AGENDA

CALIFORNIA AVOCADO COMMISSION
BOARD OF DIRECTORS
REGULAR WEB/TELECONFERENCE MEETING

Thursday, March 4, 2021
10:00 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-3-4-21
Meeting ID: 869 3513 3222
Passcode: 116807
Conference Call #: (669) 900-6833

AS OF FRIDAY, FEBRUARY 26, 2021, THE FOLLOWING INDIVIDUALS HAVE ADVISED THE COMMISSION THEY WILL PARTICIPATE IN THIS MEETING VIA WEB/TELECONFERENCE:

Board Members:
Gary Caloroso
Jason Cole
Rob Grether
Jessica Hunter
Ohannes Karaoghlanian
Rachael Laenen
John Lloyd-Butler
Daniella Malfitano
Andrew Prechtl
Ryan Rochefort
Peter Shore

Board Alternates:
Connor Huser
Daryn Miller
Doug O'Hara

10:00 a.m. 1. CALL TO ORDER
A. Roll Call / Establish Quorum
B. Introductions

10:05 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.

10:15 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 February 8, 2021
B. 2020-21 Financial and Crop Update
C. 2020 California Acreage Report
D. 2020-21 Crop Projections
E. Consider Approval of CAC as provider of Avocado Inspection Program Administrative Services for the CDFA for the period from July 2021 through June 2022

10:20 a.m. 4. CONSIDER APPOINTMENT OF DISTRICT 2 PRODUCER ALTERNATE MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2021

10:30 a.m. 5. CONSIDER APPOINTMENT OF DISTRICT 3 PRODUCER ALTERNATE MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2021

10:40 a.m. 6. TREASURER'S REPORT

A. Consider Acceptance of 2019-20 Audited Financial Statements
B. Consider Approval of Budget Amendment No. 1
C. Consider Acceptance of Finance Committee Recommendation Regarding CAC Line of Credit

11:00 a.m. 7. CONSIDER REDISTRICTING COMMITTEE RECOMMENDATION REGARDING CAC 2021-2026 DISTRICT LINES

11:20 a.m. 8. MARKETING REPORT

A. Summary of February 16, 2021 Marketing Committee Meeting
B. Consumer Campaign
   1. 2021 Creative
   2. 2021 Media Buy
   3. Public Relations
   4. Living Well Brand Advocates
   5. Shop.CaliforniaAvocado.com Update

12:20 p.m. 9. HASS AVOCADO BOARD BOLD PROGRAM

12:30 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 949-341-1955, 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 949-341-1955.

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 FEBRUARY 8, 2021

SUMMARY:

The minutes of the Board of Directors' regular meeting of February 8, 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 February 8, 2021

CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
February 8, 2021

A web/teleconference meeting of the California Avocado Commission (CAC) Board was held on Monday, February 8, 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
Doug O'Hara
Michael Perricone

MEMBERS ABSENT
None

ALTERNATES ABSENT
Daryn Miller

STAFF PRESENT
April Aymami
Tom Bellamore
David Cruz
Jan DeLyser
Ken Melban

OFFICIALLY PRESENT
Ben Kardokus, CDFA

GUESTS PRESENT
Frank Biddle
Lea Boyd
Wayne Brydon
Kevin Cannon
Emiliano Escobedo
Frank Gargas
Ken Hennell
Chris Hobson
Eli Hofshi
Robert Jackson
Ed Jefferson
Denise Junqueiro
Laurie Luschei
Courtney Maguire
John McGuigan
Rick Moslenko
Richard Reed
Bob Schaar
Heydar Shahrokh
Tim Spann
Bill Steed
Duane Urquhart
Crystal White
Charley Wolk

ITEM #1 CALL TO ORDER

Roll Call / Establish Quorum – Item 1.A.

Rob Grether, CAC chairman, called the meeting to order at 10:00 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), 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

Laurie Luschei commented that she was surprised to learn of this special board meeting called to discuss a survey that had been sent out to growers, as any potential Section 201 action was not pursued at the December board meeting. She noted that the survey sent was not of benefit to the industry as it was collecting information from the past and did not consider current or future conditions. Ms. Luschei suggested that CAC instead request the U.S. government monitor if substantial injury is currently occurring.

John Cornell stated that he had been contacted by Ken Melban, CAC vice president of industry affairs, following the December Board meeting regarding the mock survey and had discussed grower participation. He had shared his concern to Mr. Melban of using only CAC Board members for the survey, as they may not fully represent the industry. He noted that when he received the emailed survey from Mrs. Carolyn Gleason he was glad to see that the survey size had been increased from 25 to 97, however had concerns that if CAC staff had hand selected the participants, that better growers may have been selected that were not fully representative

of the industry. Mr. Cornell reiterated that any survey participants should be randomly selected using a scientific statistical process.

ITEM # 3 CONSENT CALENDAR

Mr. Grether introduced the consent calendar and asked for questions or comments. CAC board member Gary Caloroso requested that the minutes be removed from the consent calendar for further discussion. Mr. Caloroso asked that the December 10, 2020 meeting minutes be amended to include the estimated costs of $1-2 million dollars to pursue a Section 201 investigation.

MOTION:
Move to approve the December 10, 2020 meeting minutes amended to include the estimated costs of $1-2 million to pursue a Section 201 investigation.
(Caloroso/Rochefort) MSC 11 Yea/1 Nay ***MOTION 21-2-8-1***

The *December 10, 2020 Meeting Minutes* are included in the February 2021 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Item 3.A.

ITEM #4 SECTION 201 GLOBAL SAFEGUARD INVESTIGATION

Mr. Grether addressed the board summarizing his review of the December board minutes and subsequent work on the Section 201 investigation which had led to him calling this special board meeting. He noted that while the motion to pursue a Section 201 investigation had failed, the Board's agreement to allow CAC President Tom Bellamore and Ken Melban, CAC vice president of industry affairs, to research the elements of the injury analysis to gain a greater understanding of what the process would entail had left varying expectations for both management and Board. It was due to these varying expectations that when growers, including Board members, received the mock survey with the goal of analyzing whether the industry has sufficient grounds to sustain an action under Section 201, it caused surprise and consternation.

Mr. Grether addressed concerns that he had received and clarified that the survey had been proposed by management to address the fact that CAC's current data was incomplete. Also, the sample size, which was originally discussed at 25 industry members had been increased to 97 growers in an effort to yield better analysis at the suggestion of the Economic Consulting firm. Mr. Grether stated that these were not nefarious maneuvers. In closing, Mr. Grether asserted that until new action was taken by the board to direct management to pursue a Section 201 investigation, in no uncertain terms all work to that end shall stop.

Mr. Grether remarked that he believed there was strong support for a better analysis of California growers' profitability, and that CAC was well-suited to develop strategic initiatives to help growers find sustainable drivers of profit margin. He suggested that with regard to the survey, CAC should more clearly articulate the goals for the analysis, and evaluate the approach and statistical soundness. Mr. Grether noted that with the right approach this analysis could be a highly informative, comprehensive study of costs, yield, and returns that would steer CAC industry affairs strategy and investments for years to come. There was Board support for restructuring and redefining the survey to provide a "state of the industry" analysis which could help guide CAC-funded industry and production research initiatives.

MOTION:
Move that the industry survey be shifted to the Production Research Committee to restructure and redefine, and that any survey be sent to the entire industry or participants selected using a scientific statistical process.
(Cole/Rochefort) MSC Unanimous ***MOTION 21-2-8-2***

Mr. Cornell requested that the Board discuss the produce monitoring option that had been mentioned by Mrs. Gleason at the December Board meeting, and made the following motion:

MOTION:
Move to instruct CAC's attorneys begin the process of asking the United States Trade Representative to make a request to the International Trade Commission (ITC) to monitor imports of the Hass avocados under the perishable agricultural product provisions of section 202(d)(l) of the Trade Act, and Section 332 (g) of the Tariff of 1930. Such a request should emphasize that the ITC's fact-finding 89-day monitoring should take place during our domestic 2021 harvesting season, and include the collection and analysis of information that would expedite a potential 201 investigation.
(Cornell/Karaoghlanian) MSF 3 Yea/9 Nay ***MOTION 21-2-8-3***

Substantial Board discussed ensued regarding the monitoring option which included budget implications, the message it would send to the industry, the need for more information about the process and whether the monitoring results would yield data to support pursuit of a Section 201 investigation in the future. In the end, the consensus was that it was not the right time to pursue the monitoring avenue and that CAC should remain focused on evaluating and improving California avocado production practices.

ADJOURN MEETING
Mr. Grether stated that Doug O'Hara, CAC Redistricting Committee Chairman, had resigned from his position. Due to the timeline set forth in CAC's redistricting procedures, Mr. Grether had discussed the resignation with the Executive Committee and they supported his recommendation of appointing Redistricting Committee member Ryan Rochefort as Chairman. Mr. Grether noted that he was keeping the Board apprised of this development.

Mr. Grether adjourned the meeting at 10:59 a.m.

Respectfully submitted,

_____
April Aymami, CAC Industry Affairs Director

I certify that the above is a true statement of the Minutes of February 8, 2021 approved by the CAC Board of Directors on March 4, 2021.

_____
Jessica Hunter, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

EXHIBIT A February 2021 Board Packet
EXHIBIT B February 8, 2021 Board Meeting AB 2720 Roll Call Vote Tally Summary

Exhibit B

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

Meeting Name:	**Meeting Location:**	**Meeting Date:**
California Avocado Commission Regular Board Meeting	*Zoom Web/Teleconference*	*February 8, 2021*

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

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 January 31, 2021 and Statement of Revenues, Expenses & Changes in Net Position (Income Statement) for the period then ended, with comparison to prior year's figures:

	1/31/21	1/31/20
Assets		
Petty Cash	$200	$200
Cash in Bank–Checking Accounts	1,989,627	106,912
Investments (LAIF & MMA)	10,487,459	11,784,232
Subtotal CAC Cash & Investment	**12,477,286**	**11,891,344**
Cash & Investments held for AIP	813,895	654,133
Total Cash & Investment	**13,291,181**	**12,545,477**
Assessment Receivable	43,913	341,377
Other (Other Receivables, Prepaids and Fixed Assets)	423,254	397,645
Total Assets	**13,758,348**	**13,284,499**
Liabilities & Net Reserves		
Accounts Payable and Accrued Expenses	329,933	332,431
Due to AIP	813,895	654,133
Other	221,399	194,154
Total Liabilities	**1,365,227**	**1,180,718**
Total Revenues	395,844	383,926
Total Expenditures	2,345,165	2,263,933
YTD Surplus (Deficit)	**(1,949,321)**	**(1,880,007)**
Net Reserves-Prior Periods	14,342,442	13,983,788
Total Net Reserves	**12,393,121**	**12,103,781**
Total Liabilities & Net Reserves	**$13,758,348**	**$13,284,499**

Crop Statistics

Handlers reported 9.6 million pounds of California avocados harvested through December 2020 with an average price (per pound) reported at 76 cents. An estimated 479 thousand pounds were harvested in January 2021 with an average price (per pound) of 78 cents. This would bring the total harvested through January 2021 to 10.1 million pounds at an average price (per pound) of 76 cents.

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

COMMITTEE OPTIONS:

- Discussion item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- Balance Sheet and Reserves as of January 31, 2021
- Statement of Revenues and Expenses for the three months ending January 31, 2021
- 2020-21 Pounds & Dollars by Variety Report (November – December 2020)
- 2020-21 U.S. Aggregate Avocado Volume by Month Chart (November – December 2020)
- 2019-20 Pounds & Dollars by Variety Report (November 2019 – October 2020)
- 2019-20 U.S. Aggregate Avocado Volume by Month Chart (November 2019 – October 2020)

California Avocado Commission
Statement of Net Position
As of January 31, 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	1,989,626	14.46%	106,912	0.80%	1,882,714	1760.99%
Cash in Bank-LAIF & Money Market	10,487,459	76.23%	11,784,232	88.71%	(1,296,773)	-11.00%
Total CAC Cash and Short Term Investme	**12,477,286**	**90.69%**	**11,891,344**	**89.51%**	**585,941**	**4.93%**
Cash in Bank, LAIF & Money Market (held for	813,895	5.92%	654,133	4.92%	159,762	**24.42%**
Total Cash and Short Term Investments	**13,291,181**	**96.60%**	**12,545,477**	**94.44%**	**745,703**	**5.94%**
Other Current Assets:						
Assessment Receivable	43,913	0.32%	341,377	2.57%	(297,464)	-87.14%
Other Receivable	170,111	1.24%	132,259	1.00%	37,852	28.62%
Prepaids	102,225	0.74%	93,941	0.71%	8,285	8.82%
Merchandise Shop Inventory	30,535	0.22%	-	0.00%	30,535	100.00%
Total Other Current Assets	**346,785**	**2.52%**	**567,577**	**4.27%**	**(220,792)**	**-38.90%**
Total Current Assets	**13,637,965**	**99.13%**	**13,113,054**	**98.71%**	**524,911**	**4.00%**
Fixed Assets:						
Furniture	86,264	0.63%	118,613	0.89%	(32,349)	-27.27%
Software	-	0.00%	4,590	0.03%	(4,590)	-100.00%
Land Improvements	34,119	0.25%	48,242	0.36%	(14,123)	-29.28%
Total Fixed Assets	**120,383**	**0.87%**	**171,444**	**1.29%**	**(51,062)**	**-29.78%**
Net Fixed Assets	**120,383**	**0.87%**	**171,444**	**1.29%**	**(51,062)**	**-29.78%**
Total Assets	**13,758,348**	**100.00%**	**13,284,499**	**100.00%**	**473,849**	**3.57%**
LIABILITIES AND NET RESERVES						
Current Liabilities:						
Accounts Payable & Accrued Expenses	329,933	24.17%	332,431	28.15%	(2,498)	-0.75%
Due to AIP	813,895	59.62%	654,133	55.40%	(159,762)	-24.42%
Other Payable (Vacation/Payroll/Sec. 125)	200,205	14.66%	172,960	14.65%	27,244	15.75%
Research Contract Payable	3,194	0.23%	3,194	0.27%	-	0.00%
Total Current Liabilities	**1,347,227**	**98.68%**	**1,162,718**	**98.48%**	184,509	15.87%
Long Term Liabilities:						
Deposit Due to CDFA/AIP	18,000	1.32%	18,000	1.52%	-	0.00%
Total Long Term Liabilities	18,000	**1.32%**	18,000	**1.52%**	-	0.00%
Total Liabilities	**1,365,227**	100.00%	**1,180,718**	**100.00%**	**184,509**	**15.63%**
Net Reserves:						
Net Reserves-Prior Periods	14,342,442	115.73%	13,983,788	115.53%	358,654	2.56%
Surplus (Deficit)-Current Period	(1,949,321)	-15.73%	(1,880,007)	-15.53%	(69,314)	3.69%
Total Net Reserves	**12,393,121**	**100.00%**	**12,103,781**	**100.00%**	**289,340**	**2.39%**
Total Liabilities and Net Reserves	**13,758,348**	**100.00%**	**13,284,499**	**100.00%**	**473,849**	**3.57%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit)
For the three months ending January 31, 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	139,336	35.2%	201,329	52.44%	(61,993)	-30.8%
HAB Assessment Revenue	207,532	52.4%	142,909	37.22%	64,622	45.2%
Subtotal Assessment Revenue	**346,868**	**87.6%**	**344,238**	**89.66%**	**2,630**	**0.8%**
Other Revenues						
Admin & Accounting Fee Revenue (AIP)	15,249	3.9%	15,249	3.97%	-	0.0%
Grant Funding	-	0.0%	-	0.00%	-	0.0%
Pine Tree Ranch Crop Income	-	0.0%	-	0.00%	-	0.0%
Interest and Other Income	26,587	6.7%	24,439	6.37%	2,148	8.8%
Merch Shop Income	7,141	1.8%	-	0.00%	7,141	0.0%
Subtotal Other Revenues	**48,976**	**12.4%**	**39,688**	**10.34%**	**9,288**	**23.4%**
Total Revenue	**395,844**	**100.0%**	**383,926**	**100.00%**	**11,918**	**3.1%**
Expenses						
Marketing Expenses						
Consumer Marketing	759,855	33.3%	778,983	34.41%	19,129	2.5%
Merchandising	197,199	8.6%	266,533	11.77%	69,334	26.0%
Foodservice	56,405	2.5%	106,281	4.69%	49,876	46.9%
Consumer Public Relations	129,206	5.7%	128,453	5.67%	(753)	-0.6%
Consumer/Trade Living Well	56,012	2.5%	21,524	0.95%	(34,488)	-160.2%
Marketing Activities Support	24,330	1.1%	26,946	1.19%	2,616	9.7%
Merch Shop	64,371	2.8%	-	0.00%	(64,371)	0.0%
Subtotal Marketing Expenses	**1,287,377**	**56.4%**	**1,328,719**	**58.69%**	**41,342**	**3.1%**
Non-Marketing Expenses						
Industry Affairs	171,550	7.5%	84,874	3.75%	(86,676)	-102.1%
Production Research	48,175	2.1%	3,000	0.13%	(45,175)	-1505.8%
Grant Programs	-	0.0%	-	0.00%	-	0.0%
Administration	838,063	36.7%	847,340	37.43%	9,277	1.1%
Subtotal Non-Marketing Expenses	**1,057,787**	**46.4%**	**935,214**	**41.31%**	**(122,574)**	**-13.1%**
Total Expenses	**2,345,165**	**100.0%**	**2,263,933**	**100.00%**	**(81,232)**	**-3.6%**
Surplus (Deficit)	**(1,949,321)**	**100.0%**	**(1,880,007)**	**100.00%**	**(69,314)**	**-3.7%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - Actual vs. Budget
For the three months ending January 31, 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	139,336	35.20%	161,850	(22,514)	-13.91%	6,931,641	(6,792,305)	-97.99%
HAB Assessment Revenue	207,532	52.43%	213,830	(6,298)	-2.95%	6,422,812	(6,215,280)	-96.77%
Subtotal Assessment Revenue	**346,868**	**87.63%**	**375,680**	**(28,812)**	**-7.67%**	**13,354,453**	**(13,007,585)**	**-97.40%**
Other Revenues								
Admin & Accounting Fee Revenue (AIP)	15,249	3.85%	15,249	-	0.00%	61,000	(45,751)	-75.00%
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	21,300	5.38%	16,250	5,050	31.08%	65,000	(43,700)	-67.23%
Interest and Other Income	5,287	1.34%	3,750	1,537	40.97%	15,000	(9,713)	-64.76%
Merchandise Shop Income	7,141	1.80%	6,905	236	3.41%	190,358	(183,217)	-96.25%
Subtotal Other Revenues	**48,976**	**12.37%**	**42,154**	**6,822**	**16.18%**	**368,858**	**(319,882)**	**-86.72%**
Total Revenue	**395,844**	**100.00%**	**417,834**	**(21,990)**	**-5.26%**	**13,723,311**	**(13,327,467)**	**-97.12%**
Expenses								
Marketing Expenses								
Consumer Marketing	759,855	32.40%	878,916	119,062	13.55%	6,713,665	5,953,810	88.68%
Merchandising	197,199	8.41%	283,248	86,049	30.38%	2,848,488	2,651,289	93.08%
Foodservice	56,405	2.41%	63,370	6,965	10.99%	970,000	913,595	94.19%
Consumer Public Relations	129,206	5.51%	129,205	(1)	0.00%	1,000,000	870,794	87.08%
Consumer/Trade Living Well	56,012	2.39%	55,615	(397)	-0.71%	202,000	145,988	72.27%
Marketing Activities Support	24,330	1.04%	24,480	150	0.61%	201,375	177,045	87.92%
Merchandise Shop	64,371	2.74%	105,061	40,690	38.73%	304,854	240,483	78.88%
Subtotal Marketing Expenses	**1,287,377**	**54.89%**	**1,539,895**	**252,518**	**16.40%**	**12,240,382**	**10,953,005**	**89.48%**
Non-Marketing Expenses								
Industry Affairs & Production Research	219,725	9.37%	286,980	67,255	28.16%	1,636,219	1,416,494	173.07%
Grants	-	0.00%	-	-	0.00%	-	-	0.00%
Administration	838,063	35.74%	929,601	91,538	9.85%	3,560,570	2,722,507	76.46%
Subtotal Non-Marketing Expenses	**1,057,787**	**45.11%**	**1,216,581**	**158,794**	**13.05%**	**5,196,789**	**4,139,002**	**79.65%**
Total Expenses	**2,345,165**	**100.00%**	**2,756,476**	**411,311**	**14.92%**	**17,437,171**	**15,092,006**	**86.55%**
Surplus (Deficit)	**(1,949,321)**	**100.00%**	**(2,338,642)**	**389,321**	**-16.65%**	**(3,713,860)**	**1,764,539**	**47.51%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - Actual vs. Budget
For the three months ending January 31, 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	25,028	1.07%	38,749	13,721	35.41%	4,000,000	3,974,972	99.37%
Production	24,075	1.03%	108,000	83,925	77.71%	425,000	400,925	94.34%
Online Marketing	274,136	11.69%	295,551	21,415	7.25%	542,200	268,064	49.44%
Program Administration	436,616	18.62%	436,616	-	0.00%	1,746,465	1,309,849	75.00%
Subtotal Consumer Advertising	**759,855**	**32.40%**	**878,916**	**119,062**	**13.55%**	**6,713,665**	**5,953,810**	**88.68%**
Merchandising Promotions								
Trade Relations	136,430	5.82%	149,313	12,883	8.63%	1,349,188	1,212,758	89.89%
Retail/Consumer Promotions	18,856	0.80%	33,690	14,834	44.03%	1,007,700	988,844	98.13%
Data, Research & Analysis	36,321	1.55%	87,505	51,184	58.49%	386,600	350,279	90.60%
Administration & Other	5,592	0.24%	12,740	7,148	56.11%	105,000	99,408	94.67%
Subtotal Merchandising Promotion	**197,199**	**8.41%**	**283,248**	**86,049**	**30.38%**	**2,848,488**	**2,651,289**	**93.08%**
Foodservice								
Media	8,400	0.36%	9,520	1,120	11.76%	110,100	101,700	92.37%
Public Relations & Collateral Materials	12,202	0.52%	10,700	(1,502)	-14.04%	113,000	100,798	89.20%
Foodservice Events	20,850	0.89%	25,000	4,150	16.60%	355,900	335,050	94.14%
Chain Promotions	10,350	0.44%	12,200	1,850	15.16%	335,000	324,650	96.91%
Education Programs	150	0.01%	450	300	66.67%	2,000	1,850	92.50%
Program Administration Fees	4,453	0.19%	5,500	1,047	19.03%	54,000	49,547	91.75%
Subtotal Foodservice	**56,405**	**2.41%**	**63,370**	**6,965**	**10.99%**	**970,000**	**913,595**	**94.19%**
Consumer Public Relations								
Brand Advocates	45,000	1.92%	45,000	-	0.00%	330,000	285,000	86.36%
Public Relations	57,442	2.45%	57,441	(1)	0.00%	545,000	487,558	89.46%
Program Administration	26,764	1.14%	26,764	-	0.00%	125,000	98,236	78.59%
Subtotal Public Relations	**129,206**	**5.51%**	**129,205**	**(1)**	**0.00%**	**1,000,000**	**870,794**	**87.08%**
Consumer/Trade Living Well								
RDN Ambassadors	40,012	1.71%	39,615	(397)	-1.00%	156,500	116,488	74.43%
Industry Partnerships	15,000	0.64%	15,000	-	0.00%	33,500	18,500	55.22%
Program Administration	1,000	0.04%	1,000	-	0.00%	12,000	11,000	91.67%
Subtotal Consumer/Trade Living	**56,012**	**2.39%**	**55,615**	**(397)**	**-0.71%**	**202,000**	**145,988**	**72.27%**
Marketing Activities Support								
Marketing Planning	11,830	0.50%	11,980	150	1.25%	115,875	104,045	89.79%
Center for Produce Safety	-	0.00%	-	-	0.00%	50,000	50,000	100.00%
"Buy California" Marketing Campaign	12,500	0.53%	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	**24,330**	**1.04%**	**24,480**	**150**	**0.61%**	**201,375**	**177,045**	**87.92%**
Merchandise Shop								
Cost of Goods Sold	(218)	-0.01%	26,990	27,208	100.81%	107,960	108,178	100.20%
Expenses - Variable	4,459	0.19%	15,454	10,995	71.15%	61,814	57,355	92.79%
Expenses - Fees	60,130	2.56%	62,618	2,488	3.97%	135,080	74,950	55.49%
Subtotal Merchandise Shop	**64,371**	**2.74%**	**105,061**	**40,690**	**38.73%**	**304,854**	**240,483**	**78.88%**
Subtotal Marketing Expenses	**1,287,377**	**54.89%**	**1,539,895**	**252,518**	**16.40%**	**12,240,382**	**10,953,005**	**89.48%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - Actual vs. Budget
For the three months ending January 31, 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	16,598	0.71%	22,175	5,577	25.15%	147,500	130,902	88.75%
Crop Forecasting & Analysis	43,900	1.87%	44,100	200	0.45%	121,200	77,300	63.78%
Grower Database	3,407	0.15%	7,000	3,593	51.33%	8,000	4,593	57.42%
Grove ID GIS Project Dmnt	2,275	0.10%	500	(1,775)	-355.00%	20,000	17,725	88.63%
Online Information (Grower Web Site)	2,803	0.12%	27,650	24,847	89.86%	70,500	67,697	96.02%
Publications	21,883	0.93%	19,930	(1,953)	-9.80%	104,000	82,117	78.96%
Annual Meeting	-	0.00%	20,000	20,000	100.00%	20,000	20,000	100.00%
Annual Report	3,620	0.15%	2,400	(1,220)	-50.83%	10,000	6,380	63.80%
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	24,000	1.02%	24,000	-	0.00%	120,000	96,000	80.00%
Legislative & Regulatory Advocacy	22,290	0.95%	22,290	(0)	0.00%	175,000	152,710	87.26%
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	-	0.00%	1,000	1,000	100.00%	10,000	10,000	100.00%
Legal Support	10,266	0.44%	6,000	(4,266)	-71.09%	25,000	14,734	58.94%
Governance Support	-	0.00%	-	-	0.00%	45,000	45,000	100.00%
Referendum	47	0.00%	2,500	2,453	98.14%	15,000	14,953	99.69%
Redistricting	-	0.00%	1,000	1,000	100.00%	5,000	5,000	100.00%
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	-	0.00%	-	-	0.00%	19,200	19,200	100.00%
Coalition Dues, Sponsorship & Reports	10,120	0.43%	11,870	1,750	14.74%	25,000	14,880	59.52%
Grant Writing	-	0.00%	-	-	0.00%	2,500	2,500	100.00%
Travel	350	0.01%	9,000	8,650	96.11%	40,000	39,650	99.13%
Office Expense	84	0.00%	2,850	2,766	97.06%	16,500	16,416	99.49%
Committee Meeting Expense	-	0.00%	-	-	0.00%	5,000	5,000	100.00%
Demonstration Grove								
Pine Tree - Rent	5,835	0.25%	5,835	-	0.00%	23,600	17,765	75.28%
Pine Tree - Grove Management	4,404	0.19%	6,200	1,796	28.97%	40,000	35,596	88.99%
Pine Tree - Utilities	(204)	-0.01%	1,350	1,554	115.08%	5,400	5,604	103.77%
Pine Tree - Property Tax & Insurance	(383)	-0.02%	630	1,013	160.80%	2,500	2,883	115.32%
Pine Tree - Misc Expenses	255	0.01%	525	270	51.44%	15,000	14,745	98.30%
Pine Tree - Crop Harvesting	-	0.00%	-	-	0.00%	5,400	5,400	100.00%
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	**9,907**	**0.42%**	**14,540**	**4,633**	**31.86%**	**93,900**	**83,993**	**89.45%**
Subtotal Industry Affairs	**171,550**	**7.32%**	**238,805**	**67,255**	**28.16%**	**1,280,300**	**1,108,750**	**86.60%**
Production Research								
Phenology of Avocado Infection by Botry	16,925	0.72%	16,925	-	0.00%	67,697	50,772	75.00%
Proactive Mgmt of Avocado Seed and St	-	0.00%	-	-	0.00%	50,000	50,000	100.00%
Commercial-Scale Field Testing of Advar	31,250	1.33%	31,250	-	0.00%	125,000	93,750	75.00%
Opening Roads for Micropropagation of A	-	0.00%	-	-	0.00%	47,786	47,786	100.00%
Safety and Efficacy of Herbicides in Bear	-	0.00%	-	-	0.00%	46,836	46,836	100.00%
Gem Avocado Scarring Study	-	0.00%	-	-	0.00%	18,600	18,600	100.00%
Subtotal Production Research	**48,175**	**2.05%**	**48,175**	**-**	**0.00%**	**355,919**	**307,744**	**86.46%**
Grants								
Subtotal Grants	**-**	**0.00%**	**-**	**-**	**0.00%**	**-**	**-**	**0.00%**

California Avocado Commission
Statement of Revenues, Expenses & Changes in Net Position (Surplus/Deficit) - Actual vs. Budget
For the three months ending January 31, 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	33,933	1.45%	34,017	84	0.25%	138,701	104,768	75.54%
Rent-Offsite Storage	1,755	0.07%	1,770	15	0.85%	7,080	5,325	75.21%
Corporate Insurance	59,208	2.52%	89,000	29,792	33.47%	89,000	29,792	33.47%
Office Expense, Supplies & Janitorial	2,521	0.11%	5,765	3,244	56.27%	38,835	36,314	93.51%
Utilities	1,310	0.06%	3,135	1,825	58.21%	16,540	15,230	92.08%
Bank Fees	1,817	0.08%	3,690	1,873	50.75%	15,860	14,043	88.54%
Equip Maint. & Exp. and Capital Lease Ir	4,658	0.20%	6,525	1,867	28.61%	28,200	23,542	83.48%
Telephone & Postage	4,157	0.18%	7,670	3,513	45.80%	30,470	26,313	86.36%
CPA-Financial Audits	-	0.00%	-	-	0.00%	30,975	30,975	100.00%
CPA-Assessment Audits	-	0.00%	-	-	0.00%	20,738	20,738	100.00%
CDFA-Fiscal and Compliance Audit	-	0.00%	-	-	0.00%	16,605	16,605	100.00%
California Dept. of Food & Agriculture	19,500	0.83%	19,550	50	0.26%	76,200	56,700	74.41%
U.S. Dept. of Agriculture (AMS)	19,178	0.82%	19,200	22	0.11%	75,600	56,422	74.63%
Legal & Other Professional	93	0.00%	100	7	7.00%	5,000	4,907	98.14%
Salaries/Wages	429,919	18.33%	450,000	20,081	4.46%	1,950,000	1,520,081	77.95%
Pension, Payroll Tax & Benefits	194,349	8.29%	207,920	13,571	6.53%	678,385	484,036	71.35%
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	255	0.01%	8,000	7,745	96.82%	30,500	30,245	99.16%
Network Maint., Hardware, Software & Li	9,443	0.40%	10,669	1,226	11.49%	51,366	41,923	81.62%
IT Support & Consulting and Other Servi	6,003	0.26%	6,720	717	10.67%	31,500	25,497	80.94%
Accounting & Assessment System	1,538	0.07%	1,550	12	0.77%	7,910	6,372	80.56%
Administration Staff Travel	-	0.00%	2,250	2,250	100.00%	9,000	9,000	100.00%
Depreciation Expense	12,452	0.53%	12,870	418	3.25%	51,480	39,028	75.81%
Pension Admin & Legal	7,372	0.31%	9,950	2,578	25.91%	49,300	41,928	85.05%
Dues, Reg, Education, Recruitment & Ot	2,350	0.10%	3,000	650	21.66%	18,325	15,975	87.17%
Temporary Help	26,250	1.12%	26,250	-	0.00%	50,000	23,750	47.50%
Subtotal Administration	**838,063**	**35.74%**	**929,601**	**91,538**	**9.85%**	**3,560,570**	**2,722,507**	**76.46%**
Total Expenses	**2,345,165**	**100.00%**	**2,756,476**	**411,311**	**14.92%**	**17,437,171**	**15,092,006**	**86.55%**
Surplus (Deficit)	**(1,949,321)**	**100.00%**	**(2,338,642)**	**389,321**	**-16.65%**	**(3,713,860)**	**1,764,539**	**47.51%**

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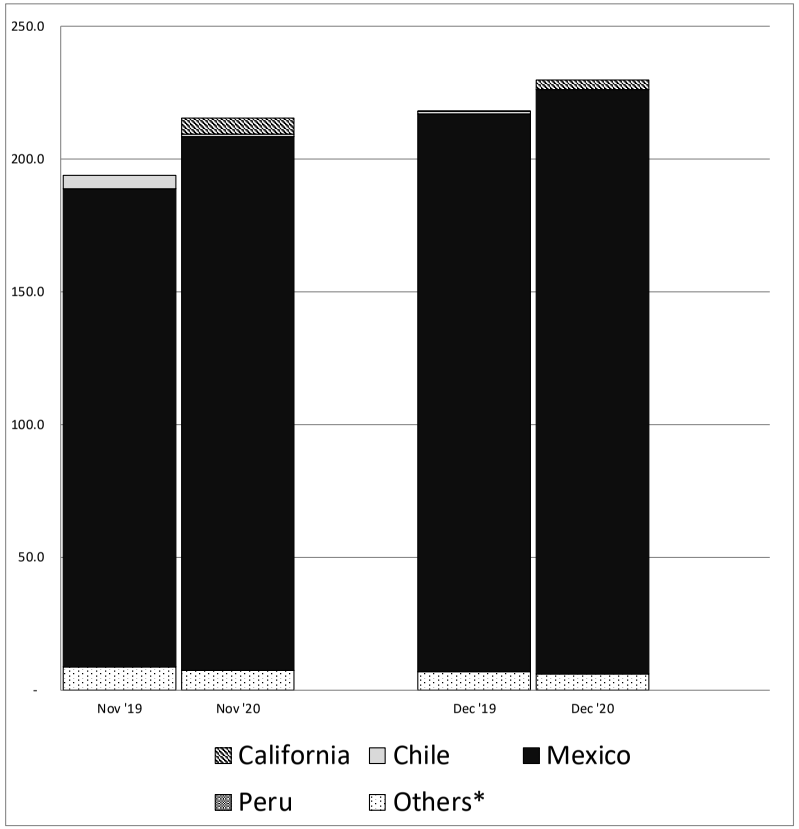
CALIFORNIA AVOCADO COMMISSION
POUNDS & DOLLARS BY VARIETY

November 2020 Through December 2020

Month	Hass Pounds	Lamb Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Others Dollars	Total Dollars	Avg $/Lb
Nov 2020	5,975,635	1,287	23,785	6,000,707	4,619,333	3,541	20,793	4,643,667	0.774
Dec 2020	3,476,184	51	94,354	3,570,589	2,538,612	203	54,262	2,593,077	0.726
1st QTR	**9,451,819**	**1,338**	**118,139**	**9,571,296**	**7,157,945**	**3,744**	**75,055**	**7,236,744**	**0.756**
1st Half	**9,451,819**	**1,338**	**118,139**	**9,571,296**	**7,157,945**	**3,744**	**75,055**	**7,236,744**	**0.756**
Total	**9,451,819**	**1,338**	**118,139**	**9,571,296**	**7,157,945**	**3,744**	**75,055**	**7,236,744**	**0.756**
Grand Total								**7,236,744**	**0.756**
Y-T-D (%)	98.75%	.01%	1.23%	100.00%	98.91%	.05%	1.04%	100.00%	
Y-T-D AVG $/LB					0.757	2.798	0.635	0.756	

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	YTD Total 2019-20	YTD Total 2020-21	Total 2019-20
California	-	6.0	0.1	3.6	0.1	9.6	375.4
Chile	5.0	1.0	1.0	-	6.0	1.0	9.0
Mexico	180.0	201.0	210.0	220.0	390.0	421.0	2,110.0
Peru	-	-	-	-	-	-	163.0
Others*	8.8	7.4	6.9	6.1	15.7	13.5	87.4
TOTAL	**193.8**	**215.4**	**218.0**	**229.7**	**411.8**	**445.1**	**2,744.8**

* Others = Florida and Dominican Republic

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

2/23/2021
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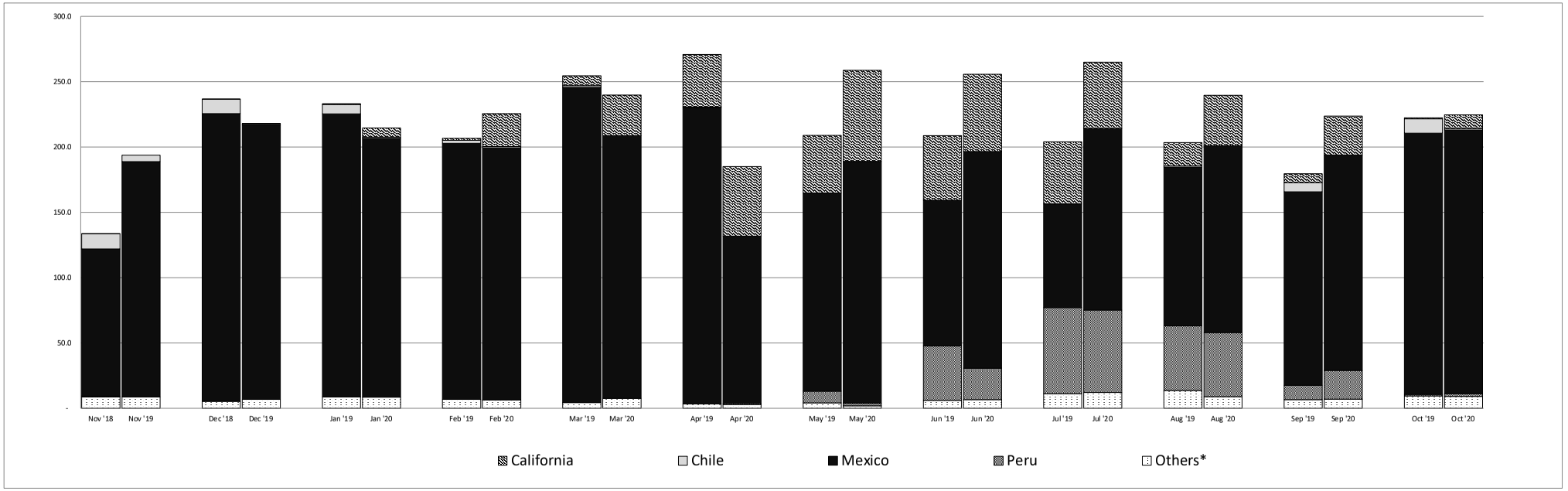
CALIFORNIA AVOCADO COMMISSION
POUNDS & DOLLARS BY VARIETY

November 2019 Through October 2020

Month	Hass Pounds	Lamb Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Others Dollars	Total Dollars	Avg $/Lb
Nov 2019	8,370	480	29,751	38,601	5,740	1,528	20,969	28,237	0.732
Dec 2019	14,828	374	56,726	71,928	16,705	1,479	40,592	58,776	0.817
Jan 2020	6,661,785	334	489,759	7,151,878	7,451,679	1,299	155,502	7,608,480	1.064
1st QTR	**6,684,983**	**1,188**	**576,236**	**7,262,407**	**7,474,124**	**4,306**	**217,063**	**7,695,493**	**1.060**
Feb 2020	25,114,486	0	202,979	25,317,465	32,435,410	0	83,912	32,519,322	1.284
Mar 2020	31,063,549	105	37,430	31,101,084	40,457,136	137	46,493	40,503,766	1.302
Apr 2020	52,922,803	970	279,812	53,203,585	63,797,720	825	303,726	64,102,271	1.205
2nd QTR	**109,100,838**	**1,075**	**520,221**	**109,622,134**	**136,690,266**	**962**	**434,131**	**137,125,359**	**1.251**
1st Half	**115,785,821**	**2,263**	**1,096,457**	**116,884,541**	**144,164,390**	**5,268**	**651,194**	**144,820,852**	**1.239**
May 2020	69,024,359	0	720,807	69,745,166	73,921,081	0	678,161	74,599,242	1.070
Jun 2020	57,387,340	987,890	602,975	58,978,205	62,440,633	987,295	394,905	63,822,833	1.082
Jul 2020	46,265,600	4,482,174	76,256	50,824,030	48,338,591	4,025,371	47,286	52,411,248	1.031
3rd QTR	**172,677,299**	**5,470,064**	**1,400,038**	**179,547,401**	**184,700,305**	**5,012,666**	**1,120,352**	**190,833,323**	**1.063**
Aug 2020	34,911,279	3,796,330	24,990	38,732,599	36,396,597	3,710,597	27,122	40,134,316	1.036
Sep 2020	27,905,411	1,767,761	145,140	29,818,312	25,400,491	1,685,432	148,383	27,234,306	0.913
Oct 2020	10,437,436	56,265	30,573	10,524,274	8,379,691	43,404	44,686	8,467,781	0.805
4th QTR	**73,254,126**	**5,620,356**	**200,703**	**79,075,185**	**70,176,779**	**5,439,433**	**220,191**	**75,836,403**	**0.959**
2nd Half	**245,931,425**	**11,090,420**	**1,600,741**	**258,622,586**	**254,877,084**	**10,452,099**	**1,340,543**	**266,669,726**	**1.031**
Total	**361,717,246**	**11,092,683**	**2,697,198**	**375,507,127**	**399,041,474**	**10,457,367**	**1,991,737**	**411,490,578**	**1.096**
Grand Total								**411,490,578**	**1.096**
Y-T-D (%)	96.33%	2.95%	.72%	100.00%	96.97%	2.54%	.48%	100.00%	
Y-T-D AVG $/LB					1.103	0.943	0.738	1.096	

2019-20 FISCAL YEAR
WITH PRIOR YEAR COMPARISON
U. S. AGGREGATE AVOCADO VOLUME BY MONTH
All Varieties (million lbs.)



	Actual Nov '18	Actual Nov '19	Actual Dec '18	Actual Dec '19	Actual Jan '19	Actual Jan '20	Actual Feb '19	Actual Feb '20	Actual Mar '19	Actual Mar '20	Actual Apr '19	Actual Apr '20	Actual May '19	Actual May '20	Actual Jun '19	Actual Jun '20	Actual Jul '19	Actual Jul '20	Actual Aug '19	Actual Aug '20	Actual Sep '19	Actual Sep '20	Actual Oct '19	Actual Oct '20	YTD Total 2018-19	YTD Total 2019-20	Total 2018-19
California	0.1	-	0.2	0.1	0.5	7.1	1.5	25.3	7.5	31.1	40.2	53.2	44.0	69.8	49.4	59.0	47.6	50.8	17.8	38.7	6.9	29.8	0.8	10.5	216.5	375.4	216.5
Chile	11.6	5.0	10.8	1.0	7.2	1.0	2.4	1.0	1.5	-	0.3	-	-	-	-	-	-	-	1.0	-	7.0	-	11.0	1.0	52.8	9.0	52.8
Mexico	112.7	180.0	220.4	210.0	216.7	198.0	195.9	193.0	241.1	201.0	227.0	128.0	151.8	185.0	111.6	166.0	79.3	139.0	121.5	143.0	148.0	165.0	200.0	202.0	2,026.0	2,110.0	2,026.0
Peru	0.5	-	-	-	-	-	-	-	-	-	-	1.0	8.9	2.0	41.6	24.0	66.0	63.0	49.5	49.0	11.0	22.0	1.0	2.0	178.5	163.0	178.5
Others*	8.8	8.8	5.3	6.9	8.8	8.6	6.9	6.4	4.5	7.7	3.4	2.9	4.2	2.0	6.2	6.7	11.2	12.2	13.7	9.0	6.7	7.0	9.6	9.2	89.3	87.4	89.3
TOTAL	**133.7**	**193.8**	**236.7**	**218.0**	**233.2**	**214.7**	**206.7**	**225.7**	**254.6**	**239.8**	**270.9**	**185.1**	**208.9**	**258.8**	**208.8**	**255.7**	**204.1**	**265.0**	**203.5**	**239.7**	**179.6**	**223.8**	**222.4**	**224.7**	**2,563.1**	**2,744.8**	**2,563.1**

* 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: 2020 CALIFORNIA ACREAGE REPORT

SUMMARY:

The Commission partners with Land IQ to conduct annual acreage surveys that are used by CAC for yield forecasting and to make informed budgeting and marketing decisions. Data from the acreage survey is compiled in a database for use by the Commission. In addition, Land IQ has released the attached 2020 Statewide Avocado Acreage and Condition report. Highlights from the report include:

- Planted avocado acreage in the state totaled 54,017
- The planted avocado acreage for avocado growing counties is as follows:
  - Riverside – 5,046
  - Santa Barbara – 6,741
  - San Diego – 16,488
  - San Luis Obispo – 4,043
  - Ventura – 19,754
  - Minor Counties* – 1,945

  **(Fresno, Kern, Los Angeles, Monterey, Orange, San Bernardino, Tulare)*

- As concerns the growing regions, their acreage is divided as follows:

2020 Avocado Acreage Classification Summary				
County	**Producing Acres**	**New/Young Acres**	**Topped/Stumped Acres**	**Planted Acres**
San Diego	14,421	783	1,284	16,488
Riverside	4,335	446	264	5,046
Ventura	17,056	1,825	874	19,754
Santa Barbara	5,828	629	284	6,741
San Luis Obispo	3,894	82	67	4,043
Five County Total	**45,534**	**3,766**	**2,772**	**52,072**
Minor Counties				
Orange	*990*	*91*	*11*	*1,092*
San Bernardino	*467*	*22*	*3*	*492*
Monterey	*222*	*0*	*7*	*230*
Tulare	*104*	*2*	*1*	*106*
Los Angeles	*14*	*3*	*0*	*17*
Fresno	*1*	*3*	*0*	*4*
Kern	*3*	*0*	*0*	*3*
Minor Counties Total	**1,800**	**121**	**23**	**1,945**
GRAND TOTAL	**47,334**	**3,887**	**2,795**	**54,017**

New for the 2020 Statewide Avocado Acreage and Condition survey was the addition of an age analysis, as well as review of planted acreage density.

- The age of planted acreage breaks down as follows:
    - Planting to 4 years – 4,417 acres (8%)
    - 5 – 8 years – 9,289 acres (17%)
    - 9 – 15 years – 7,717 acres (14%)
    - 16 – 20 years – 8,989 acres (17%)
    - 21 years + – 23,604 acres (44%)
- Density was classified according to high density (15x15 or closer and 20x10) or standard density (15x20 or greater) with the percentage of high density acreage planted as follows:

County	Producing Acres	New/Young Acres	Topped/Stumped Acres
San Diego	15%	43%	14%
Riverside	28%	31%	19%
Ventura	18%	39%	14%
Santa Barbara	14%	65%	23%
San Luis Obispo	11%	32%	5%
Other	5%	59%	17%

The report also has tables detailing acreage by zip code, new acres by county and planting year, a breakdown of avocado acreage by planting density (high density versus standard), the net change in producing/young/stumped acreage by county, and various maps noting the acreages of avocados planted.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Information Item

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- 2020 Statewide Avocado Acreage and Condition Analysis

2020 STATEWIDE AVOCADO
ACREAGE & CONDITION ANALYSIS

Prepared for
California Avocado Commission

Prepared by

LAND IQ

2020 L Street, Suite 210
Sacramento, CA 95811
Contact: Joel Kimmelshue
916.265.6330

October 2020

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EXECUTIVE SUMMARY

Spatial land use information is essential for the California Avocado Commission to make informed decisions for budgeting and marketing of crops. Accurate and timely land use information is the foundation of these analyses and is vital to the decision-making process.

Increased availability of digital satellite imagery, aerial photography and new analytical tools make remote sensing land use surveys possible at the grove scale. These technologies allow accurate, large-scale crop and land use identification to be performed at time increments as desired and make highly accurate and comprehensive statewide avocado mapping possible.

Growers, industry, regulators, government agencies, and commodity groups also benefit from applying spatial data for crop type, location, condition, and density. These data are key components for management of environmental resources and proximity to sensitive areas including water quality, air quality, and disease or pest vectors.

For 2020, the total planted avocado acreage in California was 54,017 acres.

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INTRODUCTION

Accurate acreage information is critically important to the work of the California Avocado Commission (CAC). Acreage drives a multitude of activities that range from yield forecasting, to member data tracking, and budgeting. In response to this need for information, Land IQ was contracted by CAC to develop a comprehensive and accurate statewide spatial land use database of avocado groves and condition on a grove scale using remote sensing, statistical, and temporal analysis methods.

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FORECASTING METHODS

Land IQ integrated crop production knowledge with multiple satellite and aerial image resources to conduct remote sensing land use analysis at the grove scale. The mapping approach employs advanced spatial statistical analysis to determine prediction probabilities and inform QA/QC efforts. A rigorous QA/QC and photo interpretive analysis refinement process is employed to improve predictions on all lower probability groves. In addition, these groves are also back-checked with the CAC industry representatives as well.

Individual avocado polygon boundaries (areas of homogeneous crop types representing true cropped area, rather than legal parcel boundaries) are used so that each independent avocado polygon could be analyzed independently and assigned a condition class. The results represent the true cropped area and not legal or other less detailed boundaries that may be available elsewhere.

The condition legend was developed by CAC and is summarized in Table 1.

Table 1. Avocado Condition Description

Condition	Description
Producing	Groves that are greater than 4 years old.
Topped/Stumped	Groves that have been topped and/or stumped and not producing.
New/Young	Groves that are 4 years old or younger.
Abandoned	Groves previously identified as avocados that do not return to healthy spectral readings.

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Data Collection

Both aerial and satellite data resources were used for the classification. Avocado boundaries from 2019 avocado mapping were used as a base layer for 2020. Multiple Landsat 8 images were used for the initial crop classification. Imagery from the Landsat 8 satellite is free and available every 16 days and provided for temporal analysis throughout the growing season. Following analysis with Landsat 8 images, various sources of localized high resolution imagery were used to further evaluate groves for condition, age, density, and boundary updates. Data provided by Planet Labs and TerraServer is higher resolution but requires a paid subscription.

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Analysis

The Land IQ avocado mapping unit is a grove-scale layer focused on avocado polygons equal to or greater than 0.5 acres across the state. 15,721 delineated polygons were classified using multiple image sources and dates. The images are used as the base layer data, in which classification algorithms are applied for crop identification.

Classified groves with a lower confidence level are carefully reviewed by assessing image resources using photo interpretation methods. Results are also cross-validated with ancillary data sources such as the coinciding USDA Crop Data Layer, county agricultural surveys and county crop reports, to assess and evaluate significant differences.

The geospatial database is attributed with avocado polygon size in acres, relevant county, and the appropriate condition category per the CAC legend (Table 1). Table 2 summarizes the database attributes (columns) associated with the final mapping product and their definitions.

Table 2. Definition of Database Fields

Avocado Polygon Attribute	Description
Acres	Area of the avocado polygon
County	Indicates the county that the centroid of each avocado polygon resides in
Crop 2020	Crop classification type for the year 2020
Modified By	Name of person who last modified the record
Date Data Refers To	Date the data refers to
Last Modified Date	Date record was last modified
Condition	Describes condition of the avocado polygon
Year Planted	Year the grove was planted or stumped
Density	Describes the planting density of the grove
Comments	Any user-provided comments
Source	Original source of the boundary and attribute information

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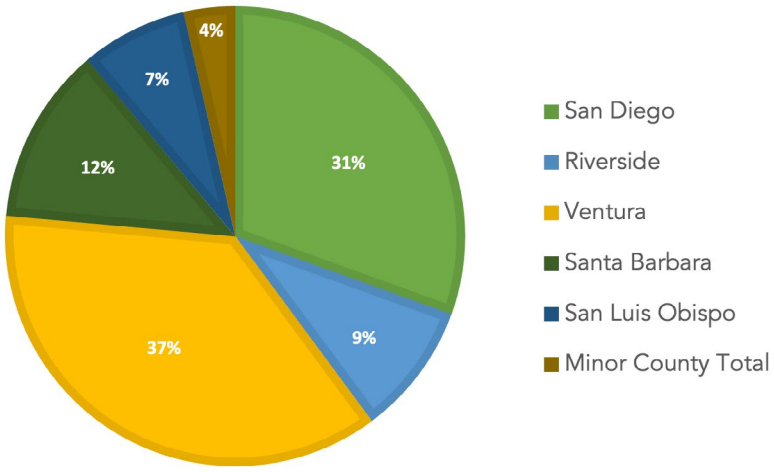
The avocado acreage classification for the 2020 year totaled 15,721 avocado polygons and 54,017 planted acres. The five main avocado growing counties are Ventura, San Diego, Santa Barbara, Riverside, and San Luis Obispo. Small acreages were also present in Orange, San Bernardino, Monterey, Tulare, Los Angeles, Fresno, and Kern Counties. Statewide avocado acreages by county are summarized in Table 3 and Figure 1.

Table 3. Summary of 2020 Statewide Avocado Acreage by County

Five County	Classified Acres	Number of Polygons	Minor County	Classified Acres	Number of Polygons
San Diego	16,488	5,410	Orange	1,092	327
Riverside	5,046	2,006	San Bernardino	492	105
Ventura	19,754	5,599	Monterey	230	37
Santa Barbara	6,741	1,420	Tulare	106	28
San Luis Obispo	4,043	773	Los Angeles	17	11
			Fresno	4	3
			Kern	3	2
Five County Total	**52,072**	**15,208**	**Minor County Total**	**1,945**	**513**
Overall Total: 54,017 Classified Acres / 15,721 Polygons					

Figure 1. Summary of 2020 Statewide Avocado Acreage by County



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Acreage by county and condition for the five main growing areas are summarized in Table 4 and Figures 2 and 3.

Table 4. Summary of 2020 Statewide Avocado Acreage by Condition

County	Producing Acres	Topped/Stumped Acres	New/Young Acres	Planted Acres
San Diego	14,421	1,284	783	16,488
Riverside	4,335	264	446	5,046
Ventura	17,056	874	1,825	19,754
Santa Barbara	5,828	284	629	6,741
San Luis Obispo	3,894	67	82	4,043
Five County Total	**45,534**	**2,772**	**3,766**	**52,072**
Minor Counties	1,800	23	121	1,945
Total	**47,334**	**2,795**	**3,887**	**54,017**

Figure 2. 2020 Avocado Acreage by Condition and County

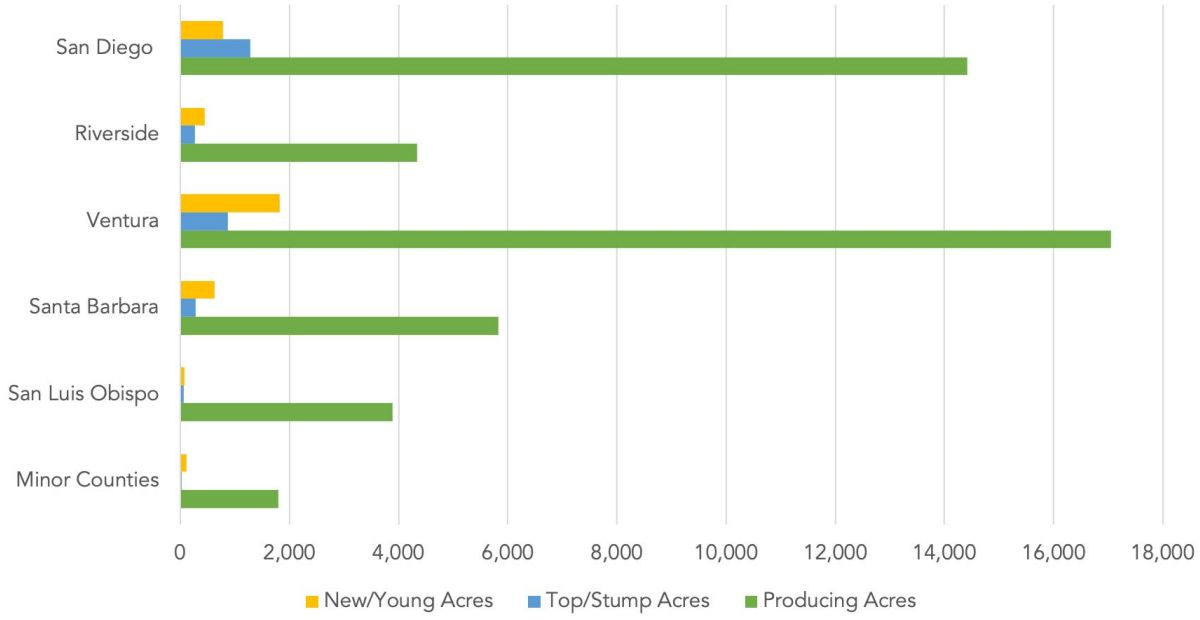

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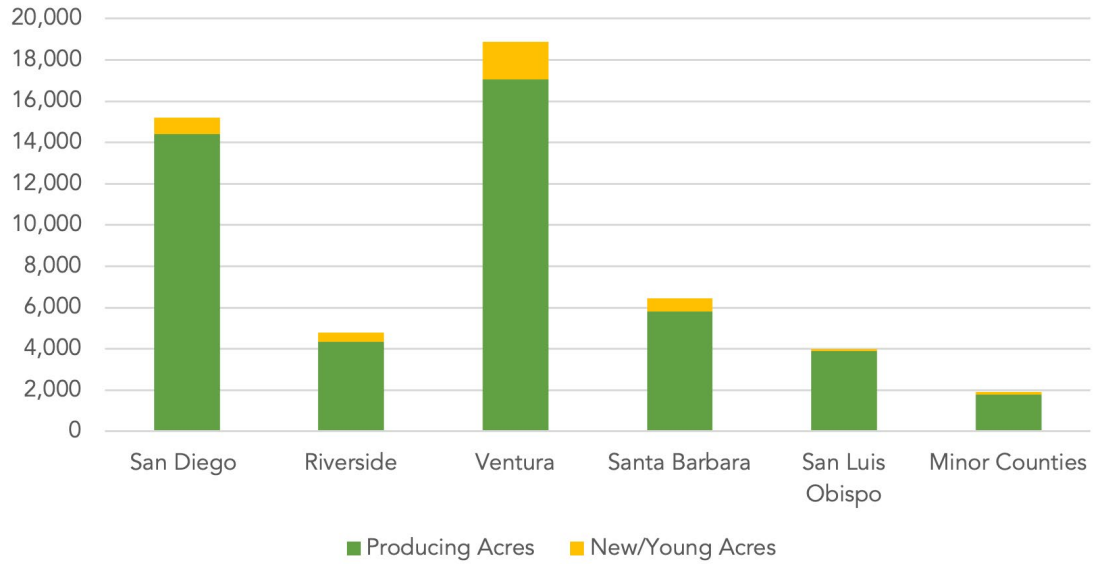
Figure 3. 2020 Avocado Acreage of Producing and New/Young Acreage by County



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In addition to acreage and condition summaries, a spatial analysis was completed to determine acreage by other jurisdictional boundaries including zip code. Acreage by zip code is summarized in Table 5.

Table 5. Summary of 2020 Statewide Avocado Acreage by Zip Code

San Diego	
Zip Code	Producing Acres
91935	4
92003	700
92019	3
92021	244
92025	397
92026	1,048
92027	1,156
92028	3,919
92029	38
92040	5
92055	1
92057	261
92059	147
92061	1,304
92064	244
92065	280
92069	187
92078	75
92082	3,832
92084	577

Riverside	
Zip Code	Producing Acres
92028	38
92503	16
92504	43
92506	3
92507	18
92521	4
92544	7
92557	12
92562	186
92570	5
92590	3,923
92592	20
92595	29
92881	6
92882	23
92883	2

Ventura	
Zip Code	Producing Acres
90265	0
91320	2
91360	24
91361	6
93001	1,108
93003	261
93004	108
93010	121
93012	1,212
93013	29
93015	2,780
93021	2,212
93022	5
93023	729
93033	221
93036	102
93040	471
93060	4,109
93063	2
93065	115
93066	3,438

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Santa Barbara

Zip Code	Producing Acres
93013	1860
93103	37
93105	213
93108	120
93109	9
93110	14
93111	481
93117	2843
93436	46
93454	29
93455	175

Los Angeles

Zip Code	Producing Acres
90265	1
90631	4
91301	8
91711	1

San Bernardino

Zip Code	Producing Acres
91709	17
92313	12
92346	1
92359	114
92373	38
92374	182
92880	102

San Luis Obispo

Zip Code	Producing Acres
93401	246
93402	15
93405	126
93420	490
93422	2
93428	203
93430	339
93442	619
93444	537
93446	2
93452	16
93454	1,248
93465	51

Monterey

Zip Code	Producing Acres
93960	214
95076	8

Tulare

Zip Code	Producing Acres
93221	4
93244	3
93247	3
93257	20
93286	16
93292	42
93647	15

Fresno

Zip Code	Producing Acres
93662	1

Orange

Zip Code	Producing Acres
92602	731
92610	58
92618	53
92620	35
92675	99
92705	4
92782	8
92831	2
92887	1

Kern

Zip Code	Producing Acres
93308	3

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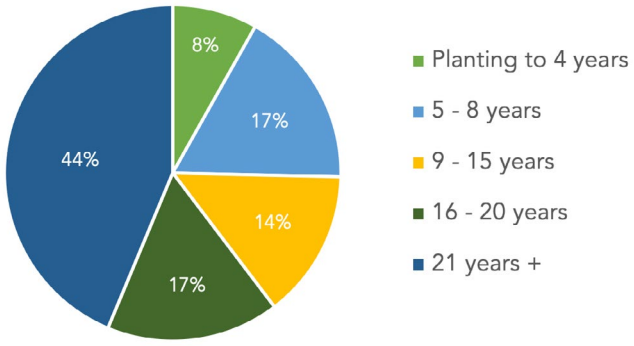
In 2020, a separate algorithm was applied to the mapping to determine the year the grove was either planted or stumped.

Table 6. 2020 Planted Avocado Acreage by Year Planted or Stumped

Year Planted	Planted Acres	Year Planted	Planted Acres	Year Planted	Planted Acres	Year Planted	Planted Acres
1984	19,400	1993	214	2002	2,743	2011	1,094
1985	4	1994	550	2003	1,472	2012	870
1986	54	1995	84	2004	2,317	2013	2,531
1987	212	1996	194	2005	1,351	2014	1,704
1988	14	1997	205	2006	847	2015	1,584
1989	162	1998	204	2007	1,767	2016	3,471
1990	569	1999	989	2008	1,166	2017	1,132
1991	212	2000	355	2009	1,105	2018	1,673
1992	184	2001	1,108	2010	869	2019	1,046
						2020	566

Age	Acreage	Percentage of Planted Acres
Planting to 4 years	4,417	8%
5 - 8 years	9,289	17%
9 - 15 years	7,717	14%
16 - 20 years	8,989	17%
21 years +	23,604	44%

Figure 4. Age as a Percentage of Planted Acres



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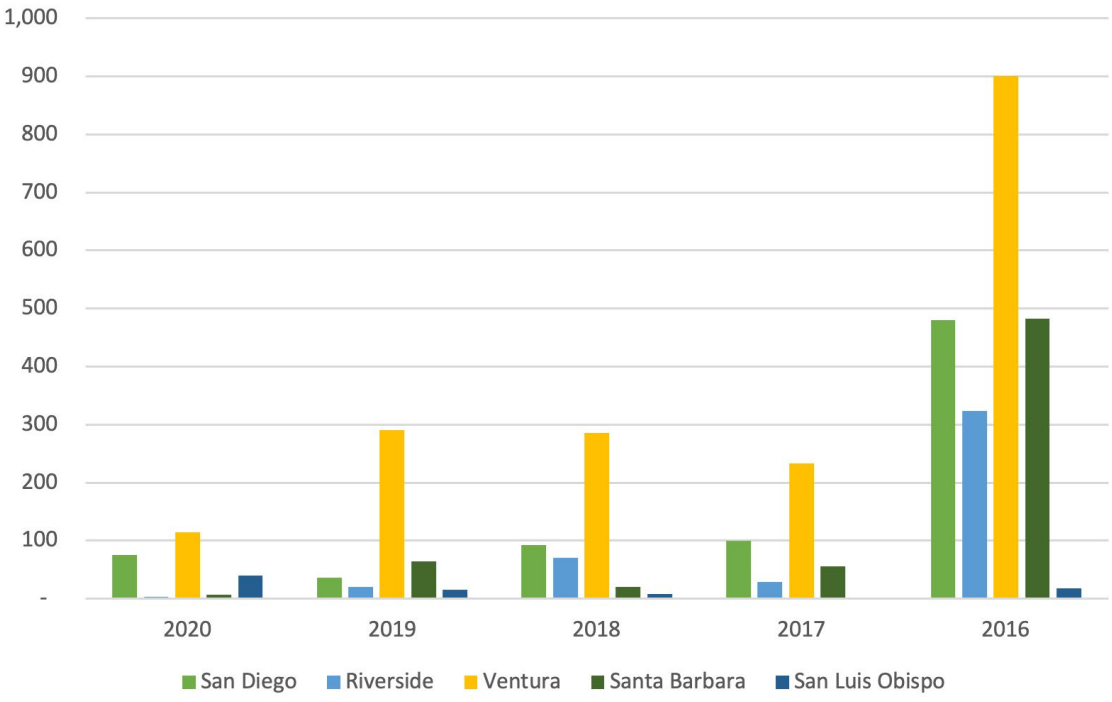
The following tables and figures show the amount of new plantings that have occurred over the last five years. The spatial analysis can only be performed once new groves have reached a certain canopy size. Thus, the acres reported for 2019 and 2020 are only those that have been visually confirmed through ground truthing efforts.

Table 7. New Acres by County and Planting Year

County	2020	2019	2018	2017	2016
San Diego	75	36	93	100	480
Riverside	3	20	71	29	323
Ventura	115	291	285	233	901
Santa Barbara	7	64	20	56	482
San Luis Obispo	40	15	8	1	18
Total	**240**	**426**	**477**	**419**	**2,204**

Figure 5. Young Avocado by Planting Year



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In addition to age, a density analysis was conducted. Groves were classified according to the following standards:

High Density: 15x15 or closer and 20x10
Standard Density: 15x20 or greater

Table 8. 2020 Avocado Acreage by Planting Density

County	Condition	High Density	Standard
San Diego	Producing	2,222	12,198
	Stumped	176	1,108
	Young*	337	444
Riverside	Producing	1,234	3,102
	Stumped	49	215
	Young	140	306
Ventura	Producing	3,013	14,043
	Stumped	125	749
	Young*	697	1,079
Santa Barbara	Producing	794	5,035
	Stumped	64	219
	Young	406	223
San Luis Obispo	Producing	414	3,481
	Stumped	4	63
	Young	26	56
Orange	Producing	38	952
	Stumped	1	10
	Young	50	41
San Bernardino	Producing	36	430
	Stumped	2	1
	Young	15	7
Monterey	Producing	3	219
	Stumped		7
	Young		
Tulare	Producing	13	91
	Stumped	1	1
	Young		2
Los Angeles	Producing		14
	Stumped		
	Young	3	
Fresno	Producing		1
	Stumped		
	Young	3	
Kern	Producing		3
	Stumped		
	Young		

* A small amount of young acreage could not be analyzed for density due to being so young they did not appear on imagery. These groves were physically confirmed during groundtruthing.

The following table demonstrates the percentage of planted acres that are considered high density.

Table 9. Percentage of High Density Plantings by Condition

County	Producing	Young	Stumped
San Diego	15%	43%	14%
Riverside	28%	31%	19%
Ventura	18%	39%	14%
Santa Barbara	14%	65%	23%
San Luis Obispo	11%	32%	5%
Other	5%	59%	17%

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A series of maps are provided to demonstrate the avocado classification results. Figures 4 through 9 show the avocado acreage and condition classification example as well as maps of the five CAC districts.

Figure 6. Example of 2020 Avocado Classification Conditions

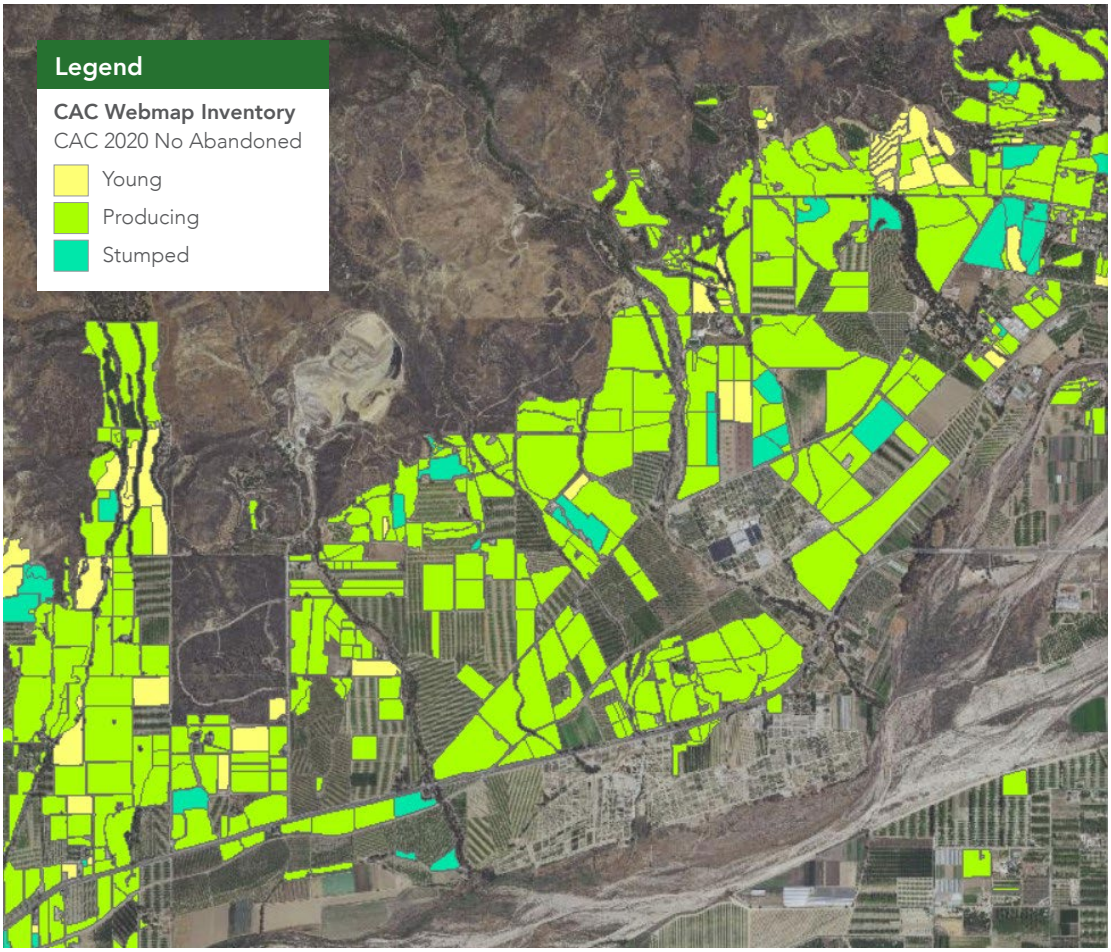

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Figure 7. 2020 Avocado Planted Polygons in CAC District 1

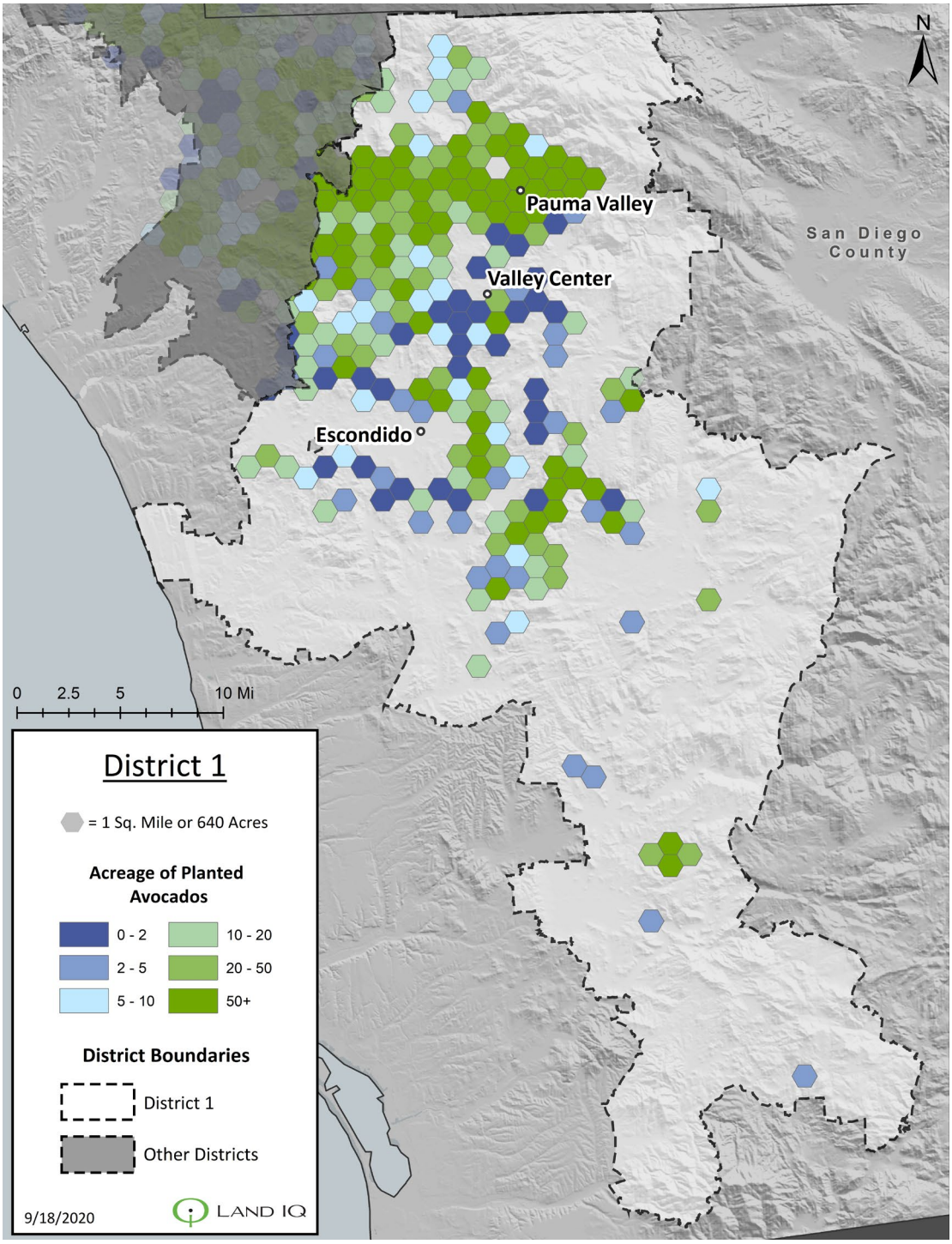

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Figure 8. 2020 Avocado Planted Polygons in CAC District 2

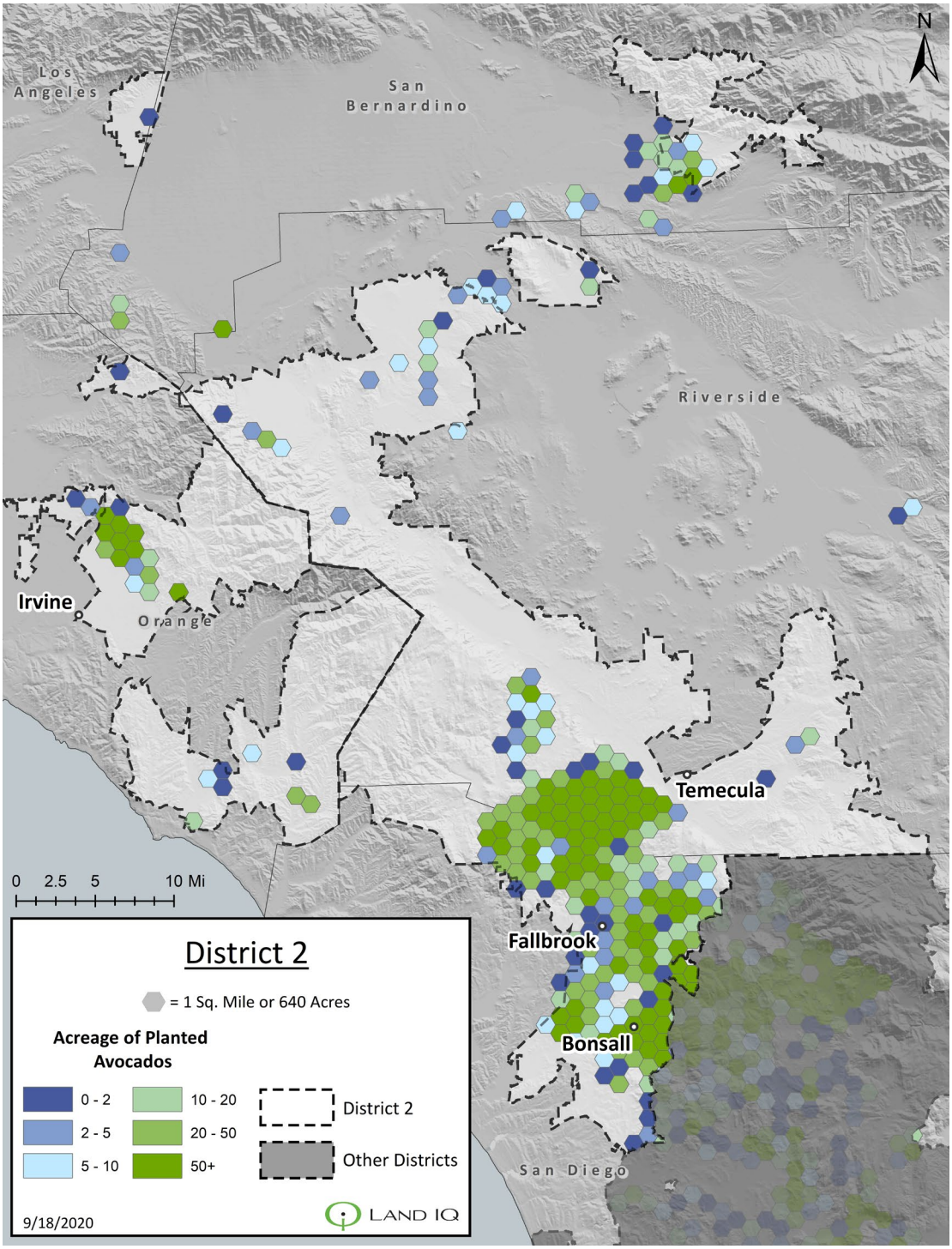

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Figure 9. 2020 Avocado Planted Polygons in CAC District 3

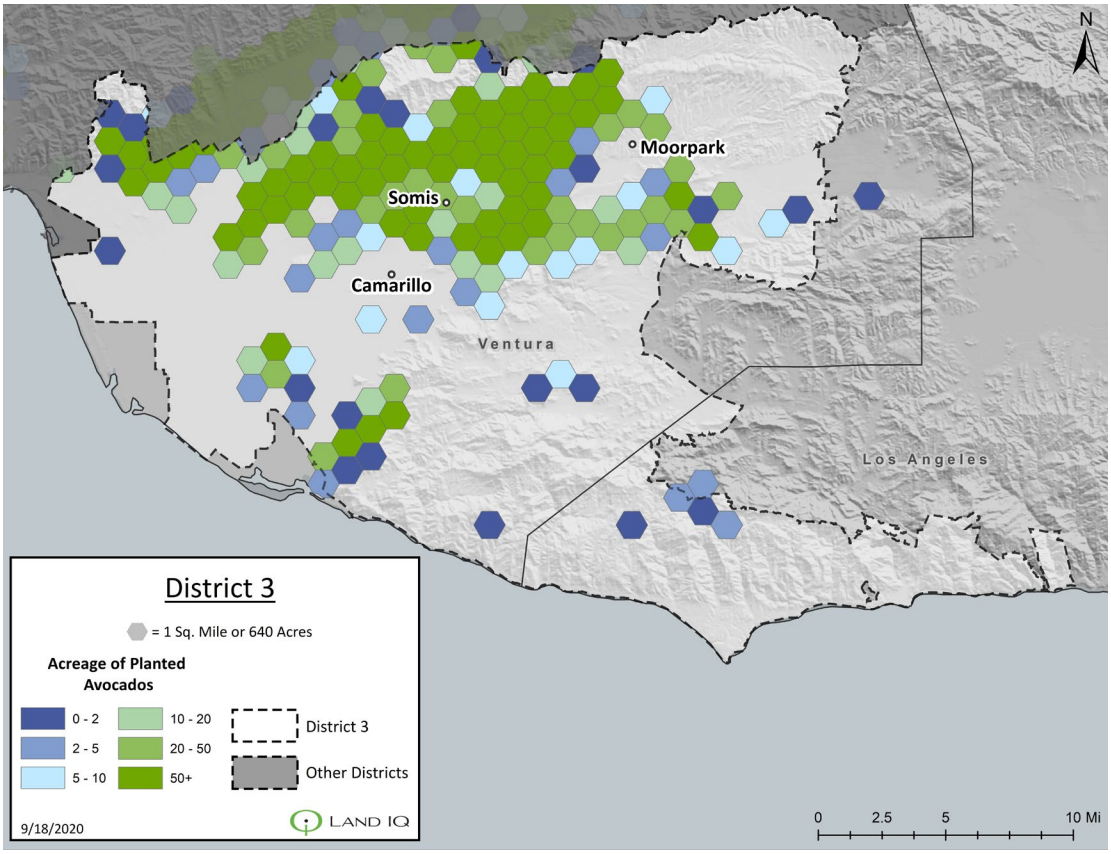

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Figure 10. 2020 Avocado Planted Polygons in CAC District 4

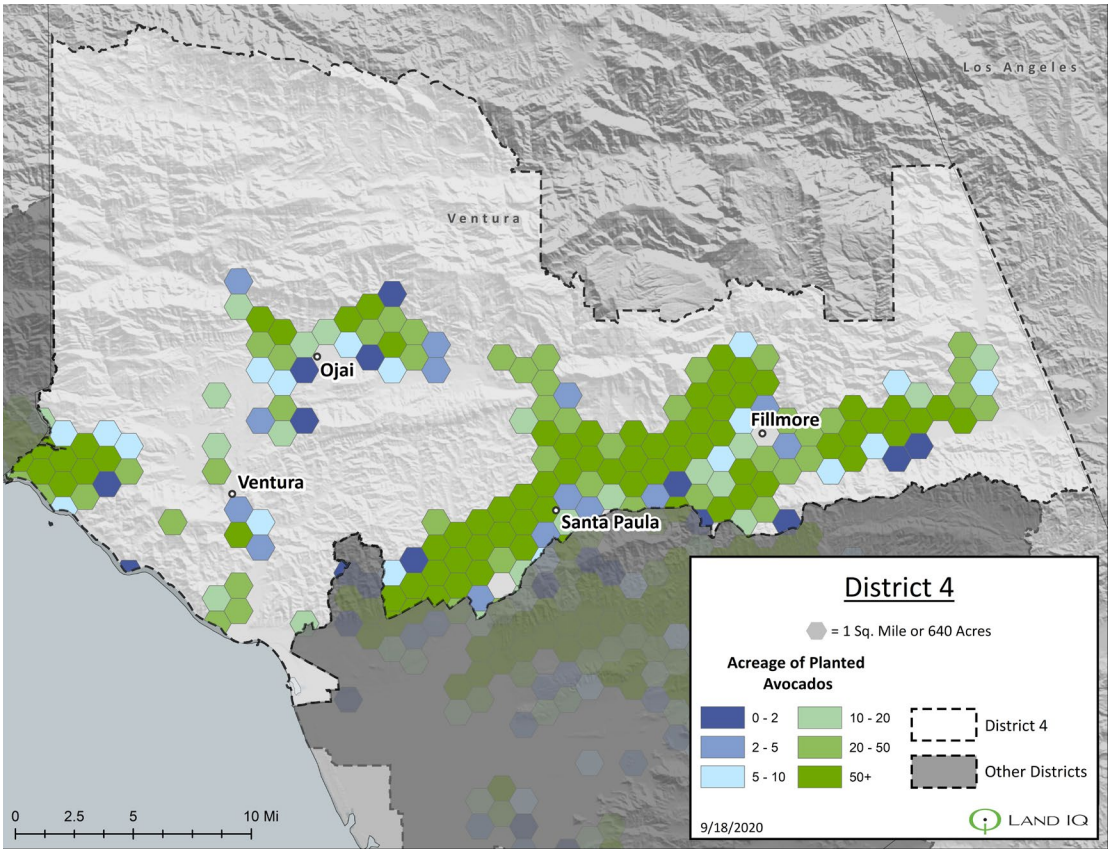

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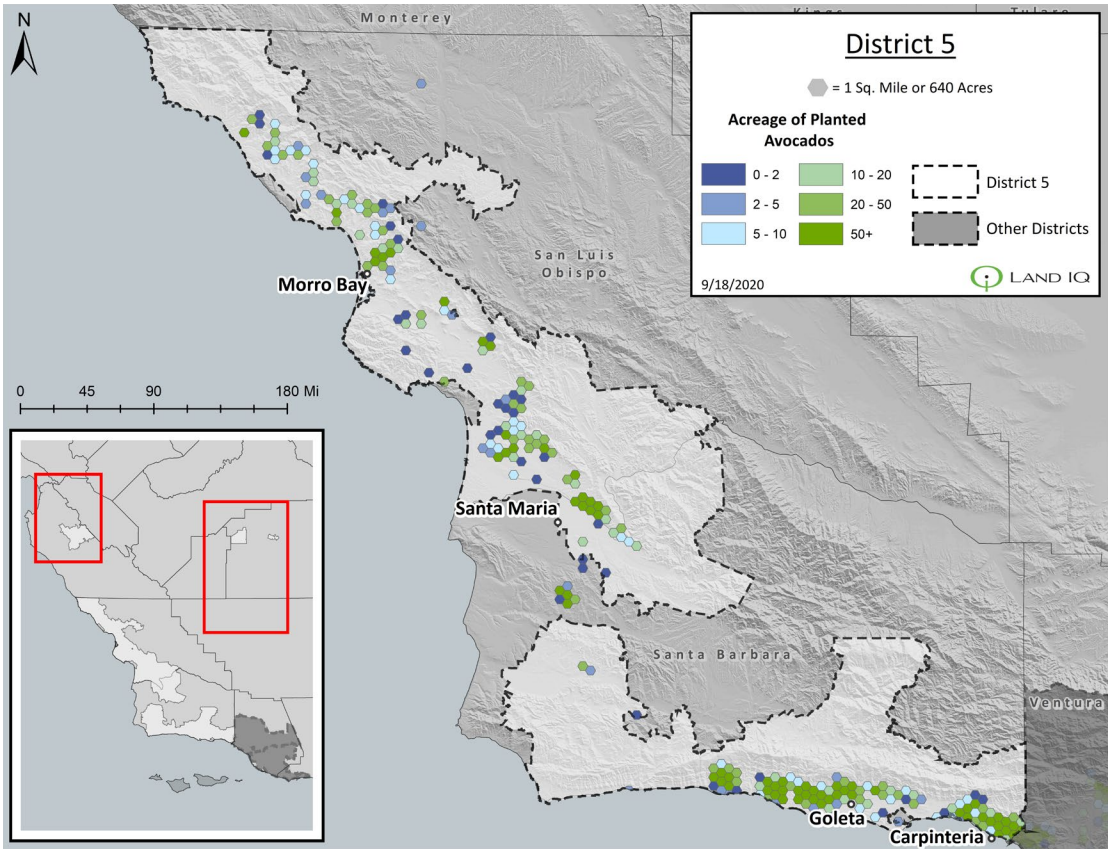
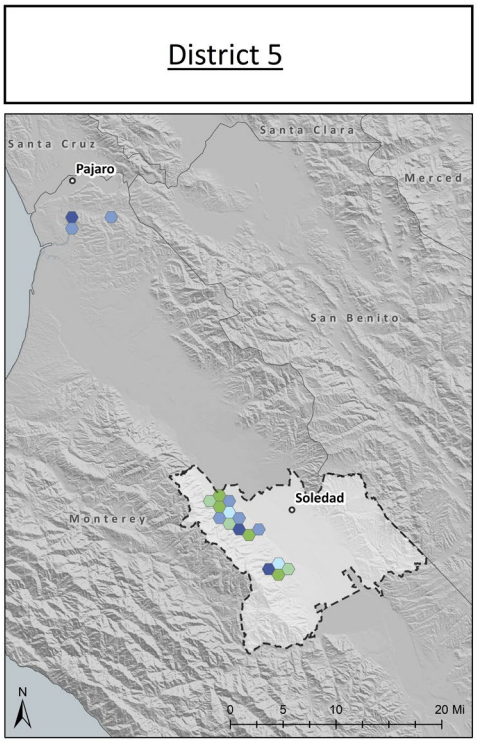
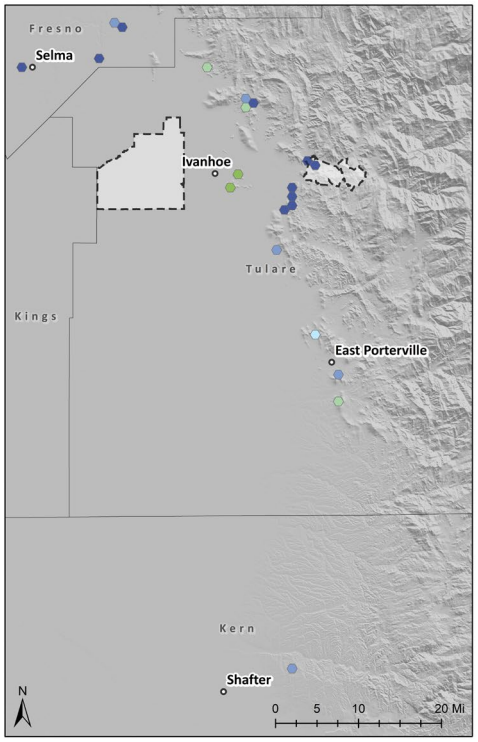
Figure 11. 2020 Avocado Planted Polygons in CAC District 5







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DATA DELIVERABLES

Data delivered to CAC as a part of the 2020 avocado mapping effort are listed and described in Table 8.

Table 10. Summary of 2020 Avocado Acreage Deliverables

File Name	Description
CAC_2020_Avocados_Districts_Zips	Spatial file of statewide avocado acreage with condition, age, density, zipcode and CAC district.
CAC_2020_Avocado_Acreage_Tables	Tabular data summarizing acreage by county, condition, age, density, zip code and CAC district.
2020_Statewide_Avocado_Mapping	Report

The net change in acreage from 2019 to 2020 is summarized in Table 9.

Table 11. Net Acreage Change from 2019 to 2020 by County

County	Producing	Young	Stumped
San Diego	164	(383)	(582)
Riverside	357	(226)	(261)
Ventura	128	(26)	(70)
Santa Barbara	399	(16)	(287)
San Luis Obispo	104	(35)	(72)
Orange	55	(13)	2
San Bernardino	27	22	(2)
Monterey	9	0	(4)
Tulare	2	0	1
Los Angeles	9	3	0
Fresno	0	3	0
Kern	3	0	0
Total	**1,257**	**(670)**	**(1,275)**

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The change in avocado classification from 2019 to 2020 is summarized in Table 10.

Table 12. Change in California Avocado Acreage Classification from 2019 to 2020

County	2019 Classification	2020 Classification		
		Producing	Top/Stump	New/Young
San Diego	Producing		216	23
	Top/Stump	684		21
	New/Young	373	32	
	Abandoned	130	71	55
	Not Classified	87	4	52
Riverside	Producing		17	11
	Top/Stump	211		35
	New/Young	263	4	
	Abandoned	9	0	6
	Not Classified	59	1	29
Ventura	Producing		191	108
	Top/Stump	200		61
	New/Young	357	1	
	Abandoned	60	21	52
	Not Classified	76	21	303
Santa Barbara	Producing		76	19
	Top/Stump	353		4
	New/Young	137	3	
	Abandoned	16	3	6
	Not Classified	97	9	116
San Luis Obispo	Producing		10	16
	Top/Stump	65		
	New/Young	61		
	Abandoned			3
	Not Classified	20	0	7

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REFERENCES

United States Department of Agriculture. 2018. Cropland Data Layer. National Agricultural Statistics Service.

Department of Water Resources. 2018. Statewide Land Use Layer. Land IQ.

California Avocado Commission. 2019. Statewide Avocado Acreage and Condition Layer. Land IQ.

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BOARD INFORMATION

ITEM 3.D: 2020-21 CROP PROJECTIONS

SUMMARY:

In December 2020 CAC staff conducted a survey of AMRIC Handlers requesting crop volume and harvest timing projections for the 2021 crop year. The results of those surveys yielded a total crop volume of 317 million pounds, all varieties, with projections of April through July for peak harvest volumes. Due to weather events occurring in December 2020 and January 2021, CAC conducted a second pre-season survey in mid-February to ascertain the impact to crop volume and harvest projections. The February 2021 survey resulted in a reduction of 25 million pounds to the Hass crop, bringing the pre-season estimate to 292 million pounds for all varieties. Despite this eight-percent reduction in crop volume, due to a later start to the season than originally anticipated, there is minimal impact expected to the peak California avocado season of April through July and even into August.

While early-season crop harvest was minimal in January and early-February, stabilizing market conditions have led to increased California harvest over the last two weeks. As of week ending 2/21/2021 calendar year-to-date harvest totaled three million pounds, with half of that volume picked during week ending 2/21/2021. It is estimated another 2-2.5 million pounds were harvested the last week of February, leaving about 287 million pounds to be harvested from March through October. The attached projections indicate peak California season has remained unchanged from the December 2020 projections, with promotable harvest expected April through August.

CAC will conduct the mid-season grower crop survey, as well as AMRIC Handler survey, in April 2021 to get an update on total crop volume and make any necessary adjustments to weekly harvest projections. The results of these surveys will be presented to industry stakeholders in early-May for additional feedback and ground truthing. CAC staff will provide an update on these activities to the CAC Board at their meeting on May 20, 2021.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Discussion item only

STAFF RECOMMENDATION:

- Not applicable

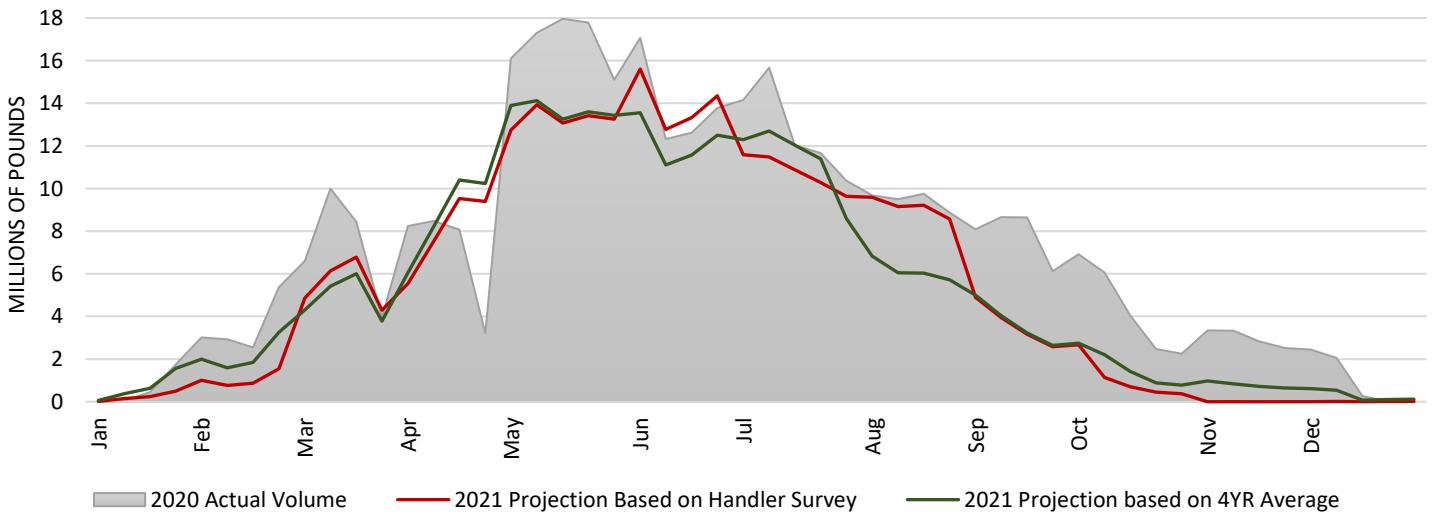
EXHIBITS / ATTACHMENTS:

- 2021 California Pre-Season Crop Estimate and Projections
- Weekly Crop Projections vs. Actuals for W/E 2/21/2021

2021 PRE-SEASON CALIFORNIA AVOCADO CROP UPDATE
FEBRUARY 2021

2021 California Crop Harvest Projection						Feb 2021 Handler Survey Hass Distribution
Month	Hass	Lamb	Gem	Other	Total	
Jan	186,100	-	-	199,600	385,700	0.1%
Feb	3,455,900	-	-	163,300	3,619,200	1.2%
Mar	22,143,800	-	-	53,500	22,197,300	7.9%
Apr	44,346,800	1,100	493,300	37,100	44,878,300	15.8%
May	53,055,200	21,500	698,100	27,700	53,802,500	18.9%
Jun	55,031,700	286,700	695,200	198,100	56,211,700	19.7%
Jul	49,402,300	4,364,100	105,500	146,100	54,018,000	17.6%
Aug	33,859,300	2,755,400	4,300	51,500	36,670,500	12.1%
Sep	15,952,200	1,343,400	3,600	69,600	17,368,800	5.7%
Oct	2,566,700	226,100	-	12,300	2,805,100	0.9%
Nov	-	1,700	-	3,900	5,600	0.0%
Dec	-	-	-	37,300	37,300	0.0%
Total	280,000,000	9,000,000	2,000,000	1,000,000	292,000,000	100%

California Avocado Commission
2021 Weekly Harvest Projection vs. Prior Year Actual Harvest
based on 292 MM pound crop size
(All California Varieties)



California Avocado Commission

2021 Harvest Distribution Projection by Week

Week Ending	Hass	Lamb	Gem	Other	Total
10-Jan	16,500	-	-	1,900	18,400
17-Jan	90,000	-	-	61,100	151,100
24-Jan	158,600	-	-	75,700	234,300
31-Jan	431,700	-	-	60,900	492,600
7-Feb	880,100	-	-	117,900	998,000
14-Feb	739,000	-	-	21,100	760,100
21-Feb	861,300	-	-	3,100	864,400
28-Feb	1,519,600	-	-	21,200	1,540,800
7-Mar	4,842,900	-	-	21,800	4,864,700
14-Mar	6,117,800	-	-	13,200	6,131,000
21-Mar	6,771,200	-	-	15,300	6,786,500
28-Mar	4,281,900	-	-	3,200	4,285,100
4-Apr	5,540,500	-	1,000	1,900	5,543,400
11-Apr	7,525,000	-	-	9,200	7,534,200
18-Apr	9,391,800	-	139,700	3,900	9,535,400
25-Apr	9,211,300	-	169,400	10,300	9,391,000
2-May	12,548,200	1,100	183,200	11,800	12,744,300
9-May	13,793,700	1,100	119,200	17,900	13,931,900
16-May	12,925,200	5,500	131,100	8,000	13,069,800
23-May	13,040,100	2,800	369,400	-	13,412,300
30-May	13,166,200	12,100	78,400	1,800	13,258,500
6-Jun	15,322,200	7,500	243,500	32,900	15,606,100
13-Jun	12,493,000	45,000	181,300	59,300	12,778,600
20-Jun	13,178,700	20,000	62,100	68,600	13,329,400
27-Jun	13,892,900	214,200	208,300	37,300	14,352,700
4-Jul	11,132,900	335,300	80,500	39,700	11,588,400
11-Jul	10,769,500	663,700	25,000	26,800	11,485,000
18-Jul	9,704,000	1,168,600	-	16,700	10,889,300
25-Jul	9,010,300	1,232,000	-	40,400	10,282,700
1-Aug	8,655,600	964,500	-	22,500	9,642,600
8-Aug	8,755,300	823,100	1,700	9,800	9,589,900
15-Aug	8,370,200	782,300	-	9,200	9,161,700
22-Aug	8,548,700	670,400	-	900	9,220,000
29-Aug	8,055,100	479,600	2,600	31,600	8,568,900
5-Sep	4,441,000	440,600	1,900	1,800	4,885,300
12-Sep	3,582,400	346,000	-	11,900	3,940,300
19-Sep	2,802,900	324,600	-	33,300	3,160,800
26-Sep	2,448,700	112,600	1,700	16,800	2,579,800
3-Oct	2,547,300	119,600	-	5,800	2,672,700
10-Oct	988,000	153,700	-	3,500	1,145,200
17-Oct	666,700	34,900	-	8,800	710,400
24-Oct	405,500	36,600	-	-	442,100
31-Oct	376,500	900	-	-	377,400
7-Nov	-	1,700	-	-	1,700
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	**280,000,000**	**9,000,000**	**2,000,000**	**1,000,000**	**292,000,000**

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

2021 California Crop Weekly Harvest Projection
Weekly Crop Movement vs. Distribution Projections
All Varieties

	4-Year Historical Forecast	AMRIC Handler Forecast	Industry Adjusted	
Week Ending (CAC Week)	**Feb 2021 Update**	**Feb 2021 Update**	**AMRIC Harvest**	**AMRIC Shipments**
Jan 10 - (10)	59,300	18,400	8,096	38,858
Jan 17 - (11)	374,500	151,100	10,120	40,143
Jan 24 - (12)	628,400	234,300	433,768	436,739
Jan 31 - (13)	1,564,900	492,600	244,858	52,300
Feb 7 - (14)	1,991,800	998,000	245,876	182,567
Feb 14 - (15)	1,594,600	760,100	557,454	234,182
Feb 21 - (16)	1,837,000	864,400	1,513,754	482,776
Feb 28 - (17)	3,256,600	1,540,800	-	-
Mar 7 - (18)	4,301,000	4,864,700	-	-
Mar 14 - (19)	5,419,100	6,131,000	-	-
Mar 21 - (20)	5,998,500	6,786,500	-	-
Mar 28 - (21)	3,786,700	4,285,100	-	-
Apr 4 - (22)	6,053,600	5,543,400	-	-
Apr 11 - (23)	8,227,200	7,534,200	-	-
Apr 18 - (24)	10,400,300	9,535,400	-	-
Apr 25 - (25)	10,239,300	9,391,000	-	-
May 2 - (26)	13,899,900	12,744,300	-	-
May 9 - (27)	14,122,800	13,931,900	-	-
May 16 - (28)	13,248,600	13,069,800	-	-
May 23- (29)	13,592,700	13,412,300	-	-
May 30 - (30)	13,440,700	13,258,500	-	-
Jun 6 - (31)	13,560,100	15,606,100	-	-
Jun 13 - (32)	11,110,400	12,778,600	-	-
Jun 20 - (33)	11,569,600	13,329,400	-	-
Jun 27 - (34)	12,497,500	14,352,700	-	-
Jul 4 - (35)	12,296,000	11,588,400	-	-
Jul 11 - (36)	12,701,300	11,485,000	-	-
Jul 18 - (37)	12,037,900	10,889,300	-	-
Jul 25 - (38)	11,387,100	10,282,700	-	-
Aug 1 - (39)	8,597,400	9,642,600	-	-
Aug 8 - (40)	6,822,400	9,589,900	-	-
Aug 15 - (41)	6,045,000	9,161,700	-	-
Aug 22 - (42)	6,040,200	9,220,000	-	-
Aug 29 - (43)	5,725,100	8,568,900	-	-
Sep 5 - (44)	4,999,500	4,885,300	-	-
Sep 12 - (45)	4,032,400	3,940,300	-	-
Sep 19 - (46)	3,232,900	3,160,800	-	-
Sep 26 - (47)	2,642,700	2,579,800	-	-
Oct 3 - (48)	2,738,200	2,672,700	-	-
Oct 10 - (49)	2,209,400	1,145,200	-	-
Oct 17 - (50)	1,428,600	710,400	-	-
Oct 24 - (51)	878,900	442,100	-	-
Oct 31 - (52)	782,900	377,400	-	-
Nov 7 - (1)	974,700	1,700	-	-
Nov 14 - (2)	844,800	-	-	-
Nov 21 - (3)	722,200	3,900	-	-
Nov 28 - (4)	640,200	-	-	-
Dec 5 - (5)	616,900	-	-	-
Dec 12 - (6)	532,700	16,000	-	-
Dec 19 - (7)	75,700	-	-	-
Dec 26 - (8)	104,500	8,700	-	-
Dec 31 - (9)	115,300	12,600	-	-
Season-to-Date	8,050,500	3,518,900	3,013,926	1,467,564
% of Crop	3%	1%	1%	1%
Crop Size	**292,000,000**	**292,000,000**	**Left to Harvest**	**Left to Ship**
Crop Variance	(5,036,575)	(504,975)	288,986,075	290,532,436

BOARD ACTION

ITEM 3.E: CONSIDER APPROVAL OF CAC AS PROVIDER OF AVOCADO INSPECTION PROGRAM ADMINISTRATIVE SERVICES FOR THE CDFA FOR THE PERIOD FROM JULY 2021 THROUGH JUNE 2022

SUMMARY:

Each year a Memorandum of Understanding (MOU) must be renewed with the California Department of Food and Agriculture (CDFA) to allow CAC to continue as administrator of the Avocado Inspection Program (AIP). The AIP oversees avocado variety maturity standards, weight certification, uniformity of size, and ensures correct labeling of avocado cartons to conform with applicable regulations.

CAC staff handles the collection and disbursement of certification fees from California avocado handlers with oversight by the Avocado Inspection Committee (AIC). CAC also is responsible for retention of AIP personnel. Annual approval by the Board is required for CAC to continue administration of the funds. The item is scheduled for consideration early each fiscal year to allow time for the CDFA approval process.

FISCAL ANALYSIS:

CAC has provided this administration service for AIP since 1986, resulting in industry savings of approximately $175,000 annually for a cumulative avocado industry savings of over six million dollars due to the minimization of state government overhead expenses. CAC is reimbursed by AIP for providing administrative services. In 2020-21, this amount will be $61,000, of which $50,300 is for personnel costs and $10,700 is for liability insurance.

BOARD OPTIONS:

- Approve CAC as Provider of Administrative Services of CDFA's Avocado Inspection Program
- Consider alternative forms of providing administrative services to AIP
- Take no action

STAFF RECOMMENDATION:

- Staff recommends approval of CAC as Provider of Administrative Services to AIP

EXHIBITS / ATTACHMENTS:

- None

BOARD ACTION

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

SUMMARY:

There currently exists a District 2 producer alternate member vacancy on the CAC Board for the term ending October 31, 2021. This vacancy is the result of previous producer alternate John Cornell assuming the member seat during the 2020 CAC General Election. The Commission announced the District 2 alternate vacancy in February 2021, and at the time this item was prepared, the following individuals have stepped forward as nominees for the District 2 producer alternate member position:

- Bob Schaar
- Heydar Shahrokh
- Scott Wibbenmeyer
- Martin Wildgoose
- Charley Wolk

Board vacancies, for both member and alternate seats, are filled by a majority vote of the Commission (Election Procedures, Section VII, A), with appointment being conducted at a regularly scheduled meeting as soon as practicable after the vacancy occurs (Election Procedures, Section VII, B). Nominations for appointment to a vacant seat may be solicited by the Commission prior to the meeting at which the appointment will take place and from the floor at the meeting (Section VII, B). Nominees must meet the qualifications set forth in Section IV of the Election Procedures.

While CAC has solicited nominations for the District 2 producer alternate vacancy prior to the March Board meeting, nominations will also be accepted from the floor at the upcoming meeting. Note that nominees have the option to be present during the vote to fill the vacant seat and voting may not be conducted by secret ballot (Election Procedures, Section VII, C).

A VOTE WILL BE TAKEN AT THE MARCH BOARD MEETING TO APPOINT A NOMINEE TO FILL THE DISTRICT 2 PRODUCER ALTERNATE VACANCY.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to appoint a nominee to fill the vacant District 2 producer alternate seat as required by the Election Procedures

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

- Statement of Qualifications and Disclosure of Affiliations for Bob Schaar
- Statement of Qualifications and Disclosure of Affiliations for Heydar Shahrokh
- Statement of Qualifications and Disclosure of Affiliations for Scott Wibbenmeyer
- Statement of Qualifications and Disclosure of Affiliations for Martin Wildgoose
- Statement of Qualifications and Disclosure of Affiliations for Charley Wolk

BOB SCHAAR

PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my ***grove*** is located in California Avocado Commission District Number 2 (Refer to enclosed ***Grove District Zip Code List***)

I **own** the following number of planted avocado acres in California _____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **manage** the following number of planted avocado acres in California 158 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) 2.

I **pack** my fruit with the following handlers: DEL REY; _____; _____; _____.

In addition, I am also involved in the avocado industry in the following capacities *(check all that apply)*:

___ Handler – Owner/Partner

___ Handler – Officer/Director

___ Handler – Employee

___ Holder of a personal financial interest in the production of avocados outside of the United States.

___ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

_____

_____

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: BOB SCHAAR

SIGNATURE: _____ **DATE:** 2/13/2021

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 341-1970 EMAIL AAYMAMI@AVOCADO.ORG

PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: BOB SCHAAR

GROVE CITY/CITIES: SIMPATICA - SOUTHERN OPERATIONS (TEMECULA)

CAC BOARD SEAT PREFERRED: ☐ MEMBER ☒ ALTERNATE ☐ NO PREFERENCE

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. ***Please limit your statement to the space provided.***

I have served on the CAC board in the past and understand the functions of the board. I have served on the HAB for around 12 years now and have a very good understanding of how the entire AVOCADO INDUSTRY functions, Domestically and Internationally which is "EXTREMELY IMPORTANT" as we as California Avocado Producers navigate our way in the INDUSTRY going forward. I have over 40 years in the AVOCADO business and have seen many changes.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: _____ **DATE:** 2/13/2021

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 208-3503 **EMAIL AAYMAMI@AVOCADO.ORG**

HEYDAR SHAHROKH

PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my ***grove*** is located in California Avocado Commission District Number 2 (Refer to enclosed ***Grove District Zip Code List***)

I **own** the following number of planted avocado acres in California 8 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) 2.

I **manage** the following number of planted avocado acres in California 8 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) 2.

I **pack** my fruit with the following handlers: Del Ray Avocado; _____; _____.

In addition, I am also involved in the avocado industry in the following capacities *(check all that apply)*:

- ✓ Handler – Owner/Partner
- ___ Handler – Officer/Director
- ___ Handler – Employee
- ___ Holder of a personal financial interest in the production of avocados outside of the United States.
- ___ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

N/A

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: HEYDAR SHAHROKH

SIGNATURE: Heydar Shahrokh **DATE:** 2-18-2021

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 341-1970 EMAIL AAYMAMI@AVOCADO.ORG

HEYDAR SHAHROKH

PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: HEYDAR SHAHROKH

GROVE CITY/CITIES: Bonsall

CAC BOARD SEAT PREFERRED: ☑ MEMBER ☐ ALTERNATE ☐ NO PREFERENCE

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. ***Please limit your statement to the space provided.***

I am Involved in growing and production of Hass Avocado and I owned 8 acers.
I am very intrested in this industry and hope To provide my experties in managent of all aspect of our affair.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: Heydar Shahrokh DATE: 2-18-2021

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 208-3503 EMAIL AAYMAMI@AVOCADO.ORG

SCOTT WIBBENMEYER

PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my ***grove*** is located in California Avocado Commission District Number 2 (Refer to enclosed ***Grove District Zip Code List***)

I **own** the following number of planted avocado acres in California 6 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) 2.

I **manage** the following number of planted avocado acres in California _____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **pack** my fruit with the following handlers: Index Fresh; _____; _____; _____.

In addition, I am also involved in the avocado industry in the following capacities *(check all that apply)*:

___ Handler – Owner/Partner

___ Handler – Officer/Director

___ Handler – Employee

___ Holder of a personal financial interest in the production of avocados outside of the United States.

___ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

_____

_____

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: Scott Wibbenmeyer

SIGNATURE: Scott Wibbenmeyer **DATE:** 2/10/21

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 341-1970 EMAIL AAYMAMI@AVOCADO.ORG

PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: Scott Wibbenmeyer

GROVE CITY/CITIES: Temecula / De Luz

CAC BOARD SEAT PREFERRED: ☐ **MEMBER** ☒ **ALTERNATE** ☐ **NO PREFERENCE**

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. ***Please limit your statement to the space provided.***

My family has been in farming for over 100 years. My wife and I purchased our grove and land over 4 years ago and have been working with McMillan Farm Management to improve our grove and make it thrive.

I am bullish on Avocados and am currently applying for the Rancho California Water District Crop Swap program to put new avocado tree root stocks on our grove.

I have a background in farming as well as marketing expertise from owning an Advertising Agency. I'm practical and creative, with the ability navigate both retail markets and political climates.

Innovation:
From the research on our trees we discovered that we could make delicious tea from our avocado leaves and we launched our brand at the World Tea Expo in 2019 where we won the People's Choice for Best Hot Bagged Tea as well as showing at the Fancy Food Show in NYC where we were highlighted by the New York Times food writer.
You can learn more about our brand at www.AvocadoTea.com

I believe I can bring a unique set of talents to the board and want to do my part to help keep the California Avocado Industry thriving.

I appreciate your consideration.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: Scott Wibbenmeyer **DATE:** 2/10/21

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 208-3503 **EMAIL AAYMAMI@AVOCADO.ORG**

MARTIN WILDGOOSE

PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my ***grove*** is located in California Avocado Commission District Number 2 (Refer to enclosed ***Grove District Zip Code List***)

I **own** the following number of planted avocado acres in California 40 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) 2.

I **manage** the following number of planted avocado acres in California _____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **pack** my fruit with the following handlers: CALAVO; _____; _____; _____.

In addition, I am also involved in the avocado industry in the following capacities *(check all that apply)*:

___ Handler – Owner/Partner

___ Handler – Officer/Director

___ Handler – Employee

___ Holder of a personal financial interest in the production of avocados outside of the United States.

___ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

_____

_____

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: MARTIN WILDGOOSE

SIGNATURE: _____ **DATE:** FEBRUARY 19th 2021

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 341-1970 EMAIL AAYMAMI@AVOCADO.ORG

MARTIN WILDGOOSE

PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: MARTIN WILDGOOSE OWNER OF AFTERMARKET INSURANCE MARKETING INC

GROVE CITY/CITIES: DE LUZ TEMECULA

CAC BOARD SEAT PREFERRED: ☐ MEMBER ☒ ALTERNATE ☐ NO PREFERENCE

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. ***Please limit your statement to the space provided.***

ORIGINALLY A GROWER OF HASS AND BACON AVOCADOS IN VENTURA COUNTY IN 1986. WHEN WE MOVED TO TEMECULA IN 1996 I BOUGHT 20 ACRES OF EMPTY DIRT AND A NICE HOUSE. I SOON PURCHASED ANOTHER CONTIGUOUS 20 ACRES OF ABANDONED HASS WITH A DILAPIDATED IRRIGATION SYSTEM WHICH WE RESTORED AND REPLANTED WITH NURSERY STOCK FROM BROKAW IN 10 ACRE LOTS UNTIL WE HAD ALL 40 ACRES GROWING I ALSO DURING THIS TIME, DID A 1031 EXCHANGE FOR MY VENTURA PARCEL AND A 14 ACRE PARCEL ALSO CONTIGUOUS. WE HAVE FARMED THE PROPERTY FOR THE LAST 24 YEARS WITHOUT A MANAGEMENT COMPANY, USING OUR STAFF SOMETIMES H2A WORKERS SOMETIMES PICKING CREWS.

I STILL HAVE A LOT TO LEARN AND BELIVE A LOT TO CONTRIBUTE TO THE SUSTAINED SUCCESS OF THE CALIFORNIA AVOCADO INDUSTRY

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: _____ DATE: 11·19·2021

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 208-3503 **EMAIL AAYMAMI@AVOCADO.ORG**

CHARLEY WOLK

PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my ***grove*** is located in California Avocado Commission District Number 2 (Refer to enclosed ***Grove District Zip Code List***)

I own the following number of planted avocado acres in California 2 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I manage the following number of planted avocado acres in California 102 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I pack my fruit with the following handlers: ECO ; CALAVO ; WESPAC ; _____.

In addition, I am also involved in the avocado industry in the following capacities *(check all that apply)*:

___ Handler – Owner/Partner

___ Handler – Officer/Director

___ Handler – Employee

___ Holder of a personal financial interest in the production of avocados outside of the United States.

___ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

_____

_____

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: Charley Wolk

SIGNATURE: C Wolk **DATE:** 2/19/21

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 341-1970 EMAIL AAYMAMI@AVOCADO.ORG

CHARLEY WOLK

PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: Charley Wolk

GROVE CITY/CITIES: _____

CAC BOARD SEAT PREFERRED: ☐ MEMBER ☒ ALTERNATE ☐ NO PREFERENCE

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. *Please limit your statement to the space provided.*

I respectfully request to be considered to fill the position of District 2 Alternate.

The Commission will be entering a transition phase not only in leadership, but also in rapidly changing market. These challenges need the perspective of "*it is easier to get to where you are going, if you can see where you have been.*"

I provide that view. I have multiple terms as CAC chairman and HAB chairman. I had the lead in getting the approval for HAB.

I reflected on the fact that I have served for every CAC president and CAC chairman since the beginning.

I ask now for the opportunity to continue to serve through this transition

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: C Wolk DATE: 2/19/21

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 208-3503 EMAIL AAYMAMI@AVOCADO.ORG

BOARD ACTION

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

SUMMARY:

There currently exists a District 3 producer alternate member vacancy on the CAC Board for the term ending October 31, 2021. This vacancy is the result of previous producer alternate John Lloyd-Butler assuming the member seat during the 2020 CAC General Election. The Commission announced the District 3 alternate vacancy in February 2021, and at the time this item was prepared, the following individuals have stepped forward as nominees for the District 3 producer alternate member position:

- Maureen Cottingham

Board vacancies, for both member and alternate seats, are filled by a majority vote of the Commission (Election Procedures, Section VII, A), with appointment being conducted at a regularly scheduled meeting as soon as practicable after the vacancy occurs (Election Procedures, Section VII, B). Nominations for appointment to a vacant seat may be solicited by the Commission prior to the meeting at which the appointment will take place and from the floor at the meeting (Section VII, B). Nominees must meet the qualifications set forth in Section IV of the Election Procedures.

While CAC has solicited nominations for the District 3 producer alternate vacancy prior to the March Board meeting, nominations will also be accepted from the floor at the upcoming meeting. Note that nominees have the option to be present during the vote to fill the vacant seat and voting may not be conducted by secret ballot (Election Procedures, Section VII, C).

A VOTE WILL BE TAKEN AT THE MARCH BOARD MEETING TO APPOINT A NOMINEE TO FILL THE DISTRICT 3 PRODUCER ALTERNATE VACANCY.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to appoint a nominee to fill the vacant District 3 producer alternate seat as required by the Election Procedures

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

- Statement of Qualifications and Disclosure of Affiliations for Maureen Cottingham

MAUREEN COTTINGHAM

PRODUCER DISCLOSURE OF AFFILIATIONS

I declare that I am engaged, within this state, in the business of producing or causing to be produced avocados for market through a legal entity (individual ownership, partnership, corporation, or other) which is not also involved in the handling of avocados, and that my ***grove*** is located in California Avocado Commission District Number 3 (Refer to enclosed ***Grove District Zip Code List***)

I **own** the following number of planted avocado acres in California _____ and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) _____.

I **manage** the following number of planted avocado acres in California 205 and derive a portion of my gross avocado industry income from producing or causing to be produced avocados. I also have a financial interest in groves located in District(s) n/a.

I **pack** my fruit with the following handlers: Mission Produce; _____; _____; _____.

In addition, I am also involved in the avocado industry in the following capacities *(check all that apply)*:

___ Handler – Owner/Partner

___ Handler – Officer/Director

___ Handler – Employee

___ Holder of a personal financial interest in the production of avocados outside of the United States.

___ Holder of a personal financial interest in a handling operation that imports fruit from outside of the United States.

Please briefly describe that financial interest and specify the location of the out-of-country operation.

n/a

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of each of my affiliations with the avocado industry. I understand that this form may be made available upon request, or reproduced and included with election information mailed to eligible voters.

PRINT NAME: Maureen L. Cottingham

SIGNATURE: **DATE:** 2/23/2021

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 341-1970 EMAIL AAYMAMI@AVOCADO.ORG

PRODUCER CANDIDATE STATEMENT

(Please Print or Type All Information)

NAME: Maureen L. Cottingham

GROVE CITY/CITIES: Camarillo

CAC BOARD SEAT PREFERRED: ☐ **MEMBER** ☒ **ALTERNATE** ☐ **NO PREFERENCE**

STATEMENT OF QUALIFICATIONS:

This form will be included with the ballots to inform growers about your qualifications. ***Please limit your statement to the space provided.***

My family and I have been involved in farming avocados over the last 50 years in Ventura County. Personally, I have had management experience working as the Executive Director of the trade organization, the Sonoma Valley Vintners & Growers Alliance in Sonoma California. I am very interested in contributing to the business of the California Avocado Commission and look forward to contributing in many ways.

I declare under penalty of perjury that the foregoing is a complete, true and correct explanation of my qualifications. I understand that this form shall be reproduced and included with election information mailed to eligible voters.

SIGNATURE: Maureen L. Cottingham **DATE:** 2/23/2021

MUST ARRIVE AT CAC ON OR BEFORE FEBRUARY 24, 2021 VIA MAIL, FAX OR EMAIL

12 Mauchly, Suite L, Irvine, CA 92618-6305

FAX: (949) 208-3503 **EMAIL AAYMAMI@AVOCADO.ORG**

BOARD ACTION

ITEM 6.A: CONSIDER ACCEPTANCE OF 2019-20 AUDITED FINANCIAL STATEMENTS

SUMMARY:

Macias Gini & O'Connell (MGO) has completed its audit of CAC's financial statements for the fiscal year ended October 31, 2020 and has issued an unmodified (clean) opinion on the statements. In relation to the audit, MGO has also issued the following reports:

1. Annual Financial Report for the years ended October 31, 2020 and 2019, which includes CAC's financial statements and supplemental information required by USDA.
2. Independent Auditor's Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. Independent Auditor's Report on Compliance Performed in Accordance with the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs.*
4. Required Communications to the Board of Directors for the year ended October 31, 2020.
5. CDFA Compliance Audit Report for the year ended October 31, 2020.

FISCAL ANALYSIS:

- Not applicable.

BOARD OPTIONS:

- Accept the CAC 2019-20 Audited Financial Statements as presented.
- Do not accept the CAC 2019-20 Audited Financial Statements as presented.
- Take no action.

STAFF RECOMMENDATION:

- Accept the CAC 2019-20 Audited Financial Statements as presented.

EXHIBITS / ATTACHMENTS:

- Annual Financial Report for the years ended October 31, 2020 and 2019.
- Independent Auditor's Report on Internal Controls over Financial Reporting.
- Independent Auditor's Report on Compliance with AMS Guidelines.
- Required Communications to the Board of Directors for the year ended October 31, 2020.
- CDFA Compliance Audit Report for the year ended October 31, 2020.

CALIFORNIA AVOCADO COMMISSION

Annual Financial Report
and Independent Auditor's Report

For the Years Ended October 31, 2020 and 2019

CALIFORNIA AVOCADO COMMISSION

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Certified Public Accountants

Independent Auditor's Report

Board of Directors
California Avocado Commission
Irvine, California

Report on the Financial Statements

We have audited the accompanying financial statements of the California Avocado Commission (Commission), as of and for the years ended October 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the California Avocado Commission, as of October 31, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the Commission's basic financial statements. The budgetary comparison schedule, combining statement of revenues, expenses and changes in net position, and schedule of program expenses (Schedules), as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2021, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Irvine, California
January 29, 2021

CALIFORNIA AVOCADO COMMISSION
Management's Discussion and Analysis
For the Years Ended October 31, 2020 and 2019
(Unaudited)

INTRODUCTION

Management's Discussion and Analysis (MD&A) provides an overview and analysis of the financial activities of the California Avocado Commission (Commission) for the years ended October 31, 2020 and 2019. It has been prepared by management and is required supplementary information to the financial statements. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

FINANCIAL HIGHLIGHTS

- The Commission's 2020 assets exceeded its liabilities as of October 31, 2020 by $14,342,442 (total net position). This amount increased $358,654 or 3% from the prior year amount of $13,983,788.
- Of the total net position at the end of fiscal year 2020, net investment in capital assets decreased $51,479 to $132,835 or 28% from the prior year amount of $184,314.
- Net position restricted for marketing at the end of fiscal year 2020 increased $450,348 to $4,777,395 or 10% from the prior year amount of $4,327,047.
- Unrestricted net position at the end of fiscal year 2020 decreased $40,215 to $9,432,212 or 0.4% from the prior year amount of $9,472,427. This amount made up 66% of total net position.
- The Commission's 2019 assets exceeded its liabilities as of October 31, 2019 by $13,983,788 (total net position). This amount increased $1,764,460 or 14% from the prior year amount of $12,219,328.
- Of the total net position at the end of fiscal year 2019, net investment in capital assets decreased $51,479 to $184,314 or 22% from the prior year amount of $235,793.
- Net position restricted for marketing at the end of fiscal year 2019 increased $1,136,270 to $4,327,047 or 36% from the prior year amount of $3,190,777.
- Unrestricted net position at the end of fiscal year 2019 increased $679,669 to $9,472,427 or 8% from the prior year amount of $8,792,758. This amount made up 68% of total net position.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This MD&A is intended to serve as an introduction to the Commission's financial report. The Commission's financial report includes three basic financial statements: Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows. The Commission's basic financial statements also include notes to the basic financial statements. Financial statements are designed to present a broad overview of the financial data for the Commission, in a manner similar to a private-sector business.

The *Statements of Net Position* present information on all assets and liabilities of the Commission, using the accrual basis of accounting, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the current financial condition of the Commission.

The *Statements of Revenues, Expenses and Changes in Net Position* present information showing how the Commission's net position varied during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *Statements of Cash Flows* present changes in cash and cash equivalents resulting from operating, non-capital financing, capital financing and investing activities.

The notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the financial statements.

Other Information:

In addition to the MD&A, the financial statements also present the following supplementary information: Budgetary Comparison Schedule; Combining Statement of Revenues, Expenses and Changes in Net Position (broken down by Restricted and Unrestricted); and Schedule of Program Expenses (Restricted). Also included in the financial statements is the Independent Auditor's Report in accordance with *Government Auditing Standards*.

FINANCIAL ANALYSIS

Comparative data for the prior year ended October 31, 2019, has been presented in the accompanying financial statements (including MD&A) to facilitate financial analysis for the current year ended October 31, 2020. A comparative analysis of fiscal year 2019 with fiscal year 2018 is also presented in the MD&A.

STATEMENTS OF NET POSITION:

	2020	2019	2018
Current assets	$16,660,466	$15,769,842	$14,047,999
Capital assets, net	132,835	184,314	235,793
Total assets	16,793,301	15,954,156	14,283,792
Current liabilities	2,364,891	1,959,923	1,991,645
Noncurrent liabilities	85,968	10,445	72,819
Total liabilities	2,450,859	1,970,368	2,064,464
Net position:			
Net investment in capital assets	132,835	184,314	235,793
Restricted for marketing	4,777,395	4,327,047	3,190,777
Unrestricted	9,432,212	9,472,427	8,792,758
Total net position	**$14,342,442**	**$13,983,788**	**$12,219,328**

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. The largest portion (99%) of the Commission's assets are current assets consisting primarily of cash and cash equivalents, restricted cash, receivables and fiduciary cash amounts held for the Avocado Inspection Program (AIP). Current assets at the end of fiscal year 2020 totaled $16,660,466, increasing $890,624 from the prior year amount of $15,769,842. This increase is primarily due to higher total production value which is reflected in the increased assessment receivable balance. Total current assets cover current liabilities 7.0 times, indicating good liquidity.

At the end of fiscal year 2019, the largest portion (99%) of the Commission's assets are current assets consisting primarily of cash and cash equivalents, restricted cash, receivables and fiduciary cash amounts held for the AIP. Current assets at the end of fiscal year 2019 totaled $15,769,842, increasing $1,721,843 from the prior year amount of $14,047,999. This increase is primarily due to higher total production value along with decreased activities in marketing programs which is reflected in the increased cash balance. Total current assets cover current liabilities 8.0 times, indicating good liquidity.

The Commission's liabilities primarily consist of current liabilities including accounts payable, accrued liabilities, deposits due and fiduciary liability amounts held for AIP. Liabilities at the end of fiscal year 2020 totaled $2,450,859 increasing from a balance of $1,970,368 in 2019. This increase was due to higher non-marketing obligations owed to vendors. Liabilities at the end of fiscal year 2019 totaled $1,970,368 decreasing from a balance of $2,064,464 in 2018. This decrease was due to lower marketing and non-marketing obligations owed to vendors.

Net position consists of three categories: Net investment in capital assets, restricted for marketing and unrestricted.

Net investment in capital assets represents the Commission's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net investment in capital assets totaled $132,835 at the end of fiscal year 2020, decreasing $51,479 from the prior year amount of $184,314. This decrease is due to the depreciation of capital assets. Net investment in capital assets represents 1% of total net position.

At the end of fiscal year 2019, net investment in capital assets totaled $184,314, decreasing $51,479 from the prior year amount of $235,793. This decrease is due to the depreciation of capital assets. Net investment in capital assets represents 1% of total net position.

Restricted net position for marketing activities is subject to imposed restrictions by federal statute governing their use. Restricted net position totaled $4,777,395 at the end of 2020, increasing $450,348 from the prior year amount of $4,327,047, and increasing $1,586,618 from 2018. Restricted net position represents 33% of total net position.

Unrestricted net position available for future activities at the end of fiscal year 2020 totaled $9,432,212, decreasing $40,215 from the prior year amount of $9,472,427. Unrestricted net position available for future activities at the end of fiscal year 2019 totaled $9,472,427, increasing $679,669 from the prior year amount of $8,792,758.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION:

	2020	2019	2018
Operating revenues	$15,153,319	$12,561,835	$15,107,394
Operating expenses	15,110,511	11,160,339	14,390,030
Operating income	42,808	1,401,496	717,364
Nonoperating revenues	315,846	362,964	385,190
Change in net position	358,654	1,764,460	1,102,554
Net position – beginning of year	13,983,788	12,219,328	11,116,774
Net position – end of year	**$14,342,442**	**$13,983,788**	**$12,219,328**

Operating revenues totaled $15,153,319 in 2020, increasing $2,591,484 or 21% from $12,561,835 earned in 2019. This increase is due to an increase in assessment revenue received due to a larger total crop volume; 375 million pounds were reported in 2020 as compared to 220 million pounds in 2019. The majority of operating revenue consisted of assessment revenue, totaling $15,083,036 (99.5%). The remaining portion (0.5%) was from administrative fees generated from AIP of $60,996 and online merchandise sales of $9,287.

Operating revenues totaled $12,561,835 in 2019, decreasing $2,545,559 or 17% from $15,107,394 earned in 2018. This decrease is due to a decrease in assessment revenue received due to a smaller total crop volume; 220 million pounds were reported in 2019 as compared to 338 million pounds in 2018. The majority of operating revenue consisted of assessment revenue, totaling $12,500,839 (99.5%). The remaining portion of $60,996 (0.5%) was from administrative fees generated from AIP.

Operating expenses totaled $15,110,511 in 2020, increasing $3,950,172 or 35% from $11,160,339 in 2019. This increase is primarily due to increased activities in marketing programs as a result of a larger total crop volume in 2020. Operating expenses totaled $11,160,339 in 2019, decreasing $3,229,691 or 22% from $14,390,030 in 2018. This decrease is primarily due to decreased activities in marketing programs as a result of smaller total crop volume in 2019.

At the end of the fiscal year 2020, the Commission reported an ending net position of $14,342,442, an increase of $358,654 from the prior year amount of $13,983,788. This is due to an increase in assessment revenue received due to a larger total crop volume.

At the end of the fiscal year 2019, the Commission reported an ending net position of $13,983,788, an increase of $1,764,460 from the prior year amount of $12,219,328. This is primarily due to a decrease in marketing expenses as a result of a small total crop volume in 2019.

CAPITAL ASSETS

The Commission's net investment in capital assets totaled $132,835 as of October 31, 2020, decreasing $51,479 from the prior year amount of $184,314, and decreasing $51,479 from $235,793 in 2018 (net of accumulated depreciation). These decreases represent the depreciation of capital assets during the respective fiscal year.

COMPENSATED ABSENCES

At the end of fiscal year 2020, the Commission accumulated an accrued compensated absences balance of $200,205; an increase of $27,245 from the prior year balance of $172,960. This increase is due to unused vacation time by employees. At the end of fiscal year 2019, the Commission accumulated an accrued compensated absences balance of $172,960; a decrease of $25,888 from the prior year balance of $198,848. This decrease is due to vacation time being utilized by employees and also accrued vacation time being paid out to a terminated employee.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to California Avocado Commission, 12 Mauchly, Suite L, Irvine, California 92618; phone number 949-341-1955.

BASIC FINANCIAL STATEMENTS

CALIFORNIA AVOCADO COMMISSION
Statements of Net Position
October 31, 2020 and 2019

	2020	2019
Current assets:		
Cash and cash equivalents	$ 9,932,702	$ 9,978,475
Assessments receivable	444,328	112,506
Other receivables	161,206	171,923
Prepaid expenses	107,913	142,908
Fiduciary cash and cash equivalents, amounts held for AIP	965,868	795,510
Inventory	30,535	-
Restricted:		
Cash and cash equivalents	4,066,788	4,296,269
Assessments receivable	951,126	272,251
Total current assets	16,660,466	15,769,842
Noncurrent assets:		
Capital assets being depreciated, net	132,835	184,314
Total assets	16,793,301	15,954,156
Current liabilities:		
Accounts payable and accrued liabilities	1,026,267	742,425
Accounts payable and accrued liabilities, payable from restricted assets	240,519	241,473
Fiduciary liabilities, amounts held for AIP	965,868	795,510
Deposits	18,000	18,000
Compensated absences, due within one year	114,237	162,515
Total current liabilities	2,364,891	1,959,923
Noncurrent liabilities:		
Compensated absences, due in more than one year	85,968	10,445
Total noncurrent liabilities	85,968	10,445
Total liabilities	2,450,859	1,970,368
Net position:		
Net investment in capital assets	132,835	184,314
Restricted for marketing	4,777,395	4,327,047
Unrestricted	9,432,212	9,472,427
Net position	$ 14,342,442	$ 13,983,788

See accompanying notes to basic financial statements.

CALIFORNIA AVOCADO COMMISSION

Statements of Revenues, Expenses and Changes in Net Position

For the Years Ended October 31, 2020 and 2019

	2020	2019
Operating revenues:		
Assessment revenue	$ 8,077,521	$ 8,364,916
HAB rebate assessment revenue (restricted)	7,005,515	4,135,923
Administrative and marketing fees	60,996	60,996
Other operating revenues	9,287	-
Total operating revenues	15,153,319	12,561,835
Operating expenses:		
Marketing	10,661,812	6,731,188
Nonmarketing programs	1,231,672	1,022,239
Administration	3,217,027	3,406,912
Total operating expenses	15,110,511	11,160,339
Operating income	42,808	1,401,496
Nonoperating revenues:		
Interest income	27,853	31,380
Grant income	151,613	135,174
Other income	136,380	196,410
Total nonoperating revenues	315,846	362,964
Change in net position	358,654	1,764,460
Net position, beginning of year	13,983,788	12,219,328
Net position, end of year	$ 14,342,442	$ 13,983,788

See accompanying notes to basic financial statements.

CALIFORNIA AVOCADO COMMISSION
Statements of Cash Flows
For the Years Ended October 31, 2020 and 2019

	2020	2019
Cash flows from operating activities:		
Cash received from customers	$ 14,293,164	$ 12,953,772
Cash payments to suppliers for goods and services	(12,202,369)	(8,558,897)
Cash payments to employees for services	(2,511,535)	(2,694,359)
Net cash provided by (used for) operating activities	(420,740)	1,700,516
Cash flows from non-capital financing activities:		
Proceeds from grants	151,613	135,174
Other income	136,162	196,409
Net cash provided by non-capital financing activities	287,775	331,583
Cash flows from capital and related financing activities:		
Purchases of capital assets	216	-
Net cash used by capital and related financing activities	216	-
Cash flows from investing activities:		
Interest on investments	27,853	31,380
Net increase (decrease) in cash and cash equivalents	(104,896)	2,063,479
Cash and cash equivalents, beginning of year	15,070,254	13,006,775
Cash and cash equivalents, end of year	$ 14,965,358	$ 15,070,254
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$ 42,808	$ 1,401,496
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation expense	51,479	51,478
Changes in assets and liabilities:		
(Increase) decrease in assessments receivable	(1,010,697)	454,594
(Increase) decrease in other receivables	10,717	(31,083)
(Increase) decrease in prepaid expenses	34,995	(81,875)
(Increase) decrease in inventory	(30,535)	-
Increase (decrease) in accounts payable and accrued liabilities	282,888	(36,633)
Increase (decrease) in fiduciary liabilities	170,358	(31,575)
Increase (decrease) in compensated absences	27,247	(25,886)
Net cash provided by (used for) operating activities	$ (420,740)	$ 1,700,516

See accompanying notes to basic financial statements.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the California Avocado Commission (Commission):

(a) Activities of the Commission

The California Avocado Commission is authorized under California law to engage in programs of advertising, promotion, marketing research, and production research related to the sale of California grown avocados. The Commission is authorized to levy an assessment against producers of avocados for the purposes of carrying out its programs. The assessment for the years ended October 31, 2020 and 2019, was 2.00% and 2.30%, respectively, of the gross revenues received by producers. The Commission also receives 85% of the assessments collected by the Federal Hass Avocado Board (HAB) on Hass avocados produced and sold in California, which is restricted for use on marketing activities.

The Commission's Board of Directors is composed of no fewer than eight and no more than ten producer members who do not handle avocados through the same legal entity under which they were elected as a producer member of the Commission, two handler members and one public member.

(b) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Commission operates as an enterprise activity. An enterprise fund accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Board of Directors is that the costs (expenses, including depreciation) of providing services to the industry on a continuing basis be financed or recovered primarily through assessment revenues.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the Commission are assessment revenues and administrative and marketing fees. Operating expenses for enterprise funds include the cost of marketing programs, production research, industry affairs and administrative expenses, including depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recognized when earned, and expenses are recognized when incurred, regardless of the timing of related cash flows.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

(c) Assets, Liabilities, and Net Position

1. Cash Equivalents

For purposes of the statements of cash flows, the Commission considers cash and funds invested in the Local Agency Investment Fund (LAIF) of the State of California for both restricted and unrestricted funds to be cash equivalents. Additionally, investments with original maturities of three months or less at the time of purchase are considered cash equivalents.

2. Investments

The Commission values its investment in accordance with the provision of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, which requires entities to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool. Restricted and unrestricted cash are pooled for investment purposes.

3. Receivables

No allowance for uncollectible accounts has been recorded for the years ended October 31, 2020 and 2019. Management has evaluated the accounts and believes they are all collectible. Management evaluates all accounts receivable, and if it is determined that they are uncollectible, they are written off directly as a bad debt expense.

4. Capital Assets

Capital assets consist of furniture, office equipment, leasehold improvements, software, and land improvements. The Commission capitalizes assets with values of $10,000 or more and useful lives of greater than one year. Capital assets are valued at cost, or estimated historical cost, if actual historical cost is not available. Contributed assets are recorded at acquisition value on the date donated. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Capital assets are depreciated on the straight-line basis, using the following asset lives:

Asset Category	Years
Furniture	5
Office equipment	3
Leasehold improvements	5 (or term of lease, whichever is less)
Software	3
Land Improvements	Remaining term of the property lease

5. Compensated Absences

Commission employees receive from 10 to 20 days of vacation each year, depending upon length of service. An employee may accumulate earned vacation time to a maximum of 40 days. Once an employee accrues 40 days of unused vacation time, the Commission compensates the employee 10 days of accrued and unused vacation time at the employee's current rate of pay. Upon termination, employees are paid for all accrued, but unused vacation at their current rate of pay.

Compensated absences include accrued vacation that is available to employees in future years, either as time off or in cash (upon leaving the employment of the Commission). All compensated absences are accrued when incurred.

6. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results may differ from such estimates.

7. Fiduciary and Restricted Assets

Fiduciary assets are held for the Avocado Inspection Program (AIP) and are off-set by fiduciary liabilities. Restricted assets are restricted for marketing-related activities and are subject to restrictions imposed by federal statute governing their use.

8. Net Position

Net position represents the difference between assets less liabilities. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets, if any. Net investment in capital assets, excludes debt attributable to the unspent related debt proceeds amount. At October 31, 2020 and 2019, the Commission had net investment in capital assets in the amounts of $132,835 and $184,314, respectively. There was no outstanding debt related to capital assets at October 31, 2020 and 2019.

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. At October 31, 2020 and 2019, the Commission had restricted net position in the amounts of $4,777,395 and $4,327,047, respectively, for marketing-related activities.

The unrestricted component of net position is the net amount of the assets and liabilities that are not included in the determination of net investment in capital assets or the restricted component of net position.

(2) DETAILED NOTES ON ASSETS AND LIABILITIES

(a) Cash and Cash Equivalents

Cash and cash equivalents consisted of the following at October 31:

	2020	2019
Petty cash	$ 200	$ 200
Demand deposits	14,954,799	15,059,906
Local Agency Investment Fund	10,359	10,148
Total cash and cash equivalents	$ 14,965,358	$ 15,070,254

Investment in State Investment Pool

The Commission is a voluntary participant in LAIF, which is regulated by CGC Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. The Commission considers its investments in the LAIF pool to be a demand deposit account (cash and cash equivalent) where funds may be withdrawn and deposited at any time without prior notice or penalty.

The total amount invested by all public agencies in LAIF as of October 31, 2020, was $32.3 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at October 31, 2020, had a balance of $101.4 billion. Of that amount, 3.76% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 177 days as of October 31, 2020.

The total amount invested by all public agencies in LAIF as of October 31, 2019, was $24.8 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at October 31, 2019, had a balance of $91.4 billion. Of that amount, 2.26% was invested in medium-term and short-term structured notes and asset-backed securities. The average maturity of PMIA investments was 203 days as of October 31, 2019.

Fair Value Measurement and Application

GASB Statement No. 72, *Fair Value Measurement and Application*, sets forth the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Commission has the ability to access.

Level 2 Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets in inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investments in an external government investment pool, such as LAIF, are not subject to reporting within the level hierarchy.

Investments Authorized by the California Government Code and the Commission's Investment Policy

The Commission adopted California Government Code (CGC) Section 16430 and the United States Department of Agriculture (USDA) Directive 2210.2 as its investment policy. The table below identifies the investment types that are authorized under CGC Section 16430, as well as certain provisions of CGC Section 16430 and USDA Directive 2210.2 that address interest rate risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
State of California Bonds and Notes	1 year	None	None
U. S. Treasury Obligations	1 year	None	None
U. S. Agency Securities	1 year	None	None
Bank Loans	1 year	None	None
Student Loan Notes	1 year	None	None
Obligations issued for Reconstruction and Development	1 year	None	None
Negotiable Certificates of Deposits	1 year	30%	None
Banker's Acceptances	180 days	40%	None
Commercial Paper	270 days	25%	10%
Corporate Bonds and Notes	1 year	None	None
Local Agency Investment Fund (LAIF)	N/A	None	$65 million

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the Commission's investments by maturity:

	Remaining Maturity 12 Months or Less	
Investment Type	**2020**	**2019**
Local Agency Investment Fund	$ 10,359	$ 10,148

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the Commission contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the CGC 16430. The Commission had no investments in any one issuer (other than external investment pools) that represented 5% or more of total Commission investments at October 31, 2020 and 2019.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. At October 31, 2020, the bank balance of the deposit was $14,984,334. $250,000 of the bank balance was covered by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of $14,734,334 was collateralized at 100% of the total amount deposited by the Commission in accordance with the federal regulation under US Department of Agriculture. At October 31, 2019, the bank balance of the deposit was $15,140,619. $250,000 of the bank balance was covered by the Federal Deposit Insurance Corporation (FDIC). The remaining balance of $14,890,619 was collateralized at 100% of the total amount deposited by the Commission in accordance with the federal regulation under US Department of Agriculture.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

(b) Capital Assets

	November 1, 2019	Additions	Deletions	October 31, 2020
Capital assets, being depreciated:				
Furniture	$ 187,904	$ -	$ -	$ 187,904
Office equipment	61,002	-	-	61,002
Software	15,022	-	-	15,022
Land improvements	108,559	-	-	108,559
Total capital assets, being depreciated	372,487	-	-	372,487
Less accumulated depreciation for:				
Furniture	61,205	32,349	-	93,554
Office equipment	61,002	-	-	61,002
Software	9,180	5,007	-	14,187
Land improvements	56,786	14,123	-	70,909
Total accumulated depreciation	188,173	51,479	-	239,652
Capital assets, net of depreciation	$ 184,314	$ (51,479)	$ -	$ 132,835

	November 1, 2018	Additions	Deletions	October 31, 2019
Capital assets, being depreciated:				
Furniture	$ 187,904	$ -	$ -	$ 187,904
Office equipment	61,002	-	-	61,002
Software	15,022	-	-	15,022
Land improvements	108,559	-	-	108,559
Total capital assets, being depreciated	372,487	-	-	372,487
Less accumulated depreciation for:				
Furniture	28,856	32,349	-	61,205
Office equipment	61,002	-	-	61,002
Software	4,173	5,007	-	9,180
Land improvements	42,663	14,123	-	56,786
Total accumulated depreciation	136,694	51,479	-	188,173
Capital assets, net of depreciation	$ 235,793	$ (51,479)	$ -	$ 184,314

Depreciation expense was $51,479 and $51,479 for the years ended October 31, 2020 and 2019, respectively.

(c) Long-term Liabilities

	November 1, 2019	Additions	Deletions	October 31, 2020	Amount Due within One Year
Compensated absences	$ 172,960	$ 141,481	$ (114,236)	$ 200,205	$ 114,237

	November 1, 2018	Additions	Deletions	October 31, 2019	Amount Due within One Year
Compensated absences	$ 198,848	$ 136,627	$ (162,515)	$ 172,960	$ 162,515

(3) OTHER INFORMATION

(a) Avocado Inspection Program

During February 1986, the Commission contracted with the State Department of Food and Agriculture to administer the Avocado Inspection Program (AIP) for the State of California (State). Since the Commission is, in substance, an agent for the State, fiduciary cash and cash equivalents, amounts held for AIP are offset by fiduciary liabilities, amounts held for AIP. As of October 31, 2020 and 2019, $965,868 and $795,510, respectively, was held by the Commission for the AIP.

(b) Line of Credit

On March 8, 2011, the Commission obtained a revolving line of credit from Bank of the West, in the amount of $3,000,000, with a variable interest rate at prime rate plus 0.5% and a floor of 4.0%. The original maturity date for the line of credit was February 15, 2013, which was extended to February 28, 2021, under the same terms as the original agreement. At October 31, 2020 and 2019, there was no outstanding balance due on the line of credit.

(c) Risk Management

Insurance Programs of the Commission

The Commission utilizes insurance broker Brown & Brown of California, Inc., to obtain its insurance coverage from various insurers. The Commission's coverage is as follows:

Commercial General Liability - insured by Fireman's Fund Insurance – General aggregate coverage of $2,000,000 and $1,000,000 for each occurrence.

Automobile Liability - insured by Fireman's Fund Insurance – Coverage is $1,000,000 per bodily injury or property damage, subject to a $500 deductible.

Crime Liability - insured by Travelers Casualty & Surety – Coverage is $1,000,000, subject to a $5,000 deductible.

Umbrella Liability - insured by American Insurance Company – General aggregate coverage of $5,000,000 and $5,000,000 for each occurrence.

Travel Accident Liability - insured by Hartford Life Insurance Company – Coverage is $100,000 per person and $500,000 per aggregate limit.

Directors and Officers Liability and Employment Practices Liability - insured by Great American Insurance Company – Coverage is $5,000,000 aggregate limit, with a $25,000 retention.

Employed Lawyers Professional Liability - insured by Federal Insurance Company – Coverage is $1,000,000 aggregate limit, with a $5,000 retention.

Fiduciary Liability - insured by Lloyds of London – Coverage is $1,000,000 each claim and in aggregate, subject to a $2,500 deductible.

Media Content/Network Security and Privacy - insured by Lloyds of London – Coverage is $1,000,000 each claim and in aggregate, with a $25,000 self insurance retention for each loss.

Foreign Liability - insured by Fireman's Fund Insurance Company – General aggregate coverage is $2,000,000 and $1,000,000 for each occurrence.

International Business Auto - insured by Fireman's Fund Insurance – Coverage is $1,000,000 hired or non-owned auto liability and $10,000 medical payment each person/accident.

International Foreign Voluntary Workers' Compensation and Employer Liability – insured by Fireman's Fund Insurance Company – Coverage is $1,000,000 per occurrence

Workers' Compensation Coverage – insured by Hartford Casualty Insurance Company – Coverage is $1,000,000 per occurrence

Adequacy of Protection

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded insured coverage. There have been no significant changes in insurance coverage during fiscal year 2020.

(d) ***Employee Retirement Plans***

The Board of Directors of the Commission implemented a defined contribution plan, California Avocado Commission Profit Sharing Plan (PSP), administered by "The Retirement Plan Company," for eligible Commission employees effective November 1, 2000. The Commission's payroll for the twelve employees eligible to participate in the PSP for the plan year ended October 31, 2020, was $1,883,654. Total payroll for the thirteen employees eligible to participate in the PSP for the plan year ended October 31, 2019, was $1,986,814. Total contributions for the years ended October 31, 2020 and 2019 were $212,985 and $215,766, respectively.

The Commission may make annual, discretionary contributions, as determined by the President, to the PSP. With a few exceptions, each eligible employee received an allocation of 10% of compensation, up to a maximum of $56,000 for the plan year ended October 31, 2020, and $55,000 for the plan year ended October 31, 2019. To receive an allocation, each employee must meet a minimum service requirement of one year and must be credited with at least 1,000 hours of service.

(e) Operating Leases

On November 5, 2009, the Commission entered into a lease agreement for the current office space, within the City of Irvine, California, under a five-year lease ended November 30, 2014, which was extended to November 30, 2025. During the years ended October 31, 2020 and 2019, the Commission paid $105,857 and $74,836, respectively, for office rent, exclusive of operating expenses.

On October 10, 2012 the Commission entered into a lease agreement on behalf of AIP for office space within the City of Escondido, California, under a three-year lease ended September 30, 2015, which was extended to September 30, 2021. During the years ended October 31, 2020 and 2019, the Commission paid $17,760 and $17,133, respectively, for office rent subsequently reimbursed by AIP, exclusive of operating expenses.

On May 1, 2013 the Commission entered into a lease agreement on behalf of AIP for office space within the City of Santa Paula, California, under a three-year lease ended April 30, 2016, which was extended to April 30, 2020. During the years ended October 31, 2020 and 2019, the Commission paid $12,000 and $12,000, respectively, for office rent subsequently reimbursed by AIP, exclusive of operating expenses.

On September 15, 2011, the Commission entered into an agreement to lease a postage machine under a three-year lease ended on October 1, 2014, which was extended to July 21, 2022, with quarterly payments due at the end of each quarter of $275. Quarterly payments began January 1, 2012. During the years ended October 31, 2020 and 2019, the Commission paid $1,564 and $948, respectively, including tax, for this lease.

On February 9, 2015, the Commission entered into an agreement to lease two printers under a three-year lease agreement ended on January 31, 2018, with monthly payments of $441 beginning February 1, 2015. The original lease was terminated as of August 31, 2017. On September 1, 2017, the Commission entered into an agreement to lease two new printers under a three-year lease agreement ended on August 31, 2020, with monthly payments of $575. The lease was renewed on June 1, 2020 for three years ending May 30, 2023, with monthly payments of $555. During the years ended October 31, 2020 and 2019, the Commission paid $7,664 and $7,434, respectively, including tax, for this lease.

On October 19, 2016, the Commission entered into an agreement to lease a printer under a three-year lease agreement ended on November 30, 2019, with monthly payments of $499 beginning December 1, 2016. On December 1, 2019, the Commission entered into an agreement to lease one printer under a three-year lease agreement ending November 30, 2022, with monthly payments of $537. During the years ended October 31, 2020 and 2019, the Commission paid $5,593 and $6,787, respectively, including tax, for this lease.

On July 1, 2013, the Commission entered into a lease agreement for the Pine Tree Ranch property within the City of Santa Paula, California, under a ten-year lease ending June 30, 2023. During the years ended October 31, 2020 and 2019, the Commission paid $22,836 and $22,104 for rent, respectively, including rent paid for a garage on the property for $100 a month.

On January 1, 2019, the Commission entered into an agreement for security alarm services under a three-year lease agreement ending on November 31, 2021, with monthly payments of $195 beginning January 9, 2019. During the years ended October 31, 2020 and 2019, the Commission paid $4,309 and $3,308, including service charges, for this lease.

The annual requirements to amortize the operating lease obligations as of October 31, 2020, are as follows:

Year Ending October 31,	Office Spaces	Printers	Postage Machine	Alarm System	Pine Tree Ranch	Total
2021	$ 119,840	$ 13,098	$ 1,101	$ 3,129	$ 23,600	$ 160,768
2022	122,390	13,098	826	-	24,384	160,698
2023	125,895	4,421	-	-	16,608	146,924
2024	130,043	-	-	-	-	130,043
2025	133,607	-	-	-	-	133,607
Total	$ 631,775	$ 30,617	$ 1,927	$ 3,129	$ 64,592	$ 732,040

SUPPLEMENTARY INFORMATION

CALIFORNIA AVOCADO COMMISSION

Budgetary Comparison Schedule

For the Year Ended October 31, 2020

(with comparative actual totals for the year ended October 31, 2019)

	2020				
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	2019 Actual
Revenues:					
Assessment revenue	$ 8,541,000	$ 8,541,000	$ 8,077,521	$ (463,479)	$ 8,364,916
HAB rebate assessment revenue (restricted)	7,213,313	7,213,313	7,005,515	(207,798)	4,135,923
Administrative and accounting fees	61,000	61,000	60,996	(4)	60,996
Interest income	15,000	15,000	27,853	12,853	31,380
Grant revenue	38,648	238,648	151,613	(87,035)	135,174
Other income	92,000	217,409	145,667	(71,742)	196,410
Total revenues	15,960,961	16,286,370	15,469,165	(817,205)	12,924,799
Expenses:					
Marketing:					
Consumer marketing	6,601,027	6,601,027	6,488,001	113,026	3,870,353
Merchandising	2,478,918	2,478,918	1,942,642	536,276	1,395,505
Foodservice	934,000	934,000	718,321	215,679	622,529
Consumer public relations	975,000	975,000	944,128	30,872	649,753
Consumer/Trade Living Well	134,750	134,750	133,733	1,017	-
Consumer registered dietitian nutritionist program	-	-	-	-	98,906
Ecommerce	-	413,064	308,528	104,536	-
Marketing activities support	145,875	145,875	126,459	19,416	94,142
Total marketing	11,269,570	11,682,634	10,661,812	1,020,822	6,731,188
Non-marketing programs:					
Industry affairs	1,127,677	1,168,677	671,179	497,498	692,622
Production research	379,787	411,430	408,425	3,005	184,443
Grant expenses	38,648	238,648	152,068	86,580	145,174
Total non-marketing programs	1,546,112	1,818,755	1,231,672	587,083	1,022,239
Administration:					
Administration	3,282,795	3,265,764	3,090,562	175,202	3,261,309
Information systems	88,976	88,976	74,986	13,990	94,124
Depreciation	51,480	51,480	51,479	1	51,479
Total administration	3,423,251	3,406,220	3,217,027	189,193	3,406,912
Total expenses	16,238,933	16,907,609	15,110,511	1,797,098	11,160,339
Change in net position	(277,972)	(621,239)	358,654	979,893	1,764,460
Net position, beginning of year	12,219,328	13,983,788	13,983,788	-	12,219,328
Net position, ending of year	$ 11,941,356	$ 13,362,549	$ 14,342,442	$ 979,893	$ 13,983,788

See accompanying note to supplementary information.

CALIFORNIA AVOCADO COMMISSION
Note to Supplementary Information
October 31, 2020 and 2019

(1) BUDGETARY INFORMATION:

(a) Budgets and Budgetary Accounting:

Each year, the California Avocado Commission (Commission) adopts a budget that provides for its general operations. Budgets are prepared on the accrual basis of accounting. Department Heads are responsible for preparing and presenting their departmental budgets. Each Department Head is required to meet with the President and VP of Finance and Administration of the Commission to review each line item. The overall combined budget is prepared by the President and VP of Finance and Administration of the Commission and presented to the Board of Directors. Line item transfers do not need Board of Directors approval. Any increases in a department's budget must be approved by the Board of Directors.

CALIFORNIA AVOCADO COMMISSION

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended October 31, 2020

	Restricted	Unrestricted	Total
Operating revenues:			
Assessment revenue	$ -	$ 8,077,521	$ 8,077,521
HAB rebate assessment revenue (restricted)	7,005,515	-	7,005,515
Administrative and accounting fees	-	60,996	60,996
Other operating revenues	-	9,287	9,287
Total operating revenues	7,005,515	8,147,804	15,153,319
Operating expenses:			
Marketing	6,563,522	4,098,290	10,661,812
Nonmarketing programs	-	1,231,672	1,231,672
Administration	-	3,217,027	3,217,027
Total operating expenses	6,563,522	8,546,989	15,110,511
Operating income (loss)	441,993	(399,185)	42,808
Non-operating revenues (expenses):			
Interest income (expense)	8,355	19,498	27,853
Other income	-	287,993	287,993
Total nonoperating revenues	8,355	307,491	315,846
Change in net position	450,348	(91,694)	358,654
Net position, beginning of year	4,327,047	9,656,741	13,983,788
Net position, ending of year	$ 4,777,395	$ 9,565,047	$ 14,342,442

CALIFORNIA AVOCADO COMMISSION

Program Expenses

For the Year Ended October 31, 2020

	Restricted	Budget
Marketing Programs:		
Media-85% Rebate-Mullen	$ 2,069,369	$ 2,069,400
Program Administration Fees-85% Rebate-Mullen	1,695,527	1,695,527
Website & Blog - Mullen	518,951	519,000
Subtotal Consumer Advertising	4,283,847	4,283,927
California Avocado Video Distribution-85% Rebate-Golin	95,751	80,000
California Avocado Month-85% Rebate-Golin	197,871	245,000
News Bureau-85% Rebate-Golin	251,188	255,000
Media Tracking & Reporting-85% Rebate-Golin	67,288	80,000
Blog & Social Media Support-85% Rebate-Golin	94,807	90,000
Program Administration Fees-85% Rebate-Golin	136,114	115,000
Program Administration Expenses-85% Rebate-Golin	2,734	10,000
California Avocado Promotional Items	11,865	10,000
Subtotal Consumer Public Relations	857,618	885,000
Trade Advertising-Media-85% Rebate-Fusion	346,705	350,000
Trade Advertising-Production-85% Rebate-Fusion	24,318	30,000
Conventions-85% Rebate	109,381	201,600
Booth Storage-85% Rebate	10,299	50,000
Key Account Coverage-MW/SE-Anderson-85% Rebate	80,800	90,000
Key Account Coverage-West-Becker-85% Rebate	119,433	142,500
Retail Merchandising Services (POS Placement)-85% Rebate	-	50,000
Premiums-85% Rebate	4,186	20,000
POS Materials-85% Rebate	8,614	20,000
Subtotal Merchandising	703,736	954,100
Media-85% Rebate-KC	104,790	102,000
Production-85% Rebate-KC	27,174	24,000
Public Relations-85% Rebate-KC	63,729	70,700
Foodservice Events-85% Rebate-KC	201,776	307,300
Chain Promotions-85% Rebate-KC	268,738	370,000
Culinary Education Program-85% Rebate-KC	5,279	6,000
Program Administration Fees-85% Rebate-KC	45,450	50,000
Program Administration Expenses-85% Rebate-KC	1,385	4,000
Subtotal Foodservice	718,321	934,000
Total Marketing	6,563,522	7,057,027
Total Program Expenses	**$ 6,563,522**	**$ 7,057,027**

Certified Public Accountants

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
California Avocado Commission
Irvine, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the California Avocado Commission (Commission), as of and for the year ended October 31, 2020, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated January 29, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Irvine, California
January 29, 2021

Certified Public Accountants

Independent Auditor's Report

Board of Directors
California Avocado Commission
Irvine, California

Compliance

We have audited the California Avocado Commission's (Commission) compliance with Section V.D. of the *Guidelines for Agricultural Marketing Service (AMS) Oversight of Commodity Research and Promotion Programs* (Guidelines), dated June 2012 applicable to the Commission for the year ended October 31, 2020.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of the Commission's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the Guidelines. Those standards and Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Commission occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance with those requirements. We determined the following as listed below:

1. No funds were used for the purpose of influencing governmental policy or action, per Section 515(d) of the Commodity Promotion Research and Information Act (Act), related to use of assessments for the purpose of influencing legislation, as that term is defined in Section 4911(d) of the Internal Revenue Code and Title 26 of the United States Code.
2. The Commission's investment policy was in compliance with the AMS investment policy, as stated in the Guidelines, Appendix 3 – Directive 2210.2 "Investment of Public Funds" dated February 7, 2011.
3. Funds were used only for projects and other expenses authorized in a budget approved by the USDA, per Section II of the Guide.
4. Funds were used only in accordance with the rules, regulations and policies of the Act, the Guidelines, and the Hass Avocado Promotion, Research, and Information Order.
5. We observed no violations of the Act, Order or Guidelines for Research and Development Programs.

Opinion

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that are applicable to the Commission for the year ended October 31, 2020.

Internal Control Over Compliance

The Commission's management is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Commission's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the Guidelines. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the United States Department of Agriculture, the Commission's Board of Directors, and management of the Commission and is not intended to be and should not be used by anyone other than those specified parties.

Macias Gini & O'Connell LLP

Irvine, California
January 29, 2021

Certified Public Accountants

January 29, 2021

Board of Directors
California Avocado Commission
Irvine, California

We have audited the financial statements of the California Avocado Commission (Commission) as of and for the year ended October 31, 2020, and have issued our report thereon dated January 29, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated September 28, 2020, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

We assisted management in preparing the basic financial statements for the year ended October 31, 2020. Management assumed all management responsibilities related to this service. Monica Arnett, Vice President of Finance and Administration was designated as a qualified individual with suitable skill, knowledge, and experience, to oversee this non-attest service, evaluate the adequacy and results of the non-attest service, and accept responsibility for this service.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the basic financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal year 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are management's estimate of depreciation of the Commission's capital assets, which is based on the asset's estimated useful life and management's estimate of compensated absences, which is based on the unused leave time for each employee valued at their current pay rate.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. We did not identify any misstatements as a result of our audit procedures.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which is dated January 29, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to management's discussion and analysis (MD&A), which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedule, combining statement of revenues, expenses and changes in net position, and program expenses, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Restriction on Use

This report is intended solely for the information and use of the Board of Directors, and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Irvine, California

Certified Public Accountants

Independent Accountant's Report
On Applying Agreed-Upon Procedures

Board of Directors
California Avocado Commission
Irvine, California

We have performed the procedures enumerated below as specified in the Manual for Performing Agreed Upon Procedures for the California Agricultural Marketing Programs, which were agreed to by the California Department of Food & Agriculture (CDFA) and the California Avocado Commission (Commission), solely to assist the Commission (responsible party) in evaluating its compliance with the CDFA (specified party) *Accounting Guidelines and General Rules* (Guidelines), effective October 1, 2009, and the Commission's internal policies and procedures for the year ended October 31, 2020. The Commission's management is responsible for evaluating its compliance with the CDFA Guidelines and internal policies and procedures. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures and results are as follows:

1. Select a haphazard sample of 60 expenditures from the expense accounts listed below for the period of November 1, 2019 to October 31, 2020, to confirm that expenses were made in accordance with Section IV, Purchases and Invoices, and Section V, Travel, Entertainment, and Related Expenses, of the CDFA Guidelines and the Commission's internal policies and procedures.

   a. Travel and Lodging
   b. Meals and Entertainment
   c. Employee use of Program-owned Vehicles
   d. Financial Transactions between Entities
   e. Contracts

   Finding: No exceptions were noted as a result of applying this procedure.

2. Inquire with Commission management whether the Commission owns or leases any vehicles. If so, confirm that the values of personal use of Commission-owned or leased vehicles are in accordance with IRS regulations. Trace the value to inclusion in taxable income as reported on the employee's W-2.

   Finding: Per our inquiries with the Commission's management, we noted that the Commission does not own or lease any vehicles.

3. If Commission staff and office resources are also dedicated to managing other entities on behalf of assessment payers for the period of November 1, 2019 to October 31, 2020, perform the following:

   a. Identify the mission of each ancillary organization.
   b. Inspect the accounting systems and procedures to confirm that an adequate firewall exists between the marketing program's books and those for other organizations. Inquire with Commission management that a memorandum of understanding exists between the marketing program and ancillary organizations to share administrative costs and that documentation exists to justify proper proration of such costs.
   c. Select one sample of financial transactions between related entities to confirm they were made in compliance with the memorandum of understanding.
   d. Inquire with Commission management whether there are conflicts of interest that exist between management and the ancillary organizations.

   Finding: Per our inquiries with the Commission's management, the Commission did not manage other entities on behalf of assessment payers for the period of November 1, 2019 through October 31, 2020.

4. Inquire with Commission management whether the Commission has policies and procedures for purchasing and contracts. Select a sample (1/3 of the total population) of purchase orders to confirm that vendors are selected in accordance with Section IV, Purchases and Invoices, of the CDFA Guidelines and the Commission's internal policies and procedures.

   Finding: Per our inquiries with the Commission's management, we selected 24 out of 73 purchase orders and contracts. Exceptions were noted as a result of our procedures. We noted exceptions related to 17 separate purchase orders and contracts over $5,000 for which the Commission did not obtain three bids as required by CDFA Guidelines. Based on our inquiries with management, it is the Commission's policy to obtain bids or complete a Sole Source Procurement form for purchase orders that exceed $25,000.

5. Identify key controls of each cycle listed below as suggested in the Guidelines, and compare the key controls to the Commission's current internal control procedures as documented in the Commission's Accounting Policies and Procedures Manual. Select one transaction from each process below and observe that each key control was performed.

   Finding: Per our inquiries with the Commission's management, we identified the following key controls and our observations:

   a) General ledger and bank reconciliation oversight: We observed the key controls over the bank reconciliation and journal entry processes and noted that the Commission's internal control procedures are consistent with the controls suggested in the CDFA Guidelines. We noted no exceptions during our observation of the selected sample.
   b) Safety of property: We observed the key controls over the safety of property process and noted the Commission's internal control procedures are consistent with the controls suggested in the CDFA Guidelines. We noted no exceptions during our observation of the selected.
   c) Cash receipts: We observed the key controls over the cash receipts process and noted the Commission's internal control procedures are consistent with the controls suggested in the CDFA Guidelines. We noted no exceptions during our observation of the selected sample.

d) Cash disbursements: We observed the key controls over the cash disbursement process and noted the Commission's internal control procedures are consistent with the controls suggested in the CDFA Guidelines. We noted no exceptions during our observation of the selected sample.

e) Travel, lodging and meals: We observed the key controls over the travel, lodging, and meals process and noted the Commission's internal control procedures are consistent with the controls suggested in the CDFA Guidelines. We noted no exceptions during our observation of the selected sample.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Commission's compliance with the CDFA's Guidelines and the Commissions internal policies and procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the CDFA, the Commission's Board of Directors, and management of the Commission and is not intended to be and should not be used by anyone other than those specified parties.

Macias Gini & O'Connell LLP

Irvine, California
January 29, 2021

BOARD ACTION

ITEM 6.B: CONSIDER APPROVAL OF BUDGET AMENDMENT #1

SUMMARY:

Management has prepared Budget Amendment #1, which revises the 2020-21 beginning cash reserve balance to $14,342,442 obtained from the October 31, 2020 audited financial statements.

Budget amendment #1 also reflects an increase in the Production Research budget of $5,000 to repair windscreen equipment essential to conducting the Gem Avocado Scarring Study that were damaged from strong windstorms prior year.

FISCAL ANALYSIS:

- Budget Amendment #1 increases spending by $5,000.

BOARD OPTIONS:

- Adopt Budget Amendment #1 as presented.
- Modify the proposed budget and approve the modifications.
- Take no action.

STAFF RECOMMENDATION:

- Management recommends approval of Budget Amendment #1.

EXHIBITS / ATTACHMENTS:

- Draft CAC 2020-21 Budget Amendment #1.

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #1

ACCT CODE	REVENUES:	2020-21 AMEND #1	%	2020-21 BUDGET	%	ORIGINAL vs AMEND #1 INCREASE (DECREASE)	ORIGINAL vs AMEND #1 PERCENT CHANGE	COMMENT
40001	CAC Assessment Revenue	$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	46.8%	$6,422,813	46.8%	$0	0.00%	
	Subtotal Assessment Revenues	**$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%	$0	0.00%	
46010	Grant Funding	$0	0.0%	$0	0.0%	$0	100.00%	
48001	Interest Income	$15,000	0.1%	$15,000	0.1%	$0	0.00%	
48009	From the Grove Income	$65,000	0.5%	$65,000	0.5%	$0	0.00%	
48003	Other Income	$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%	$0	0.00%	
	Subtotal Other Revenues	**$368,858**	**2.7%**	**$368,858**	**2.7%**	**$0**	**0.00%**	
	Total Revenues	**$13,723,311**	**100.0%**	**$13,723,311**	**100.0%**	**$0**	**0.00%**	

ACCT CODE	EXPENDITURES: Marketing Programs	2020-21 AMEND #1	%	2020-21 BUDGET	%	ORIGINAL vs AMEND #1 INCREASE (DECREASE)	ORIGINAL vs AMEND #1 PERCENT CHANGE	COMMENT
51000 & 55000	Consumer Marketing	$6,713,665	38.5%	$6,713,665	38.5%	$0	0.00%	
54000	Consumer Public Relations	$1,000,000	5.7%	$1,000,000	5.7%	$0	0.00%	
54000	Consumer/Trade Living Well	$202,000	1.2%	$202,000	1.2%	$0	0.00%	
52000	Merchandising	$2,848,488	16.3%	$2,848,488	16.3%	$0	0.00%	
53000	Foodservice	$970,000	5.6%	$970,000	5.6%	$0	0.00%	
59000	Marketing Activities Support	$201,375	1.2%	$201,375	1.2%	$0	0.00%	
57000	California Avocado Merchandise Shop	$304,854	1.7%	$304,854	1.7%	$0	0.00%	
	Subtotal Marketing Programs	**$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	9.4%	$1,636,219	9.4%	$5,000	0.31%	See details below
66010	Grant Programs	$0	0.0%	$0	0.0%	$0	100.00%	
70000	Administration	$3,560,570	20.4%	$3,560,570	20.4%	$0	0.00%	
	Subtotal Non-Marketing Programs	**$5,201,789**	**29.8%**	**$5,196,789**	**29.8%**	**$5,000**	**0.10%**	
	Total Expenditures	**$17,442,171**	**100.0%**	**$17,437,171**	**100.0%**	**$5,000**	**0.03%**	
	Excess Of Revenues Over (Under) Expenditures	**($3,718,860)**	**-27.1%**	**($3,713,860)**	**-27.1%**	**($5,000)**	**0.13%**	
	Estimated Beginning Reserves - Nov. 1	$14,342,442		$13,983,788		$358,654	2.56%	Revise beginning reserves to actual
	Estimated Ending Reserves - Oct. 31	**$10,623,582**		**$10,269,928**		**$353,654**	**3.44%**	

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #1

Department: Marketing

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #1	%	2020-21 BUDGET	%	ORIGINAL vs AMEND #1 INCREASE (DECREASE)	ORIGINAL vs AMEND #1 PERCENT CHANGE	COMMENT
	Consumer Marketing:							
51001	Media	$4,000,000	32.7%	$4,000,000	32.7%	$0	0.00%	
51002	Production	$425,000	3.5%	$425,000	3.5%	$0	0.00%	
55XXX	Online Marketing	$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%	$0	0.00%	
	Consumer Marketing Subtotal	**$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%	$0	0.00%	
5400X & 541XX	Public Relations	$545,000	4.5%	$545,000	4.5%	$0	0.00%	
5480X	Program Administration	$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%**	**$0**	**0.00%**	
	Consumer/Trade Living Well:							
54206	Living Well Brand Advocates	$156,500	1.3%	$156,500	1.3%	$0	0.00%	
54201	Industry Partnerships	$33,500	0.3%	$33,500	0.3%	$0	0.00%	
54802	Program Administration	$12,000	0.1%	$12,000	0.1%	$0	0.00%	
	Consumer/Trade Living Well Subtotal	**$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%	$0	0.00%	
521XX & 523XX	Retail & Consumer Promotions	$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%	$0	0.00%	
524XX	Administration & Other	$105,000	0.9%	$105,000	0.9%	$0	0.00%	
	Merchandising Subtotal	**$2,848,488**	**23.3%**	**$2,848,488**	**23.3%**	**$0**	**0.00%**	
	Foodservice:							
53001	Media	$110,100	0.9%	$110,100	0.9%	$0	0.00%	
53101	Public Relations & Collateral Materials	$113,000	0.9%	$113,000	0.9%	$0	0.00%	
53103	Foodservice Events	$355,900	2.9%	$355,900	2.9%	$0	0.00%	
53104	Chain Promotions	$335,000	2.7%	$335,000	2.7%	$0	0.00%	
53105	Education Programs	$2,000	0.0%	$2,000	0.0%	$0	0.00%	
5380X	Program Administration	$54,000	0.4%	$54,000	0.4%	$0	0.00%	
	Foodservice Subtotal	**$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%	$0	0.00%	
51003	Buy California Marketing Agreement	$25,000	0.2%	$25,000	0.2%	$0	0.00%	
51005	Center for Produce Safety	$50,000	0.4%	$50,000	0.4%	$0	0.00%	
580XX	Festivals	$10,500	0.1%	$10,500	0.1%	$0	0.00%	
	Marketing Activities Support Subtotal	**$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%	$0	0.00%	
577XX & 57900	Expenses - Variable	$58,064	0.5%	$58,064	0.5%	$0	0.00%	
5780X	Expenses - Fees	$135,080	1.1%	$135,080	1.1%	$0	0.00%	
	California Avocado Merchandise Shop Subtotal	**$304,854**	**2.5%**	**$304,854**	**2.5%**	**$0**	**0.00%**	
	Total Marketing	**$12,240,382**	**100.0%**	**$12,240,382**	**100.0%**	**$0**	**0.00%**	

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #1

Department: Industry Affairs & Production Research

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

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #1

Department: Industry Affairs & Production Research

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #1	%	2020-21 BUDGET	%	ORIGINAL vs AMEND #1 INCREASE (DECREASE)	ORIGINAL vs AMEND #1 PERCENT CHANGE	COMMENT
	Pest & Disease Projects:							
65127	Phenology of Avocado Infection by Botryosphaeria Branch Canker and I	$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	14.0%	$0	0.00%	
	Pest & Disease Project Subtotal	**$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	35.1%	$0	0.00%	
	Breeding, Varieties, Genetics Projects Subtotal	**$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	13.4%	$0	0.00%	
65319	Safety and Efficacy of Herbicides in Bearing Avocado Groves	$46,836	13.0%	$46,836	13.2%	$0	0.00%	
65320	Gem Avocado Scarring Study	$23,600	6.5%	$18,600	5.2%	$5,000	26.88%	Increase for Gem Avocado Scarring Study equipment repair
	Cultural Management Projects Subtotal	**$118,222**	**32.8%**	**$113,222**	**31.8%**	**$5,000**	**4.42%**	
	Total Production Research	**$360,919**	**100.0%**	**$355,919**	**100.0%**	**$5,000**	**1.40%**	

Department: Grant Programs

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #1	%	2020-21 BUDGET	%	ORIGINAL vs AMEND #1 INCREASE (DECREASE)	ORIGINAL vs AMEND #1 PERCENT CHANGE	COMMENT
66020-91	USDA Grant-FAS MAP South Korea	$0	#DIV/0!	$0	#DIV/0!	$0	100.00%	
	Total Grant Programs	**$0**	**#DIV/0!**	**$0**	**#DIV/0!**	**$0**	**100.00%**	

CALIFORNIA AVOCADO COMMISSION
2020-21 BUDGET
AMENDMENT #1

Department: Administration

ACCT CODE	DEPT/ ACTIVITY	2020-21 AMEND #1	%	2020-21 BUDGET	%	ORIGINAL vs AMEND #1 INCREASE (DECREASE)	ORIGINAL vs AMEND #1 PERCENT CHANGE	COMMENT
	Office Expense:							
71101 & 71102	Office Rent & Property Tax	$138,701	3.9%	$138,701	3.9%	$0	0.00%	
71104	Offsite Storage	$7,080	0.2%	$7,080	0.2%	$0	0.00%	
71111	Corporate Insurance	$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%	$0	0.00%	
71131	Utilities	$16,540	0.5%	$16,540	0.5%	$0	0.00%	
71141	Bank & Payroll Fees	$15,860	0.4%	$15,860	0.4%	$0	0.00%	
71151	Equipment Maintenance & Expense	$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%	$0	0.00%	
	Office Expense Subtotal	**$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%	$0	0.00%	
71203	CPA-Assessment Audits	$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%	$0	0.00%	
71211	CDFA Charges	$76,200	2.1%	$76,200	2.1%	$0	0.00%	
71221	USDA-AMS Charges	$75,600	2.1%	$75,600	2.1%	$0	0.00%	
71231 - 71235	Legal & Other Professional	$5,000	0.1%	$5,000	0.1%	$0	0.00%	
78301	Pension Admin & Legal	$49,300	1.4%	$49,300	1.4%	$0	0.00%	
	Professional Fees Subtotal	**$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%	$0	0.00%	
71311 - 71331	Pension, Payroll Tax & Benefits	$678,385	19.1%	$678,385	19.1%	$0	0.00%	
	Personnel Expenses Subtotal	**$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%	$0	0.00%	
71402 & 71403	Travel, Lodging, Mileage, Meals & Entertainment	$40,000	1.1%	$40,000	1.1%	$0	0.00%	
71404	Board Meeting Expenses	$30,500	0.9%	$30,500	0.9%	$0	0.00%	
	Commissioner Expenses Subtotal	**$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%	$0	0.00%	
73003 & 73005	IT Support, Consulting & IT Service	$31,500	0.9%	$31,500	0.9%	$0	0.00%	
73004	Accounting & Assessment System	$7,910	0.2%	$7,910	0.2%	$0	0.00%	
	Information Technology Subtotal	**$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%	$0	0.00%	
78201	Depreciation Expense	$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%	$0	0.00%	
78601	Temporary Help	$50,000	1.4%	$50,000	1.4%	$0	0.00%	
	Depreciation, Interest & Other Admin Subtotal	**$128,805**	**3.6%**	**$128,805**	**3.6%**	**$0**	**0.00%**	
	Total Administration	**$3,560,570**	**100.0%**	**$3,560,570**	**100.0%**	**$0**	**0.00%**	

BOARD ACTION

ITEM 6.C: CONSIDER RENEWAL OF LINE OF CREDIT

SUMMARY:

Management prepares cash flow and ending reserves projections for each fiscal year based on CAC's historical cash flow pattern and several assumptions including volume and price per pound. Upon review of the final 2019-20 reserves balance and the updated cash flow projection for 2020-21, management is not anticipating a need for the line of credit to be utilized during the 2020-21 fiscal year. However, to act prudently and be prepared for a worst-case situation (e.g. catastrophic crop failure), management would like to recommend that the Board approve the renewal of CAC's line of credit at the same amount as in previous years.

Bank of the West has offered the same terms for the new line of credit, which are as follow:

- $3,000,000 line of credit
- Interest rate is Prime Rate plus 0.5% with a floor of 4%
- No fees
- Maturity extended to February 28, 2023

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Approve renewal of CAC's line of credit with Bank of the West
- Do not approve renewal of CAC's line of credit with Bank of the West
- Direct management to explore additional alternatives
- Take no action

STAFF RECOMMENDATION:

- Management recommends that the Board approve renewal of CAC's line of credit with Bank of the West

EXHIBITS / ATTACHMENTS:

- None

BOARD ACTION

ITEM 9: HASS AVOCADO BOARD BOLD PROGRAM

SUMMARY:

In November, representatives from the Hass Avocado Board (HAB) provided details on the HAB Board Leadership Development Program (BOLD). The purpose of BOLD is to prepare selected individuals for future service on avocado industry boards and associations organized in connection with HAB. CAC was invited to participate in the program by sponsoring a participant, and it was noted that CAC's financial contribution would be limited to travel reimbursements for the selected program participant, which could be up to $9,000 if meetings were to take place in person.

The CAC Board of Directors approved sponsoring one program participant, who is a currently seated Board Member or Alternate, in the HAB Board Leadership Development Program. Rachael Laenen, CAC alternate, has submitted her application to be CAC's participant in the BOLD.

FISCAL ANALYSIS:

- The annual proposed cost per participant is up to $9,000 for travel reimbursement depending upon whether virtual or in-person meetings are utilized.

BOARD OPTIONS:

- Approve sponsorship of Rachael Laenen in the BOLD
- Take no action

STAFF RECOMMENDATION:

- Staff defers to the board's judgement in this matter

EXHIBITS / ATTACHMENTS:

- None