment Center)	
		Included	Equipment Breakdown	
		$ 392,486	Blanket Business Income	
			Agreed Value	
			180 day Extended Period of Indemnity	
			Deductible(s):	
		$ 1,000	Property	
		24 Hours	Business Income	
			EQSL:	
		$ 502,815	Location#1-Blanket	
		$ 77,247	Location #2-Blanket	
		$ 16,600	Location #3-Blanket	
		$ 231,600	Location #4-Blanket	
			Deductible(s):	
		5%	Property Damage	
		72 Hours	Business Income Waiting Period	
			INLAND MARINE:	
		$ 358,650	Scheduled Equipment (Display booths, banners & tools @ Loc 1)	
			Deductible:	
		$ 500	Scheduled Equipment	

Item 5.C-3

Company & Policy No.	Policy Period	Coverage Limits	Type of Coverage	Premium
			GENERAL LIABILITY	
		$ 2,000,000	General Aggregate Limit	
		$ 2,000,000	Products/Compl. Operations Aggregate Limit	
		$ 1,000,000	Each Occurrence Limit	
		$ 1,000,000	Personal & Advertising Injury Limit - Any one person or organization	
		$ 100,000	Damage to Premises Rented to you Limit - Any one premises	
		$ 5,000	Medical Expense Limit (Any One Person)	
		$ 1,000,000	Employee Benefit Liability, Each Employee	
		$ 2,000,000	Employee Benefit Liability, Aggregate	
			BUSINESS AUTOMOBILE:	
		$ 1,000,000	Hired and Non Owned Auto Liability	
			Hired Auto Physical Damage Applies $50 Comp Ded/$250Coll Ded.	
			FOREIGN PACKAGE	$ 2,700.00
Fireman's Fund Insurance	1/1/21		International General liability	
Pol. # USC015181210	to	$ 2,000,000	General Aggregate Limit	
A.M.. Best Rating: A+ XV	1/1/22	$ 2,000,000	Products/Compl. Operations Aggregate Limit	
		$ 1,000,000	Each Occurrence Limit	
		$ 1,000,000	Personal & Advertising Injury Limit - Any one person or organization	
		$ 50,000	Damage to Premises Rented to you Limit - Any one premises	
		$ 5,000	Medical Expense Limit (Any One Person)	
		$ 1,000,000	Employee Benefit Liability, Each Employee	
		$ 2,000,000	Employee Benefit Liability, Aggregate	
			International Business Auto	
		$ 1,000,000	Hired or Non-owned Auto Liability	
		$ 10,000	Medical payments-Each Person	
		$ 10,000	Medical payment-Each Accident	
			INTERNATIONAL FOREIGN VOLUNTARY WORKERS COMPENSATION AND EMPLOYERS LIABILITY	
		$ 1,000,000	Bodily Injury, Each Accident	
		$ 1,000,000	Bodily Injury by Disease, Policy Limit	
		$ 1,000,000	Bodily Injury By Disease, Each Employee	
		$ 250,000	Repatriation Expense	
			Foreign Voluntary Workers Compensation Benefits applicable according to the laws of the states, providences, territories or countries	

Item 5.C-4

Company & Policy No.	Policy Period	Coverage Limits	Type of Coverage	Premium
			UMBRELLA	
Fireman's Fund Insurance Company	1/1/21	$ 5,000,000	Each Occurrence & Aggregate	$ 5,654.00
Pol.#USC02186321U	to	NIL	Self Insured Retention, (SIR)	
A.M.. Best Rating: A+ XV	1/1/22		Underlying Coverages:	
			Commercial General Liability-Fireman's Fund	
			Automobile Liability-Fireman's Fund	
			International Auto Lability-Fireman's Fund	
			International Employers Liability-Freman's Fund	
			Employers Liability-Hartford Casualty	
			DIRECTORS & OFFICERS / EMPLOYMENT PRACTICES LIABILITY	
Great American Insurance Company	1/1/21	$ 5,000,000	Aggregate Limit	$ 37,064.00
Pol. #EPP9427767	to	$ 150,000	Fair Labor Standard Act Defense Sub-limit	
A.M.. Best Rating: A+ XV	1/1/22		Pending and Prior Litigation Date: 3/11/1987	
		$ 10,000	Donor Data Loss Crisis Fund Sub-limit	
			Retention(s):	
		$ -	D&O - Each Claim	
		$ 25,000	Each EPLI Claim	
			LAWYERS PROFESSIONAL LIABILITY	
Federal Insurance Company	1/1/21	$ 1,000,000	Maximum Aggregate Limit of Lability	$ 2,372.00
Pol. #81975315	to		Retention	
A.M.. Best Rating: A++ XV	1/1/22	$ 5,000	Individual Indemnified Liability	
			Pending or Prior Proceedings Date: 10/18/2003	
			MEDIA AND NETWORK SECURITY (Media E&O only as of 5/29/20)	
Lloyd's of London	1/1/21	$ 1,000,000	Single Aggregate -Parts A-C	$ 11,041.00
Pol. #CR167108	to	$ 1,000,000	Single-Aggregate Part D	888.71 (fees)
A.M.. Best Rating: A XV	1/1/22			11,929.71
		$ 25,000	Retention	
			FIDICUARY LIABILITY	
U.S. Specialty Insurance Company	1/1/21	$ 1,000,000	Each claim and in the Aggregate	$ 2,370.00
Pol. #U72152836	to		Deductible:	
A.M.. Best Rating: A++ XV	1/1/22	$ 2,500	Each Claim including Defense	

Item 5.C-5

Company & Policy No.	Policy Period	Coverage Limits	Type of Coverage	Premium
			TRAVEL ACCIDENT	
Hartford Life and Accident Insurance Company	1/1/21	$ 100,000	Accidental Death and Dismemberment	$ 1,443.00
Pol. #ETB200507	to	$ 500,000	Aggregate Limitation	
A.M.. Best Rating: A XV	1/1/22			
			CRIME	
Travelers Casualty and Surety	1/1/20	$ 1,000,000	Employee Theft	$ 4,045 annually (3 year term)
Pol. #105727123	to	$ 1,000,000	ERISA Fidelity Coverage	
A.M.. Best Rating: A++ XV	1/1/23	$ 1,000,000	Premises Coverage	
		$ 1,000,000	In Transit Coverage	
		$ 1,000,000	Forgery or Alteration Coverage	
		$ 1,000,000	Computer Fraud Coverage	
		$ 1,000,000	Funds Transfer Fraud Coverage	
		$ 1,000,000	Money Orders & Counterfeit Currency Fraud Coverage	
		$ 100,000	Data Restoration Expense	
		$ 1,000,000	Personal Accounts Forgery or Alteration	
		$ 5,000	Claim Expense	
			Deductible(s):	
		$ 5,000	All items with the exception of ERISA and Claims Expense which are NIL	
			Cyber	
HSB Specialty Ins. Co.	5/29/20	$ 1,000,000	Information Privacy/Network Security/Bus Interruption/ Cyber Extortion/ Socal Eng/	$ 2,117.00
Pol. #660472201	to	$ 1,000,000	Policy Aggregate	68.80 (fees)
A.M.. Best Rating: A++ X	5/29/21		Retention(s):	2,185.80
		$ 5,000		

Item 5.C-6

BOARD INFORMATION

ITEM 6: SUCCESSION PLANNING

SUMMARY:

At the February 2020 Board Meeting of the California Avocado Commission, Jim DeLizia of DeLizia Consulting Services began his work with the board to design an effective process for board discussion around the topic of CEO succession. As with many other things, the pandemic altered the timetable for this work, which the board is now set to take up again at the May 20, 2021 board meeting.

Attached is a summary of the status of the succession project, along with the results of the first planning session wherein the CAC board examined grower needs and the type of leadership required to address those needs. Please familiarize yourself with this document prior to the succession discussion on May 20. Also attached are Session 2 Discussion Worksheets which will be used during the May meeting to define the ideal president-board partnership, define the profile of the ideal president candidate and review/update the president's job description. Lastly, for those new to the board, included in this write-up is the CAC Succession Plan which was developed several years ago.

The succession project is of critical importance to CAC and will be the foremost item on the board's agenda in May and August 2021, possibly beyond. It is recommended that the CAC board give their full attention to this matter, even if it means setting aside other issues of importance until the leadership transition is well in hand.

FISCAL ANALYSIS:

- Not Applicable

BOARD OPTIONS:

- Information item only

STAFF RECOMMENDATION:

- Not Applicable

EXHIBITS / ATTACHMENTS:

- CAC CEO Succession Strategy – Session 2 Review Materials
- CAC President/CEO Succession Strategy – Session 2 Discussion Worksheets
- CAC Succession Plan

CAC CEO Succession Strategy
Project Status

Project Goals

- Define CAC long-term needs for staff leadership and the profile of the ideal CEO candidate.
- Set expectations for the CEO-Board partnership that will form a strong foundation for CAC growth and success into the future.
- Prepare the CAC Board of Directors for a productive executive search process.

SESSION 1: February 2020

Focus:

- Assess implications of external and internal scan information and input
- Confirm CAC vision, goals, long-term priorities and values
- Assess the leadership capacity to support CAC direction

Results of Session 1

'Analysis of Grower Needs and CAC Leadership Required' (attached)

SESSION 2: May 2021

Focus:

- Develop a profile of the ideal CAC CEO candidate
- Amend the CEO job description, qualities and qualifications as required
- Set definition and expectations of the CEO-Board partnership

Preparing for Session 2

Review Results of Session 1 (attached)
Review CAC CEO Job Description (attached)

SESSION 3: August 2021

Focus:

- Define the parameters of the CEO Executive Search process and timeline
- Discuss an effective new CEO onboarding process

CAC Leadership Succession – RESULTS OF SESSION 1
Analysis of Grower Needs and CAC Leadership Required

This document summarizes the results of research and CAC Board input from surveys and February Board meeting discussion.

EXTERNAL ASSESSMENT

[See also APPENDIX for Board assessment of industry trends]

Grower Needs and Opportunities

Grower Needs in a Changing Environment

- Productivity – increased yields
- Measurement tools (labor/production, business efficiency)
- Efficiency resources (labor, water)
- Education on trends, innovation and best practices
- Impact of regulations (food safety, labor, etc.)
- Increased collaboration among growers for faster response; sharing practices for increased productivity

Biggest Opportunities for CAC Impact

PRIORITY 1: **Position California avocados as a premium product in order to optimize value**	**PRIORITY 2:** **Support industry strategy through research and outreach**
• Exploration of global markets • Further position CA avocados as 'premium'; further engage retail in 'premium' positioning and pricing • Continue to keep a premium return as market share shrinks • Explore food services • Sustainable advertising • Increased marketing budget in order to compete more effectively with other sources	• Grant money to help pay for pine tree trial • Focusing research and practical solutions to growing challenges • Improved communication of research • Push the envelope to maximize grower return in the marketplace and in production
PRIORITY 3: **Advocate for, and engage with, the industry.**	**PRIORITY 4:** **Cultivate organizational excellence and demonstrate effective use of resources.**
• Hold premium to allow growers to pay increased labor costs (50% increase in five years) • Continue to refine grower database • China and Korean markets	• Maintain competitive pay and positive work environment to attract quality staff in a tight employment market • Replacement of key staff due to retirements • Effective use of resources prior to referendum

INTERNAL ASSESSMENT

CAC Strategic Framework

Vision for CAC: 2030

Value to Growers
- Increased support and advocacy on regulatory issues
- Showcasing marketing successes to raise grower awareness of how funds are being used
- Flexibility in rebalancing CAC focus and priority based on trends and grower needs
- Regular solicitation of grower needs to keep the pulse

Leadership and Influence
- Stay involved in produce industry groups to influence sales
- Inter-agency cooperation and coordination: CAC engagement with other avocado marketing organizations

Grower/Industry Outreach and Engagement
- More frequent grower communication with relevant news and information
- Increased grower education
- Improved promotion of industry, region and grower activity

Consumer Outreach and Marketing
- Marketing into new/expanded global markets
- Be innovative, take risks on new marketing approaches and strategies
- Continue to improve brand position vs. competition – own the premium market year round

Commission Structure, Governance and Operations
- Outreach to growers with specialized skills and experience for board positions or to sit on advisory committees to tap high skill sets
- Nurturing and cultivating a deeper pool of qualified, committed future leaders

CAC Strategic Priorities

CAC Stated Priorities Verified

Priority No. 1: Position California Avocados as a premium product in order to optimize value
Priority No. 2: Support industry strategy through research and outreach
Priority No. 3: Advocate for, and engage with, the industry
Priority No. 4: Cultivate organizational excellence / Demonstrate effective use of resources

CAC Values

CAC Stated Values Verified
- Value to the grower comes first.
- Leadership is forward-thinking, consensus driven.
- Our ethics and integrity are uncompromised.
- We're accountable and transparent.

CAC Strengths and Areas for Improvement

Strengths	Areas for Improvement
• Value of the relationships built with retailer, foodservice, etc. • Flexibility in marketing per crop production – ability to add/delete programs • Use of resources to maximize ROI on marketing	• System to build and cultivate future leadership • Intentional outreach to engage growers at multiple levels • Communication of CAC activities and accomplishments and clarity on the role/function of the Commission • Knowledge of and connection with the individual grower (more direct CAC-grower communication, targeting information to the different profiles/ segments of growers) • Ways to help growers maximize lbs. per acre: o Education o Cultural practices o Land utilization o Other innovations

CAC Capacity

- Possible need for an agronomist who can work with individual growers on how to maximize capacity (due to widening gap in levels of production, sophistication among growers, and efficiency, adaptability and innovation in practices)
- The need to expand outreach to growers to increase engagement in the Commission

LEADERSHIP REQUIRED

Leadership requirements most critical in fulfilling the CAC mission and in operating a Commission with the necessary capacity

Most Critical Needs for Leadership

1. Pro-active, forward-looking leader who can help growers understand what's coming and how to prepare for it, and to help the Board make informed decisions. (Visionary, Facilitator, Critical Thinker)
2. Flexibility to adjust focus and priorities as needed.
3. Ability to understand trends, data and grower needs and challenges in order to make informed decisions.
4. A strong CEO-Board partnership, with clear roles, authority and expectations, and mutual respect.
5. Skills in crisis management.
6. Leadership for cutting edge production research and resulting guidance to growers on:
    a. New techniques
    b. Best practices
    c. Benchmarking, measurement
    d. Business economics
7. Communication skills:
    a. Effective two-way communication with the Board and with growers

b. Ability to communicate a compelling story of the industry and the Commission to growers, consumers, and others.

Other Needs for Leadership

- Development of export markets; leader in trade opportunities.
- Advocacy: a strong voice for the collective needs of growers (e.g., labor, water, land issues).
- A fine-tuned understanding of consumer trends and demands.
- Inform and educate the consumer to better position the product.
- Cultural competency: understanding of multiple perspectives, disciplines and ethnicities.
- Team building within the Commission.
- Collaborator/partner/relationship-builder

APPENDIX A: Board Assessment of Industry Trends

External Assessment

INDUSTRY TRENDS	*Increase* in Intensity	*Decrease* in Intensity	Remain the *Same*	*No Longer* a Trend
Competition for water and land resources will intensify among urban, environmental and agricultural users.	78%	0%	22%	0%
Regulatory compliance costs, which now account for about 11% of capital and operating costs in the specialty crop industry, will continue to increase.	89%	0%	11%	0%
Ag labor availability will be limited and associated costs will escalate	78%	0%	11%	11%
Import petitions for access to the U.S. avocado market will continue unabated (Brazil, South Africa, Ecuador).	67%	0%	33%	0%
Environmental changes will: 1) increase endemic and new invasive pests and diseases, 2) bring an increase in extreme phenomena (fires, wind) and 3) necessitate changes in cropping patterns across the state	22%	0%	67%	11%
Concurrent with the demographic changes and the increased prevalence of chronic disease and food safety problems, consumer demand is expected to increase for: • Innovative, functional foods that target specific health conditions or promote health • Locally produced and organically grown products • Safe, sustainable and secure food supplies • Better point-of-purchase labeling information	67%	11%	22%	0%
Demand for high-quality foods will increase, due to globalization, increased buying power and the rise of the middle class.	56%	11%	33%	0%
Overall productivity and the area under cultivation will remain static despite the adoption of new varieties and more efficient planting systems	44%	11%	44%	0%
The U.S. market will remain underdeveloped with respect to product offerings and segmentation	0%	33%	67%	0%

Additional Trends or Emerging Issues – Next 5 Years

- The threat of pests, including those introduced to CA farms from importing countries
- New chemical registration through CDPR
- Declining profitability
- Opportunity for expansion of CA market into other countries
- Sustainability – definition, guidelines and certification
- Cultural practices that help maximize per acre production

CAC President Job Description

From CAC Bylaws

I. THE POSITION: PRESIDENT AND CEO

According to Article VII, Section 1 of the California Avocado Commission By Laws, CAC shall employ a person, who shall not be a member of the Commission, to serve as President and Chief Executive Officer.

The President shall:

a. Be responsible at all times for the proper administration of all actions and policies of the Commission and for the proper performance of all duties on behalf of the Commission.

b. Employ, establish appropriate titles, fix salaries within approved budgetary guidelines, supervise, and when necessary discharge any of the employees of the Commission.

c. Serve as a non-voting ex-officio member of the Commission and all committees of the Commission.

d. Strictly adhere to and carry out all rules and procedures adopted by the Commission as provided for in these Bylaws and in law.

e. Be responsible for the compilation and dissemination of industry information that will advance the purposes and objectives of the Commission.

f. Provide any and all assistance, counsel, and advice to the Commission and committees of the Commission that may be necessary for the proper execution of Commission responsibilities and duties.

Formal Job Description

POSITION: PRESIDENT

POSITION SUMMARY:

The President of the California Avocado Commission is charged with development of an overarching strategy to enhance industry viability and prosperity, and assisting the Board of Directors achieve the organization's goals and objectives. The President provides forward-thinking, unifying leadership to build and sustain grower value, as well as guidance and counsel to the Board on all policy matters. The President is responsible for proper fiscal management of the Commission and the daily administration of all marketing and non-marketing programs.

SPECIFIC DUTIES AND RESPONSIBILITIES:

- Establish the basic objectives of the organization, formulate long-term strategic plans, tactics,and actions to accomplish stated objectives, and allocate resources sufficient to implement annual business plans.
- Be responsible at all times for the proper administration of all actions and policies of theCommission and for the proper performance of all duties on behalf of the Commission.
- Strictly adhere to and carry out all rules and procedures adopted by the Commission and ensure compliance with Commission law and governing by laws.
- Responsible for all business operations of the Commission, including management of assets and resources; hiring, training, promoting, reviewing and terminating employees; fixing salarieswithin approved budgetary guidelines; hiring and managing contractors; evaluating contractor performance, and overseeing contractor activities to ensure consistency with strategic objectives.
- Responsible for managing the finances of the Commission within established budget guidelines and consistent with board policy.
- Develop and implement an effective industry communications program to inform stakeholders about the Commission's programs and activities, and constantly solicitindustry feedback.
- Engage in anticipatory issues management by monitoring trends impacting the industryand developing strategic responses to major issues.
- Advance the Commission's objectives by working with the appropriate agencies, elected and appointed officials, media representatives, researchers, organizations and private companies to ensure that the Commission and its mission, programs, and activities are consistently presented in strong, positive terms to key stakeholders and influencers.
- Act as the chief spokesperson for the industry, and manage Commission response toindustry crises.
- Create a positive and supportive corporate culture that encourages human resource development.
- Oversee the preparation of annual reports, independent audits, and accounts to provide anaccurate representation of the Commission's financial status for dissemination to growers, handlers, committees, and the Board of Directors.
- Develop, enhance, and maintain professional relationships with top produce chainstore executives and food editors/publishers of major consumer magazines.

EXPERIENCE:

- Proven track record of dynamic organizational leadership.
- A strong administrator with a sound understanding of business principles, provenfinancial management skills, and a demonstrated ability to run a business operation.
- Proven ability to manage resources—human and capital—in a manner thatenhances the organization's ability to achieve its goals.
- Ability to build consensus and to assist the Board and its constituents to build consensus.
- Ability to set priorities, plan, organize, delegate and be decisive.
- Excellent communication skills that enable effective communication with a variety ofaudiences and that allow the President to be a successful advocate for organizational goals and objectives. Ability to

organize and present complex information and positions in a variety of formats to different audiences.
- Prudent, with good business judgment and utmost integrity. Adept at problem-solvingand use of research and analysis to support business decisions.
- Capable of creativity and innovation; politically astute with an understanding of diplomacy.
- Positive attitude and genuine enthusiasm, fosters commitment, high morale andhard work through leading by example.

EDUCATION / DESIRED BACKGROUND:

- A graduate degree in business, marketing, or communications is preferred, as well as tenyears professional experience in managing programs/organizations.
- Produce industry or commodity board experience.

ORGANIZATIONAL RELATIONSHIPS:

- Reports to and is directly responsible to the Board of Directors.
- Performance is evaluated annually by the Executive Committee.

California Avocado Commission

President/CEO Succession Strategy

Session 2 Discussion Worksheets

Defining the Ideal President-Board Partnership

The Basics: Confirmation and a Reminder

The Partnership is Bound By Duties as Fiduciaries

DUTY OF CARE

- Reasonable care in performing duties (be prepared, be informed, act in good faith, ask questions)
- Exercise independent judgment

DUTY OF LOYALTY

- Undivided allegiance to the Commission in making decisions that are best for the organization and the members as a whole (put personal interests aside, disclose potential conflicts of interest, protect confidential information)
- Abide by the decisions of the Board, regardless of personal agreement, and speak with a united voice to constituents.
- Work to promote, support fulfillment of Commission purposes, goals and priorities.

DUTY OF OBEDIENCE

- Act in accordance with the Commission's bylaws, policies and other governing documents.
- Abide by all applicable laws and regulations impacting the organization.

ABIDE BY AND REFLECT CAC OPERATING VALUES

DEDICATION TO THE CAC MISSION AND VISION

The Partnership Operates with Clear and Complementary Roles

Governance (Board)	*Management (President/CEO)*
Planning: setting direction, goals and priorities and aligning resources	Planning: actively participate in development of strategic plans, as well as establish related operating plans
Policy: set and approve formal positions, as well as operating guidelines	Developing: programs, services, initiatives and other strategies to meet goals
Oversight: ensure the organization is operated with integrity as a fiduciary (legal, ethical, financial)	Managing: Commission business operations and assets, including organizing, hiring, supervising staff and contractors, managing financial and other resources, developing systems/ procedures to support operations and provide the infrastructure to meet goals
Trusteeship: safeguard the good name of the organization, manage the assets for intended purposes, and represent stakeholder needs and interests	Communication and Outreach: act as chief spokesperson for the Commission; facilitate Commission communications with stakeholders and constituents, and between
Evaluation: evaluate progress toward mission, value of programs and services in meeting needs of stakeholders, effectiveness	

and efficiency of the governance structure and operations, performance of the President and of the Board itself Communication and Outreach: reporting to constituents on the positions, activities and achievements of the organization, and gathering constituent input, needs and perspectives Hiring of the President/CEO: clarify needs, qualifications and expectations of the President position and its relationship with the Board, and exhibit diligence in launching an effective search process to recruit, hire and onboard the President.	leadership groups; form and maintain relationships with officials, media and related organizations and professionals to advance Committee goals Implementing*:* Board policy and plan priorities Leadership Support: support the smooth operation of the governance system and the identification and cultivation of engaged members and future leaders

The Partnership Operates based on Trust and Agrees to Certain Expectations

What the Board Should Expect of the President/CEO	***What the President/CEO Should Expect of the Board***
•	•

Defining the Profile of the Ideal CAC President/CEO Candidate

Qualifications	Required	Preferred	Other/Comments
Experience – Type [e.g., CEO/COO/senior management; public entity; marketing executive]			
Experience – Years [at certain levels, with certain types of organizations, etc.]			
Education/Training/ Certifications			
Demonstrated Skills			
Demonstrated Qualities			
Other			

Reviewing the Current President/CEO Job Description

Position Summary
The President of the California Avocado Commission is charged with development of an overarching strategy to enhance industry viability and prosperity, and assisting the Board of Directors achieve the organization's goals and objectives. The President provides forward-thinking, unifying leadership to buildand sustain grower value, as well as guidance and counsel to the Board on all policy matters. The President is responsible for proper fiscal management of the Commission and the daily administration ofall marketing and non-marketing programs.

Comments:

Especially Critical	No Longer Relevant	Position Responsibilities
		1. Establish the basic objectives of the organization, formulate long-term strategic plans, tactics,and actions to accomplish stated objectives, and allocate resources sufficient to implement annual business plans.
		2. Be responsible at all times for the proper administration of all actions and policies of theCommission and for the proper performance of all duties on behalf of the Commission.
		3. Strictly adhere to and carry out all rules and procedures adopted by the Commission and ensure compliance with Commission law and governing by laws.
		4. Responsible for all business operations of the Commission, including management of assets andresources; hiring, training, promoting, reviewing and terminating employees; fixing salaries within approved budgetary guidelines; hiring and managing contractors; evaluating contractor performance, and overseeing contractor activities to ensure consistency with strategic objectives.
		5. Responsible for managing the finances of the Commission within established budgetguidelines and consistent with board policy.
		6. Develop and implement an effective industry communications program to inform stakeholders about the Commission's programs and activities, and constantly solicitindustry feedback.
		7. Engage in anticipatory issues management by monitoring trends impacting the industryand developing strategic responses to major issues.
		8. Advance the Commission's objectives by working with the appropriate agencies, elected andappointed officials, media representatives, researchers, organizations and private

		companies to ensure that the Commission and its mission, programs, and activities are consistently presented in strong, positive terms to key stakeholders and influencers.
		9. Act as the chief spokesperson for the industry, and manage Commission response toindustry crises.
		10. Create a positive and supportive corporate culture that encourages humanresource development.
		11. Oversee the preparation of annual reports, independent audits, and accounts to provide anaccurate representation of the Commission's financial status for dissemination to growers, handlers, committees, and the Board of Directors.
		12. Develop, enhance, and maintain professional relationships with top produce chainstore executives and food editors/publishers of major consumer magazines.

Gaps in Responsibilities/Other Comments:

SUCCESSION PLAN
October 2017

OVERVIEW

Over the next four to ten years, the California Avocado Commission is expected to encounter a change in management, with the planned retirement of the President and Vice President of Marketing. Moreover, the Commission Board of Directors recognizes the need for a succession plan for contingencies due to the disability, death or departure of key senior personnel. The focus is on identifying and developing talent to ensure that future leadership requirements of the Commission are realized. The succession plan that follows is intended to facilitate the transition to both interim and longer-term leadership. Once approved by the Board of Directors, the plan should be reviewed annually by the Executive Committee (or an ad hoc committee) and modifications made as necessary.

CONTENTS

This Succession Plan is divided into the following sections:

I. ORGANIZATIONAL ROLE—MISSION AND VISION
II. SHORT AND LONG-TERM STRATEGIC PRIORITIES
III. CORE VALUES AND CORPORATE CULTURE
IV. THE POSITION: PRESIDENT AND CEO
V. ORGANIZATION CHART
VI. CURRENT JOB DESCRIPTIONS FOR KEY PERSONNEL
VII. CRITICAL CAPABILITIES NEEDED
VIII. CANDIDATE PROFILE
IX. PERMANENT CHANGES AND TEMPORARY, UNPLANNED ABSENCES
X. SELECTION PROCESS AND OPTIONS
XI. KNOWLEDGE TRANSFER
XII. SUPERVISION AND SUPPORT OF A NEWLY SELECTED PRESIDENT
XIII. COMMUNICATIONS PLAN FOR INDUSTRY AND TRADE

I. ORGANIZATION ROLE

In May 2017, the Commission Board of Directors had an in-depth discussion about the role of the Commission today and into the future, knowing that decisions about the organization's purpose would influence the desired qualities of potential leadership candidates. Each Board member and alternate was asked to provide perspective on the subject, anticipating the industry's needs going forward and how the Commission might address those needs through programs and allocation of resources. There was consensus that the current functional areas—Marketing, Industry Affairs, Production Research and Administration—are important and the percentage of resources allocated to each was reasonable.

It was generally held that CAC is a marketing organization and that two-thirds or more of the budget should be directed to marketing and promotion programs going forward. Some maintained that issues

advocacy and production research activities should be consolidated under the banner of grower support and outreach to bring focus to CAC's purpose and improve efficiencies. Export programs, as an extension of marketing, drew some interest but were not an area of emphasis.

The outcome of the discussion suggests that the Mission and Vision of the Commission, as presently stated, are appropriate:

Mission: To maximize grower returns by enhancing premium brand positioning for California avocados and improving grower sustainability

Vision: To be recognized as the most desired avocado in the world by fostering a vibrant industry

It is also evident that while future leadership candidates should be well-rounded, considerable expertise in marketing is needed, which should be supported by a high level of experience and education.

II. SHORT AND LONG-TERM STRATEGIC PRIORITIES

As a result of extensive planning, the Commission has identified the following short and long-term priorities:

1. Position California avocados to be the world's most valued and desired avocados
2. Advocate for, and engage with, the industry
3. Support industry strategy through research and outreach
4. Cultivate organizational excellence and demonstrate the effective use of resources

Key industry aspirations include:

- An assured place in the market
- A price to growers that is both premium to the competition and fosters grower sustainability
- Consistently high-quality production
- Highly productive and efficient growers
- Production stability from year to year
- Socially responsible practices
- Leaders in innovation
- Positive consumer perceptions about our brand

III. CORE VALUES AND CORPORATE CULTURE

The Commission has a strong set of internal, core values borne out of crisis and honored by Board and staff ever since the current administration took charge. These are:

- Value to the grower comes first
- Leadership is forward thinking, consensus driven
- Our ethics and integrity are uncompromised
- We are accountable and transparent

The Commission has a well-established corporate culture that promotes cohesion and employee retention--vitally important given that we are a tight-knit group of seasoned individuals working together

in a relatively small space. Each employee is passionate about our product, brand, and the work they do to advance the industry. The corporate environment is casual but high-energy, with multiple opportunities for group and one-on-one interactions between staff. Senior management seeks out opportunities to informally mentor staff to share knowledge and foster employee growth and development.

The culture promotes and values:

- Mutual support and respect
- Diversity in all forms
- Training across disciplines and team-building
- Employee empowerment and autonomy
- Openness and fairness in all communications
- Continual learning and employee development
- Security and personal well-being
- Connection to the industry
- Efficient use of resources
- Recognition of collective and individual achievements and a job well done
- Proper work-life balance
- California avocado consumption!

IV. THE POSITION: PRESIDENT AND CEO

According to Article VII, Section 1 of the California Avocado Commission By Laws, CAC shall employ a person, who shall not be a member of the Commission, to serve as President and Chief Executive Officer.

The President shall:

a. Be responsible at all times for the proper administration of all actions and policies of the Commission and for the proper performance of all duties on behalf of the Commission.

b. Employ, establish appropriate titles, fix salaries within approved budgetary guidelines, supervise, and when necessary discharge any of the employees of the Commission.

c. Serve as a non-voting ex-officio member of the Commission and all committees of the Commission.

d. Strictly adhere to and carry out all rules and procedures adopted by the Commission as provided for in these Bylaws and in law.

e. Be responsible for the compilation and dissemination of industry information that will advance the purposes and objectives of the Commission.

f. Provide any and all assistance, counsel, and advice to the Commission and committees of the Commission that may be necessary for the proper execution of Commission responsibilities and duties.

The formal CAC job description for the President follows:

POSITION: **PRESIDENT**

POSITION SUMMARY:

The President of the California Avocado Commission is charged with development of an overarching strategy to enhance industry viability and prosperity, and assisting the Board of Directors achieve the organization's goals and objectives. The President provides forward-thinking, unifying leadership to build and sustain grower value, as well as guidance and counsel to the Board on all policy matters. The President is responsible for proper fiscal management of the Commission and the daily administration of all marketing and non-marketing programs.

SPECIFIC DUTIES AND RESPONSIBILITIES:

- Establish the basic objectives of the organization, formulate long-term strategic plans, tactics, and actions to accomplish stated objectives, and allocate resources sufficient to implement annual business plans.
- Be responsible at all times for the proper administration of all actions and policies of the Commission and for the proper performance of all duties on behalf of the Commission.
- Strictly adhere to and carry out all rules and procedures adopted by the Commission and ensure
- compliance with Commission law and governing by laws.
- Responsible for all business operations of the Commission, including management of assets and resources; hiring, training, promoting, reviewing and terminating employees; fixing salaries within approved budgetary guidelines; hiring and managing contractors; evaluating contractor performance, and overseeing contractor activities to ensure consistency with strategic objectives.
- Responsible for managing the finances of the Commission within established budget guidelines and consistent with board policy.
- Develop and implement an effective industry communications program to inform stakeholders about the Commission's programs and activities, and constantly solicit industry feedback.
- Engage in anticipatory issues management by monitoring trends impacting the industry and developing strategic responses to major issues.
- Advance the Commission's objectives by working with the appropriate agencies, elected and appointed officials, media representatives, researchers, organizations and private companies to ensure that the Commission and its mission, programs, and activities are consistently presented in strong, positive terms to key stakeholders and influencers.
- Act as the chief spokesperson for the industry, and manage Commission response to industry crises.
- Create a positive and supportive corporate culture that encourages human resource development.
- Oversee the preparation of annual reports, independent audits, and accounts to provide an accurate representation of the Commission's financial status for dissemination to growers, handlers, committees, and the Board of Directors.
- Develop, enhance, and maintain professional relationships with top produce chain store executives and food editors/publishers of major consumer magazines.

EXPERIENCE:

- Proven track record of dynamic organizational leadership.
- A strong administrator with a sound understanding of business principles, proven financial management skills, and a demonstrated ability to run a business operation.
- Proven ability to manage resources—human and capital—in a manner that enhances the organization's ability to achieve its goals.
- Ability to build consensus and to assist the Board and its constituents to build consensus.
- Ability to set priorities, plan, organize, delegate and be decisive.
- Excellent communication skills that enable effective communication with a variety of audiences and that allow the President to be a successful advocate for organizational goals and objectives. Ability to organize and present complex information and positions in a variety of formats to different audiences.
- Prudent, with good business judgment and utmost integrity. Adept at problem-solving and use of research and analysis to support business decisions.
- Capable of creativity and innovation; politically astute with an understanding of diplomacy.
- Positive attitude and genuine enthusiasm, fosters commitment, high morale and hard work through leading by example.

EDUCATION / DESIRED BACKGROUND:

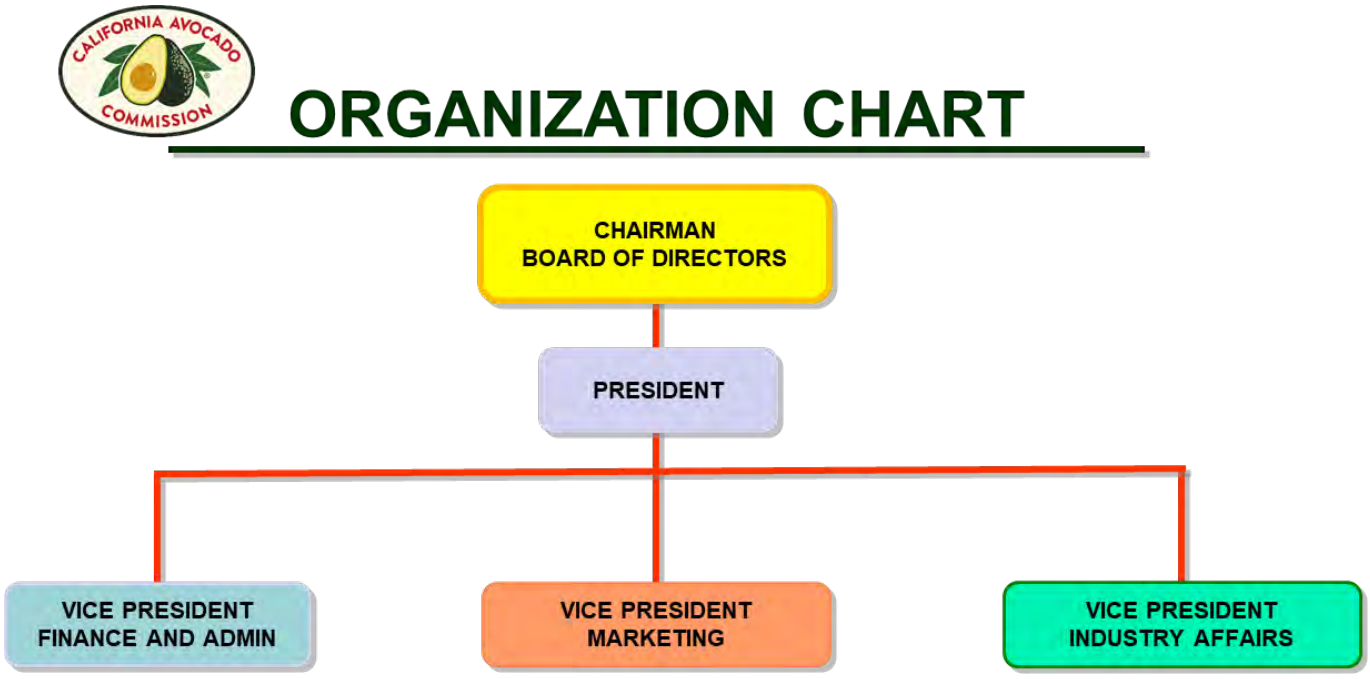
- A graduate degree in business, marketing, or communications is preferred, as well as ten years professional experience in managing programs/organizations.
- Produce industry or commodity board experience.

ORGANIZATIONAL RELATIONSHIPS:

- Reports to and is directly responsible to the Board of Directors.
- Performance is evaluated annually by the Executive Committee.

V. ORGANIZATION CHART

(Direct reports only)



VI. CURRENT JOB DESCRIPTIONS FOR KEY PERSONNEL (DIRECT REPORTS)

The President is solely responsible for the supervision of the staff of the California Avocado Commission. Department heads (Marketing, Industry Affairs, Administration) have supervisory authority when so delegated by the President. The duties and responsibilities of key personnel reporting to the President are as follows:

POSITION: VICE PRESIDENT MARKETING

BASIC FUNCTION:

- Develop and implement successful marketing strategies for the California Avocado Commission's Consumer and Trade Marketing programs.

SPECIFIC DUTIES AND RESPONSIBILITIES:

- Develop policies and implement programs to advance the profitable marketing of California avocados as a member of CAC's senior management team.
- Direct the Commission's merchandising, foodservice, consumer advertising, nutrition/public relations, online marketing, and trade communications programs.
- Develop and manage budgets in accordance with Board approved mandates.
- Identify goals and objectives for the marketing and merchandising programs to achieve the goals and objectives of the Commission.
- Create and implement annual marketing plans to meet CAC's objectives.
- Supervise personnel and agencies employed by CAC to implement marketing and merchandising programs.
- Support key account activity and relationships by providing guidance to marketing staff directors/managers and meeting with key account executives.
- Participate in appropriate national and regional organizations to further CAC's marketing goals.
- Participate in trade shows and industry events to promote the marketing of California avocados.

ORGANIZATIONAL RELATIONSHIPS:

- President – Reports and is directly responsible to the President.
- Director of Finance and Administration – Works closely with Director of Finance and Administration concerning matters of finance and personnel.
- Retail Marketing Directors, Online Marketing Director, Marketing Development Manager and Marketing Manager – Directs and supervises marketing department staff and agencies in development and implementation of CAC's marketing program.
- Others – Works with CAC staff, agencies, industry organizations and key accounts to promote CAC's marketing goals

EDUCATION, EXPERIENCE and SKILLS:

- BA/BS degree; MBA preferred or equivalent 10+ years marketing experience.

- Agriculture industry experience preferred.
- Ability to work with minimal supervision / self-starter.
- Ability to manage, motivate and develop personnel.
- Excellent presentation, written and verbal communication skills.

POSITION: **VICE PRESIDENT OF INDUSTRY AFFAIRS**

ESSENTIAL FUNCTIONS:

- Supervise the development, direction and implementation of all non-marketing/non-finance related California Avocado Commission (CAC) activities and assist the President with government/grower related issues.
- Represent the California avocado grower concerning State and Federal government related issues that may impact California avocado production, demand and returns.
- Work closely with the CAC Board of Directors and one or more committees assigned to guide industry issues, developing and maintaining strong working relationships with industry members.

SPECIFIC DUTIES AND RESPONSIBILITIES:

- Identify goals and objectives for the Industry/Government Affairs department to meet the overall goals and objectives of CAC.
- Develop an Industry/Government plan to meet CAC's overall objectives.
- Conceive, design and implement programs within the industry/government relations plan.
- Communicate with the industry and the media regarding crop statistics, grower programs, activities and news.
- Maintain CAC as the Industry leader and central official source and spokesman for the California Avocado Industry.
- Conduct grower meetings to keep informed of and communicate industry issues, objectives and strategies.
- Participate at industry meetings at the direction of the President.
- Work with Industry Affairs and Production Research staff to develop and administer the Industry Affairs and Production Research programs budgets.
- Communicate with the industry and the media regarding governmental industry issues.
- Monitor key government/political issues which could impact the California avocado industry.
- Coordinate key governmental issues with legal counsel for maximum representation and coverage.
- Develop and administer the government relations program and budgets.
- Direct and implement the California avocado industry Food Safety Program and other industry related food safety matters.
- Investigate potential pathways (commercial and non-commercial) for improving grower sustainability.
- Monitor water issues affecting the avocado industry, and manage CAC's engagement on specific water pricing, quality, and regulatory issues at the local, regional, statewide or federal level.
- Pursue pesticide registrations and monitor pest issues affecting the avocado industry in coordination with the Research Program Director.
- Assist the President with government related issues and planning pertaining to California avocado growers and the industry.
- Pursue new trade agreements and provide technical support for market access requests.
- Pursue market access and technical grants in coordination with the VP of Marketing and Research Program Director, as directed.

ORGANIZATIONAL RELATIONSHIPS

- Reports and is directly responsible to the President.
- Direct reports include the Research Program Director and Industry Affairs Manager.
- Works closely with all other CAC team and industry members to assist in the fulfillment of all marketing and non-marketing functions.

EDUCATION, EXPERIENCE and SKILLS

- Agriculture industryexperience preferred.
- Master's degree or equivalent work experience.
- Ability to work with minimal supervision / self-starter.
- Ability to manage, motivate and develop personnel.
- Excellent technical writing and public speaking skills.

POSITION: VICE PRESIDENT OF FINANCE AND ADMINISTRATION

BASIC FUNCTION:

The Vice President of Finance and Administration serves as a strategic thought-partner, reporting to the President. The VP Finance leads and develops an internal team and outside consultants to support the following areas: finance, business planning and budgeting, human resources, administration and information technology (IT). The VP Finance plays a critical role in the senior management team in strategic decision-making and operations, and is directly responsible for the management and supervision of all financial, accounting and administration activities of the Commission.

ESSENTIAL DUTIES AND RESPONSIBILITIES:

Finance & Accounting

- Analyze, interpret and communicate financial information in an accurate and timely mannerto management, the Treasurer, the Finance Committee and the Board of Directors
- Coordinate and lead the annual audit process (financial audit, assessment audits, USDA/CDFA audits), liaise with external auditors and the Finance Committee
- In conjunction with the President, lead and coordinate the annual budgeting and planning process; administer and review all financial plans and budgets; monitor progress and prepare budget amendments as necessary; keep leadership team apprised of the organization's financial status
- Conduct scenario analysis in support of assessment rate setting actions; track crop harvest and value, and revise revenue projections as required; manage organizational cash flow and forecasting
- Manage the annual calendar of the Finance Committee, liaise with Treasurer on all financial matters; routinely provide support and guidance to the Finance Committee and Board of Directors on all financial matters
- Determine daily cash requirements and forecast future cashflows
- Administer treasury functions including approval of ACH vendor payments and wire transfers and account signatory changes
- Manage and supervise accounts payable and accounts receivable functions and activities, including cash disbursements, assessment collection, and approval ofinvoices
- Perform month-end close procedures, including preparing month-end schedules, reviewing check registers and aging schedules, booking accruals, recording depreciation expenses, adjusting prepayments, and performing general ledger accountreconciliations
- Prepare and post necessary journal entries
- Perform reconciliations on all bank accounts
- Prepare monthly financial reports including balance sheet, income statementand variance analysis
- Maintain CAC's chart of accounts and financial reportingstructure
- Prepare and manage the Avocado Inspection Program (AIP) budget
- Manage CAC's funds and investments in conformity with policies and procedures applicable to governmental agencies
- Develop and maintain internal control policies andprocedures
- Manage the acquisition, utilization and renewal of CAC's line of credit, maintaining compliance with loan covenants

- Distribute quarterly financial statements to governmental agencies and bank lender

Human Resources, Information Technology and Administration

- Develop, direct and manage information technology strategic plan, program activities and budget
- Manage the administrative duties of CAC's profit sharing plan and act as its trustee
- Review and maintain custody of legal contracts and administer their preparation
- Manage CAC's corporate insurance portfolio, analyze and compare policies, interview and negotiate with insurance companies and brokers, and make recommendations on adding, removing as well as changing policies and coverage amounts
- Facilitate the renewal of CAC and AIP office lease agreements, including researching additional comparative properties
- Prepare and oversee the administration department budget
- Review and approve payroll
- Hire, train, develop and supervise administration department staff
- Further develop CAC's human resources and administration, enhancing professional development, compensation and benefits, performance evaluation, training and recruiting
- Work closely and transparently with all external partners including third-party vendors and consultants
- Order new equipment for staff and address any issues with current equipment/technology

ORGANIZATIONAL RELATIONSHIPS:

- President – Reports and is directly responsible to the President
- Treasurer – Works closely with the Treasurer on all financial matters
- Finance Committee – Provides support and guidance to ensure committee functionality and effectiveness
- Accounting Clerk – direct and supervise
- Office Manager – direct and supervise
- Human Resources Assistant – direct and supervise
- Others – Works with other staff members, growers, handlers, and others to promote the California avocado industry

QUALIFICATIONS:

- Bachelor degree in Accounting, CPA or MBA preferred
- High-level as well as hands-on/technical finance and accounting skills
- Strong knowledge and experience with Excel
- Excellent communication skills
- Experience supervising 3 or more people
- Understanding of governmental accounting (GASB) is preferred
- Experience with Sage 100, BizInsight reporting software, and SQL database is a plus
- Experience with online banking through Bank of the West

VII. CRITICAL CAPABILITIES NEEDED

Critical capabilities are a list of executive leadership competencies required of a successful candidate, as outlined below. These should be developed and agreed upon by management and the Board of Directors. The Board should identify the leadership skill set that is best equipped to deal with the challenges expected over the next 5-10 years. Is it someone who is primarily a bridge builder, a bold risk taker, someone with honed and tested business acumen? Is it a predominant consensus builder or someone capable of developing a new model for a new set of challenges, i.e. someone who will stay on the current path and preserve what has been gained (brand visibility, desirability, relevance) or creatively set a new direction? While marketing and issues management expertise is important, the President is first and foremost a leader beyond their area of expertise—someone who will align and bring others toward tomorrow, versus managing the operational responsibilities of today. Ideally, the successful candidate will have vision and the ability to energize and mobilize a variety of interests to achieve what no one organization can do on its own; someone who can communicate energy and command affection.

Competency and Associated Knowledge & Skill

Ethics and Integrity

- Exhibits ethical, honest and professional behavior at all time with all board and staff members, growers, and stakeholders
- Chooses the right course of action, even in the face of opposition or influence
- Takes responsibility for own actions and for those of the group, team or organization
- Exemplifies the CAC core values of quality, respect, integrity, openness, accountability and balance

Building Coalitions

- Develops networks and builds alliances; collaborates with industry members and stakeholders to build strategic relationships and address needs
- Creates and manages a positive perception of the organization and its programs and services
- Performs effectively in an open public setting and serves as a trusted advisor and educator to growers and other stakeholders
- Builds relationships of trust, confidence, and respect with members of the Board
- Works effectively with the Board to develop and manage strategic initiatives that accomplish objectives and meet CAC's fiduciary responsibility

Leading People

- Fosters an inclusive workplace that values diversity and respects and recognizes individual contributions
- Promotes continuous learning and the development of self and others to achieve maximum potential
- Fosters and maintains cooperative and productive relationships across all levels and functions
- Seeks to understand concerns, emotions, feelings, and differing viewpoints to resolve conflicts constructively
- Inspires commitment, pride and trust by modeling CAC's core values

- Applies broad and extensive Executive/senior level management experience to establish and achieve strategic goals
- Remains calm in the face of crisis
- Communicates well orally and in writing

Leading Change

- Formulates strategic goals and objectives and implements plans consistent with CAC's long-term interests
- Builds a shared vision and influences others to translate vision into action
- Encourages new ideas and innovation; designs and implements new or cutting-edge programs/processes
- Demonstrates maturity, resiliency and sound judgment when dealing with organizational challenges
- Cultivates a risk intelligent culture, and assesses and mitigates risk when making decisions or recommending organizational strategies and tactics

Results Driven

- Recognizes when a decision must be made and acts in a thoughtful and timely manner
- Makes decisions that produce high quality results by applying technical knowledge, analyzing problems and calculating risks
- Deals effectively with ambiguity and learns from success and failure
- Anticipates and meets the needs of both internal and external stakeholders; delivers high-quality products and services
- Understands and ensures appropriate application of principles, strategies, requirements, regulations, and policies related to pension administration, health benefit purchasing and administration, financial markets and institutional investment programs

Business Acumen

- Strategically manages human, financial/investment, material and information resources and assets
- Understands the organization's financial processes and effectively manages program budgets using cost-benefit thinking to set priorities and achieve results
- Builds and manages the workforce based on organizational goals, budget considerations, and staffing needs
- Keeps up-to-date on technological developments and effectively uses technology to achieve results

VIII. CANDIDATE PROFILE

The Candidate Profile is at the center of the succession planning process. It is a snapshot of each candidate that provides essential information for comparative purposes. It should address: 1) job experience; 2) education; 3) professional credentials; and 4) any relevant development history. A form can be developed for Board use, if desired.

IX. PERMANENT CHANGES AND TEMPORARY, UNPLANNED ABSENCES

A permanent change is where it is firmly determined that the President will be retiring or not returning to the position following an unplanned absence. A temporary, unplanned absence is one of three months or less where it is expected that the President will return to his/her position once the events precipitating the absence are resolved. A long-term absence is one expected to last more than three months. In each instance, the Board should have in place plans to address each contingency.

For a temporary or extended unplanned absence, the Board of Directors will be responsible for appointing an interim senior staff leader. As a routine annual practice, the Board should review with the current President, names of senior staff leaders best qualified to fill an interim leadership role. The interim leader should have signing authority for financial matters in conjunction with the Treasurer and shall serve as spokesperson for the organization. The Board Chairperson should adopt a supportive, oversight role with the interim President.

X. SELECTION PROCESS AND OPTIONS

To prepare for a permanent change in senior management, the Board should consider establishing an Executive Search Committee. The size and composition of the committee shall be up to the Board; ideally the committee should consist of 5 to 7 members. It is recommended that the current Chairman of the Board, immediate past Chairman of the Board, and the outgoing President serve on the Executive Search Committee. The role of the committee would be to manage the search and recommend a finalist for consideration to the full board. The committee should review the existing By Laws and job description and agree upon the qualifications and characteristics they wish to seek in the next President. The committee should then prepare standardized interview questions to be used for all candidates, with assistance from CAC's human resources staff.

The role of the Executive Search Committee should be to:

1. Establish a timeline for the selection process: The committee should consider the current President's target retirement date, the optimal amount of time for knowledge transfer and transition, and the expected length of a search process that will yield top-quality candidates.

2. Identify executive search firms: The committee should keep current a short list of executive search firms, in the event outside assistance is needed to actively recruit talent. Firms shall be listed in Appendix A of this Succession Plan and regularly updated.

3. Identify potential candidates: Once the current President's target retirement date is announced, the committee should advertise the open position to attract candidates. Within 60 days of announcing the position vacancy, the committee should compile a list of potential candidates to interview, giving equal treatment to internal and external candidates. If it is determined that the list is not sufficiently broad and deep, the committee shall engage the services of an executive search firm to screen additional candidates. The committee should adequately prepare the search firm with information about the industry's existing challenges, the Commission's vision for the future, and company culture. The committee should also provide the search firm with compensation guidelines following consultation with the Board.

4. Establish compensation guidelines and make related budget recommendations to the Board: The committee should consult with the Board and establish a range for base compensation, which shall be shared with the executive search firm if one is so engaged. The committee shall also consider transition timing, specifically the overlap in time between the outgoing and incoming Presidents, and recommend budget strategies to accommodate the change in leadership.

5. Build candidate profiles: Information should be gathered about each candidate's work experience, education, work history, special skills and expertise, certifications, references, and other credentials.

6. Review candidate profiles and decide upon a list of candidates to interview: The committee should review candidate profiles, assess core competencies, and narrow the list of potential candidates to five individuals who will be invited to interview before the committee. The board should consider budgeting funds to offset candidate travel costs, if deemed necessary.

7. Conduct interviews and recommend finalist: The committee should interview prospective candidates until an ideal finalist is identified.

8. Present the candidate(s) to the Board for review and consideration: The committee should make its recommendations known to the Board and arrange for the candidate to interact with Board for a chemistry check, which could take place in a social setting. The successful candidate will be selected by vote of the full Board in closed session at a regular or specially called meeting.

9. Develop transition plan: The committee should develop a transition plan with proposed timelines for the transfer of authority to the new President.

The Executive Search Committee should keep the Board informed about the progress of the search process. Similarly, the Board Chairperson should keep staff informed, in a general sense, of same. Once the Board has selected the top candidate, a member of the Executive Search Committee shall be tasked with communicating the result to the candidates who were not selected.

XI. KNOWLEDGE TRANSFER

To effectuate a smooth transfer of authority, the President and Board should enumerate and agree upon the critical tasks, timelines and operations of the organization that can be used to indoctrinate the new President. These could include exposure to established policies; day-to-day finances; financial planning and assessment setting, and other routine administrative matters; affiliations with the Hass Avocado Board and Avocado Inspection Program; introduction to the agency team and business planning process; collection and handling of industry data (crop estimating and AMRIC system operation); key industry contacts; CAC's crisis communications plan; introduction to committee chairpersons, researchers and non-marketing contractors; election and referenda timetables; grower outreach and communications, and various other functions.

If the new President comes from outside the avocado industry, the Board should allow ample time for familiarization with all aspects of the avocado industry, including growing and packing operations, as well as face-to-face introductions with key industry stakeholders.

XII. SUPERVISION AND SUPPORT OF A NEWLY SELECTED PRESIDENT

The Executive Committee should provide the new President with a clear set of short and long-term objectives in written form. Expectations and activities for the new President should be made clear, and the committee should evaluate the President after six months of service. The Board Chairperson and outgoing President should endeavor to assist with introductions and key meetings in the event the new President is from outside the avocado industry. The outgoing President will be responsible for familiarizing the new President with the day-to-day operations of the Commission and the annual calendar of events, including business planning, assessment rate setting, elections, and crop estimating.

XIII. COMMUNICATIONS PLAN FOR INDUSTRY AND TRADE

In the event of a short-term, unplanned absence, and immediately upon transferring responsibilities to an Acting President, the Board Chair should notify all Board and staff members of the delegation of authority. As soon as possible after the Acting President has begun covering the unplanned absence, Board members and the Acting President should communicate the temporary leadership structure to the key stakeholders of the Commission.

When planning for permanent change, the Board should develop a communications strategy to announce the intended transfer of power to the grower constituents, other industry stakeholders, and members of the trade. Announcement of the anticipated permanent change should be made once a successful candidate has been selected and the transition process is underway.

APPENDIX A
EXECUTIVE SEARCH FIRMS & SAMPLE FEE PROPOSALS

1. MIXTEC GROUP
   Glendale, CA

   Tel : 818-541-0124
   Principals : Jerry Butt, Kristen Reid, Emily Fragano

2. KINCANNON & REED
   San Francisco, CA

   Tel: 415-939-0091, 415-834-0828
   Principals: Fred Medero, Michael Cooper

3. BOYDEN
   San Francisco, CA

Tel: 415-981-7900
Principals: Jeff DeFazio, Doug Ehrenkranz

4. BERKHEMER CLAYTON
Los Angeles, CA

Tel: 213-621-2300
Principals: Fred Clayton, Betsy Berkhemer-Credaire

SAMPLE FEE PROPOSALS

When the Commission last considered an executive search in 2009, the following fee proposals were received from the listed firms. These are included solely for reference; fees would have to be renegotiated with each firm.

MIXTEC

Thirty percent (30%) of the selected candidate's anticipated first year's income, including salary and bonus, plus actual expenses associated with the search. One-third due on contract signing, one-third due when first qualified candidate is presented, and final billing at project completion (or termination of the search).

KINCANNON & REED

One-third (33%) of the first year's estimated cash compensation (base salary, annualized target bonus, and signing bonus, if any) payable in three equal installments 30 days apart (at initiation of search and 30 and 60 days hence). Client and candidate-related travel and meeting costs billed at cost, and a $500 monthly flat charge is billed to cover communication, printing, overnight delivery, verification, and other search-related expenses. Minimum fee for any assignment is $60,000.

BOYDEN

One-third (33%) of the first year's compensation of the hired executive, including base salary and bonus, paid in three equal installments, one-third due at confirmation of the search and the remaining two payments in 30 and 60 days.

BERKHEMER CLAYTON

One-third (33%) of the annual compensation for the position, including salary plus target first-year incentive bonus and signing bonus, if any. Fee is to be paid in three installments, i.e. at commencement of search and then 30 and 60 days later. Engagement support expenses of $1,500 will be invoiced monthly for the duration of the search. In addition, any video conference costs and travel expenses for candidates or consultants will be approved by CAC in advance and itemized monthly for reimbursement.

BOARD INFORMATION

ITEM 7: MARKETING REPORT

SUMMARY:

CAC MERCHANDISE SHOP REPORT

- CAC Merchandise Shop Report shows fiscal year-to-date and shop-to-date information through April 2021. Key measures include number of orders, average order value, sales, consumer reach and consumer engagement. The report also notes short term plans to test a free shipping offer as well as new merchandise.

CALIFORNIA AVOCADO COMMISSION DASHBOARD – MAY UPDATE

- The Dashboard provides an in-depth overview of the performance of the Commission's marketing programs from November 1, 2020 through April 30, 2021.

FISCAL ANALYSIS:

- N/A

BOARD OPTIONS:

- Information only

STAFF RECOMMENDATION:

- N/A

EXHIBITS / ATTACHMENTS:

- CAC Merchandise Shop Report April 2021
- CAC Dashboard Update Through April 30, 2021

CALIFORNIA AVOCADO MERCHANDISE SHOP REPORT
April 2021, FY YTD and Shop to Date

SALES REPORTING

	Month	FY to date	vs. PLAN	Shop to Date	OBSERVATIONS
# OF ORDERS (Shopify)	16	125		224	See below for overall observations
AVG. ORDER VALUE (Shopify)	$90.00	$94.94		$95.44	
DOLLAR SALES (PMCI)	$ 1,440	$ 11,867	$ (83,312)	$ 21,154	Number of orders increased significantly in March then dipped in April
INCOME CONTRIBUTION	$ 302	$ 3,986			Gross sales less variable expenses including order administration & shipping

VISITOR REPORTING

	Targets and Benchmarks	Month	FY to date	Shop to Date	OBSERVATIONS
					Targets and Benchmarks to be established after year 1
CONSUMER REACH		6,880		1.68 MILLION	
NUMBER OF UNIQUE SHOP VISITORS		1,550	10,660	16,203	
TIME ON SITE		00:44.0	00:54.0	00:56.0	
SOCIAL ENGAGEMENTS		175		2,275	
SOCIAL SHARES		27	745	1,677	
PAGES PER VISIT		2.08	2.15	2.19	
TOTAL PAGE VIEWS		2,833	20,848	32,692	

SUMMARY OF PROMOTION AND ENGAGEMENT ON SHOPPABLE POSTS

In April, new content to support the California Avocado Merch Shop was rolled out organically on California Avocado social channels. These posts featured some of the lower performing merch items (All Roads Lead to Avocados V-neck, Avocado Statement Duffel, Avocado Forever Socks, Grove Tour Band Tank), tagging the merch to drive traffic to the website and generate user engagement. This content reached 6,880 consumers, yielding more than 175 engagements and 145 link/product clicks. A paid social push with the inclusion of new "Free Shipping" messaging is planned for May to drive additional traffic and engagement. An email push to correspond with California Avocado Month is also planned for May to support these efforts further.

TOP 4 ITEMS (UNIT SALES - SEPT.-APRIL)

Overall Observations:

Daily operations continue to perform well, and cash flow excluding marketing expenses is positive (net sales exceed administration, shipping and handling costs). Across all metrics shop activity rose significantly in March and then fell by a bit from March to April.

The shop is testing an offer of free shipping on all orders of $60 or more.We will observe if this results in increased activity and/or conversions and will report on the results in a future report.

The Commission is working on new merch additions, and expect to add additional products for sale over the next couple of months.

KEY PERFORMANCE INDICATORS: NOVEMBER 2020 THROUGH APRIL 2021

$1.19

Average Selling Price

Category Average Selling Price per Unit for the 4-weeks ending April 18, 2021

87.1 Million

Consumer Media Impressions

Includes offline, online and social media impressions through April 2021

242.4 Million

Consumer PR Impressions

Media coverage secured with print, broadcast and online media outlets, as well as retailer communications through April 2021

19.2 Million

Trade Media and Public Relations Impressions

Positive direct CAC trade media and public relations circulation through April 2021

716 Thousand

Consumer Website Visits

Users spent an average of 2:14 on each page during their visit

3

Foodservice Chain Promotions

Number of Foodservice chain promotions completed (81 chains contacted)

REVENUE: CROP MOVEMENT AND MEASURES

U.S. Hass Avocado Supply (November-April)

	2020/21		2019/20		2018/19	
Origin	Volume (MM lbs)	Est. % Complete*	Volume (MM lbs)	% Complete	Volume (MM lbs)	% Complete
California	83	30%	116	31%	49	23%
Chile	-	0%	8	85%	34	64%
Mexico	1,349	57%	1,109	53%	1,209	60%
Peru	0	0%	1	0%	0	0%
Other	2	22%	3	29%	6	55%
Total	1,434	50%	1,237	47%	1,298	52%

*based on current projections

Source: HAB/CAC

REVENUE: CROP MOVEMENT AND MEASURES

California Avocado Grade and Size Distribution - This Year vs. Last Year

		November 1 -April 30, 2021					November 1 - April 30, 2020				
			(millions)			%		(millions)			%
Grade	Size	Size %	Pounds	Dollars	Avg Lug $	Consigned	Size %	Pounds	Dollars	Avg Lug $	Consigned
Hass #1 Conv	40	9%	5.4	9.0	$ 42.83	2%	11%	9.5	18.1	$ 47.93	1%
	48	37%	21.9	38.0	$ 43.67	1%	37%	31.6	59.7	$ 47.66	1%
	60	27%	15.8	24.0	$ 38.35	1%	25%	21.8	35.3	$ 41.00	1%
	70	15%	8.8	10.3	$ 29.51	1%	13%	11.1	14.2	$ 32.26	0%
	84	6%	3.7	3.5	$ 24.02	1%	6%	5.2	4.9	$ 24.00	2%
	Other	7%	3.9				8%	6.5			
	All	100%	59.5	90.3	$ 38.38	1%		85.6	143.3	$ 42.23	1%
Hass #2s	All		5.9	6.2	$ 27.35	4%		6.3	6.7	$ 29.38	10%
Hass Organic #1	All		4.4	9.7	$ 55.60	2%		8.1	17.8	$ 55.21	1%

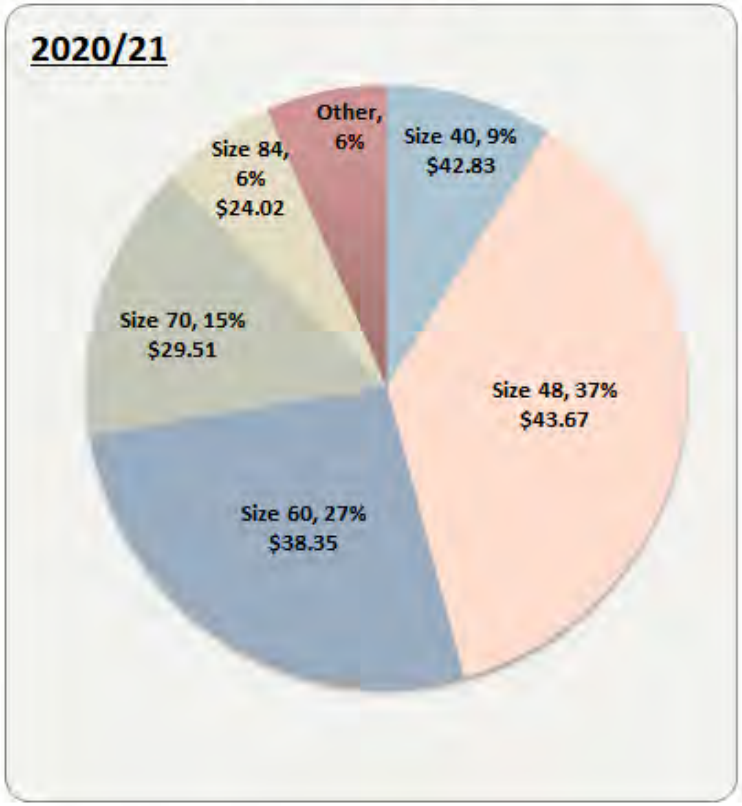
California Avocado Region Distribution - This Year vs. Last Year

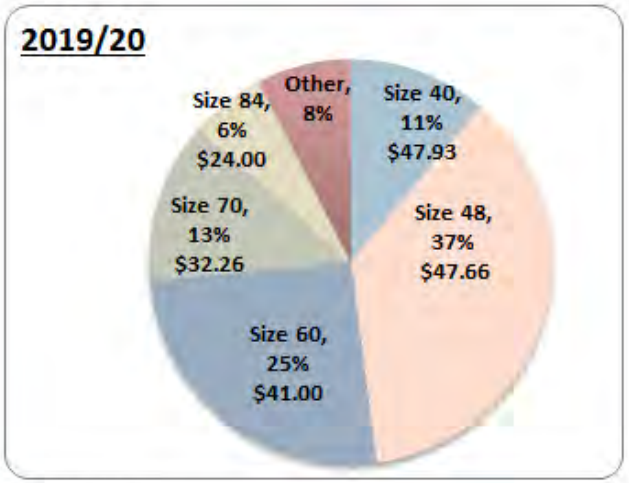
All Varieties		November 1 -April 30, 2021				November 1 - April 30, 2020				
		(millions)			%		(millions)			%
Region	Region %	Pounds	Dollars	Avg Lug $	Consigned	Region %	Pounds	Dollars	Avg Lug $	Consigned
EAST CENTRAL	3%	1.9	2.9	$ 40.71	6%	3%	2.7	4.6	$ 43.25	0%
NORTHEAST	2%	1.6	2.6	$ 40.07	1%	3%	3.3	5.6	$ 42.71	1%
PACIFIC	79%	55.5	82.8	$ 37.78	1%	76%	76.6	127.2	$ 42.35	2%
SOUTHEAST	2%	1.4	2.5	$ 44.30	0%	3%	3.5	6.3	$ 45.51	1%
SOUTHWEST	3%	2.2	3.4	$ 39.11	0%	2%	2.0	3.3	$ 41.41	0%
WEST CENTRAL	1%	1.0	1.6	$ 39.88	0%	3%	3.2	5.3	$ 41.32	0%
EXPORT	10%	6.8	11.2	$ 42.56	3%	9%	9.3	15.8	$ 42.70	0%

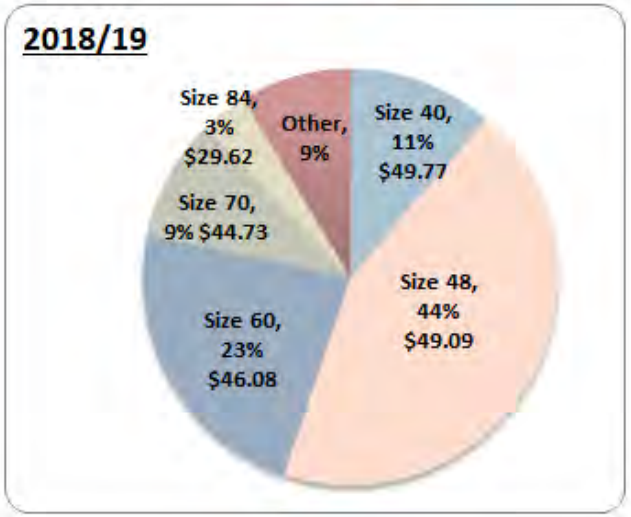
REVENUE: CROP MOVEMENT AND MEASURES

Size Distribution and Average Lug Price

Hass #1 Conventional (November-April)







Source: AMRIC

REVENUE: RETAIL SALES AND VOLUME

RETAIL (4 wks)	Apr20 (3/23/20-4/19/20)	Apr21 (3/22/21-4/18/21)	Variance
Volume (Unit)	173,333,276	172,259,119	-0.6%
Dollars	$220,265,919	$204,344,152	-7.2%
Avg. Selling Price/Unit	$1.27	$1.19	-6.6%
RETAIL California Season	**Mar20-Apr20 (3/2/20-4/19/20)**	**Mar21-Apr21 (3/1/21-4/18/21)**	**Variance**
Volume (Unit)	302,943,280	310,240,137	+2.4%
Dollars	$381,621,394	$347,043,392	-9.1%
Avg. Selling Price/Unit	$1.26	$1.12	-11.2%
RETAIL Non-California Season	**Sep19-Feb20 (9/2/19-3/1/20)**	**Sep20-Feb21 8/31/20-2/28/21**	**Variance**
Volume (Unit)	948,399,958	1,125,336,985	+18.7%
Dollars	$1,063,135,664	$1,112,199,052	+4.6%
Avg. Selling Price/Unit	$1.12	$0.99	-11.8%

REVENUE: RETAIL SALES AND VOLUME

Avg. Retail Price $1.17

California Season

Mar 2020 – Aug 2020
(3/2/20 – 8/30/20)

Avg. Retail Price $0.99

Off Season

Sept 2020 – Feb 2021
(8/31/20 – 2/28/21)

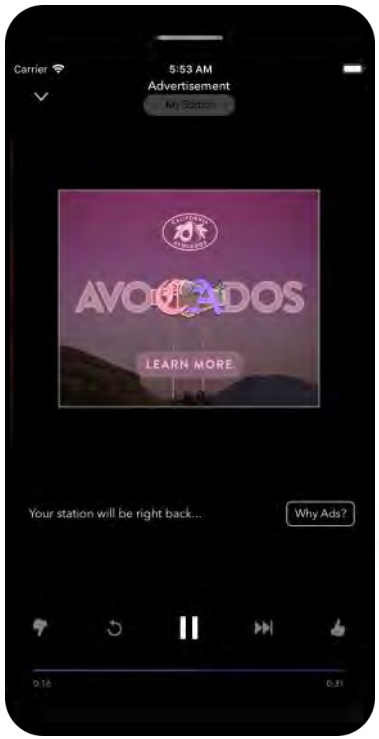
Avg. Retail Price $1.12

California Season

Mar 2021 – Apr 2021
(3/1/21 – 4/18/21)

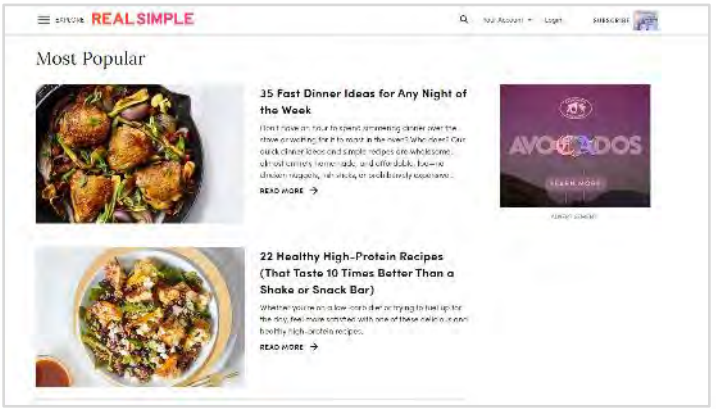
CONSUMER ADVERTISING: AUDIO

- 9,848,982 Impressions
- 17,222 Clicks with a 0.17% Click Through Rate
- 459,458 Video Views
- Targeted listening sessions, audio, banners, overlays, and in-car audio



CONSUMER ADVERTISING: DIGITAL BRAND

- 52,933,181 Impressions
- 92,066 Clicks with a 0.17% Click Through Rate
- 29,219,068 Video Views
- Digital video, mobile and display banners

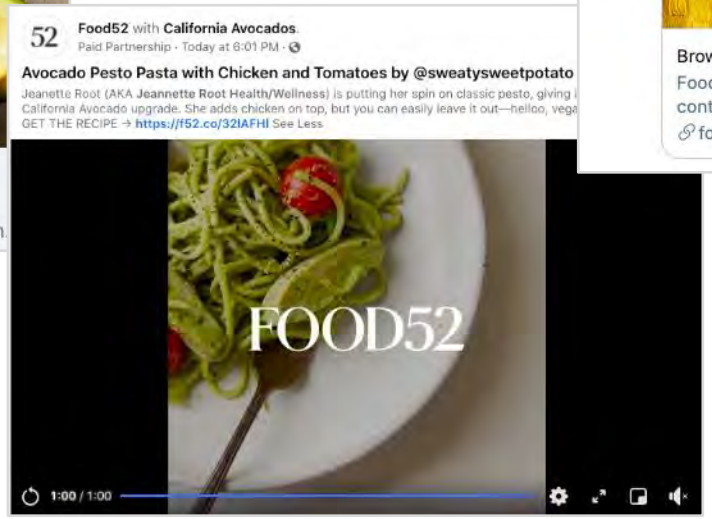


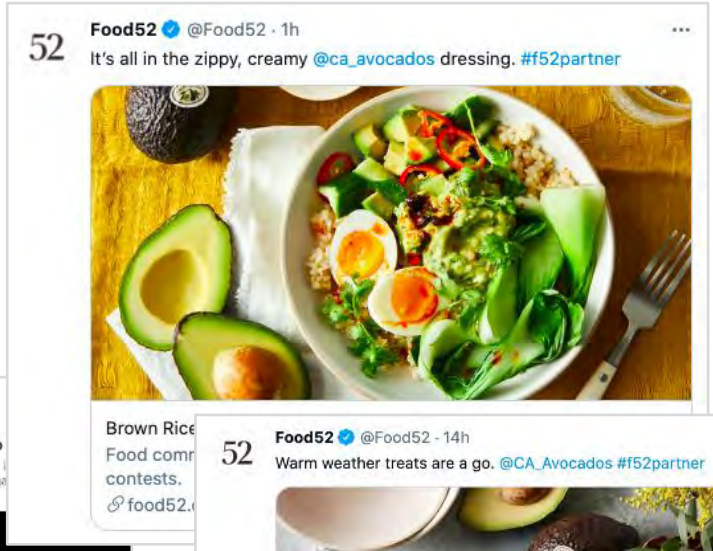
hulu | food network | TREMOR VIDEO | VIANT. | YouTube

gumgum | POPSUGAR. | PureWow | FOOD52

CONSUMER ADVERTISING: DIGITAL CUSTOM CONTENT

Custom content including four recipe videos and images prominently featuring California Avocados shared across Food52's Instagram, Facebook, and Pinterest along with their website and YouTube channels

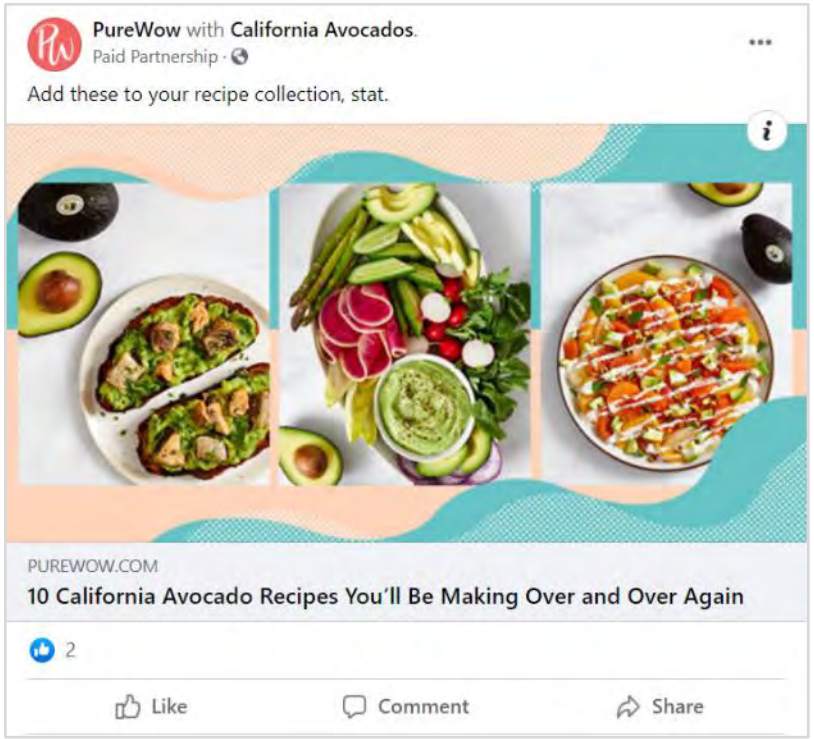


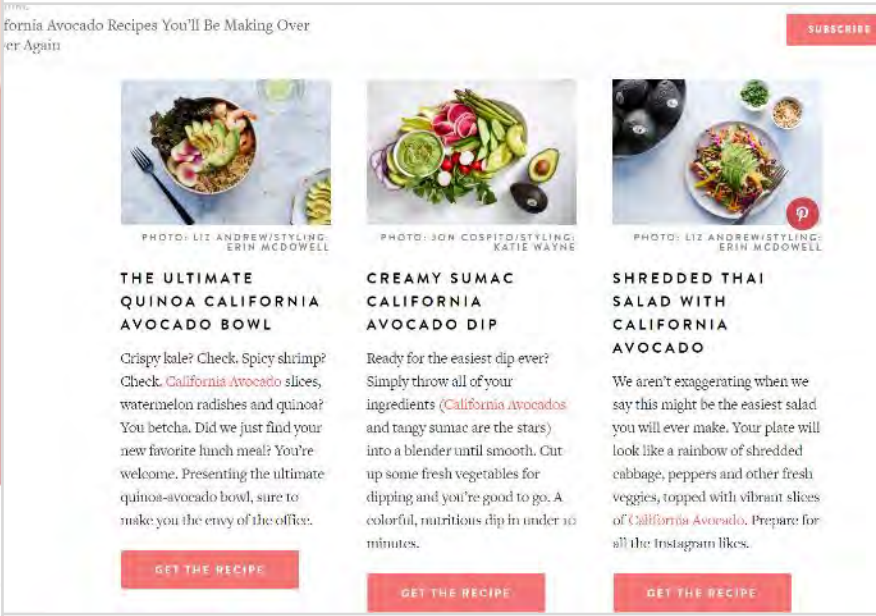


FOOD52

CONSUMER ADVERTISING: DIGITAL CUSTOM CONTENT

Custom content including a recipe hub destination on PureWow's site, home to six custom recipes that prominently feature California Avocados. Recipes were also distributed across PureWow's Instagram and Facebook channels





CONSUMER ADVERTISING: SOCIAL BRAND

- 292,080 Impressions
- 21,154 Engagements with a 7.24% Engagement Rate
- Season-long social advertising across top platforms

ONLINE MARKETING: NOVEMBER 2020 – APRIL 2021

SEARCH RESULTS

- Organic Search Impressions: 23.2MM
- Paid Search Impressions: 818K

SOCIAL MEDIA

- Facebook
  - Total Fans: 310.4K (-1% decrease YoY)
  - Impressions/Post: 47.3K (-47% decrease YoY)
- Twitter
  - Total Followers: 20.9K (-2% decrease YoY)
  - Total Retweets/Post: 3 (No Change YoY)
- YouTube
  - Views: 5MM (117% increase YoY)
  - Subscribers: 2.4K (55% increase YoY)
- Instagram
  - Followers: 41.9K (-1% decrease YoY)
  - Impressions/Post: 12.6K (-26% decrease YoY)

CONSUMER WEBSITE

- # of Visits: 716k (37% decrease YoY)
- Page Views / Visit: 1.31 (3% increase YoY)
- Time on site: 42s (11% increase YoY)
- Total Page Views: 940k (35% decrease YoY)

EMAIL

- Average Open Rate: 13.5%
- Click through rate: 1.27%
- Emails Sent: 2 emails to an average of 14k successful deliveries

CONSUMER PR: SEASON OPENER ONLINE COOKING CLASS WITH CHEF BRIAN MALARKEY

- To celebrate the official kickoff of California Avocado season, CAC hosted a virtual cooking class in partnership with Chef Brian Malarkey, a well-known, San Diego-based chef, on March 31
- 10 media attendees comprised of national, regional and local consumer and trade outlets attended this exclusive event, as well as three retail contacts
- Ahead of the event, Chef Malarkey curated two new and unique recipes starring California Avocados. All attendees received fresh ingredient boxes in advance of the event to cook alongside Chef in their homes
- Through earned media relations, as well as distribution of a press release (and a mat release), the program resulted in **157,382,017 impressions** across local, regional and national media outlets, including MSN, Sunset Magazine, The San Diego Union-Tribune and NBC Los Angeles

CONSUMER PR: BRAND ADVOCATES

- Kicking off the California Avocado season, CAC partnered with six brand advocates who have significant influence on social media and a considerable viewership on their blog channels
  - Their task for this season (March through June) is to develop unique recipes promoting California Avocados on their respective popular channels, including their blog, Instagram, Facebook and Pinterest pages
- Through March and April, the Brand Advocate program secured 3,620,000 blog post impressions and 79,333,523 social media impressions, resulting in a total of **82,953,523 impressions**

CONSUMER PR: NEWS BUREAU

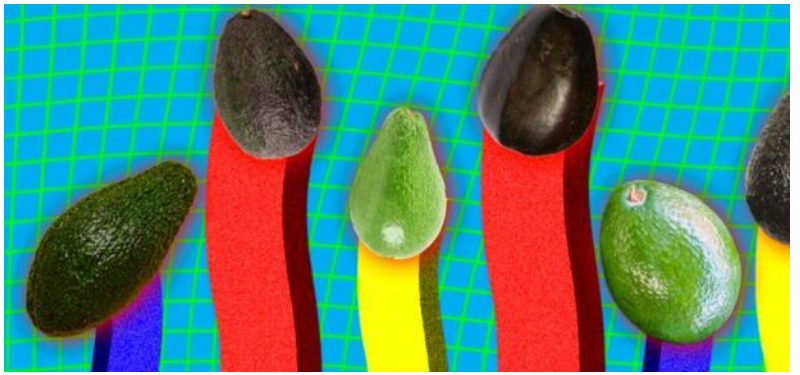
- Ahead of the 2021 season, the team identified relevant story angles for CAC and leveraged its unique perspective and assets to promote with consumer media
- To remain top-of-mind during the holiday season, the team continued media outreach around CAC's new line of California-inspired merchandise as must-have gifts for avocado fans
- Reactive and proactive news bureau media efforts resulted in **2,105,894 impressions**

GoodDay

California Avocado Merch

MEL

WHICH TYPE OF AVOCADO IS THE HEALTHIEST?



CONSUMER/TRADE – LIVING WELL: BRAND ADVOCATES–DEVELOPED RECIPES

Patty Mastracco, Culinary Expert
California Avocado, Zucchini & Cheddar Waffles

Patty Mastracco, Culinary Expert
Crispy California Avocado Potato Tots

Bonnie Taub-Dix, MA, RDN, CDN
Stuffed California Avocado with Mediterranean Salmon

Wendy Jo Peterson, MS, RDN
Turkey & Avocado Larb Lettuce Wraps

Wendy Jo Peterson, MS, RDN
Air Fried Avocado Egg Cups with Sriracha Yogurt Cream

Manuel Villacorta, MS, RD
California Avocado Veggie-Packed Meatloaf

RETAIL: TRADE RELATIONS – RETAIL COMMUNICATIONS

California Avocado Retail Resource Guide

Three-page guide that includes ready-to-use resources (recipes with images, lifestyle, grower/grove and product images), thought starters and California Avocado "How Tos" (videos and website links)

Retailer/Immersive Experiences

Attendees from three top tier retailers participated in CAC's Season Opener Online Cooking Class

Albertsons VONS PAVILIONS

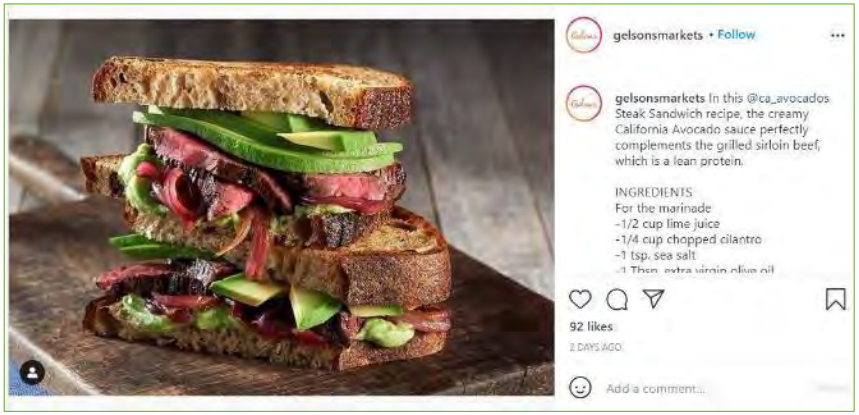
HyVee

Bristol Farms

Key Account Marketing

Gelson's

Gelson's First of Season Promotion: Posted LWBA Manuel Villacorta's "California Avocado Steak Sandwich" image with a link to the recipe on Instagram and Facebook. Followers: 83.4K

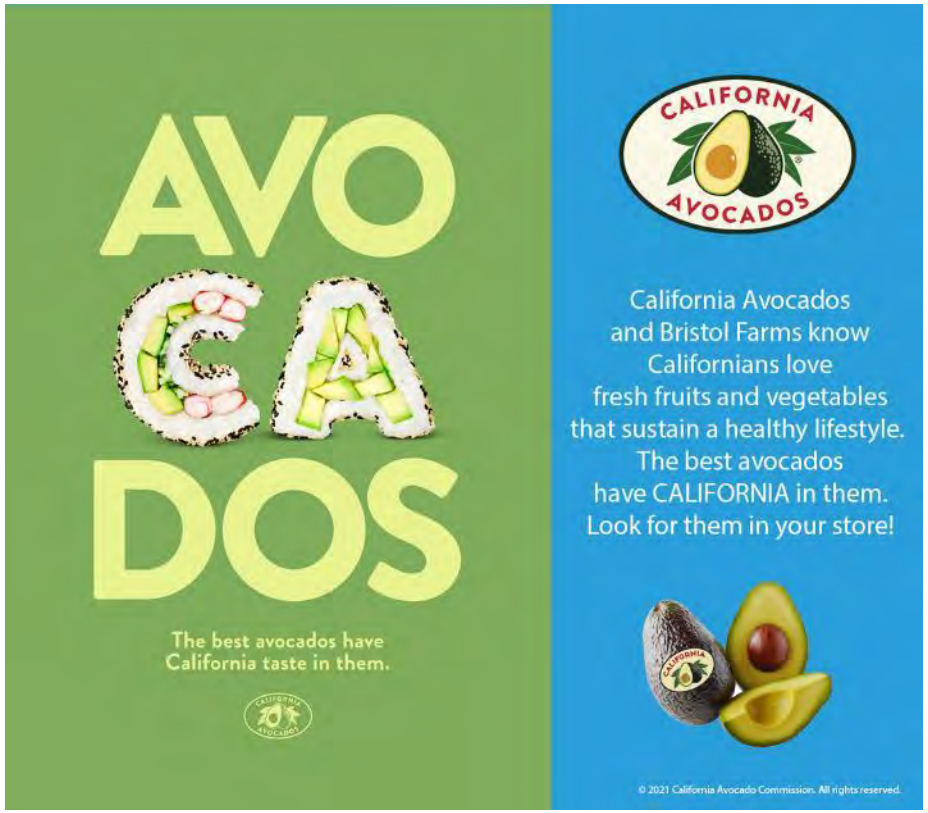


RETAIL: CALIFORNIA AVOCADO MARKETING PROGRAM

RETAIL: PROMOTION

Bristol Farms

- Passport to Savings Coupon and Online Special with special at 2/$3 on large bulk avocados runs
- March 31 – May 25, 2021



LAZY ACRES natural market

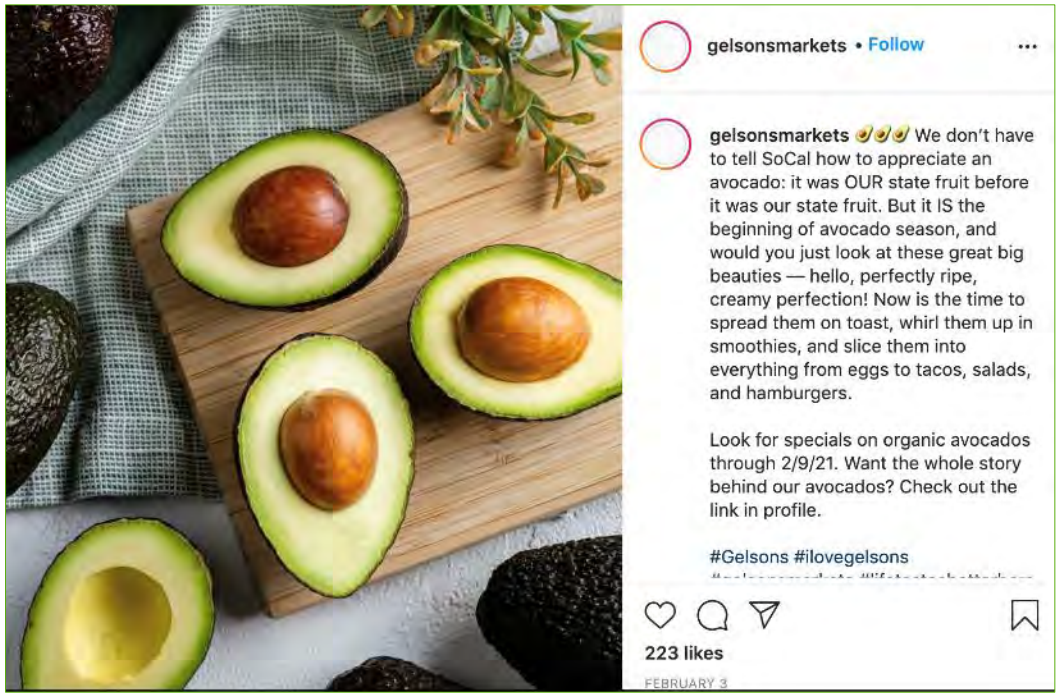
Social media post on Instagram, February 3, announcing season kick-off

RETAIL: PROMOTION

Gelson's

- "First of Season" display contest in all stores during March 2021
- Proud to display the California Avocados logo in stores for brand awareness

Instagram Social Media Post – February 3



RETAIL: PROMOTION

- First of Season Ad on March 17 followed by Easter Ad on March 31
- Great early season Hispanic retail partner

RETAIL: PROMOTIONS

MOLLIE STONE'S MARKETS

- Easter sales/display contest in all stores
- March 22 – April 4

RETAIL: PROMOTIONS

Ralphs

- Kroger's largest California division supports California growers early in March
- Bags and bulk display to drive awareness of local-grown California Avocados

New Seasons Market

- California Avocado new product feature
- Merchandising new avocado sizes in bags to test alongside bulk fruit
- Virtual Grove Tour in April

RETAIL: PROMOTION – DIGITAL DEMOS

- Executing last week of April
- In-club display for full week with signage and video loop
- 161 clubs (CA, AZ, NV, UT, CO, KS, OK, TX, MO)
- Note addition of two new DC's this campaign (OK and KS)

RETAIL: PROMOTION – SPOTLIGHT RECIPE VIDEO

- Delivered via digital media with influencer overlay reaching 1.6 million shoppers with guaranteed views
- Executing last week of April thru middle of May
- 721 stores (CA, AZ, NV, UT, WA, OR, NM, ID, MT)

Value Exchange Video

VIDEO PLAYER

LANDSCAPE END SCREEN

MOBILE

RETAIL: EXPORT PROMOTIONS – SOUTH KOREA

California Avocado Virtual Cooking Class held on April 26 On COOKPIA YouTube Channel with around 2,000 viewers

- Celebrity Food Stylist Boeun Lee talked about the health benefits of California Avocados and demonstrated two recipes: Spicy Grilled Chicken with California Avocado and a California Avocado Sauce
- Over 11,000 views as of April 30

RETAIL: MASTERS OF MERCHANDISING 2021

produce business
MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT

AVOCADOS

CALIFORNIA AVOCADO COMMISSION

2021 MARKETING PROGRAM

The best avocados have California in them

California Avocados are in demand all season long. In fact, 81% of avocado shoppers surveyed in the U.S. say it's important that their avocados are grown in the U.S.[1] They anticipate the consistent quality, freshness and homegrown taste that comes from California growers who are committed to consistent quality and reliability.

Consistency and reliability also are found in our innovative marketing program for 2021. Our programs and people are dedicated to supporting your sales of California Avocados, year after year.

Targeted, Customized Marketing Support

Innovative, branded California Avocado customized social, digital and geo-targeted promotions throughout the season drive shoppers to your stores. Social media retail assets can be customized for your store banners and are paid for by the California Avocado Commission in support of our retail partners.

Retail Dietitian Relations

From helpful how-to tips to news you can use, nutritional information to delicious recipes for virtual demos and more, we have inspiration for your dietitians and cooking school managers.

Customized Retail Influencer Programs

Are your marketing departments looking for ideas for your social media content, newsletter, ad circular or other customer communication during the spring and summer months? New and complimentary customized offerings include social posts and blogs with and without video, seasonal story ideas for retailer use in local media markets, on your website, in customer sweepstakes and California Avocado giveaways. We are ready to support you!

Merchandising Materials

Among avocado shoppers surveyed in the U.S., 69% agree they wish stores would have better signage/labeling to let them know where the avocados they buy are grown.[2] You can provide this information by using our California Avocado merchandising materials to encourage impulse purchases.

Visit CaliforniaAvocado.com/Retail to order your POS material.

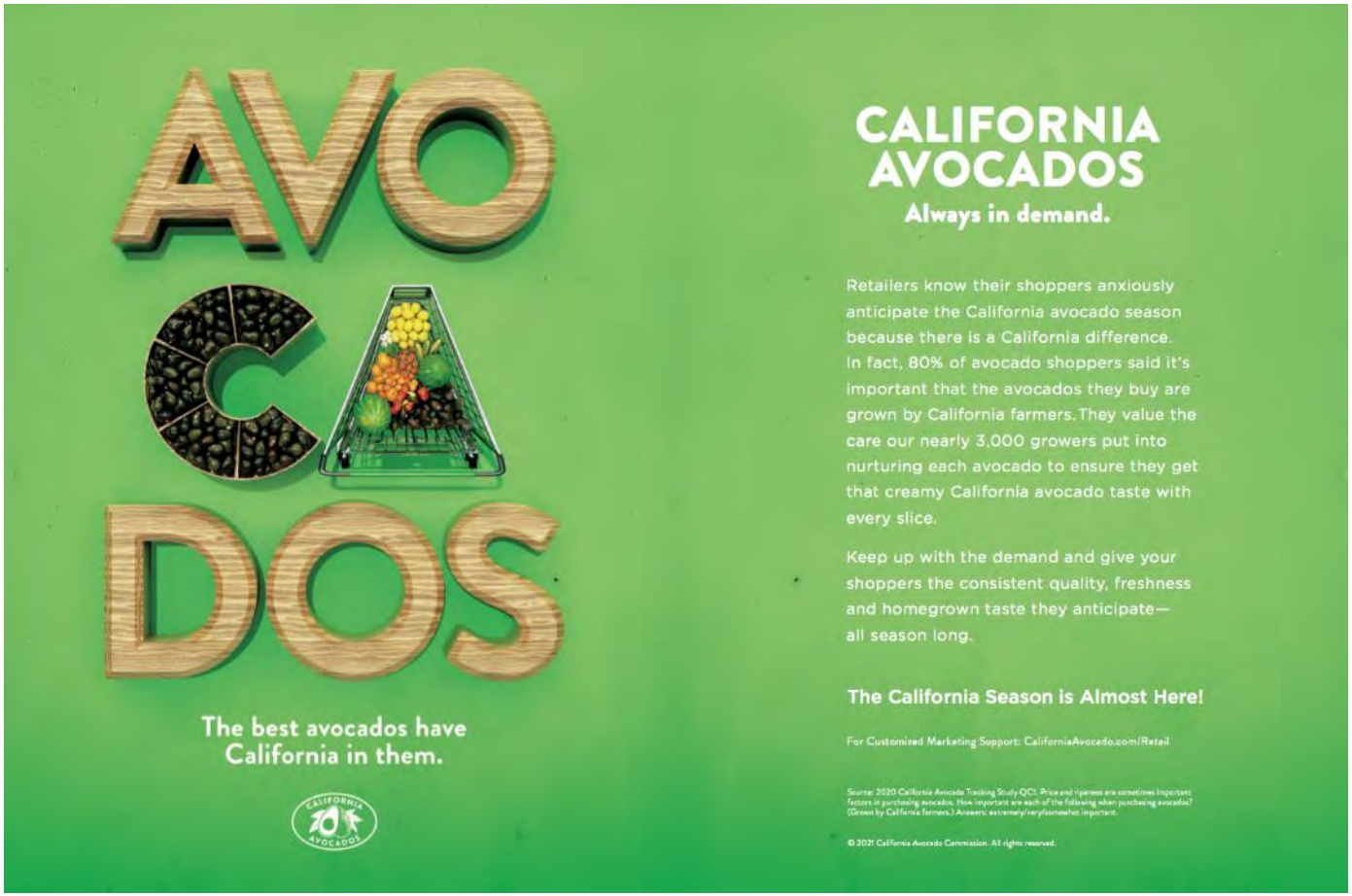
Contact your Retail Marketing Directors for customized marketing programs and reports.

CALIFORNIA AVOCADO COMMISSION
CaliforniaAvocado.com/Retail
donuz@avocado.org

Source: 2020 California Avocado Tracking Study
[1]Q1. Price and ripeness are sometimes important factors in purchasing avocados. How important are each of the following when purchasing avocados? (Grown in the U.S.) Answers: extremely/very/somewhat important.
[2]Q12C. How much do you agree or disagree with the following statement: I wish stores would have better signage/labeling to let me know where the avocados I buy are grown? Answers: strongly/somewhat agree.

RETAIL: TRADE PRINT AD

To launch the season, a two-page spread ran in the February issue of The Snack magazine with a die-cut "CA" wobbler piece attached to the ad



RETAIL: TRADE PRINT AD

13 print ads were scheduled from February through April 30 generating 1,637,414 impressions

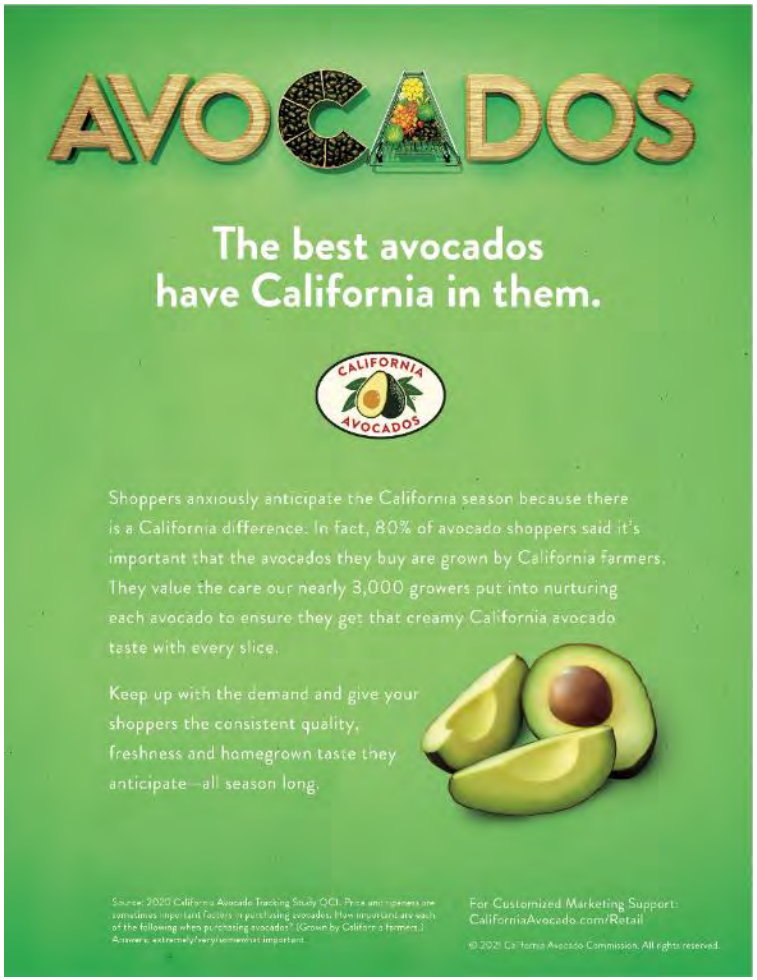
THE PACKER

THE PRODUCE NEWS

produce business
MARKETING • MERCHANDISING • MANAGEMENT • PROCUREMENT

Fresh DIGEST

the SNACK



RETAIL: TRADE DIGITAL ADS

- 257 digital ads ran from February through April 30 generating 12,218,976 impressions
- Total print and digital impressions: 13,856,390

THE PACKER

THE PRODUCE NEWS

WINSIGHT GROCERY BUSINESS

THE SHELBY REPORT

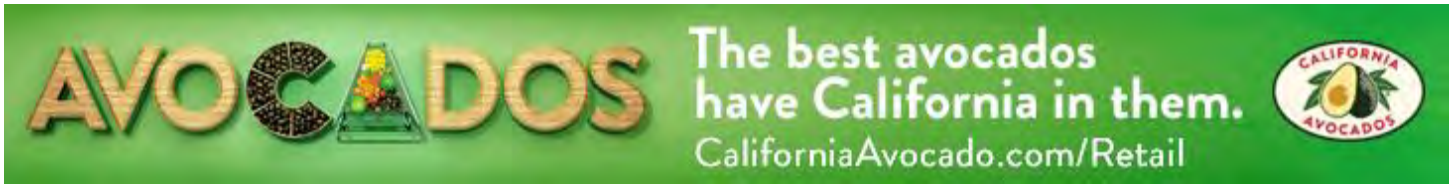
Fresh Plaza

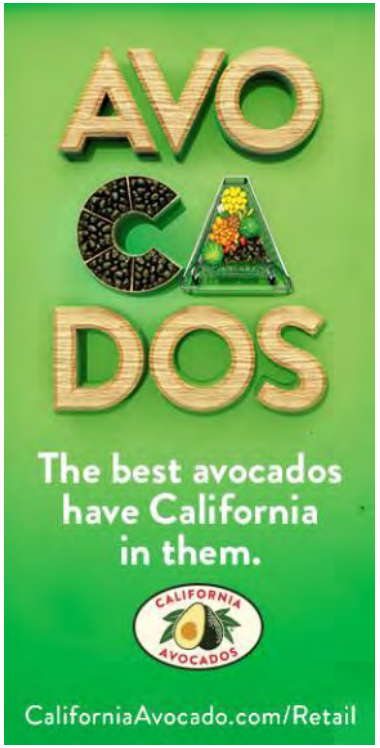
supermarket PERIMETER

Perishable News.com

AndNowUKnow produce industry news

pmg





RETAIL: TRADE DIGITAL ADS

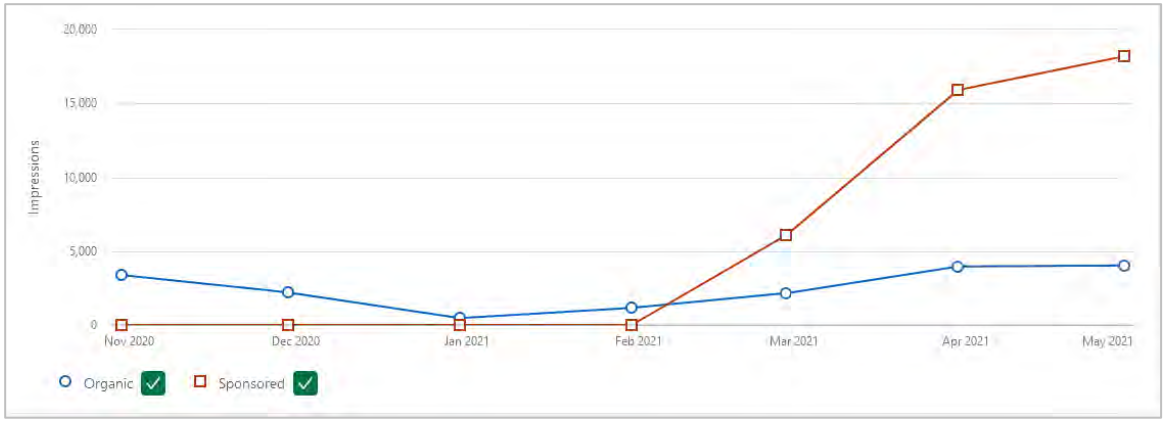
A video trailer ran on AndNowUKnow in March and April

RETAIL: APRIL RETAIL NEWSLETTER

A single page newsletter was sent to retail produce managers and buyers with content that included crop forecast, marketing programs and sales-building information

RETAIL: LINKEDIN

From October through April 30, 30 LinkedIn posts ran on the CAC page. It has gained 233 new followers, a 32% growth rate. The posts have generated over 137,000 impressions with over 700 engagements. The page has been viewed 954 times by 398 unique visitors



RETAIL: LINKEDIN

A LinkedIn post with CAC messaging and video was sent to 200 food retailers (Walmart, Kroger, etc.) through Smart Brief's proprietary subscriber email list on LinkedIn. The post was sent directly to their personal feed of the matched profile list. The post generated 77,685 impressions

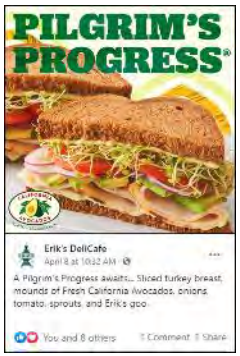
RETAIL: TRADE PUBLIC RELATIONS

- Nearly 3.5 million Trade PR impressions in November - April
- Key topics: Crop Updates, Season Opener, Board News, Advertising

FOODSERVICE: CHAIN PROMOTIONS

ERIK'S ESTD DELICAFÉ 1973

- 27 units
- Northern California/Bay Area
- April 1 – May 31



SUPER DUPER BURGERS

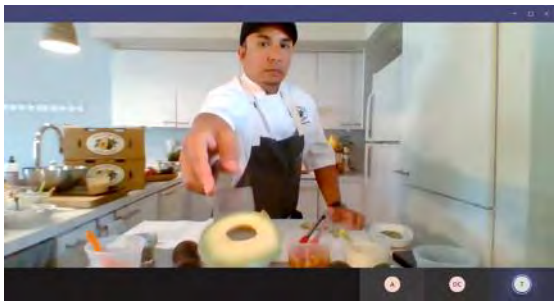
- 15 units
- Northern California/ Bay Area
- April 15 – June 1

DEL TACO

- 400 units
- California, Arizona, Nevada, Oregon, Utah, Washington
- April 29 –July 21

FOODSERVICE: MENU IDEATION – VIRTUAL SESSION

- With COVID-19 restrictions still in place, menu ideation session goes virtual
- Concepts still based on chain's menu strategy and operational setup
- Spices, special blends and sauces shipped overnight to ensure chain chef is working with the same ingredients as Chef Hernandez
- Chef Hernandez instructs and cooks alongside chain chef at each step to ensure consistency



Chef Hernandez showing avocado up close

Utilizing a chain's current inventory of items with California Avocados, a few of the dishes created

FOODSERVICE: FLAVOR PAIRING WITH CALIFORNIA AVOCADOS

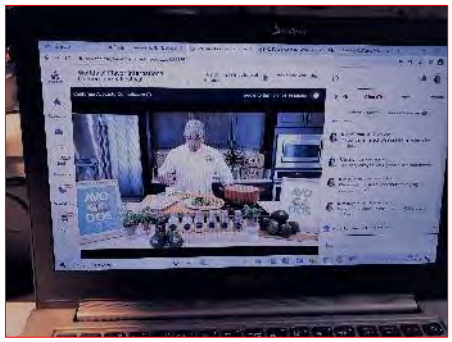
- Educational component to influence chain culinary R&D to leverage California Avocados in menu builds
- Interactive demo session on how to build unique flavors with California Avocados
- Discuss aromas and taste of each spice, then spice + California Avocado and finally possible menu applications and inspiration
- Offered as a virtual session or onsite session
  - An approach to keep in front of operators with operators who are not traveling first half of 2021

FOODSERVICE: VIRTUAL EVENTS

WORLDS OF FLAVOR
INTERNATIONAL CONFERENCE + FESTIVAL

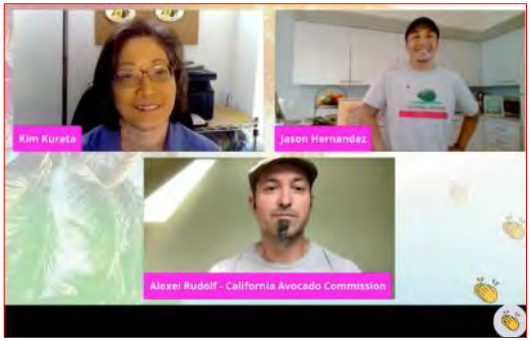
CIA: Worlds of Flavor
November 10-13, 2020
Virtual platform

Online presentation and demonstration



Virtual
DEC. 1-2, 2020
THE FLAVOR EXPERIENCE: 2021 VISION

Virtual Flavor Experience
December 1-2, 2020
Virtual platform

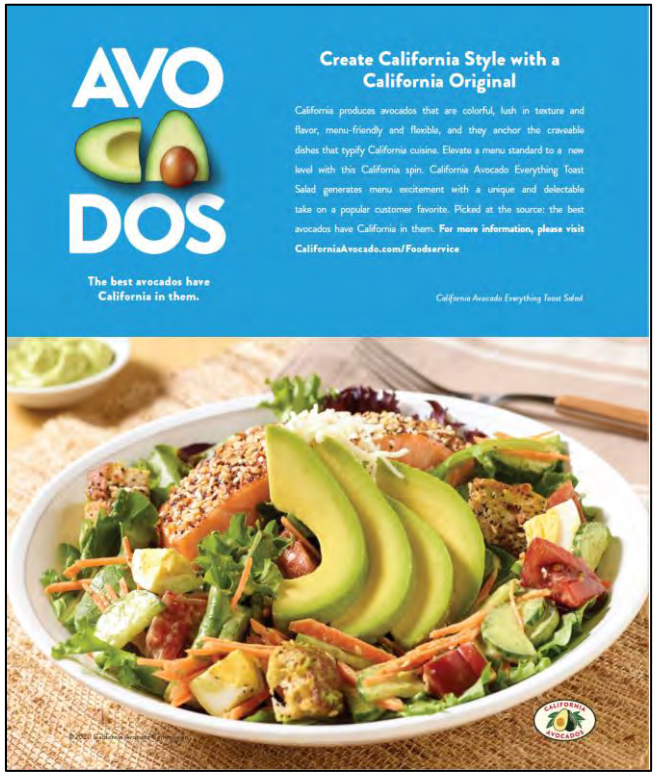


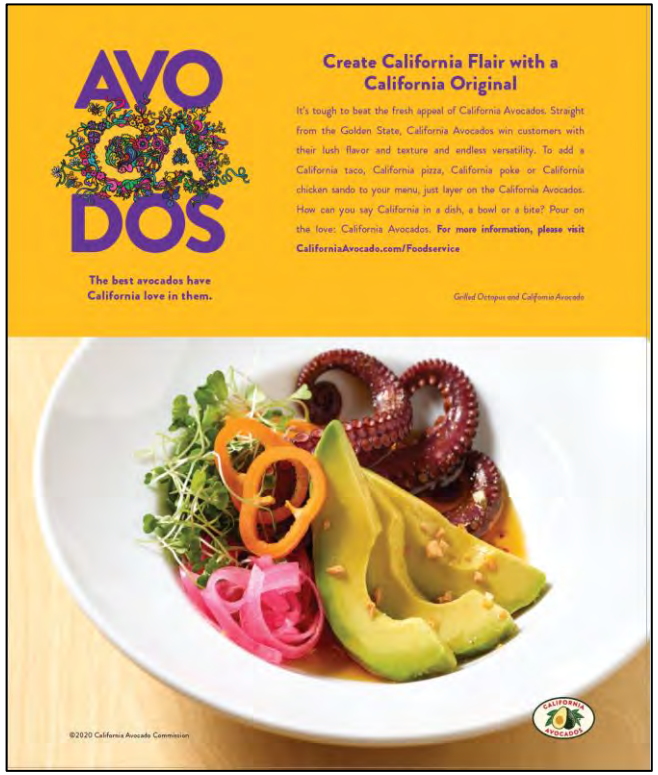
Presentation and demo video

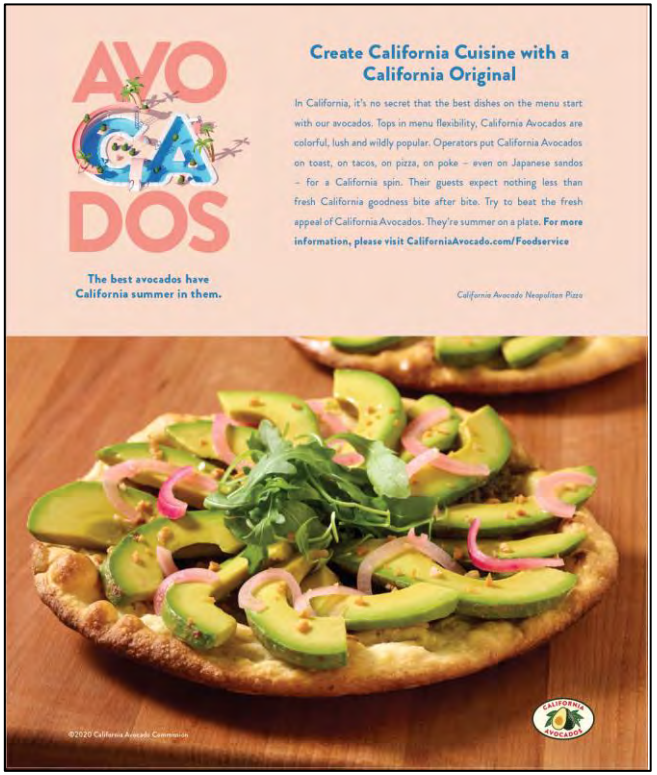
CAC received highest score among operators for best demo session

FOODSERVICE: PRINT ADVERTISING

- Focus on California Avocado season and California cuisine and style
- 4 insertions starting in March issues
- 4 publications (Flavor & The Menu, FSR, Nation's Restaurant News and Plate)
- 159,302 impressions



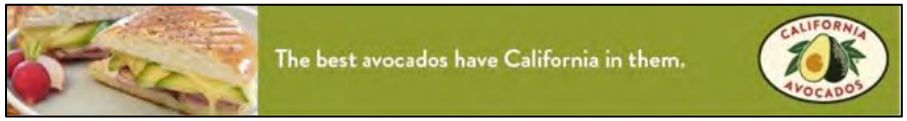


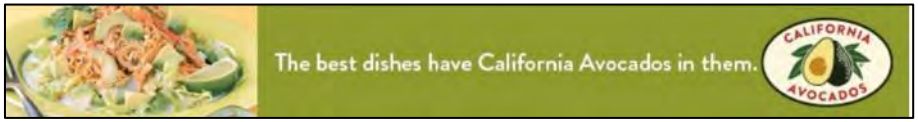


FOODSERVICE: DIGITAL ADVERTISING

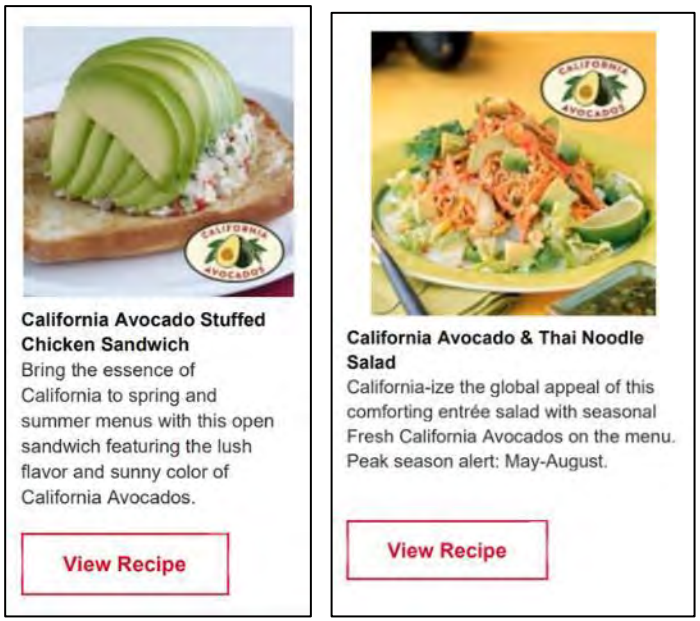
- Leverage pre- and post-season insertion dates to keep top-of-mind among operators
- 14 ads appeared on six platforms (Recipe Watch, RB On The Menu, NRA SmartBrief, getflavor.com, FlavorFlash, FSRmagazine.com)

RB: ON THE MENU





RECIPE WATCH



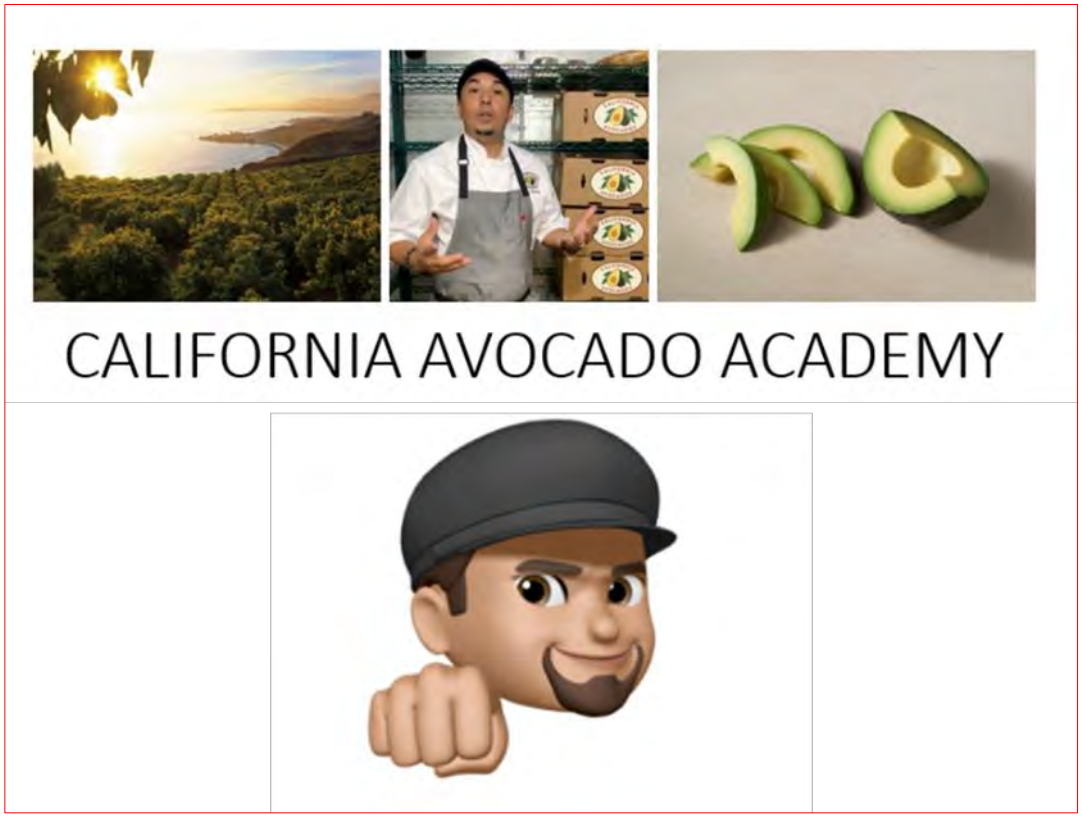
NRA SMARTBRIEF

FOODSERVICE: PUBLIC RELATIONS

- Influence editors with our California Avocado premium message
  - Unique terroir
  - Only locally USA-grown avocados
- Tailor message to address start of season, spring menus and topical issues pertinent to today's menus:
  - Lunar New Year
  - Spring menu
  - Plant-based
  - Local ingredients

FOODSERVICE: SOCIAL MEDIA PLATFORM

- Position California Avocado Commission's Chef Hernandez as a foodservice influencer
- Created the CALIFORNIA AVOCADO ACADEMY series
- Developed 9 out of 18 social media videos
  - Emphasize California style, cuisine, season
  - Provide tips and how-to's
- Posted 5 videos since March
  - California Avocados in Asian Cuisine
  - California Avocados Add Style
  - California Avocados To-Go
  - California Avocado Receiving & Storing Tips
  - California Avocado Handling & Cutting Tips



RESEARCH: MULTIPLE STUDIES IN PROGRESS

2021 Instapanel Research

- Second round of creative testing includes testing the :06 and :15 video spots as well as the :30 montage video
- Objectives: to better understand the resonance of creative video concepts with targeted consumers as well as impact on perception and shifts in intended behavior
- Methodology: a blend of quantitative and qualitative feedback from avocado consumers
- The learnings from this research will help optimize development of creative and inspire new creative for the next campaign iteration
- Timing: final report presented in June, prior to strategic planning for 2022

2021 California Avocado Tracking Study

- Objectives: to monitor performance vs. plan objectives, to better understand consumer attitudes and to showcase reasons why retailers should merchandise California Avocados
- Methodology: quantitative study of 1,500+ avocado purchasers
- Timing: questionnaire updates in development; to be fielded in mid-August

RESEARCH: TIERED-ACCOUNT REPORT

- Analysis of Tiered Account retailers
- Monitor retailer-specific performance:
  - Sales/volume vs. prior year
  - Timing of CAC programs
  - Retailer participation with CAC
- Monitor FOB pricing
  - Short-term and long-term
- Findings improve CAC programs
- Results influence sales messaging
- Delivered January 2021

RESEARCH: STATE OF THE AVOCADO CATEGORY

- A multi-year review of the avocado category with a specific focus on the positive impact of the California and Western regions on retail sales:
  - Sales lift during the California season
  - Regional per capita unit purchases
  - Incremental sales, volume and lift driven by the California season
  - Special sections: bagged avocados, organic avocados
  - Trends by market (California and Western region)
  - Delivered May 2021

RESEARCH: STATE OF THE AVOCADO CATEGORY (CONT.)

DOLLAR SALES SHOW EVEN GREATER LIFT DURING THE CALIFORNIA SEASON

In 2020, average weekly dollar sales during the California Season exceeded the Non-California Season by +33%. This lift equated to an average of +$5 million per week. Dollar lift is greater than volume lift (+22%) due to an increase in Average Selling Price (ASP).

The category experienced California Season dollar lift each year for the past four years.

Source: IRI/FreshLook

RESEARCH: LEVELS OF RIPENESS AND CALIFORNIA PROMOTIONAL RETAIL STUDY

California Promotional Retail Study

- Analysis of data to uncover fact-based results of the retail benefits of advertising and promoting the California brand vs. generic avocados
- Delivery in late May 2021

Levels of Ripeness

- A qualitative consumer survey that focuses on California shopper preferences for various levels of ripeness and the importance of ripeness in the decision to purchase avocados
- Determine the drivers and barriers to retail purchases related to ripeness
- Fielding in June, with final report in July 2021

BOARD INFORMATION

ITEM 7.A: RETAIL MARKETING: TIERED-ACCOUNT APPROACH AND STATE OF THE CATEGORY

SUMMARY:

As a part of the Commission's 2020-2021 business plan, the Tiered-Account program included the development of the State of the Avocado Category retail report. Utilizing retail (cash register) data from IRI, the attached report provides analysis of key sales growth drivers for the category and in-depth insights for the California region. Specifically, the report looks at the sales performance of total, bagged, organic and conventional avocados at retail. It also provides an assessment of avocado sales and volume trends by region and key western markets. These trends also reflect the positive impact of the California avocado season on retail sales.

FISCAL ANALYSIS:

- Not Applicable

BOARD OPTIONS:

- Information item only

STAFF RECOMMENDATION:

- Not Applicable

EXHIBITS / ATTACHMENTS:

- State of the Avocado Category – Retail Report

STATE OF THE AVOCADO CATEGORY

LONG-TERM GROWTH DRIVERS FOR AVOCADO RETAIL SALES

MAY 12, 2021

TABLE OF CONTENTS

Executive Summary..... 3

Key Data Nuggets..... 6

Objective and Definitions..... 11

Total U.S. and Regional Sales Trends..... 14

California Region Sales Trends..... 20

- Total Category..... 21
- Bagged vs. Bulk..... 31
- Organic vs. Conventional..... 38

Sales Trends by Market..... 45

EXECUTIVE SUMMARY – TOTAL CATEGORY

The California region is one of the largest regions in the U.S. for retail avocado sales. At 10 avocados per capita, the California region ranks 3rd in per capita retail units. Retail sales for California increased +27% in dollars and +38% in units. California unit growth lagged the U.S. average (+50%), but due to higher prices in California, the region's dollar growth outpaced the U.S. average (+22%) by + 5 points. California held the largest share of Total U.S. avocado dollar sales at 17% and drove the second largest share of incremental sales in the U.S. (20%).

A range of factors contributed to the greater category development in the California region, one of which is the growing importance of the California Season.

- For the past four years (2017-2020), The California Season saw a lift in average weekly dollar sales over the Non-California Season
- In 2020, the California Season lifted average weekly dollar sales (+33%) and units (+23%), while the average selling price (ASP) was +8% higher during the California Season

One of the main factors behind the California Season lift in retail sales was greater sales velocity as there was no noticeable increase in distribution during the season. In 2020, avocados were sold in approximately 90% of retail stores through the year, while sales velocity saw a significant increase. California Season sales velocity was +28% higher than the Non-California Season at $5,098/million ACV ("all commodity volume").

This lift in sales makes the California Season a fundamental driver of category performance in the California region. Since 2017, the California Season drove 62% of long-term growth in the California region for dollar and volume sales.

EXECUTIVE SUMMARY – BAGGED AVOCADO TRENDS

Bagged avocados are a rapidly growing segment in the U.S. and in the California region. In 2020, Bagged avocados accounted for 17% of units and 13% of dollar sales in the California region.

Bagged avocado sales velocity was higher and increasing at a faster rate in California vs. the rest of the U.S.:

- California Bagged avocado sales velocity ($2,352/million ACV) was nearly twice as high as the rest of the U.S. ($1,202)
- California Sales velocity is also increasing at twice the rate of the rest of the U.S. (+103.1% vs. +47.9%, respectively)

These trends are even more pronounced during the California Season. Bagged avocados held a slightly larger share of volume and dollar sales during the California Season vs. the Non-California Season and are increasing at a faster rate (P.33).

Bagged avocados are making an impact across many western avocado markets. Bagged avocado volume share ranged from 32% in West Texas to 10% in Phoenix and saw triple-digit growth vs. 2017 in all markets except Sacramento (+98.1%).

EXECUTIVE SUMMARY – ORGANIC AVOCADO TRENDS

Organic avocados are also a fast-growing segment but remain a small part of the category. Organic avocados held a 5% share of units and 7% share of dollar sales in the California region, but sales increased triple digits vs. 2017. These trends were more pronounced during the California Season. Organic avocado dollar growth during the California Season (+143%) was +22 points ahead of the Non-California Season (+121%). Volume also showed a similar trend.

Over the past four years, the average retail price of Organic and Conventional avocados in California have been consistently higher than the average price in the rest of the nation.

- In California, the price gap between Organic and Conventional avocados has been contracting, from +57% in 2017 to +48% in 2020. In contrast, the price gap has widened in Total U.S. (+40% in 2017 to +47% in 2020)
- Organic prices are falling faster than Conventional in all western markets except San Diego and Denver

Organic avocados held a small share of avocado volume in all western markets, ranging from a 9% share in Seattle to a 2% share in Phoenix. Most western markets saw triple-digit growth in Organic volume and the Organic growth rate outpaced Conventional in all markets except Denver.

KEY DATA NUGGETS – TOTAL CATEGORY

P.17	California and Northeast are driving Total U.S. incremental dollar sales.
P.18	The region with the greatest development (West) is also the prime region for out-of-state California Avocado sales.
P.19	Per capita retail units in the West are twice as high as per capita units in the Northeast, Plains and Great Lakes.
P.21	The California region outpaced Total U.S. dollar growth (+22%) by +5 points.
P.23	The California Season is a fundamental driver of avocado category growth.
P.24	The California Season consistently outperforms the Non-California Season, and the gap is widening.
P.30	California Season sales lift is driven by greater sales velocity, not an increase in distribution.

KEY DATA NUGGETS – BAGGED AVOCADOS

P.33 Bagged avocados make a greater impact on sales growth during the California Season.

P.34 Bagged avocados generate greater California Season lift than Bulk.

P.35 Greater sales velocity drives Bagged avocado sales lift during the California Season.

P.37 Bulk ASP is steady, while Bagged avocado ASP is declining. Is this due to a mix of smaller sizes in bags?

KEY DATA NUGGETS – ORGANIC AVOCADOS

P.40 Organic avocados make a greater impact on sales growth during the California Season.

P.41 Organic avocados generate slightly greater California Season lift than Conventional.

P.42 Sales velocity is driving the California Season lift in Organic avocado sales, but the sales rate is still very low.

P.44 In California, the ASP gap between Organic and Conventional avocados is contracting.

KEY DATA NUGGETS – WESTERN MARKETS

P.46	All western markets showed double-digit dollar growth over four years.
P.47	All western markets showed high category development in 2020.
P.48	Los Angeles is the largest avocado market, but per capita sales are higher in Denver and Las Vegas.
P.49	All western markets have similar distribution levels, but sales velocity varies.
P.50	Bagged avocados are making a larger impact on the avocado category, but that impact varies by market.
P.51	Bagged prices are falling faster than Bulk in all western markets except Las Vegas.

KEY DATA NUGGETS – WESTERN MARKETS

P.52 Organic avocados hold a small share of volume in all markets.

P.53 Organic prices are falling faster than Conventional in all western markets except San Diego and Denver.

OBJECTIVE AND DEFINITIONS

Objective

Develop a long-term study of sales trends in the avocado category for the California region and Total U.S. excluding California. The report will provide insights into the drivers behind California Season performance, as well as Bagged/Bulk and Organic/Conventional sales trends. These insights can be utilized by CAC marketing, Retail Marketing Directors, trade P.R. and industry sales and marketing personnel to promote CAC's leadership in the avocado category and help retailers and marketers enhance their retail strategies.

Definitions

- Categories:
  - Total Avocado Category
  - Total Produce
- Retail data: IRI/Freshlook:
  - This report reflects a multi-outlet retail data set (MULO), which includes an aggregation of the following channels: grocery, mass, club (excluding Costco), drug, dollar and military
- Time Periods:
  - Current Period = 2020: 52 weeks ending 12/27/2020
  - Prior Periods = 52 weeks ending
    - 2017: 12/31/2017
    - 2018: 12/30/2018
    - 2019: 12/29/2019

DEFINITIONS CONTINUED

- Time Periods Continued:
  - California Seasons
    - 2017: Mar-Aug (3/5/2017 – 8/27/2017)
    - 2018: Mar-Aug (3/4/2018 – 8/26/2018)
    - 2019: Mar-Aug (3/9/2019 – 9/1/2019)
    - 2020: Mar-Aug (3/8/2020 – 8/30/2020)
  - Non-California Seasons
    - 2017: Sept–Feb (9/4/2016 – 2/26/2017)
    - 2018: Sept–Feb (9/3/2017 – 2/25/2018)
    - 2019: Sept–Feb (9/2/2018 – 2/24/2019)
    - 2020: Sept–Feb (9/8/2019 – 3/1/2020)
- Measures:
    - Retail Dollar Sales
    - Retail Volume Sales = Units
    - Average Price/Unit (ASP) = Dollars/Unit
    - All Commodity Volume (ACV) = Dollar sales of everything scanned in store(s)
    - Distribution = % of stores selling the category
    - Velocity = $ or Units per Million ACV = Category sales rate in stores where stocked (weighted by ACV)
      - Shows dollars spent on the category for every million dollars spent in store overall

DEFINITIONS – CATEGORY DEVELOPMENT INDEX

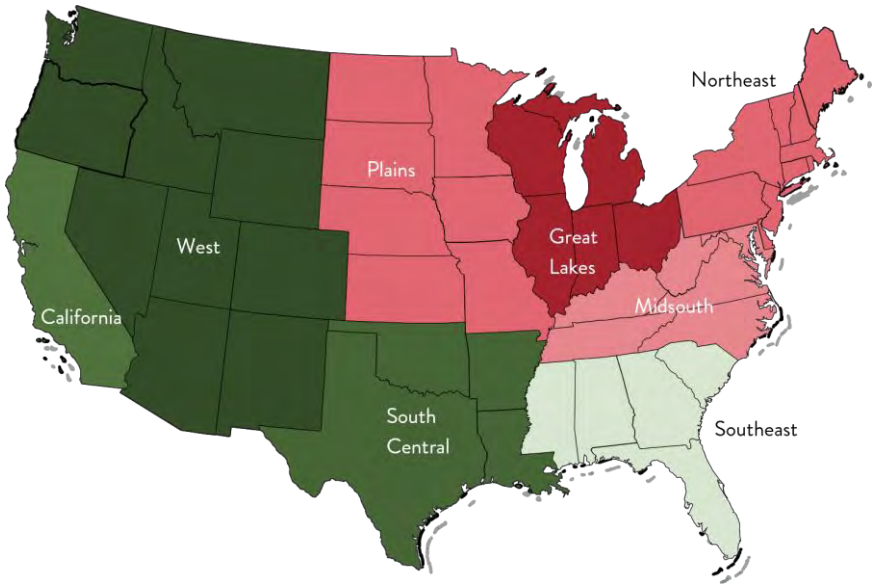
Category Development Index (CDI):

The Category Development Index measures each region's share of Total U.S. Avocado category volume compared to its share of Total U.S. population*:

- The Avocado Category is not equally developed across all regions
- West shows the highest category development at 154, while Great Lakes is an emerging region at 71

Region	Category Development Index
West	154
South Central	135
California	123
Southeast	94
MidSouth	80
Northeast	77
Plains	77
Great Lakes	71
Total U.S.	100

Category Development Index (CDI)



≤ 80 = Low 80-119 = Par ≥ 120 = High

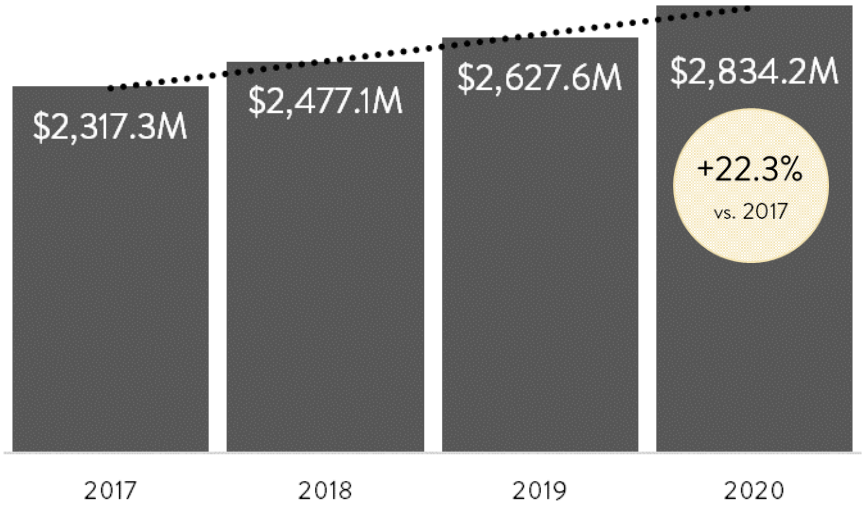
Data Source: IRI/Freshlook 52-weeks ending 12-27-2020
*Example: At 123, California's Avocado volume share is +23% higher than California's population share

TOTAL U.S. AND REGIONAL SALES TRENDS

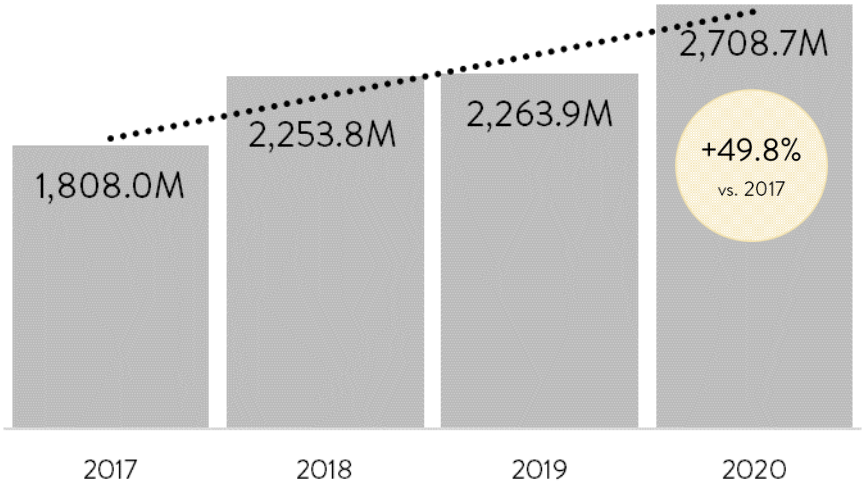
TOTAL U.S. AVOCADO CATEGORY NEARING RETAIL SALES OF THREE BILLION DOLLARS

In 2020, the avocado category reached $2.8 billion and 2.7 billion units, up +22% and +50% vs. 2017, respectively. Retail sales of avocados were impacted by the COVID-19 pandemic in 2020, but the avocado category as a whole has been growing steadily over the past four years.

Total U.S.
Avocado Dollar Sales



Total U.S.
Avocado Units



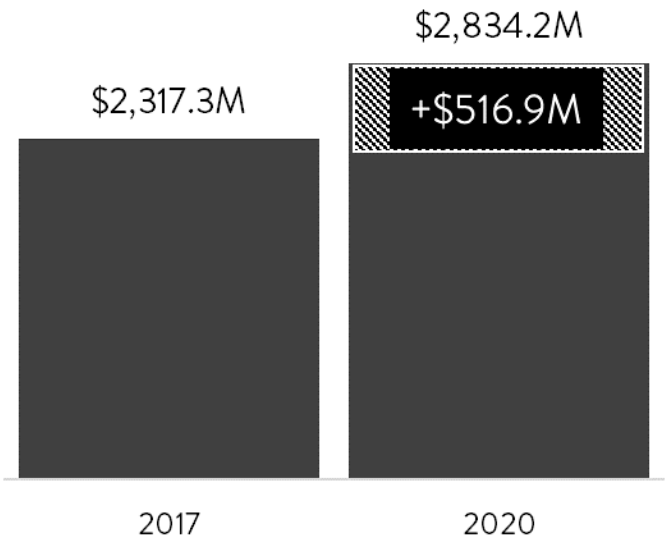
Source: IRI/FreshLook

TOTAL U.S. AVOCADO CATEGORY GROWTH ADDS $517M and 901M UNITS OVER FOUR YEARS

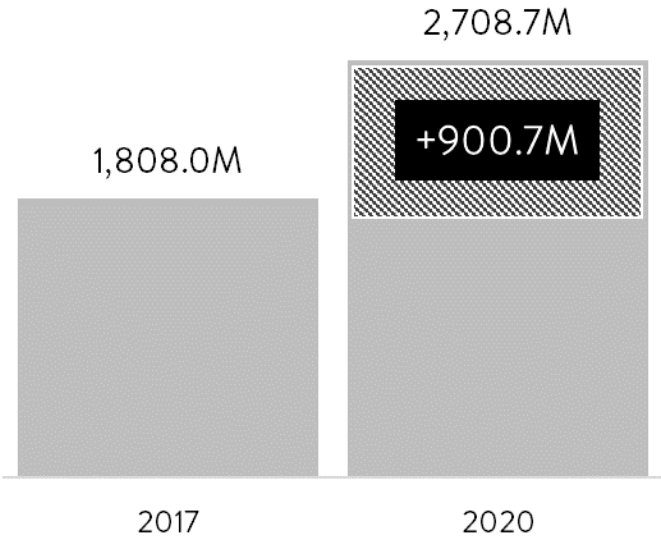
Total U.S. dollar growth of +22% vs. 2017 translated to +$516.9 million in incremental sales.

Total U.S. unit growth of +50% vs. 2017 translated to +900.7 million units in incremental sales.

Total U.S.
Incremental Avocado Dollar Sales



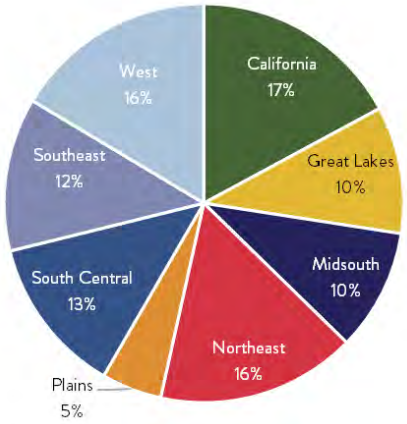
Total U.S.
Incremental Avocado Units



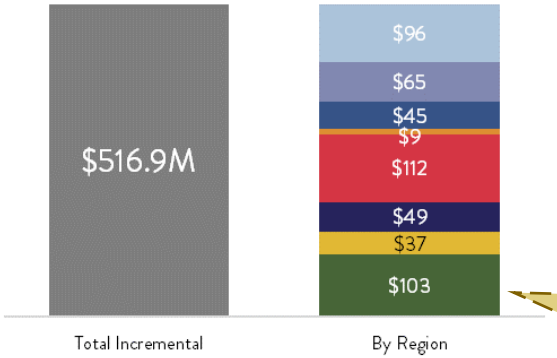
Source: IRI/FreshLook

THE CALIFORNIA REGION HELD THE LARGEST SHARE OF REGIONAL DOLLAR SALES IN 2020

2020 Dollar Share



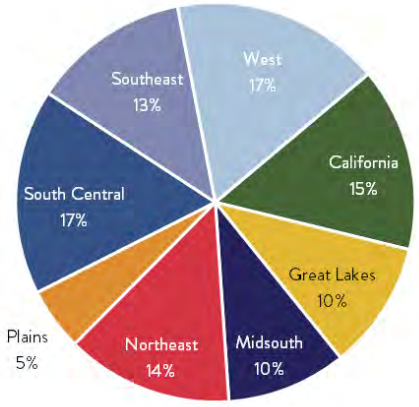
Incremental Dollar by Region
2020 vs. 2017



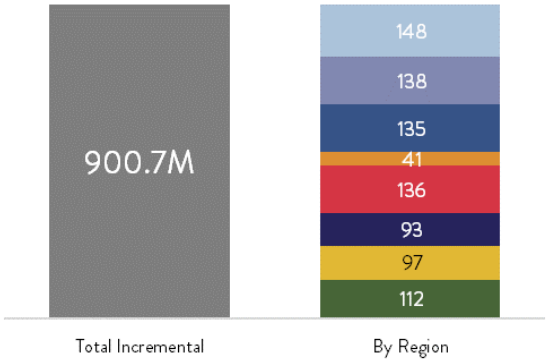
- California region held the largest share of dollars (17%) and drove the second largest share of incremental dollars (20%)

California and Northeast are driving Total U.S. incremental dollar sales

2020 Unit Share



Incremental Units by Region
2020 vs. 2017



- The California region held a 15% share of Total U.S. avocado units and drove 12% of incremental units

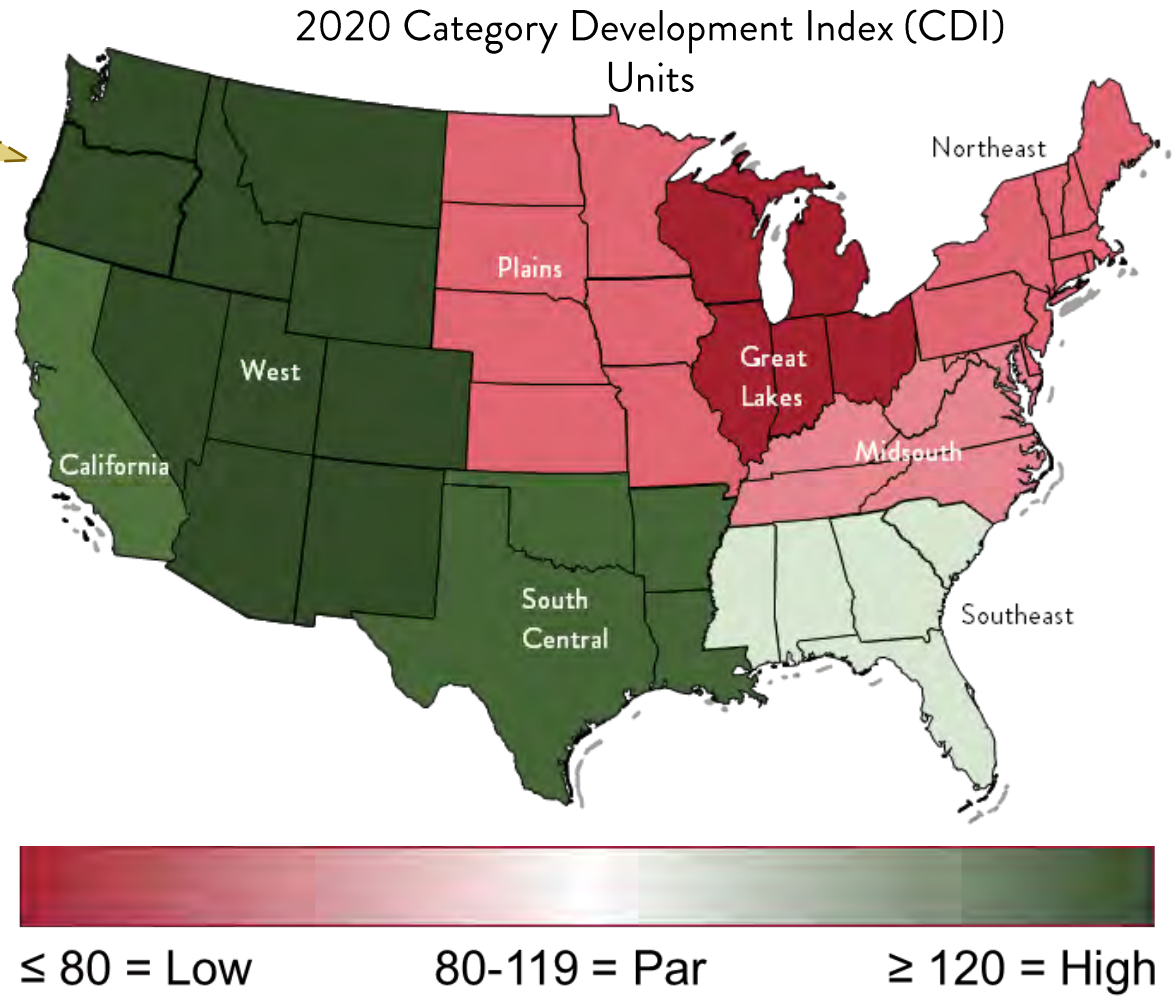
Source: IRI/FreshLook

WESTERN REGIONS SHOW GREATER CATEGORY DEVELOPMENT THAN EASTERN REGIONS

California, West and South Central are the three regions with high category development. Midsouth, Northeast, Plains and Great Lakes are underdeveloped.

The region with the greatest development (West) is also the prime region for out-of-state California Avocado sales

Region	Category Development Index (Units)
West	154
South Central	135
California	123
Southeast	94
MidSouth	80
Northeast	77
Plains	77
Great Lakes	71
Total U.S.	100



Data Source: IRI/Freshlook

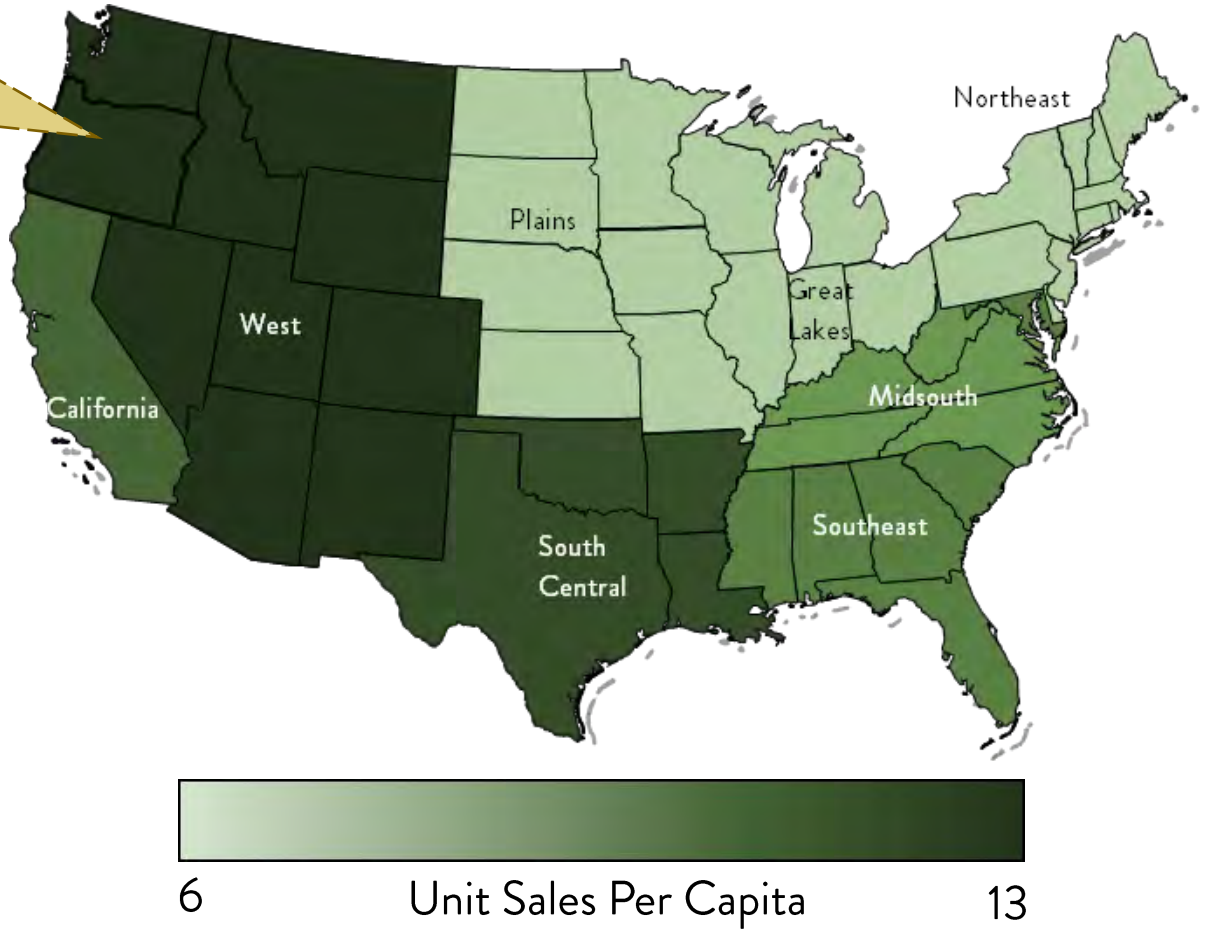
Example: At 123, California's avocado volume share is +23% higher than California's population share

CALIFORNIA PER CAPITA AVOCADO UNITS WERE 25% HIGHER THAN THE NATIONAL AVERAGE

In 2020, California region per capita avocado units (10) were +25% higher than the national average (8) and 67% higher than the Great Lakes (6). The West region had even higher per capita sales of 13 units, which was +30% higher than California.

Per capita retail units in the West are twice as high as per capita units in the Northeast, Plains and Great Lakes

Region	Unit Sales Per Capita
West	13
South Central	11
California	10
Southeast	8
Midsouth	7
Northeast	6
Plains	6
Great Lakes	6
Total U.S.	8



Source: IRI/FreshLook

CALIFORNIA REGION SALES TRENDS

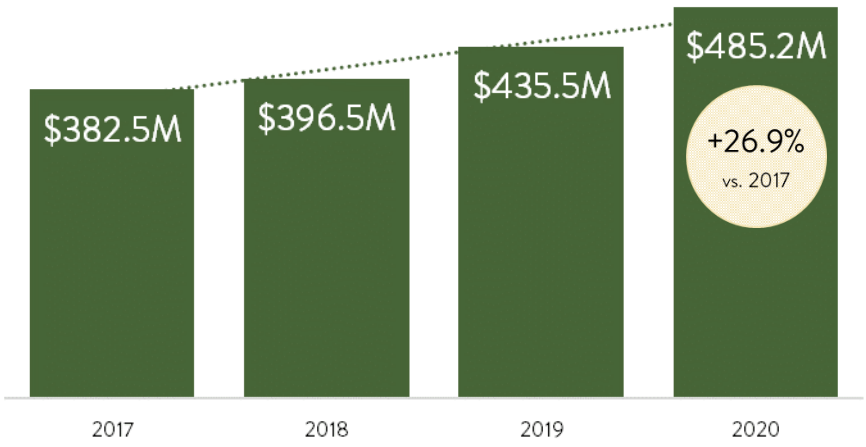
Total Category

CALIFORNIA REGION AVOCADO CATEGORY NEARING RETAIL SALES OF FIVE HUNDRED MILLION DOLLARS

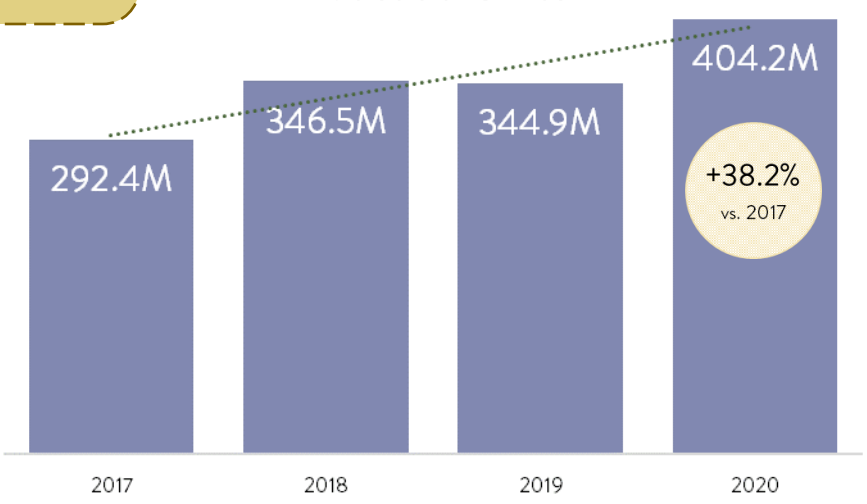
In 2020, California region avocado sales reached nearly $500 million and surpassed 400 million units, up +27% and +38% vs. 2017, respectively.

The California region outpaced Total U.S. dollar growth (+22%) by +5 points

California Region Avocado Dollar Sales



California Region Avocado Units



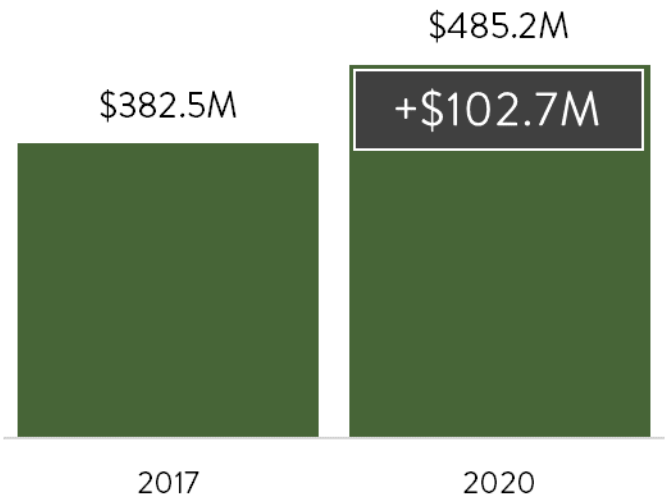
Source: IRI/FreshLook

CALIFORNIA REGION AVOCADO CATEGORY ADDS $103M AND 112M UNITS OVER FOUR YEARS

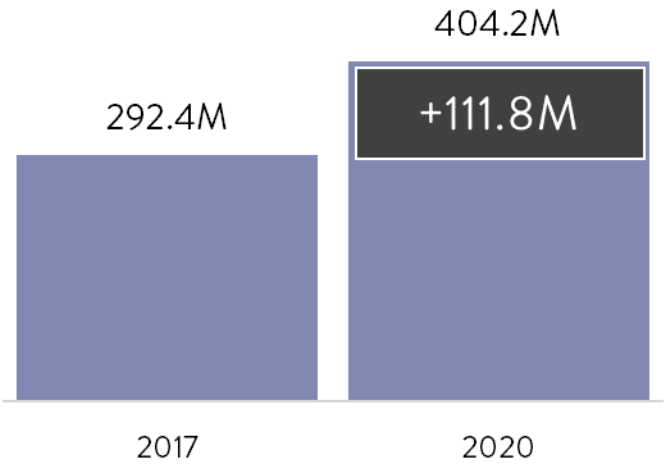
California region dollar growth of +27% vs. 2017 translated to +$102.7 million in incremental sales.

California region unit growth of +38% vs. 2017 translated to +111.8 million units in incremental sales.

California Region
Incremental Avocado Dollar Sales



California Region
Incremental Avocado Units



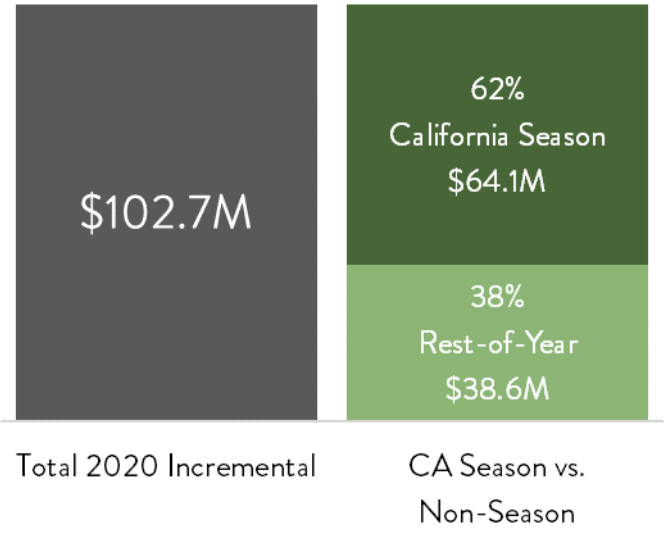
Source: IRI/FreshLook

THE CALIFORNIA SEASON DROVE 62% OF CALIFORNIA REGION INCREMENTAL SALES

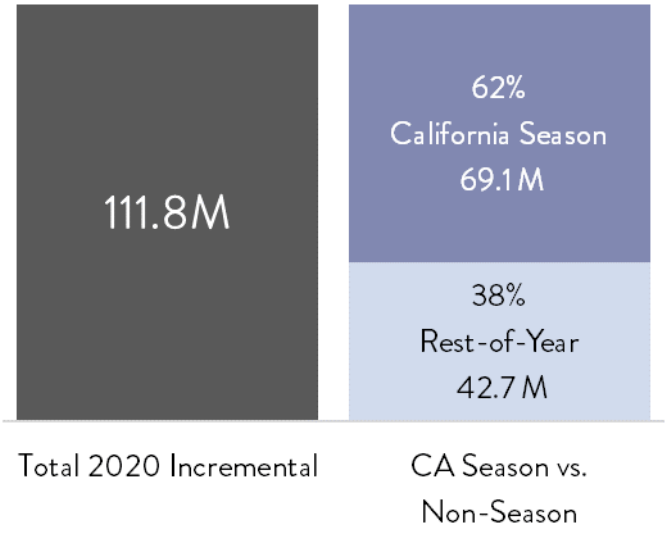
The California Season had a significant impact on avocado category growth over the past four years and drove 62% of incremental dollar sales and volume in the California region. The California region drove 20% of Total U.S. incremental dollar sales (Slide 4).

The California Season is a fundamental driver of avocado category growth

California Region Incremental Avocado Dollar Sales



California Region Incremental Avocado Units



Source: IRI/FreshLook

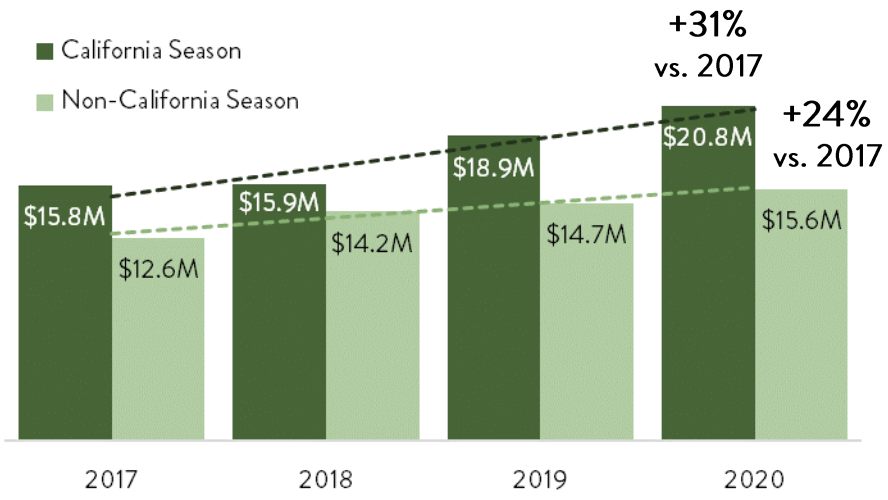
THE CALIFORNIA SEASON AVERAGES +$5.2M MORE PER WEEK THAN THE NON-CALIFORNIA SEASON

While the pandemic impacted 2020 sales, the California Season consistently outperforms the Non-California Season, and the gap is widening

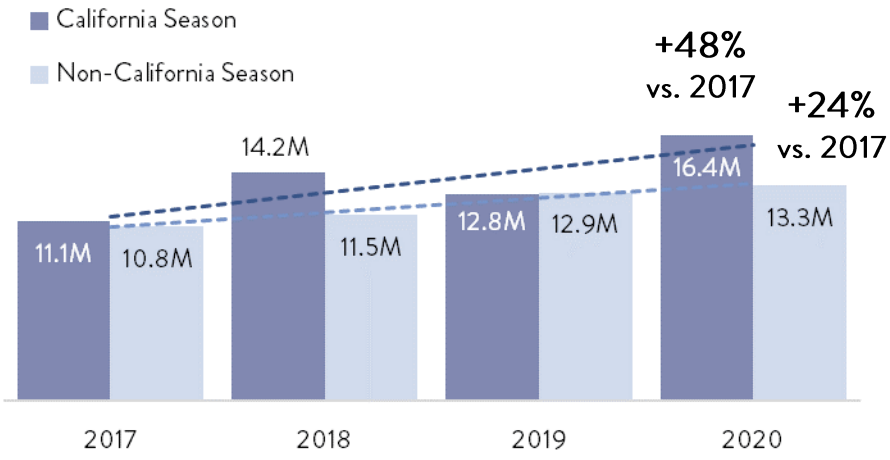
The California Season is also growing faster than the Non-California Season in dollar sales and volume.

- California Season dollar sales increased +31% vs. 2017 (+24% for the Non-California Season)
- California Season unit sales increased +48% vs. 2017 (+24% for the Non-California Season)

California Region Average Weekly Dollar Sales



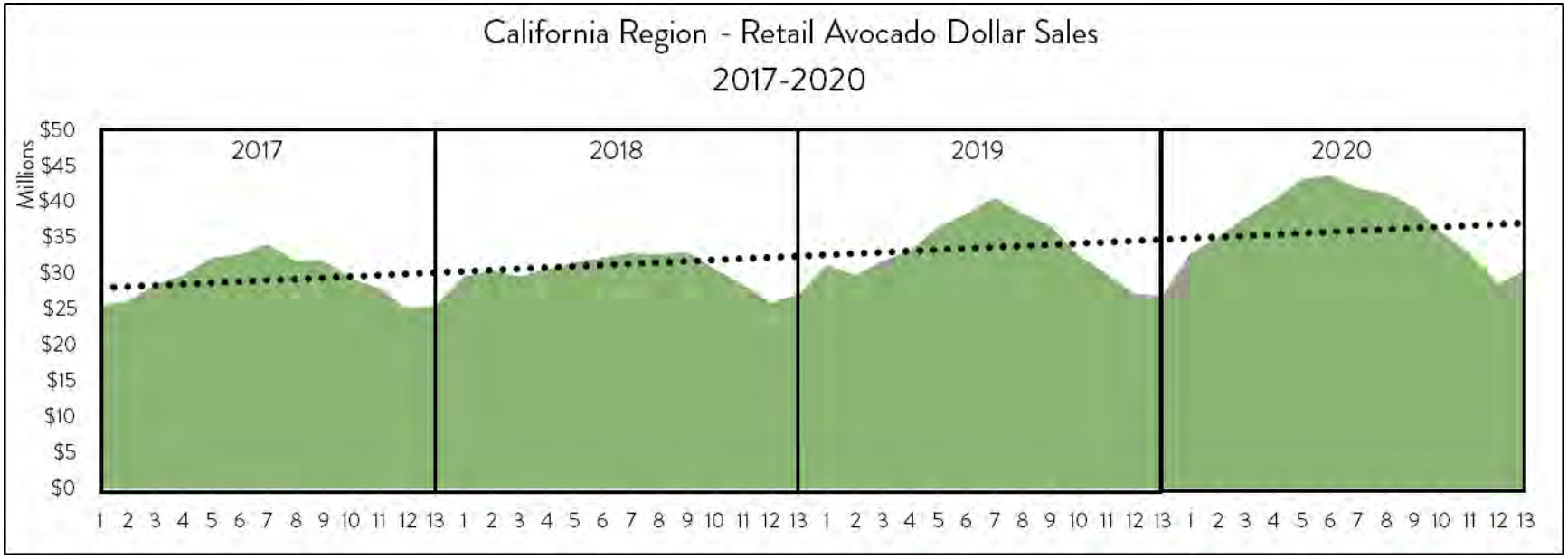
California Region Average Weekly Unit Sales



Source: IRI/FreshLook

AVOCADO CATEGORY RETAIL SALES SHOW LIFT DURING THE CALIFORNIA SEASON

As avocado sales continue to grow in the California region, the category continues to experience sales lift during the California Season each year.

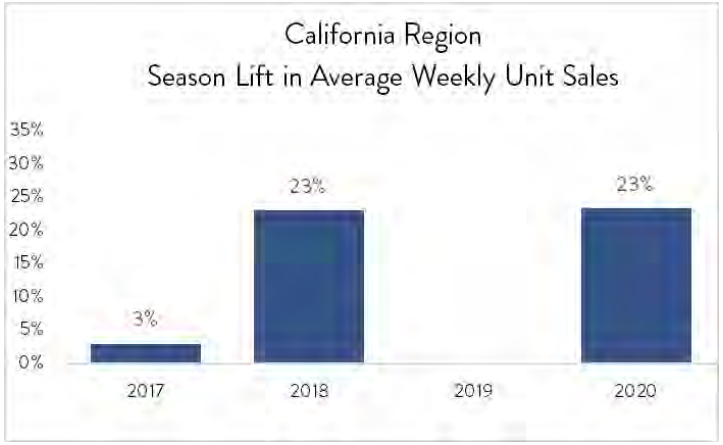


Source: IRI/FreshLook

UNIT SALES RISE DURING THE CALIFORNIA SEASON

In 2020, average weekly unit sales during the California Season exceeded the Non-California Season by +23%. This lift equated to an average of +3 million units per week.

The category experienced California Season volume lift in 2017, 2018 and 2020.



Source: IRI/FreshLook

DOLLAR SALES SHOW EVEN GREATER LIFT DURING THE CALIFORNIA SEASON

In 2020, average weekly dollar sales during the California Season exceeded the Non-California Season by +33%. This lift equated to an average of +$5 million per week. Dollar lift is greater than volume lift (+22%) due to an increase in Average Selling Price (ASP).

The category experienced California Season dollar lift each year for the past four years.

Source: IRI/FreshLook

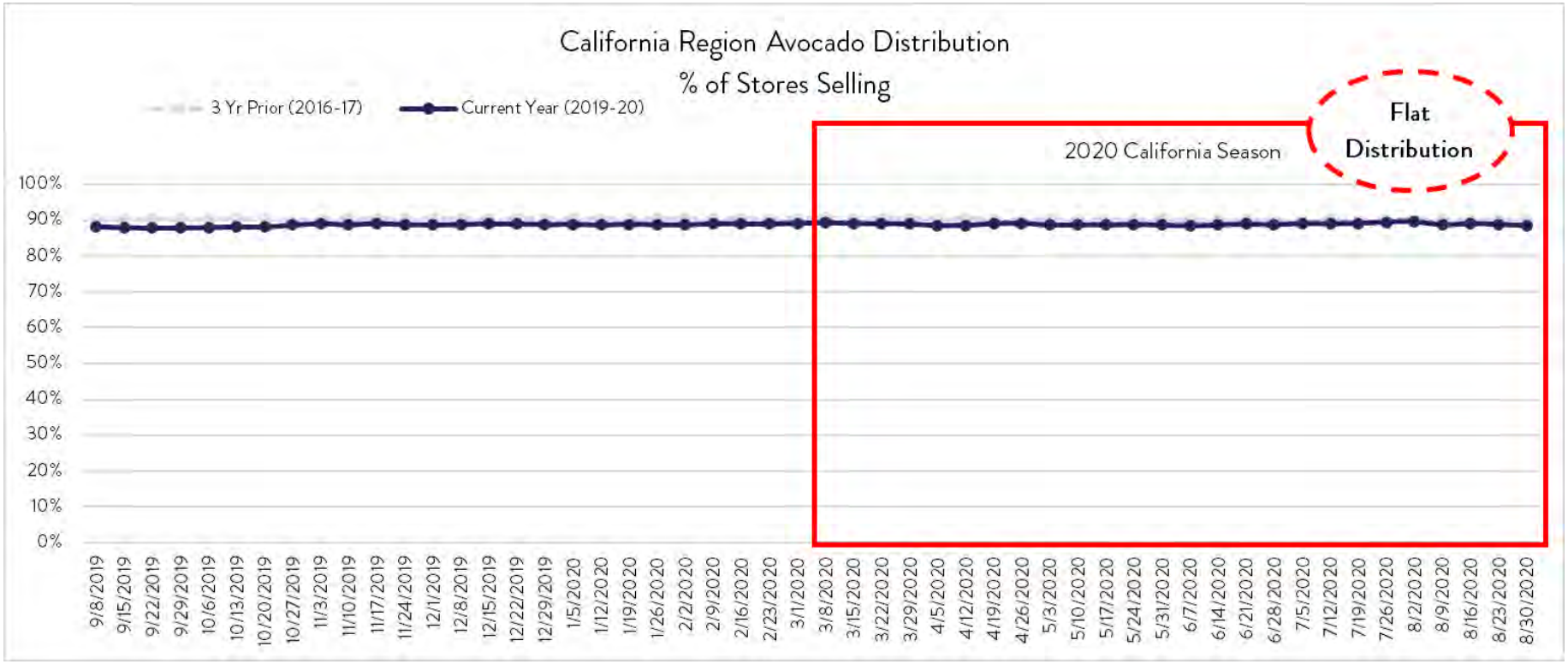
THE CALIFORNIA SEASON DRIVES HIGHER PRICES AS VOLUME AND DOLLAR SALES INCREASE

The California Season is defined by greater volume, greater dollar sales and an increase in ASP vs. the Non-California Season. In 2020, ASP increased by +7.7%, which generated +9 cents more per unit than the Non-California Season.

Source: IRI/FreshLook

AVOCADO DISTRIBUTION REMAINS STEADY THROUGHOUT THE YEAR

In 2020, Avocado distribution was relatively flat all year long and did not notably change vs. 2017. The lift in avocado sales during the California Season is not driven by greater availability of avocados.

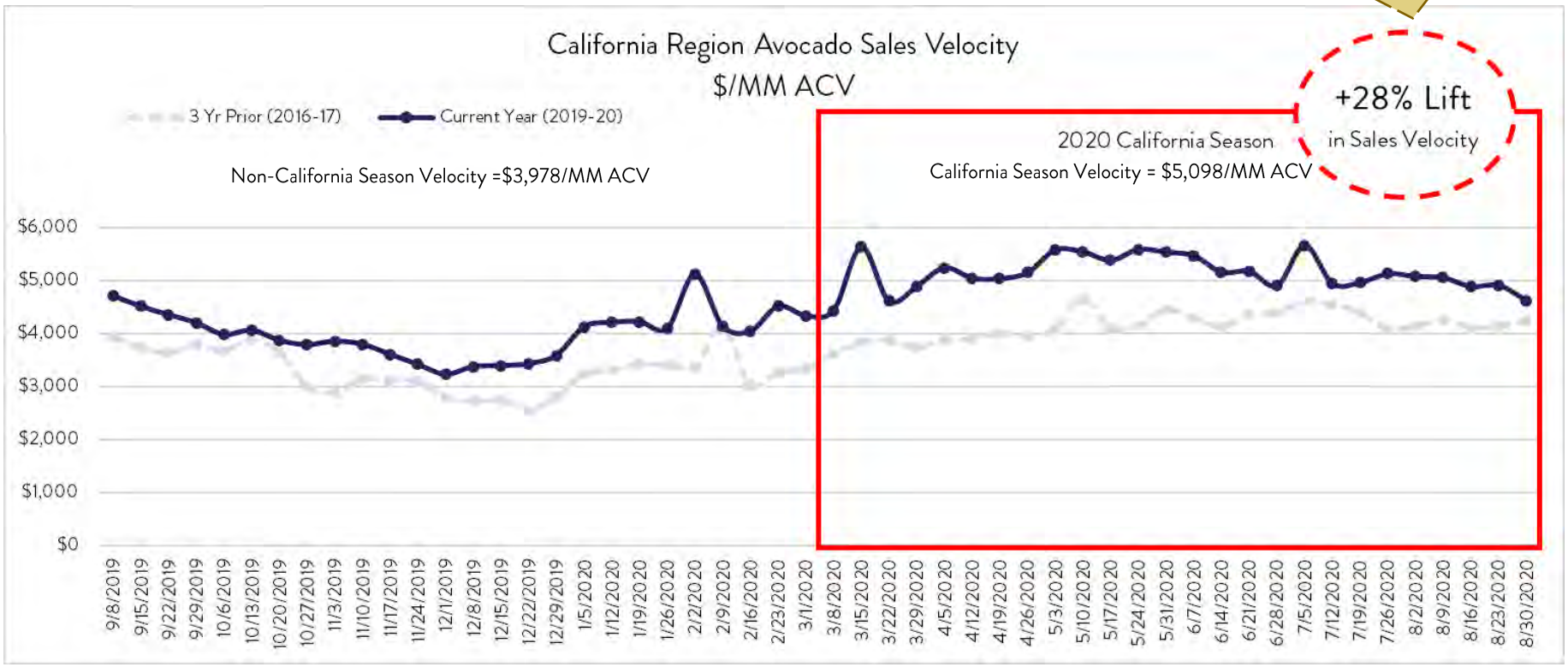


Source: IRI/FreshLook

THE CALIFORNIA SEASON LIFT IS DRIVEN BY GREATER SALES VELOCITY

While avocados are in wide distribution during the California Season and Non-California Season, sales velocity shows a significant increase. In 2020, weekly sales velocity ($) during the California Season exceeded the Non-California Season by +28%.

California Season sales lift is driven by greater sales velocity, not an increase in distribution



Source: IRI/FreshLook

CALIFORNIA REGION SALES TRENDS

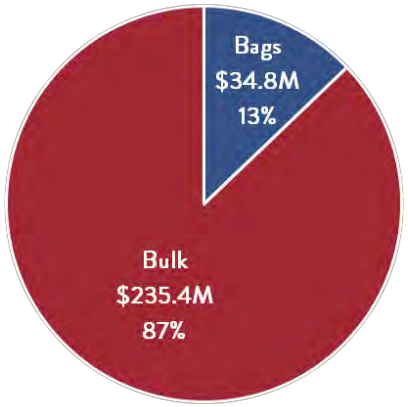
Bagged vs. Bulk Avocados

BAGGED AVOCADO SALES ARE GROWING FAST IN THE CALIFORNIA REGION

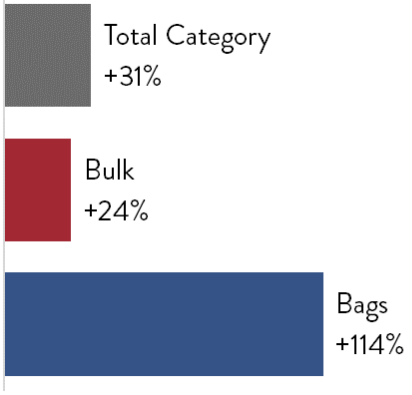
Bagged avocados made up 13% of avocado dollar sales in 2020, but sales are increasing rapidly, up +114% vs. 2017. This equated to an additional +$18.5 million in incremental sales.

California Region

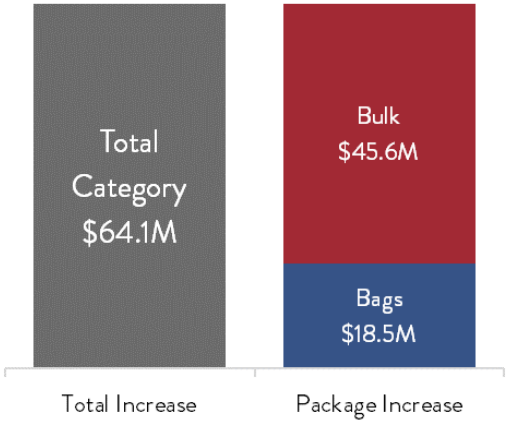
2020 California Season Dollars



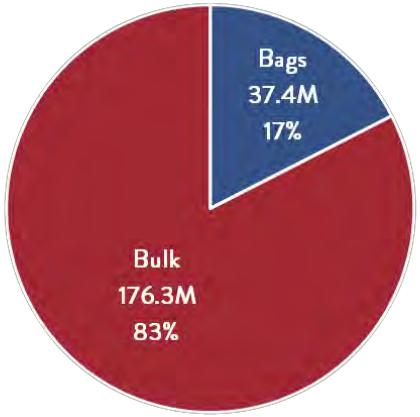
Sales Growth Rate
Vs. 2017

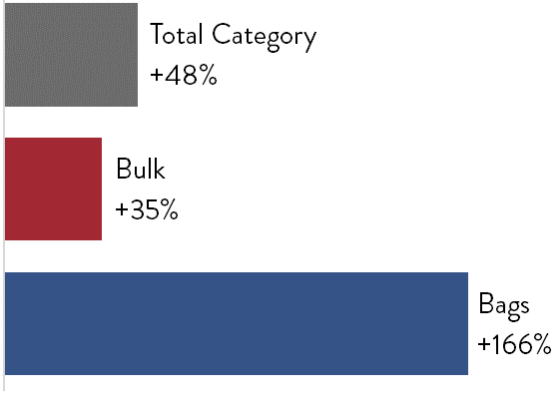


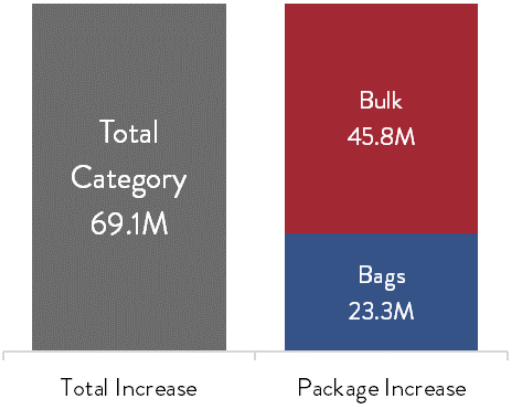
Incremental Sales



2020 California Season Units



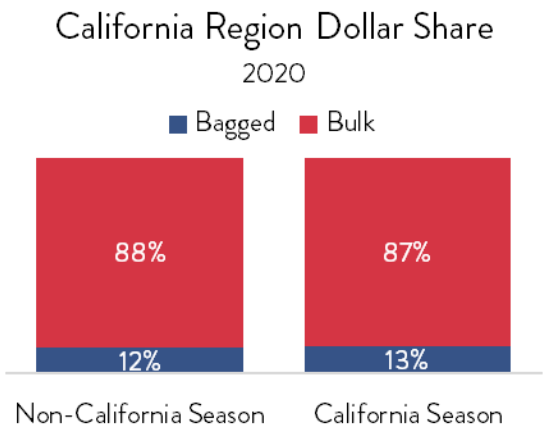


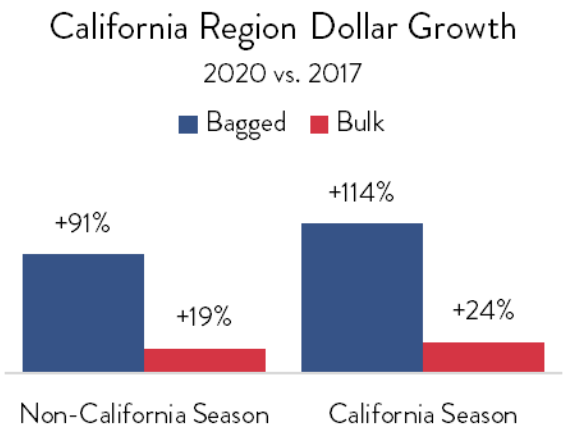


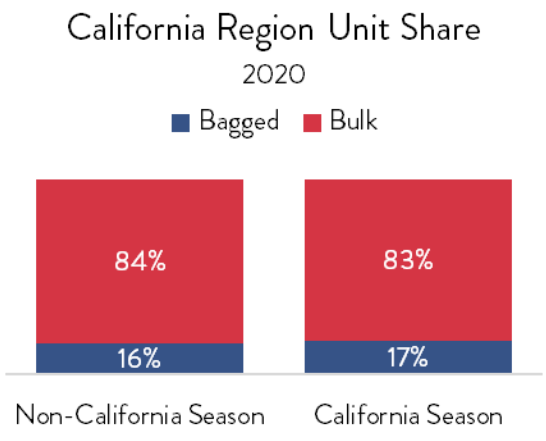
Source: IRI/FreshLook

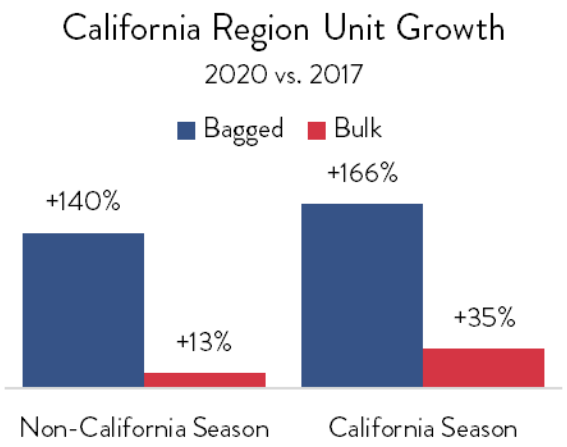
BAGGED AVOCADO SALES ARE INCREASING FASTER DURING THE CALIFORNIA SEASON

Bagged avocados make a greater impact on sales growth during the California Season









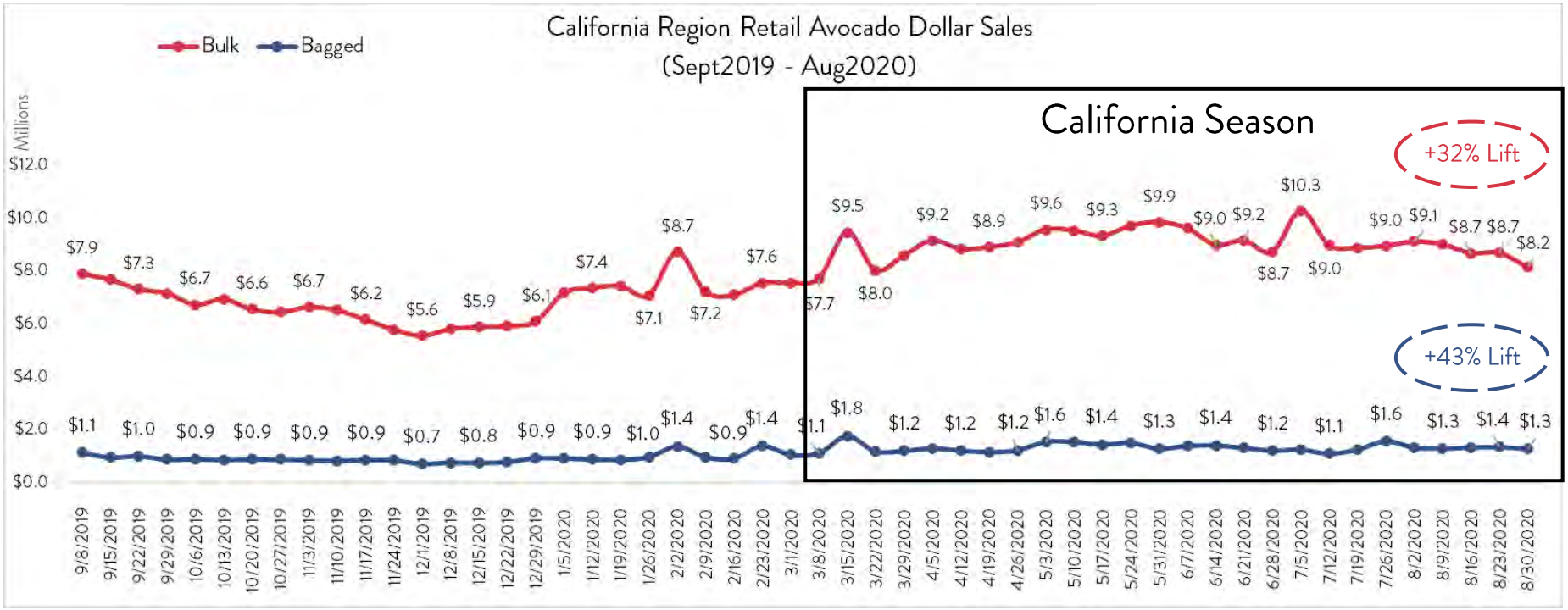
- Bagged avocados represent a slightly larger share of avocado volume and dollar sales during the California Season vs. the Non-California Season
  - California Season dollar share was 13% vs. 12% for the Non-California Season
  - California Season volume share was 17% vs. 16% for the Non-California Season
- Bagged avocado sales also increased faster during the California Season (2020 vs. 2017)
  - Bagged avocado dollar sales increased +114% during the California Season, +23 points ahead of the Non-California Season (+91%)
  - Bagged avocado volume increased +166% during the California Season, +26 points ahead of the Non-California Season (+140%)

Source: IRI/FreshLook

BAGGED AVOCADO WEEKLY SALES ARE +43% HIGHER DURING THE CALIFORNIA SEASON

In 2020, average weekly Bagged dollar sales during the California Season exceeded the Non-California Season by +43%, while Bulk dollar sales saw a +32% lift.

Bagged avocados generate greater California Season lift than Bulk

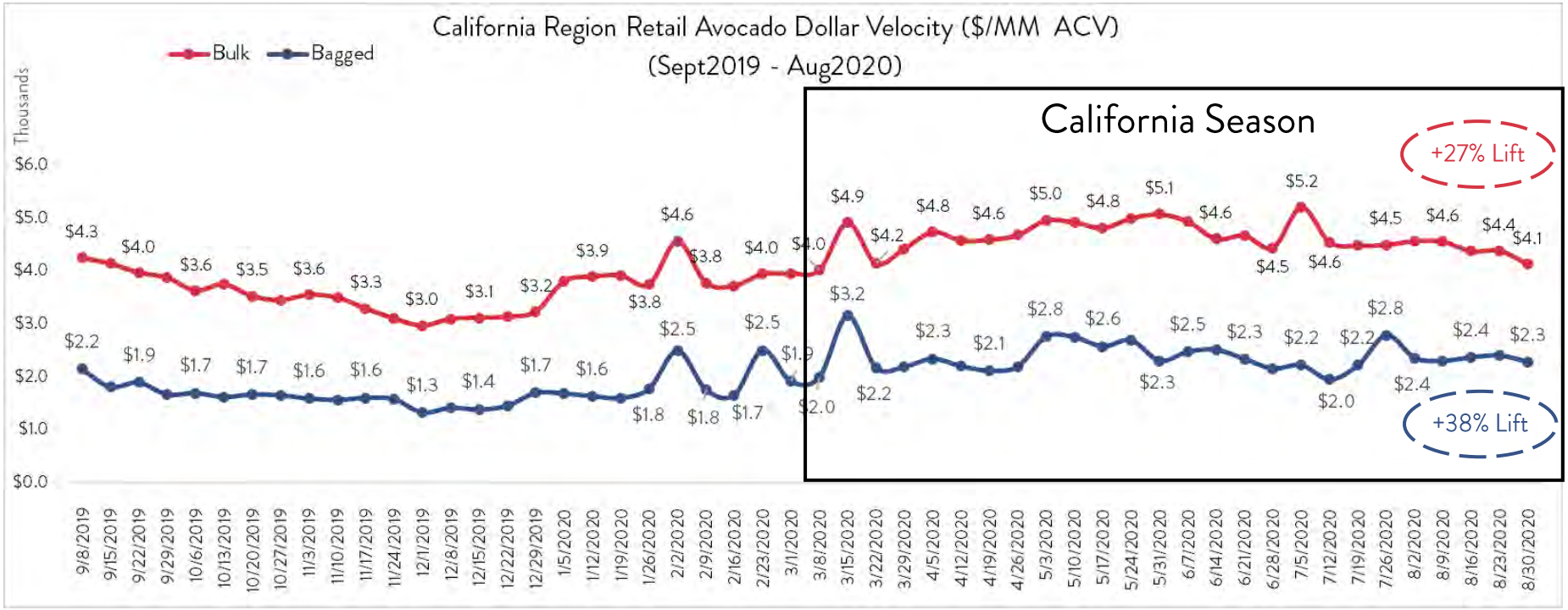


Source: IRI/FreshLook

BAGGED AVOCADOS SHOW GREATER VELOCITY LIFT DURING THE CALIFORNIA SEASON VS. BULK

In 2020, Bagged avocado dollar velocity during the California Season exceeded the Non-California Season by +38%, while Bulk dollar velocity saw a +27% lift.

Greater sales velocity drives Bagged avocado sales lift during the California Season



Source: IRI/FreshLook

THE CALIFORNIA REGION SHOWS HIGHER BAGGED SALES VELOCITY THAN REST OF COUNTRY

California region Bagged avocado sales velocity ($2,352) was nearly twice as high as Total U.S. ($1,202) and grew at twice the rate of Total U.S. (+103.1% vs. +47.9%, respectively).

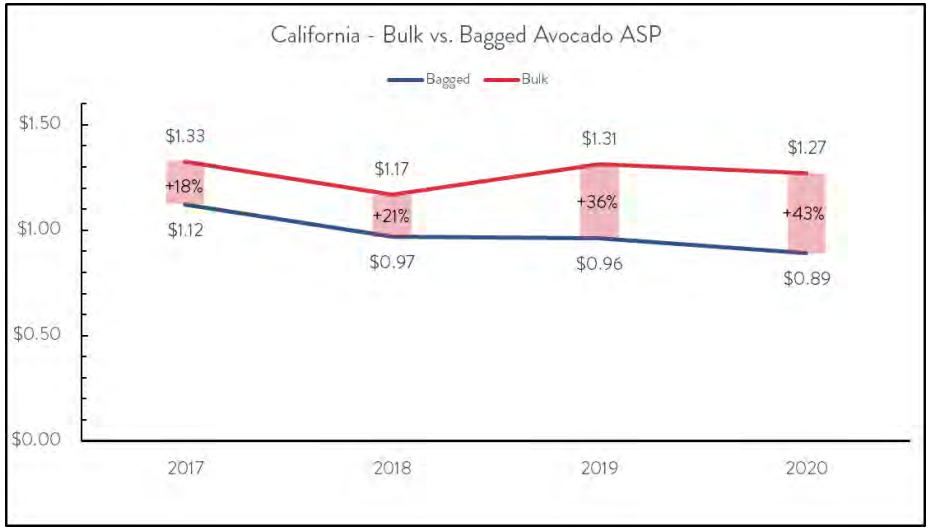
Source: IRI/FreshLook

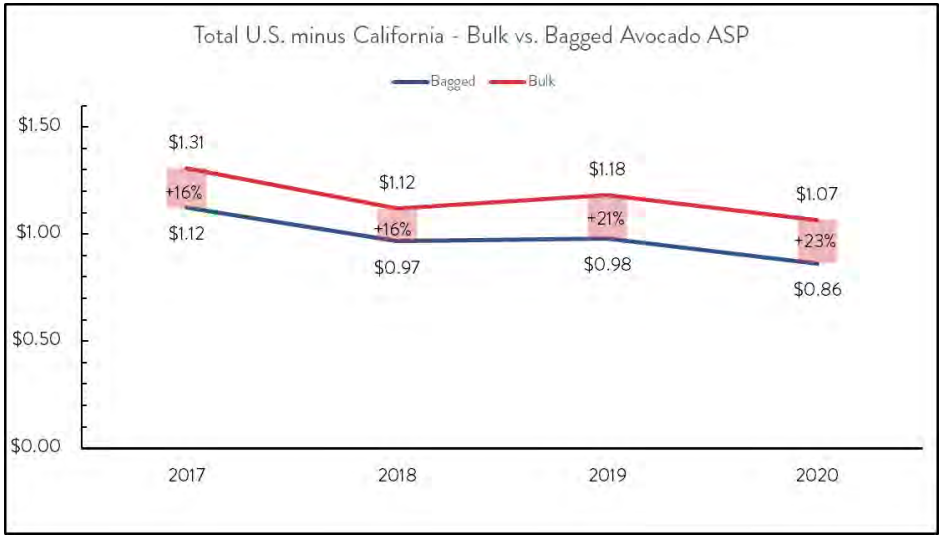
CALIFORNIA BULK SHOWS A HIGHER ASP THAN REST OF COUNTRY, WHILE BAGS DO NOT

Over the past four years, the average sales price (ASP) of Bulk avocados in California has been consistently higher than the average price in the rest of the nation. However, the price of avocados sold in a bag has been on par.

In California, the price gap between Bulk and Bagged avocados has been widening, from +18% in 2017 to +43% in 2020. The price gap has also increased in Total U.S., but not at the same rate (+16% in 2017 to +23% in 2020).

Bulk ASP is steady, while Bagged avocado ASP is declining. Is this due to a mix of smaller sizes in bags?





Source: IRI/FreshLook

CALIFORNIA REGION SALES TRENDS

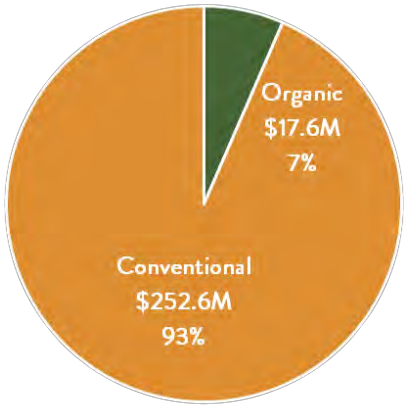
Organic vs. Conventional Avocados

ORGANIC AVOCADO SALES ARE GROWING FAST IN THE CALIFORNIA REGION

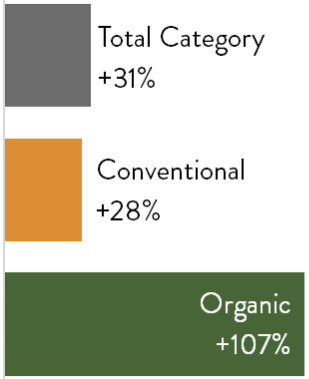
Organic avocados made up 7% of avocado dollar sales in 2020, but sales are increasing rapidly, up +107% vs. 2017. This equated to an additional +$9.1M in incremental sales. However, Organic is still a small part of the category.

California Region

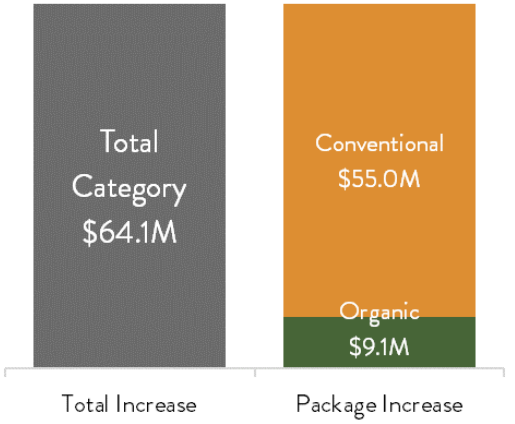
2020 California Season Dollars



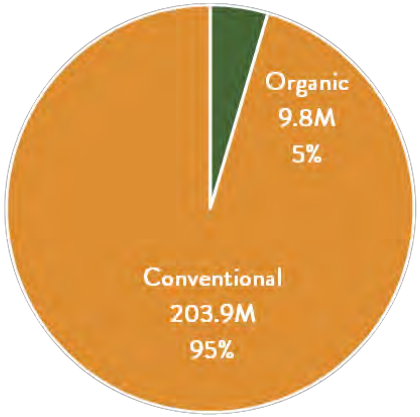
Sales Growth Rate
Vs. 2017

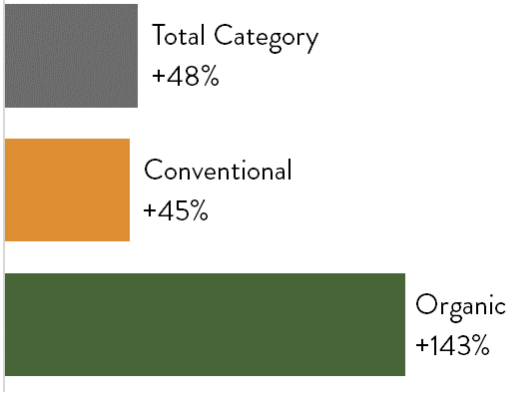


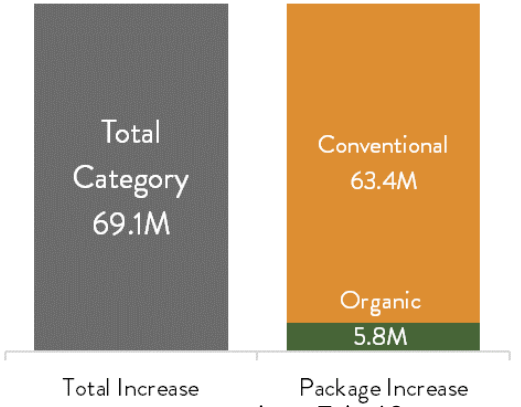
Incremental Sales



2020 California Season Units



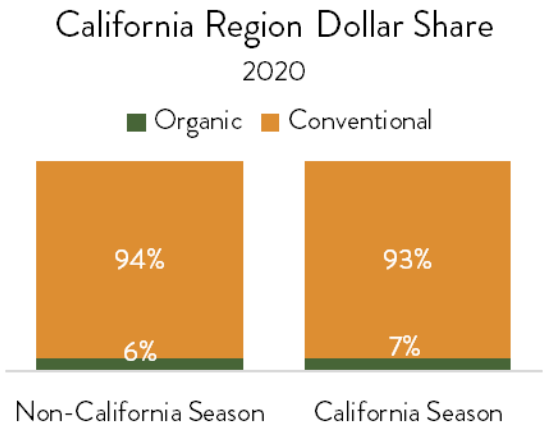


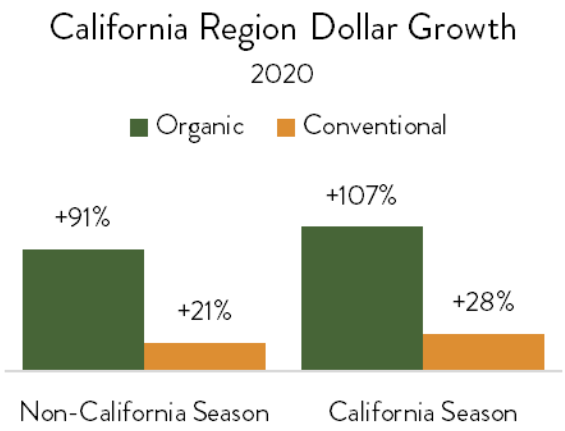


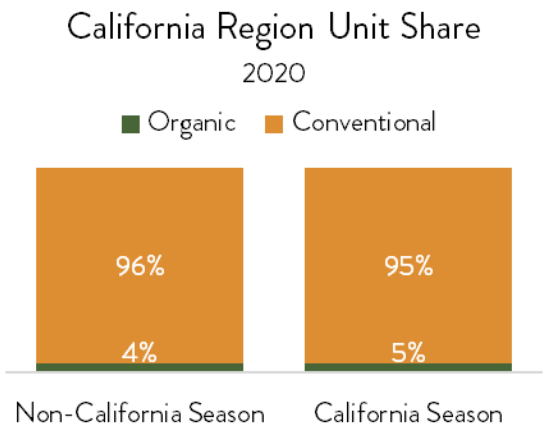
Source: IRI/FreshLook

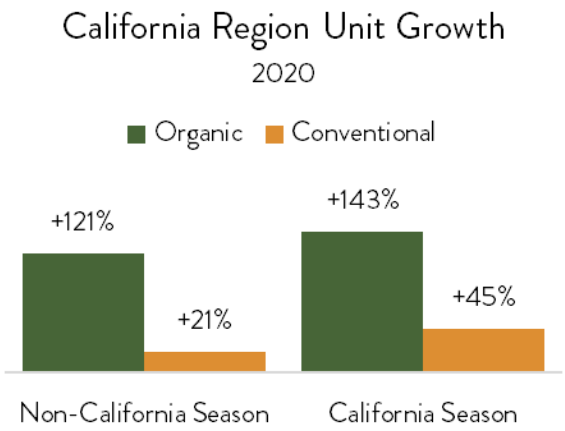
ORGANIC AVOCADO SALES ARE INCREASING FASTER DURING THE CALIFORNIA SEASON

Organic avocados make a greater impact on sales growth during the California Season









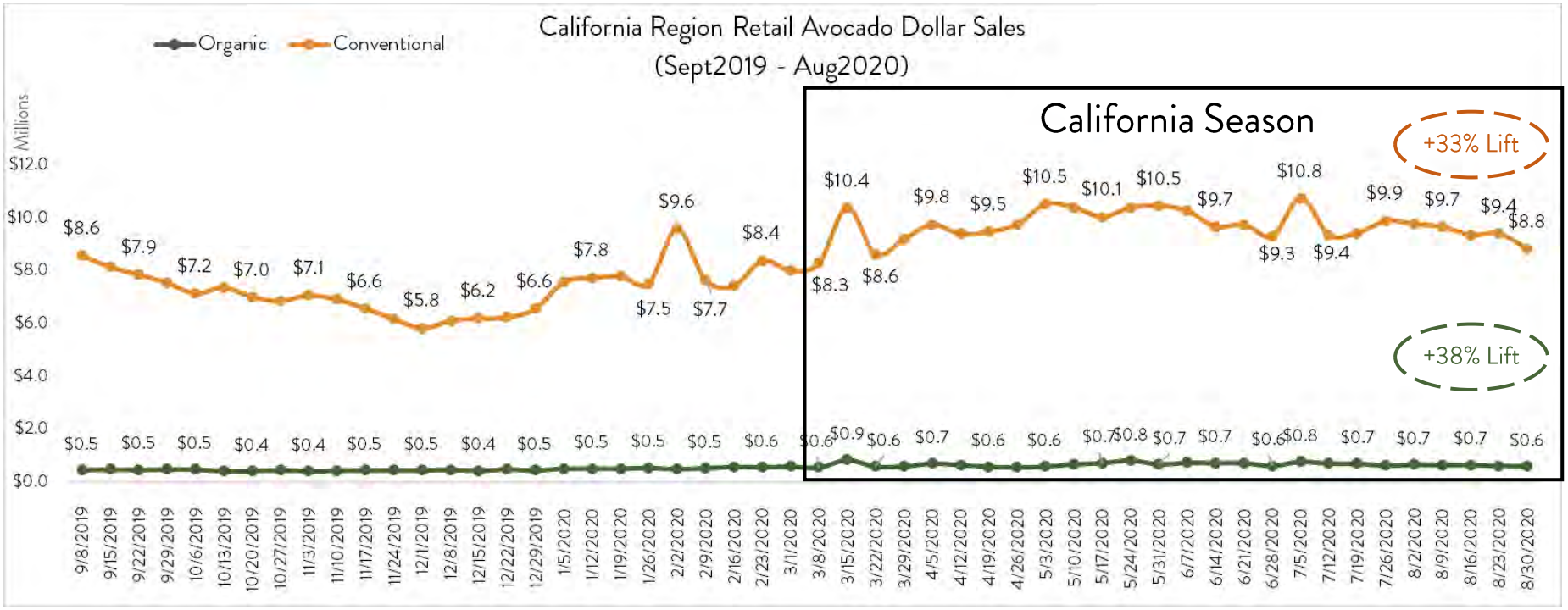
- Organic avocados represent a slightly larger share of avocado volume and dollar sales during the California Season vs. the Non-California Season
  - California Season dollar share was 7% vs. 6% for the Non-California Season
  - California Season volume share was 5% vs. 4% for the Non-California Season
- Organic avocado sales also increased faster during the California Season (2020 vs. 2017)
  - Organic avocado dollar sales increased +107% during the California Season, +16 points ahead of the Non-California Season (+91%)
  - Organic avocado volume increased +143% during the California Season, +22 points ahead of the Non-California Season (+121%)

Source: IRI/FreshLook

ORGANIC AVOCADOS SHOW GREATER CALIFORNIA SEASON SALES LIFT VS. CONVENTIONAL

In 2020, average weekly Organic dollar sales during the California Season exceeded the Non-California Season by +38%, while Conventional dollar sales saw a +33% lift.

Organic avocados generate slightly greater California Season lift than Conventional

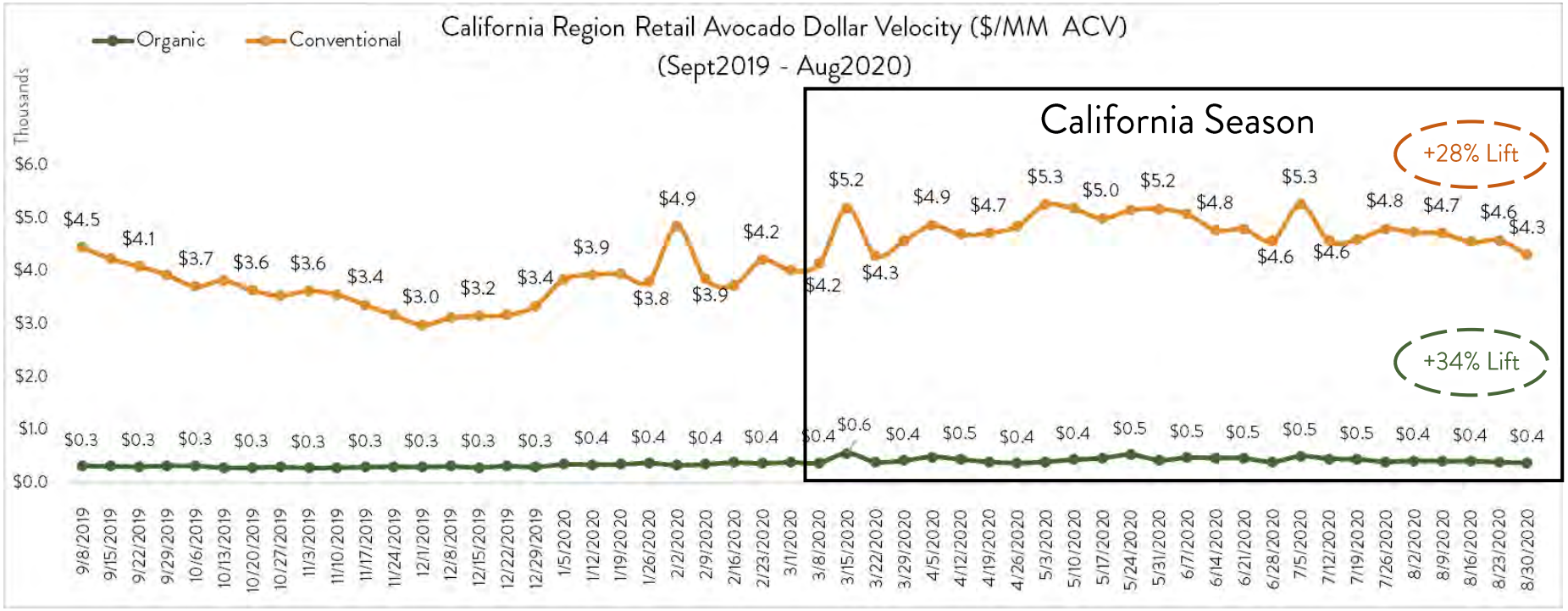


Source: IRI/FreshLook

ORGANIC AVOCADOS SHOW GREATER CALIFORNIA SEASON VELOCITY LIFT VS. CONVENTIONAL

In 2020, Organic avocado dollar velocity during the California Season exceeded the Non-California Season by +34%, while Conventional dollar velocity saw a +28% lift.

Sales velocity is driving the California Season lift in Organic avocado sales, but the sales rate is still very low



Source: IRI/FreshLook

THE CALIFORNIA REGION SHOWS HIGHER ORGANIC SALES VELOCITY THAN REST OF COUNTRY

However, California region Organic avocado sales velocity ($432) was more than twice as high as Total U.S. ($182). California Organic velocity also increased at five times the rate of Total U.S. (+89.0% vs. +16.8%, respectively).

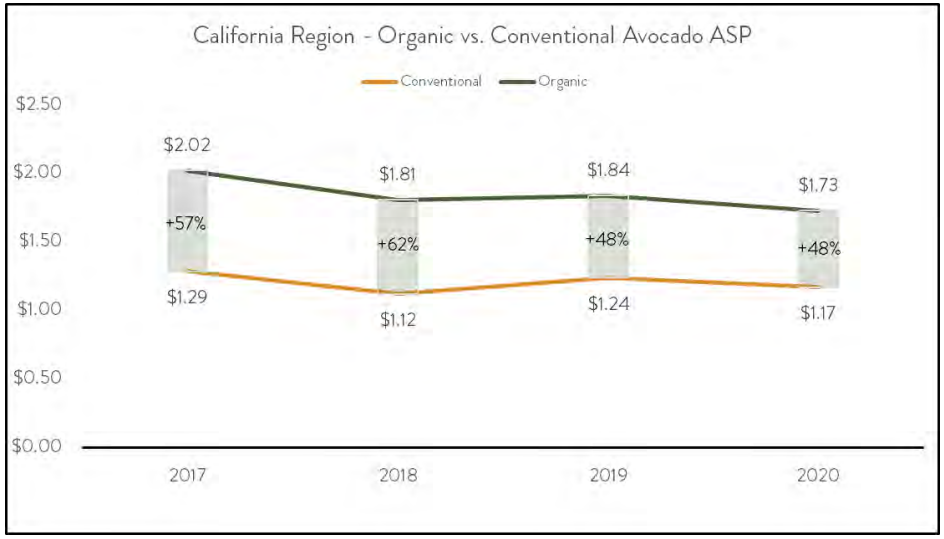
Source: IRI/FreshLook

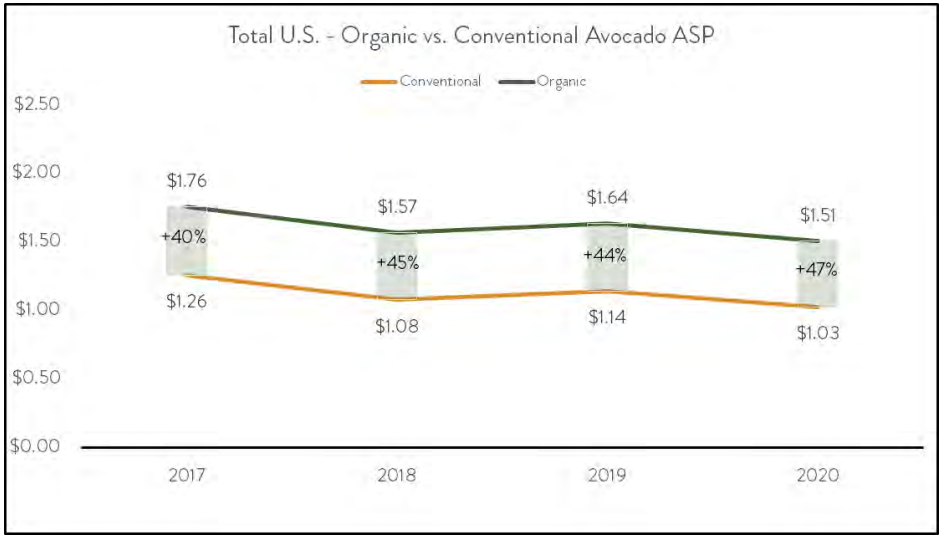
CALIFORNIA ORGANIC AND CONVENTIONAL ASP IS HIGHER THAN THE REST OF THE NATION

Over the past four years, the average retail prices of Organic and Conventional avocados in California has been consistently higher than the average price in the rest of the nation.

In California, the price gap between Organic and Conventional avocados has been contracting, from an +57% gap in 2017 to +48% in 2020. In contrast, the price gap has widened in Total U.S. (+40% in 2017 to +47% in 2020).

In California, the ASP gap between Organic and Conventional avocados is contracting



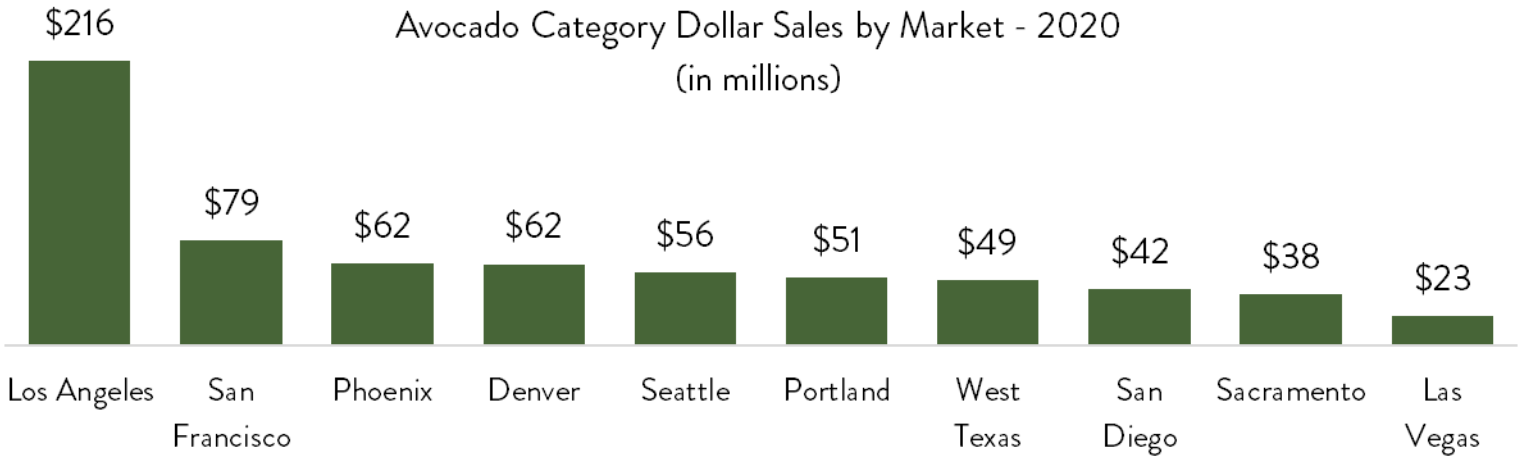


Source: IRI/FreshLook

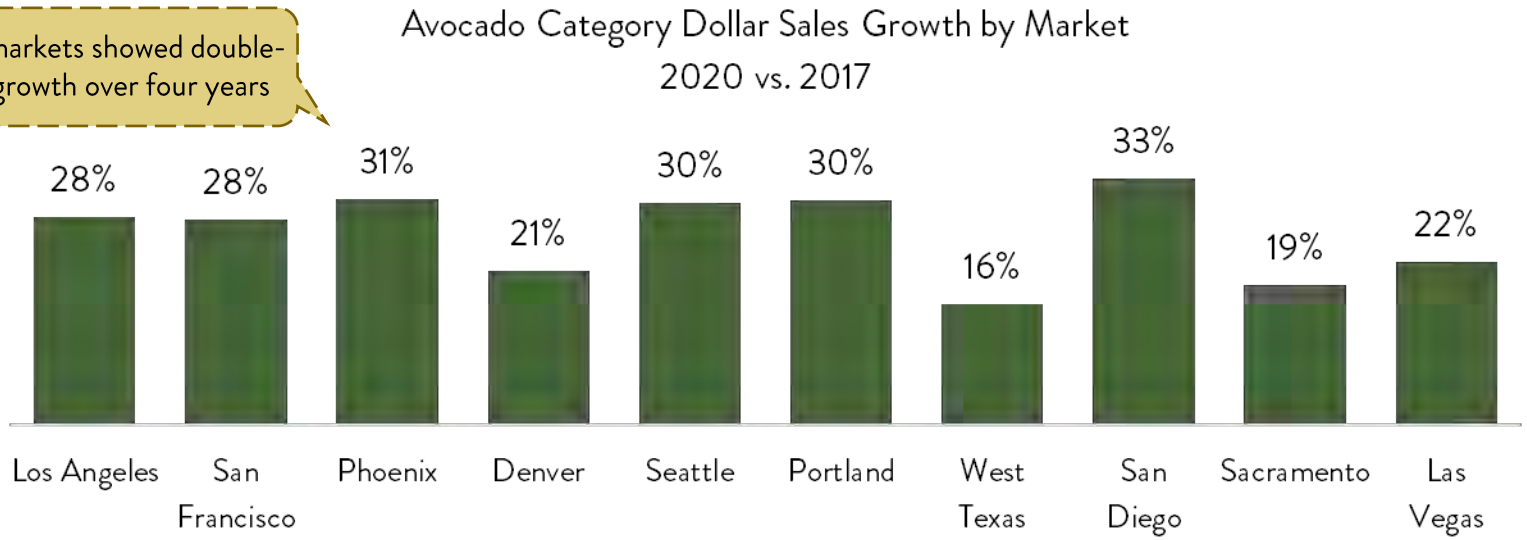
SALES TRENDS BY MARKET

L.A. AVOCADO SALES ARE MORE THAN TWICE THAT OF THE SECOND LARGEST WESTERN MARKET

Los Angeles recorded $216 million in avocado sales during 2020 and was one of the fastest growing western markets (+28%). All western markets showed double-digit growth vs. 2017.



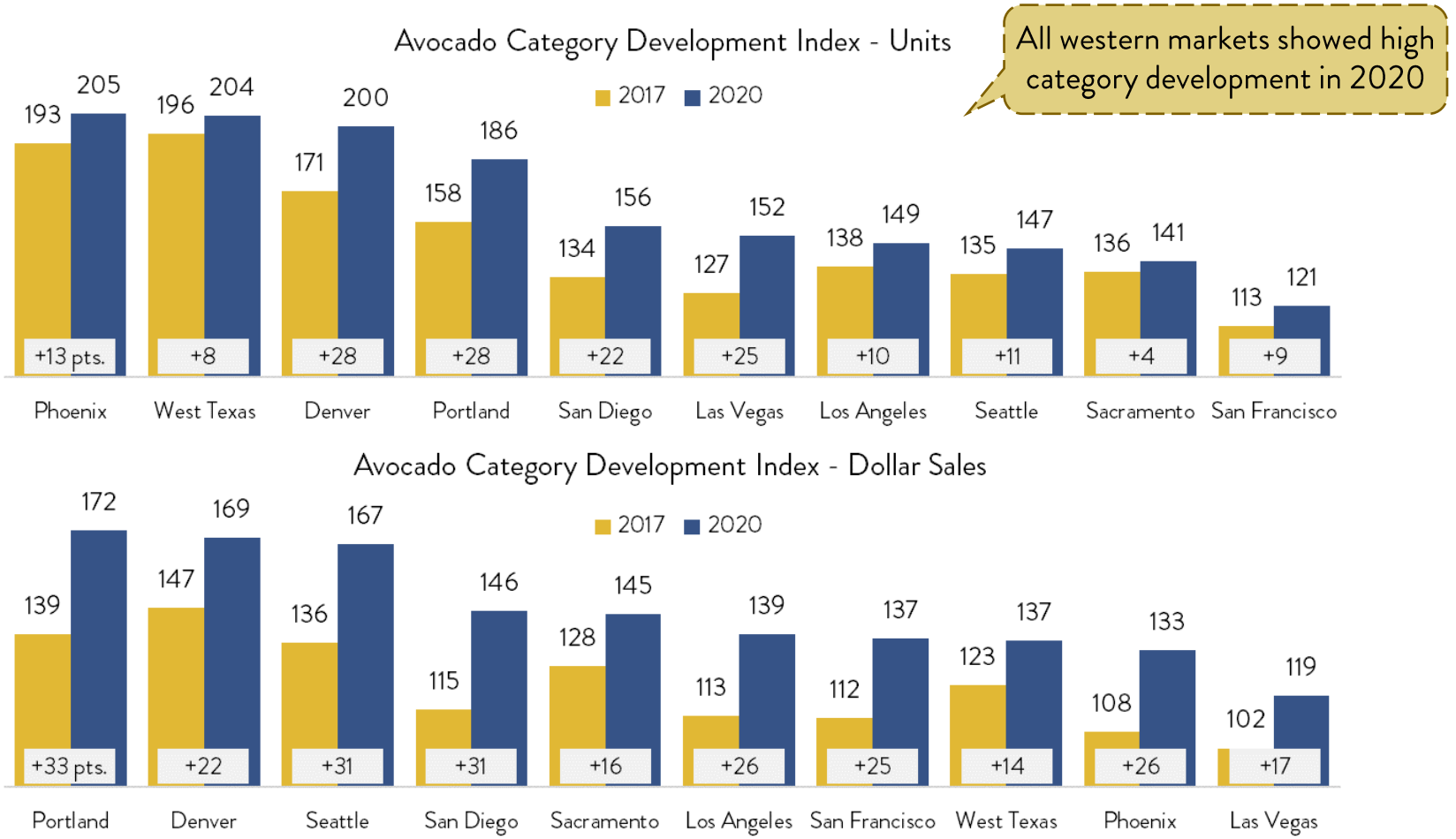
All western markets showed double-digit dollar growth over four years



Source: IRI/FreshLook

THE PORTLAND MARKET SHOWED THE GREATEST INCREASE IN CATEGORY DEVELOPMENT

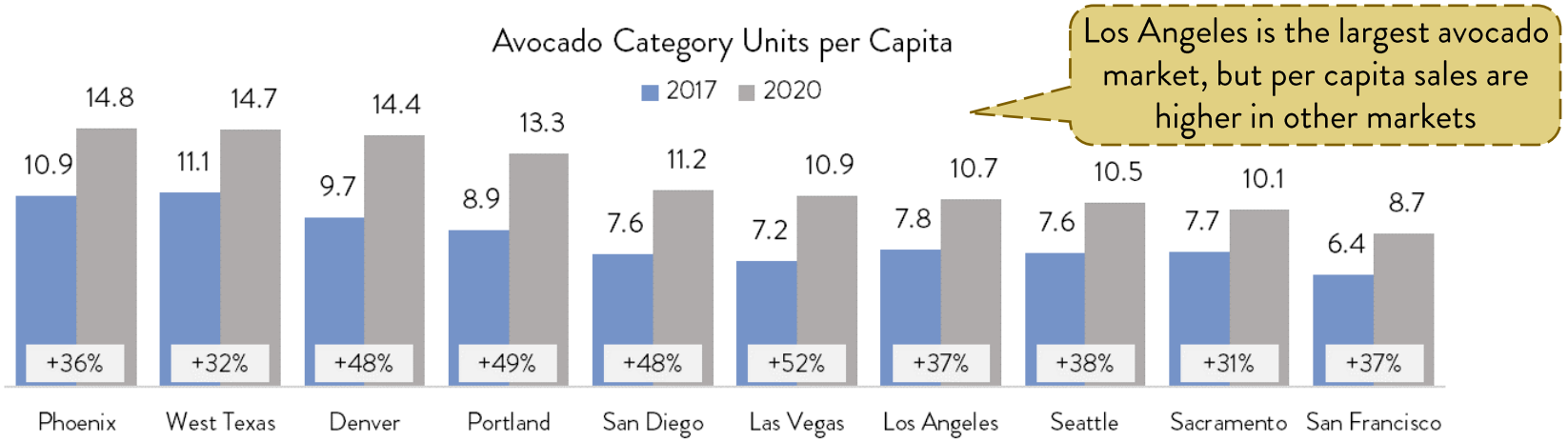
All western markets except Las Vegas showed high category development (<120) in 2020 for dollar and volume sales. Portland showed the highest development increase in volume (+28 pts.) and dollars (+33 pts.).

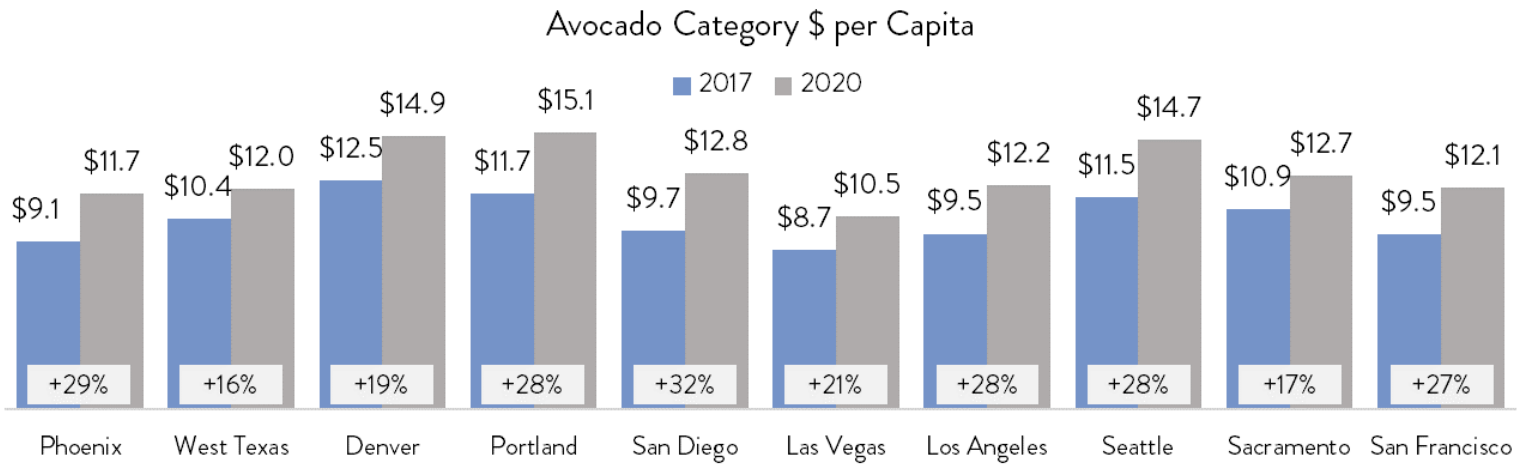


Source: IRI/FreshLook

PHOENIX, WEST TEXAS AND DENVER SHOW PER CAPITA SALES OF MORE THAN 14 UNITS

The Denver market had one of the highest per capita avocado sales of the western markets at 14.4 units and $14.9 per person in 2020. Denver also showed one of the highest growth rates in unit and dollar sales per capita vs. 2017. The California region showed per capita sales of 10 units and $12.



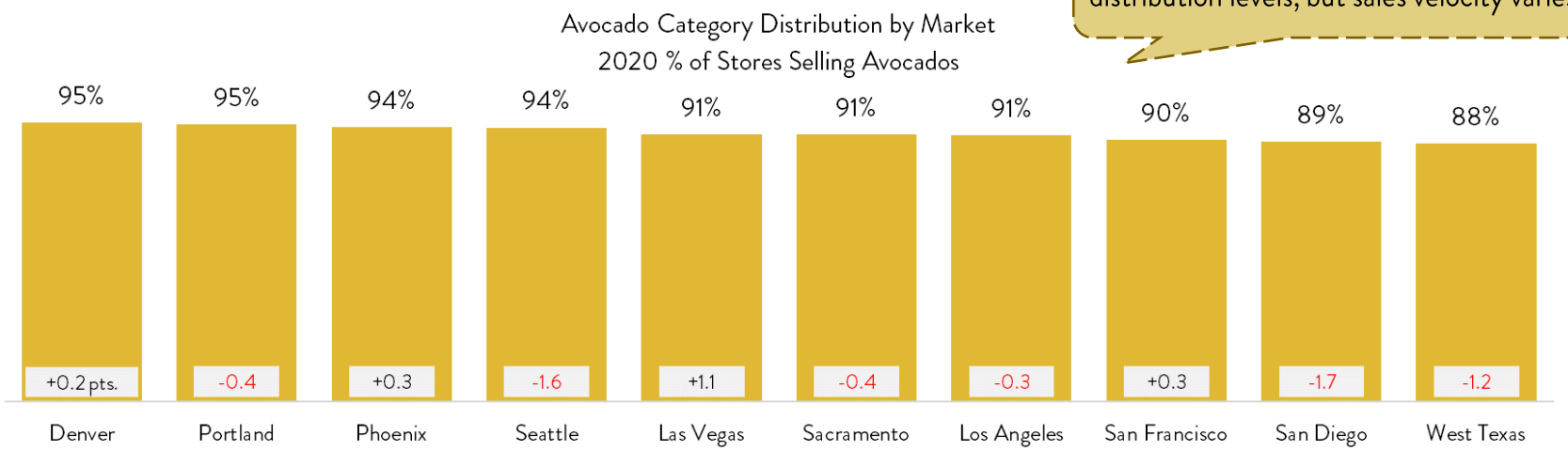


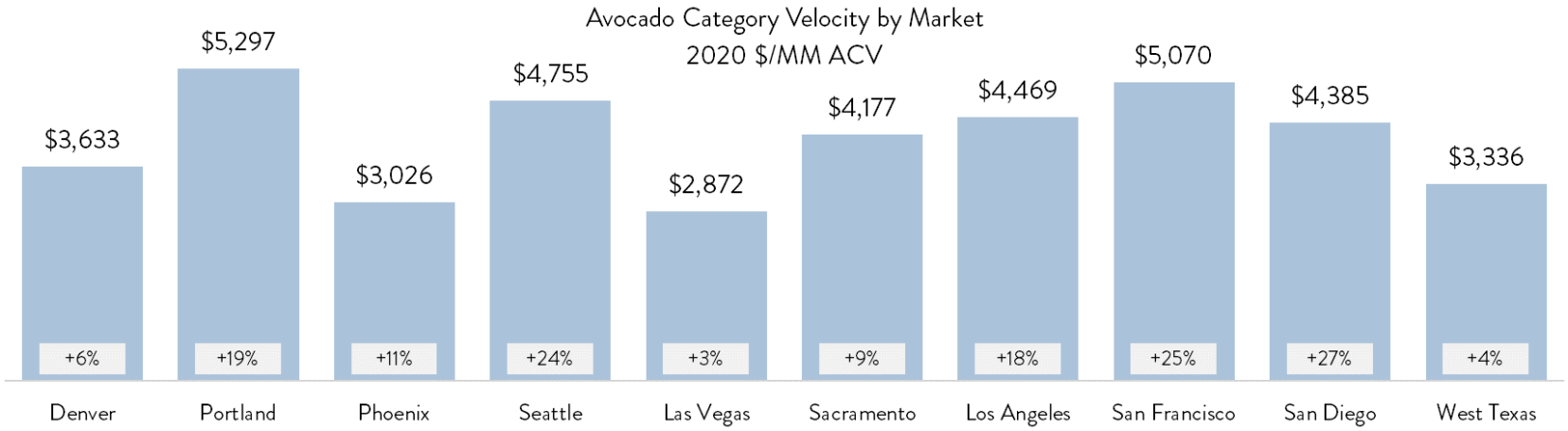
Source: IRI/FreshLook

WESTERN MARKETS SHOWED SIMILAR AVOCADO DISTRIBUTION, BUT SALES VELOCITY VARIED

The California Season had a significant impact on avocado category growth over the past four years and drove 62% of incremental dollar sales and volume in the California region. The California region drove 20% of Total U.S. incremental dollar sales (P.17).

All western markets have similar distribution levels, but sales velocity varies



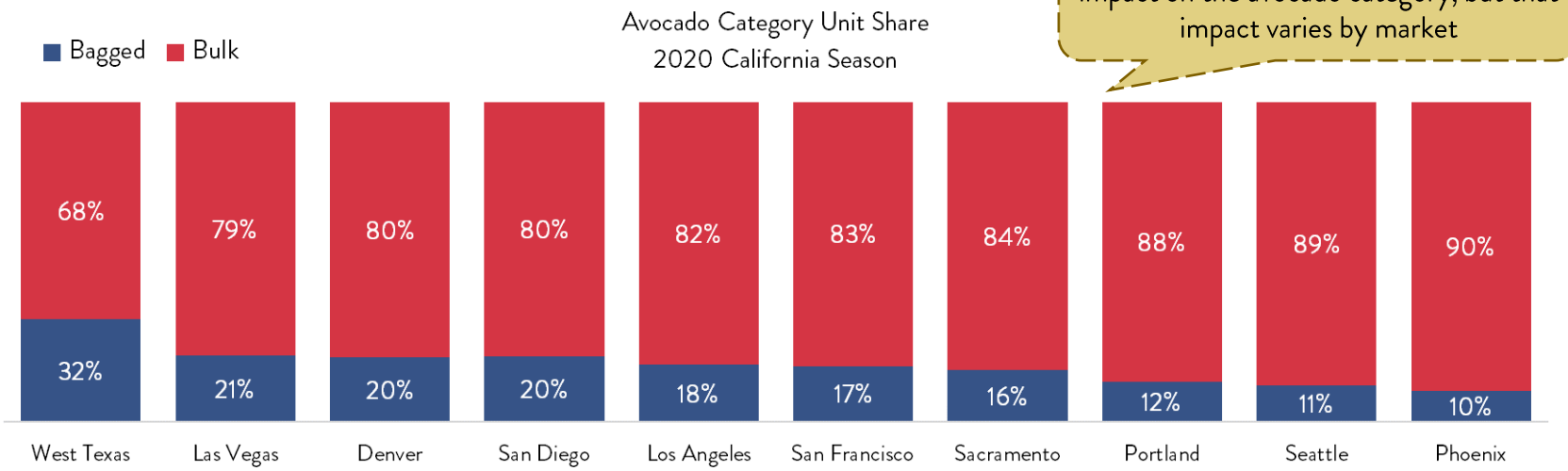


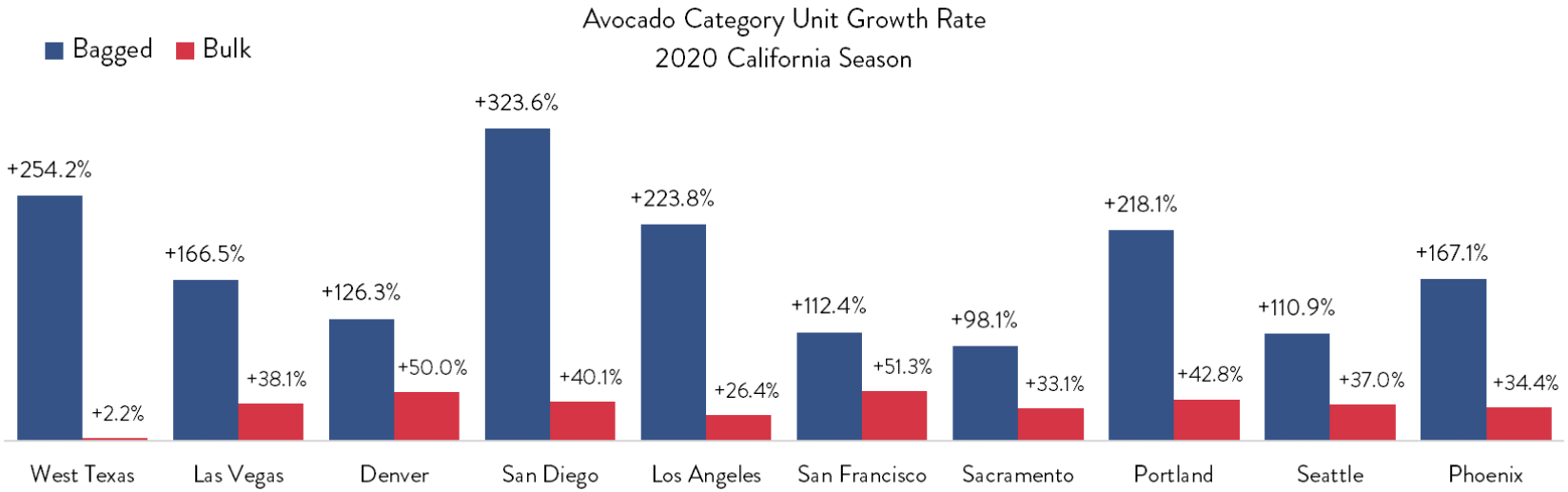
Source: IRI/FreshLook

BAGGED AVOCADO VOLUME SHOWS TRIPLE-DIGIT GROWTH IN NEARLY ALL WESTERN MARKETS

Bagged avocado volume share ranged from 32% in West Texas to 10% in Phoenix and saw triple-digit growth in all markets except Sacramento (+98.1%).

Bagged avocados are making a larger impact on the avocado category, but that impact varies by market



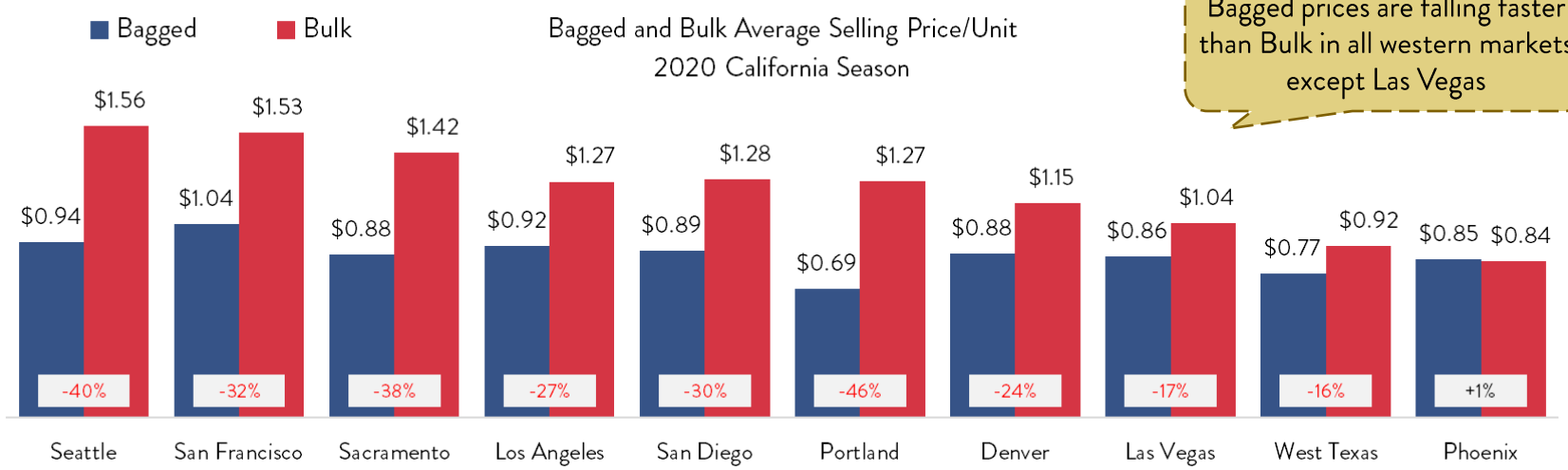


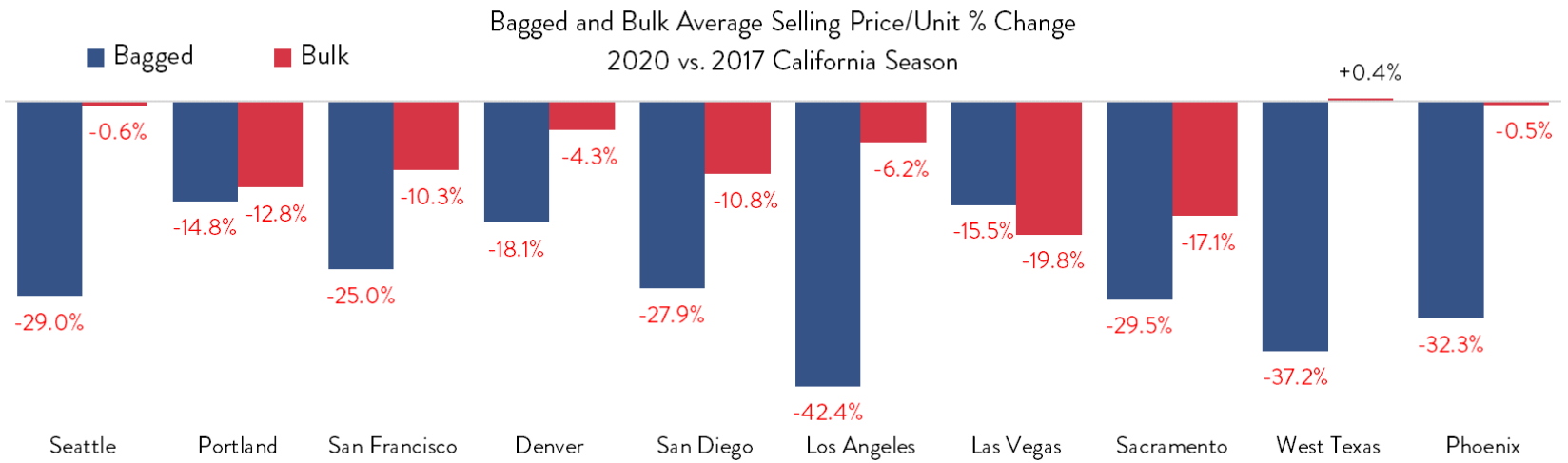
Source: IRI/FreshLook

BAGGED ASP RANGED FROM $1.04/UNIT IN SAN FRANCISCO TO $0.69/UNIT IN PORTLAND

Bagged avocados saw the largest ASP gap vs. Bulk in Portland (-46%) and Seattle (-40%), while Phoenix showed a small gap, with Bagged ASP +1% higher than Bulk.

Bagged prices are falling faster than Bulk in all western markets except Las Vegas



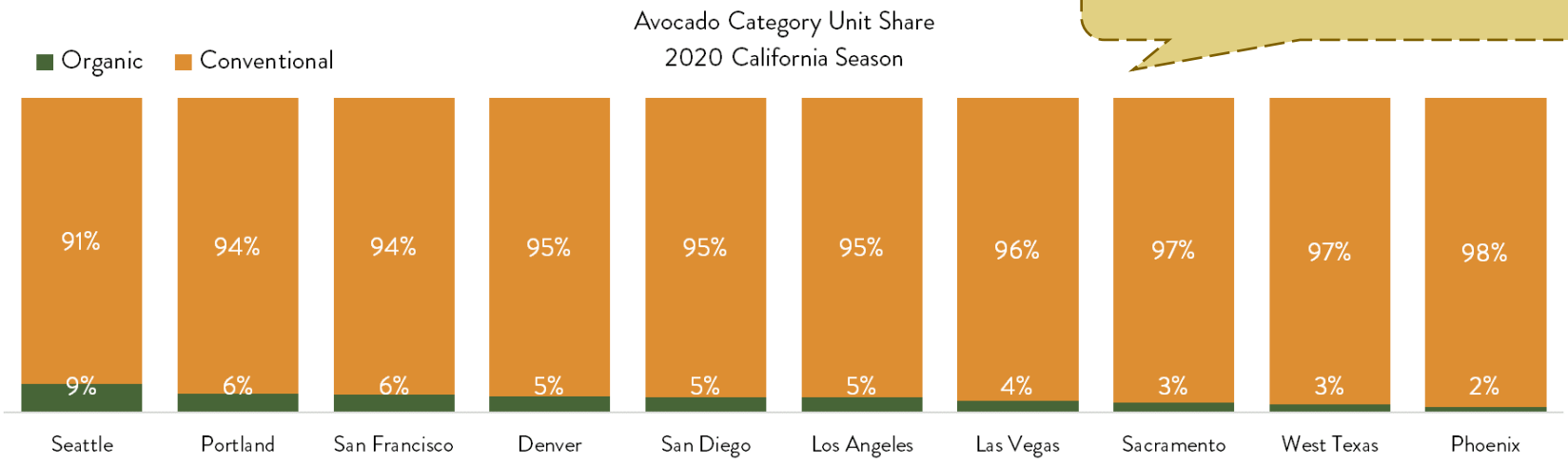


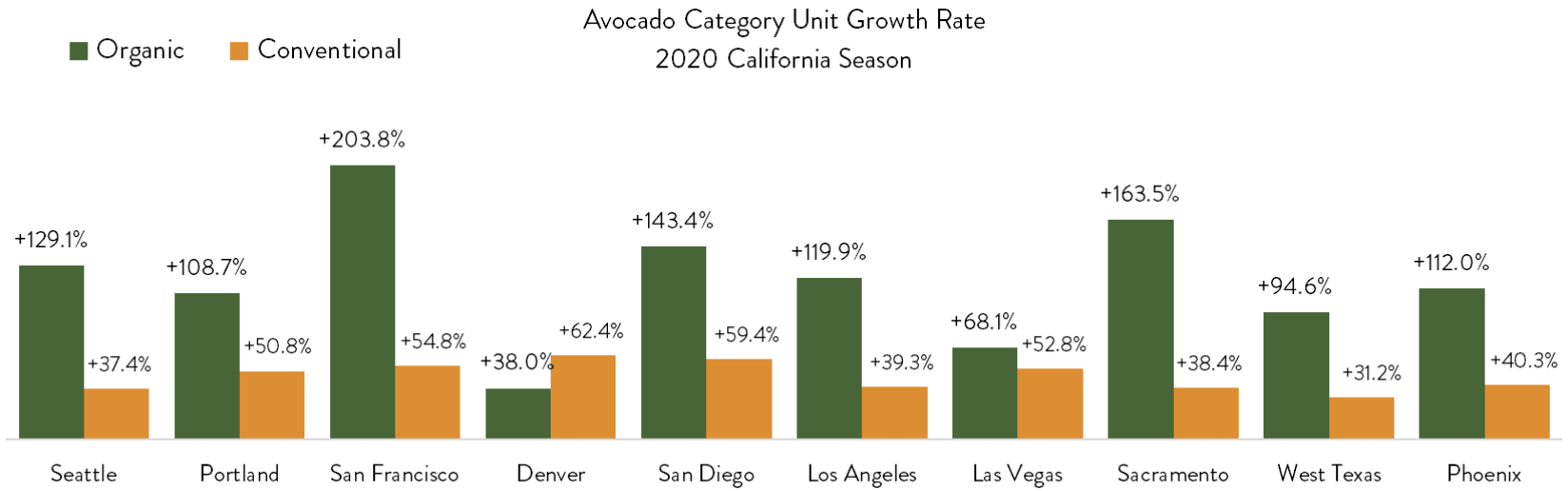
Source: IRI/FreshLook

ORGANIC AVOCADO VOLUME SHOWS TRIPLE-DIGIT GROWTH IN ALL BUT THREE WESTERN MARKETS

Organic avocado volume share ranged from 9% in Seattle to 2% in Phoenix, but saw triple-digit growth in all but three western markets: Denver (+38%), Las Vegas (+68%) and West Texas (+95%).

Organic avocados hold a small share of volume in all markets



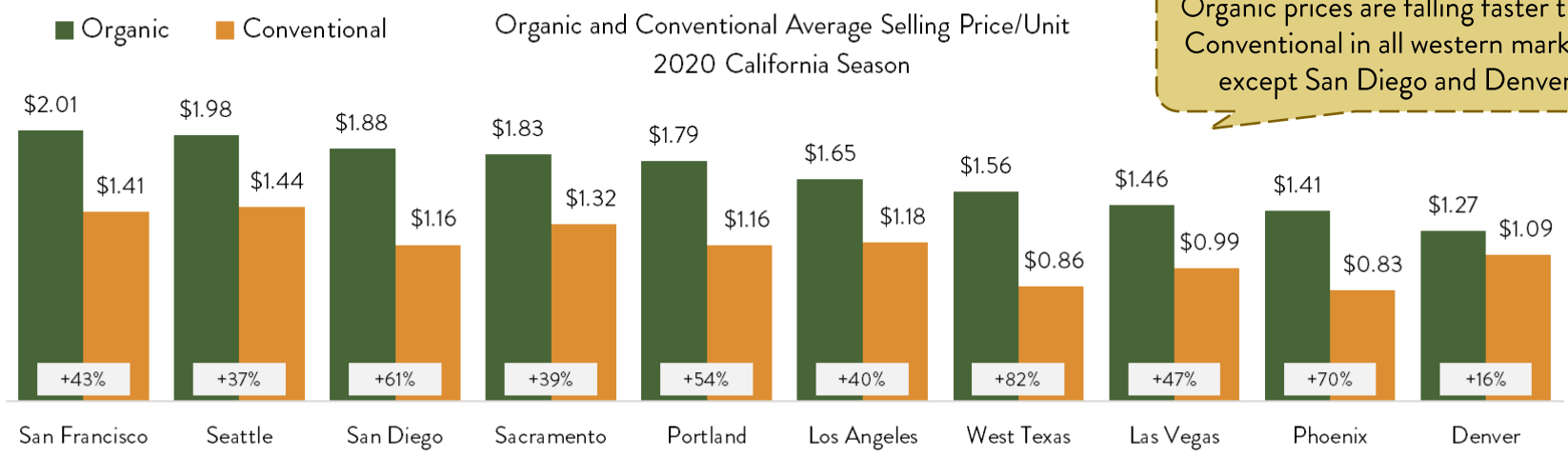


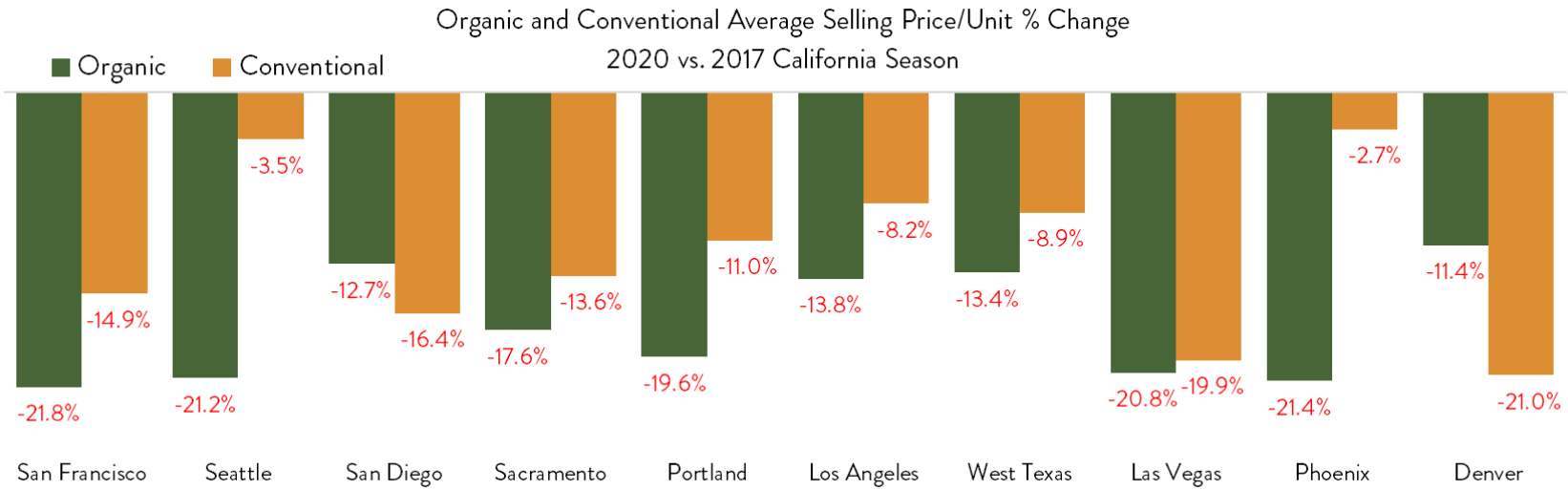
Source: IRI/FreshLook

ORGANIC ASP RANGED FROM $2.01/UNIT IN SAN FRANCISCO TO $1.27/UNIT IN DENVER

Organic avocados saw the largest ASP gap in West Texas (+82%) and Phoenix (+70%), while Denver showed the smallest gap (+16%).

Organic prices are falling faster than Conventional in all western markets except San Diego and Denver





Source: IRI/FreshLook

THANK YOU

BOARD INFORMATION

ITEM 8.A: STATUS OF PENDING STATE LEGISLATION ASSEMBLY BILL NO. 710

SUMMARY:

Assembly Bill 710, "Sale of listed agricultural products: requirements for sale," was introduced at the California State Assembly on February 16, 2021. The Assembly Committee on Appropriations Legislative Analysis summarizes the bill as follows:

"This bill prohibits a retailer from selling a listed agricultural product, produced either in or outside of the state, unless the product is produced in compliance with California health and environmental protection laws, as well as California labor laws, as defined. This bill requires the Secretary of Food and Agriculture (Secretary) to adopt regulations to administer and enforce the prohibition and states violations of this bill are not subject to criminal penalty".

AB 710 was heard by the Assembly Agriculture Committee on April 15, 2021, and referred to the Assembly Appropriations Committee, where it was heard on May 5, 2021 and placed in the Suspense File. CAC management is providing the details of AB 710 as an informational item to the Board.

FISCAL ANALYSIS:

- Not Applicable

BOARD OPTIONS:

- Information item only

STAFF RECOMMENDATION:

- Not Applicable

EXHIBITS / ATTACHMENTS:

- Assembly Committee on Agriculture Legislative Analysis
- Assembly Committee on Appropriations Legislative Analysis

Date of Hearing: May 5, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Lorena Gonzalez, Chair
AB 710 (Eduardo Garcia) – As Amended March 18, 2021

Policy Committee: Agriculture Vote: 9 - 1

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill prohibits a retailer from selling a listed agricultural product, produced either in or outside of the state, unless the product is produced in compliance with California health and environmental protection laws, as well as California labor laws, as defined. This bill requires the Secretary of Food and Agriculture (Secretary) to adopt regulations to administer and enforce the prohibition and states violations of this bill are not subject to criminal penalty.

This bill requires the Secretary, as part of the regulations to:

1) Establish a third party verification system.

2) Establish and audit system for the California Department of Food and Agriculture to ensure compliance with existing labor, and health and environmental laws.

3) Coordinate with state agencies that monitor and enforce labor, and health and environmental laws on producers of listed agricultural products, so no additional fees are imposed on producers that meet the requirements.

4) Requires the Secretary to impose requirements and fees to the extent that existing programs do not cover producers subject to the provisions of the bill.

FISCAL EFFECT:

1) The cost for the CDFA to fulfill the requirements of AB 710 will be as much as $50 million, $15 million of which is ongoing.

   CDFA will need to promulgate regulations for organizational structures to conduct inspections, audits and enforcement activities at all levels on the in-state chain of commerce, including retailers and importers, monitoring activities outside California and the United States to ensure compliance.

   It is assumed a significant number of administrative and technical field staff will need to be recruited and trained and that office and warehouse space (with refrigeration capabilities) will be needed for regional offices. According to CDFA, since the department would need to monitor items produced out-of-state (including internationally) a significant initial investment would be needed to address concerns of the impacted parties and the public regarding interstate commerce and international trade barriers.

A breakdown of the estimated costs is below:

a) Five facilities: San Diego, San Francisco, Central Valley, Los Angeles location #1 and Los Angeles Location #2: $3million each = $15 million,
b) Mitigation of Environmental Cost for disposal of confiscated product: $10 million per year for in-state staff, $3 million per year for international contractors.
c) Staff training: $2 million per year.
d) Vehicles and heavy equipment: $2 million.
e) Regulations, $1 million,
f) Legal costs domestic and international: $6 million.
g) Database development: $7million.

CDFA will rely on the General Fund for initial costs until a fee is established.

2) Unknown, likely moderate costs of between $50,000 and $150,000 for each individual state agency with regulatory authority over labor, health and environmental laws, to provide consultation to CDFA.

COMMENTS:

1) **Rationale.** Agriculture is a key California industry that generated more than $50 billion in annual output in 2019. California growers produce over 400 commercial crops. California has a strong agricultural export market because the "California" brand. Part of that brand is due to strong pesticide regulation, food safety laws, robust labor laws and an industry that understands consumer buying habits. California agriculture products some of the safest in the world.

According to the author:

> California laws require growers to follow some of the strictest environmental, labor, and health and safety regulations in the country. California's pesticide regulations, for example, exist in order to ensure health and safety standards for our consumers. The state should ensure that produce shipped into the state meet the same requirements.

This bill applies to ten commodities: fresh or value-added fresh apples; asparagus; bell peppers; blueberries; dates; honeydew melons; lemons; nectarines; olives; and table grapes.

2) **Commerce Clause.** The Commerce clause is a provision of the U.S. Constitution (Article I, Section 8) that authorizes Congress "to regulate Commerce with foreign Nations, and among the several States, and with Indian Tribes." The commerce clause has traditionally been interpreted both as a grant of positive authority to Congress and as an implied prohibition state laws and regulations that interfere with or discriminate against interstate commerce. It is beyond the scope of this analysis to opine on whether this bill violates the commerce clause, however, as the policy committee analysis points out, should this bill become law, there will likely be challenges to it from growers from states that do not share this state's labor and environmental values.

Analysis Prepared by: Jennifer Galehouse / APPR. / (916) 319-2081

Date of Hearing: April 15, 2021

ASSEMBLY COMMITTEE ON AGRICULTURE
Robert Rivas, Chair
AB 710 (Eduardo Garcia) – As Amended March 18, 2021

SUBJECT: Sale of listed agricultural products: requirements for sale

SUMMARY: This bill would prohibit a retailer from selling a listed agricultural product (LAP), produced in the state or outside of the state unless the product was produced in compliance with specified California health and environmental protection laws. Furthermore, prohibits a retailer from selling a LAP produced in the state or outside of the country unless the product was produced in compliance with specified California labor laws. Specifically, *this bill*:

1) Makes legislative findings and declarations regarding California's healthy and safety laws to protect consumers and agriculture workers, including laws on pesticide use, wages, and child labor. These findings also recognize the role of California farmers in providing healthy and safe working conditions.

2) Prohibits a retailer from selling a listed agriculture product (LAP) that was produced in or outside the state unless the LAP was produced in compliance with California health and environmental protections laws, as specified.

3) Prohibits a retailer from selling a LAP that was produced in or outside the country unless the LAP was produced in compliance with California labor laws, as specified.

4) Requires California Department of Agriculture (CDFA) to make regulations to administer and enforce compliance of the sale of a LAP complying with state laws, as specified.

5) Requires CDFA regulations to do all the following:
   a) Establish a third party system to verify that a LAP was produced complying with California health and environmental protection laws and specified California labor laws.
   b) Establish a procedure to audit sales of a LAP produced complying with California health and environmental protection laws and specified California labor laws.
   c) Coordinate with state agencies with existing programs that monitor and enforce compliance of producers of LAPs with specified laws, to insure no additional fees are impose on producers.
      i) If programs do not exist, the CDFA may impose requirements and fees comparable to existing programs.

6) Defines the following:
   a) Compliance with specified California health and environmental protection laws means the use of only pesticides registered with the Department of Pesticide Regulation, as specified.
   b) Compliance with specified California labor laws means compliance with all of the following:
      i. Child labor regulations established by the Department of Industrial Relations.
      ii. The California minimum wage, as specified.
      iii. Overtime requirements, as specified.

iv. Listed agricultural product means fresh or value-added fresh apples, asparagus, bell peppers, blueberries, dates, honeydew melons, lemons, nectarines, olives, and table grapes.
v. Retailer has the same meaning as in Section 6015 of the Revenue and Taxation Code.

7) Provides that a violation of this section is not subject to criminal penalty.

EXISTING LAW:

1) Requires all California state-owned or state-run institutions, except public universities, colleges and school districts, to purchase agricultural products grown in California when the price of the California-grown agricultural product does not exceed by more than 5% the lowest bid or price for an agricultural product produced outside the state and the quality of the products are comparable.

2) Establishes within CDFA a public and private collaboration known as the "Buy California Program" to encourage consumer nutritional and food awareness and to foster purchases of California agricultural products.

FISCAL EFFECT: Unknown

COMMENTS: Agriculture is a key California industry that generated more than $50 billion in annual output in 2019. California produces over 400 commercial crops. California has a strong agricultural export market because the "California" brand. Part of that brand is due to strong pesticide regulation, food safety laws, robust labor laws and an industry that understands consumer buying habits, making California agriculture products some of the safest in the world.

According to the author, California laws require growers to follow some of the strictest environmental, labor, and health and safety regulations in the country. California's pesticide regulations, for example, exist in order to ensure health and safety standards for our consumers. The state should ensure that produce shipped into the state meet the same requirements.

Supporters state agriculture is a critical aspect of our state and local economy. However, out-of-state agriculture producers oftentimes do not adhere to the same standards that California growers do to help ensure the health and safety of their workers and the environment. Unfortunately, this places in-state growers at a competitive disadvantage and places California local agriculture economies at risk. By increasing applicability of the same California standards, California can also increase adherence to California's values. Otherwise, many communities throughout the state will bear the cost in loss of jobs and ancillary economic impacts associated with the agriculture sector. Many agriculture regions in the state experience the highest unemployment and poverty rates in the state. AB 710 can help ensure the future of its agriculture economy.

Opponents state, grocery stores, across California, source as much fresh produce they can from California when it is in season. When the California growing season ends, produce suppliers get products from other countries or states who are either still in their growing season or are approaching it. Certain products grown in California, like apples, are not grown at a scale that can meet the demand of the 39 million people in the state. In order to meet the demand, apples have to be brought in from other states and the southern hemisphere.

Furthermore, Opponents point out that the minimum wage compliance provision alone, will stop the importation of many of the produce that are mentioned in the bill. California has the highest minimum wage in the United States. Other countries set their minimum wage at a different standard and currency. This will make it difficult for California companies to anticipate the market as foreign currencies fluctuate on a regular basis.

Opponents worry that that bill may force grocery stores to:

1) not sell products when California is not growing (off-season), which means empty shelves/unavailable products and losing customers; or

2) having to increase cost of labor in order to verify/track whether our suppliers and/or manufacturers out-of-state comply with CA's applicable laws.

"*If it's #2, then stores would pass the cost to our customers and may potentially lose them because produce would be more expensive. Customers may be faced with one of two scenarios: they cannot afford products or they cannot purchase due to limited or no availability*".

Commerce Clause:

Commerce clause is a provision of the U.S. Constitution (Article I, Section 8) that authorizes Congress "to regulate Commerce with foreign Nations, and among the several States, and with Indian Tribes." The commerce clause has traditionally been interpreted both as a grant of positive authority to Congress and as an implied prohibition of state laws and regulations that interfere with or discriminate against interstate commerce. In its positive interpretation, the clause serves as the legal foundation of much of the federal government's regulatory power.

In November 2008, voters passed Proposition 2, which addressed confinement of farm animals. The law requires that certain farm animals, including egg-laying hens, have room to move freely. AB 1473 (Huffman), Chapter 51, Statutes of 2010, required out-of-state egg producers to comply with California animal care standards. In two cases, State of Missouri, et al. v. Harris, et al. and State of Missouri v. State of California, Plaintiffs argued that California is regulating extraterritorially by telling farmers in other states how to run their businesses, thus violation the commerce clause. In both these cases, the courts allowed California to continue to require out of state egg producer to meet California standards.

The California foie gras law (SB 1520 of 2004) prohibits the "force feeding of a bird for the purpose of enlarging the bird's liver beyond normal size" as well as the sale of products that are a result of this process. This banned the traditional method of producing foie gras in California. The law went into effect in 2012. In 2015, U.S. District Judge Stephen Wilson held that the portion of California's law banning the sale of foie gras within the state was preempted by the federal Poultry Products Inspection Act, and enjoined the California Attorney General from enforcing it. That decision was overturned on appeal on September 15, 2017, but that decision was stayed to permit the plaintiffs to petition the U.S. Supreme Court. The petition was denied on January 7, 2019, leaving the lower court ruling in effect.

On July 14, 2020, District Judge Stephen Wilson lifted the ban on foie gras, ruling that the state's health code does not prevent the food from being imported from out of California.

These two examples suggest that this bill, if it becomes law, will likely face some form of commerce clause lawsuit.

PREVIOUS LEGISLATION:

AB 582 (E. Garcia) of 2020 would have prohibited a retailer from selling an agricultural product, to the public unless the agricultural product is grown in the state, with limited exceptions. This bill was held in the Senate Business, Professions and Economic Development Committee.

AB 1248 (E. Garcia) of 2019, would have required all state institutions to purchase California-grown agricultural products, with specified exemption. This bill was held in Senate Governmental Organization Committee.

AB 2106 (E. Garcia) of 2018 would have increased the existing bid preference from 5% to 10% for state purchases, as specified, for California-grown, or California-packed or processed agricultural products over those produced out of state. This bill was held on the Senate Appropriations suspense file.

AB 822 (Aguiar-Curry) Chapter 785, Statutes of 2017, allows for 5% price difference for state purchases, as specified, for California-grown, or California-packed or processed agricultural products over those produced out of state.

AB 199 (Holden) in 2013 provided a 5% preference for state purchases of California-grown agricultural products in the early versions of that bill. However, the final version of the bill removed the 5% preference. It required that state-owned and state-run institutions purchase California-grown products instead of those grown out of state if the price was equal to or less than the out-of-state product, and if the availability and delivery schedule of the agricultural product was acceptable. This bill was vetoed by Governor Brown.

AB 1960 (Ma) of 2010, encouraged the State of California and its agencies to purchase California grown, or grown and processed, fruit, nuts and vegetables if the price is equal to or less than, imported fruits, nuts and vegetables. This bill was held in the Senate Rules Committee.

AB 2994 (Frommer) of 2004, proposed requiring state agencies to give preference to the purchase of lumber and certain solid wood products harvested from forests in California when price, fitness, and quality are equal. This bill was vetoed by Governor Schwarzenegger.

AB 801 (Salinas) of 2001, proposed requiring California state-owned or state-run institutions to purchase agricultural products grown in California before those that are grown outside this state, provided the prices for California grown products do not exceed the lowest price of products grown outside California by more than 5%. It also included California public schools, but only when price and quality were equal to products grown outside California. This bill was vetoed by Governor Davis.

SB 1893 (Perata) of 2000, proposed requiring state agencies and school districts to purchase agricultural products produced in California if the cost and quality are equal or superior to those produced outside California. If California products were not found to be equal, preference was

to be given to products produced in other states over foreign products, if the cost and quality are equal. This bill was held on the Senate Appropriations suspense file.

AB 214 (Wiggins) of 1999, proposed establishing preferences for the purchase of U.S. and California manufactured materials, with respect to public works contracts entered into by public entities. The bill was vetoed by Governor Davis.

REGISTERED SUPPORT / OPPOSITION:

Support

Growing Coachella Valley (Sponsor)
California Apple Commission
California Blueberry Commission
California Date Commission
California Fresh Fruit Association
Coachella Valley Water District
Desert Fresh INC
Imperial Irrigation District
Olive Growers Council of California
Twenty-nine Palms Band of Mission Indians

Opposition

California Grocers Association

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