



AGENDA

California Avocado Commission Board of Directors Meeting

Meeting Information

Date: February 22, 2024

Time: 8:30 a.m.

Location: Hybrid Meeting

Physical Meeting Location:
United Water Conservation District
1701 Lombard St
Oxnard, CA 93030

Web/Teleconference URL:

<https://californiaavocado.zoom.us/j/82696997824?pwd=Mzl6eWM5WkR4dzh4MWhmUVBEeXViQT09>

Conference Call Number: (669) 900-6833

Meeting ID: 826 9699 7824

Passcode: 769954

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

Board Member and Alternate Attendance

As of Friday, February 16, 2024, the following individuals have advised the Commission they will participate in this meeting:

John Berns, *Alternate*

Will Carleton, *Member*

Jason Cole, *Member*

Quinn Cotter, *Member*

Maureen Cottingham, *Member*

Rob Grether, *Member*

Jessica Hunter, *Member*

Robert Jackson, *Member*

Rachael Laenen, *Member*

Hayden McIntyre, *Alternate*

Daryn Miller, *Member*

Peter Shore, *Member*

Time	Item
8:30 a.m.	<ol style="list-style-type: none"> 1. Call to Order <ol style="list-style-type: none"> a. Roll Call/Quorum b. Introductions 2. Opportunity for Public Comment <p>Any person may address the Board at this time on any subject within the jurisdiction of the California Avocado Commission.</p> 3. Consent Calendar <p>Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Board 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.</p> <ol style="list-style-type: none"> a. Consider approval of Board of Director's meeting minutes of November 16, 2023 b. 2023-24 Financial and crop update c. Consider approval of committee appointments d. Consider approval of CAC as provider of Avocado Inspection Program administrative services for the CDFA for the period from July 2024 through June 2025 e. Consider Approval of Avocado Inspection Committee (AIC) Member/Alternate Recommendations 4. Chairman's Report 5. Consider appointment of handler member and alternate to fill existing vacancies for terms ending October 31, 2024 and October 31, 2025 <ol style="list-style-type: none"> a. Handler member (term ends 2024) b. Handler alternate member (term ends 2025) 6. Treasurer's Report <ol style="list-style-type: none"> a. Consider acceptance of 2022-23 audited financial statements 7. Operations/Industry Affairs update 8. Marketing <ol style="list-style-type: none"> a. New Creative Campaign and Marketing Strategy b. The value of a promotion c. IFPA Financial Attainment d. Marketing Committee Meetings 9. Request from Avocado Growers of California that "CAC petition USDA to organize a referendum for the Hass Avocado Board allowing all HAB assessment paying members to express their collective position."

Time	Item
	10. Consider PRC recommendation on potential salinity research funding with UC Santa Barbara
	11. Consider approval of HAB Bold Candidate Sponsorships
12:30 p.m.	12. Adjourn Meeting

Disclosures

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 <https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes> 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 NOVEMBER 16, 2023**

SUMMARY:

The minutes of the Board of Directors' regular meeting of November 16, 2023 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 November 16, 2023

**CALIFORNIA AVOCADO COMMISSION
BOARD MEETING MINUTES
November 16, 2023**

A meeting of the California Avocado Commission (CAC) Board was held on Thursday, November 16, 2023 with the following people present:

MEMBERS PRESENT

Victor Araiza
Will Carleton
Jason Cole
John Cornell
Quinn Cotter
Maureen Cottingham
Rob Grether
Jessica Hunter
Robert Jackson
Rachael Laenen
Daryn Miller
Peter Shore

ALTERNATES PRESENT

John Berns
Maddie Cook
Jamie Johnson
Ohannes Karaoghlanian
Hayden McIntyre

MEMBERS ABSENT

None

ALTERNATES ABSENT

Jaime Serrato

OFFICIALLY PRESENT

Victoria Carpenter, *USDA*
Ben Kardokus, *CDFA*
George Soares, Kahn,
Soares & Conway, LLP

STAFF PRESENT

April Aymami
Dave Cruz
Stacia Kierulff
Ken Melban
Lori Small
Terry Splane

GUESTS PRESENT

Wayne Brydon
Dan Cox
John Dmytriw
Consuelo Fernando
Gerardo Huerta
Kim Kurata
Cristie Mathers
John McGuigan
Marji Morrow
Steven Muro
Jill Netzel
Barbara Peirce
Adriane Rippberger
Joanne Robles
Steve Roodzant
Scott Scarboro
Matt Schraut
Silvia Standke
Gina Widjaja
Charley Wolk

ITEM #1 CALL TO ORDER

Ben Kardokus, representing the California Department of Food and Agriculture (CDFA), called the meeting to order at 8:01 a.m.

Announcement of Election Results and Introduction of New Members and Alternates - Item 1.a.

Mr. Kardokus announced that results from the recently concluded 2023 CAC General Election had been tallied and the following individuals had been elected to the CAC Board for two-year terms ending October 31, 2025:

District 1 Member: Robert Jackson

District 4 Member: Jason Cole

District 2 Member: Victor Araiza

District 5 Member: Daryn Miller

District 3 Member: Rob Grether

Handler Member: Peter Shore

Mr. Kardokus reported that during the election 275 valid ballots had been received, with 32 ballots disqualified. He noted that the disqualified ballots had no impact on the results of the election.

Roll Call – Item 1.b.

Mr. Kardokus conducted roll call attendance and determined that a quorum was present.

Introductions

April Aymami, CAC industry affairs director, announced the United States Department of Agriculture (USDA), CDFA, CAC staff, CAC agency personnel and known guests participating in the meeting. She asked for all other guests to announce themselves and recorded all participants in attendance.

ITEM # 2 OPPORTUNITY FOR PUBLIC COMMENT

None

ITEM # 3 ELECTION OF OFFICERS

Instruction on How Nominations and Voting for Board Officers will be Conducted – Item 3.a.

Mr. Kardokus provided a brief overview of Commission law and procedures pertaining to the nomination and election of Board officers.

Nominations and Election of Chairperson – Item 3.b.

Following the instructions on nominations and voting for board officers, Mr. Kardokus called for nominations for the seat of Chairperson. Jason Cole was nominated for the position of Chairperson by Rob Grether. John Cornell was nominated for the position of Chairperson by Robert Jackson. There were no further nominations for the position of Chairperson.

ACTION:

Move to elect Jason Cole to the position of Chairperson.

MSC (10 Yea/2 Nay)

MOTION 23-11-16-1

ITEM #4 CHAIRPERSON TAKES GAVEL AND PRESIDES

Chairperson's Opening Remarks – Item 4.b.

Mr. Cole thanked the Board for their support and electing him to the position of Chairperson. He made a special comment thanking Rob Grether for the three years he served as Chairman. Mr. Cole stated that he knows firsthand how much time Mr. Grether put in off the clock and personally. He commented that Mr. Grether worked harder than any chairman that he has seen so he has a huge pair of shoes to fill. Mr. Cole commented that there has been a lot of positive change that has happened in the Commission but there is still work to be done. He stated that Terry Splane, VP of Marketing, has brought a whole new zest and excitement to our marketing department and he is excited to see what the new agency, Curious Plot, can do for the Commission.

Mr. Cole stated that there are items that will need to be tackled on the governance side, packer involvement as voting members moving forward, what should the specifics be to qualify as a commercial grower, and a hard look at the assessment rate to balance the budget and where we think our production will be in the next few years. Mr. Cole would like to discuss forming a governance committee at the February 2024 meeting. He is bringing this up to plant the seed for anyone that may be interested in serving on a governance committee. For the new Board members, Mr. Cole listed the current standing committees at the Commission: Production Research Committee, Marketing Committee, and Finance Committee.

Nominations and Election of Vice-Chairperson, Secretary, and Treasurer – Item 4.a.

Vice Chairperson

Mr. Cole assumed the position of Chairperson and requested nominations for the position of Vice-Chairperson. Robert Jackson was nominated for the position of Vice-Chairperson by John Cornell. Maureen Cottingham was nominated for the position of Vice-Chairperson by Will Carleton. Rachael Laenen was nominated for the position of Vice-Chairperson by Rob Grether. There were no further nominations for the position of Vice-Chairperson. Subsequently, Mr. Jackson and Ms. Cottingham declined their nominations for the position. There were no further nominations for the position of Vice-Chairperson.

ACTION:

Move to elect Rachael Laenen to the position of Vice-Chairperson.

MSC (Unanimous)

MOTION 23-11-16-2

Secretary

Mr. Cole requested nominations for the position of Secretary. Daryn Miller was nominated for the position of Secretary by Rachael Laenen. There were no further nominations for the position of Secretary.

ACTION:

Move to elect Daryn Miller to the position of Secretary.

MSC (Unanimous)

MOTION 23-11-16-3

Treasurer

Mr. Cole requested nominations for the position of Treasurer. Maureen Cottingham was nominated for the position of Treasurer by Rachael Laenen. There were no further nominations for the position of Treasurer.

ACTION:

Move to elect Maureen Cottingham to the position of Treasurer.

MSC (Unanimous)

MOTION 23-11-16-4

ITEM # 5 CONSENT CALENDAR

Mr. Cole introduced the consent calendar items and asked for questions or comments. Mr. Daryn Miller, Board Treasurer, commented that he would like consideration for having one or two of the Board meetings near the central and northern regions to allow for more local growers to attend in-person. Hearing no further comments, the following motion was put forward:

MOTION:

The CAC Board of Directors approves the Consent Calendar, Items 5.a through 5.d as presented.

(Miller/Cottingham) MSC Unanimous

MOTION 23-11-16-5

The Consent Calendar is included in the November 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT A, Items 5.a through 5.d.

ITEM #6 BOARD MEMBER ORIENTATION

Ken Melban, CAC VP of Industry Affairs and Operations informed the Board that the last orientation was done in 2018 so this information will be a good refresher for all. Mr. Melban shared that the presentation for the Board of Directors Orientation will be available for reference.

Mr. Melban commented that during the Commission's governing documents slide of the orientation, Mr. Jason Cole, CAC Chairman, had contacted him to commend the grower website (<https://www.californiaavocadogrowers.com/>) for the vast amount of resources specific to cultural practices located there. Mr. Melban informed the Board that April Aymami, CAC Director of Industry Affairs, is in the process of completing a website revamp which is expected to be available by the end of 2023.

Jessica Hunter, CAC Board Member, commented on the Industry Statistics orientation slide that she has received several comments from growers that the Board has almost doubled the assessment rate from 1.50% in 2022/23 to 2.25% for 2023/24. Ms. Hunter pointed out the ten-year history of assessment rates and that even though the rate has significantly changed for 2023/24, the amount is not out of place from where we have been. The Board previously lowered the assessment rate to provide growers some relief while the Commission had a large reserve with the knowledge that the assessment rate would eventually go back to where it was previously.

The Board of Directors Orientation Presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT B.

ITEM #7 CODE OF CONDUCT AND ETHICS

Jason Cole, CAC Chairman, informed the Board that there would be a presentation from CAC's legal counsel, Mr. George Soares with Kahn, Soares & Conway, LLP on the CAC code of conduct and ethics.

George Soares, CAC Legal Counsel, commented that the modern-day commissions all use the same format that has been tested on court, all the way to U.S. Supreme Court. Mr. Soares informed the Board that he had reviewed the structure of the existing Code of Conduct document and that there were elements of the Code of Conduct document that need to be made clearer. He informed the Board that the document included in the Board packet is the refined Code of Conduct document that has been part of the Commission for many years. Mr. Soares stated that Board members need to have clarity as to what the expectations are so that there is no confusion as the members serve on this Board.

Mr. Cole addressed the Board and stated that this document is just a refinement of the already existing Code of Conduct document. He commented that if the Board approves the document now as presented, if there are any glaring issues found later, the document can be modified again. Mr. Cole commented that this document allows the Board the ability to hold each other accountable and set expectations on how we, as a Board, conduct ourselves.

Ken Melban, CAC VP of Industry Affairs and Operations commented that under the CAC Internal Controls Policies and Procedures, there are Board Code of Conduct elements listed. That document is not approved by the Board as it is an internal document on how the Commission operates. The effort of this revised document is to remove that portion entirely from the CAC Internal Controls Policies and Procedures (ICPPs) and the Board will adhere to their own Code of Conduct that they establish for themselves, separate from staff.

Robert Jackson, CAC Board Member, asked Mr. Soares what current Commission document he used as the base of the Code of Conduct. Mr. Soares informed Mr. Jackson that the language was from the current CAC ICPPs. Mr. Ken Melban clarified that the previous Code of Conduct within the CAC ICPPs document would be removed, and this revised Code of Conduct and Ethics document would be a standalone policy. Mr. Jackson commented that there was some word smithing that he believes needs to be done and he would like the opportunity to work with Mr. Soares in word smithing specifically item 2.d.

MOTION:

The CAC Board of Directors approves the Code of Conduct and Ethics to remove item 2.d. on page 2 of 6 and with the allowance for Robert Jackson, CAC Board Member and George Soares, CAC Legal Counsel, to work on new verbiage to be reviewed at the February 2024 meeting.

(Carleton/Cornell) MSC (4 Yea/7 Nay)

MOTION 22-11-17-6

MOTION:

The CAC Board of Directors approves the Code of Conduct and Ethics as presented and removes any references of the Code of Conduct from the CAC Internal Control Policies & Procedures.

MSC (9 Yea/1 Nay/1 Abstain)

MOTION 22-11-17-7

The Code of Conduct and Ethics is included in the November 2023 Board Packet and is attached to the permanent copy of these Minutes and identified as EXHIBIT C.

ITEM #8 CHAIRMANS REPORT

Recommend Member and Alternate to Serve on Hass Avocado Committee – Item 8.a.

Jason Cole, CAC Chairman, informed the Board that they need to appoint a member and alternate to serve on the Hass Avocado Committee. Mr. Cole asked if anyone had any interest in serving on HAC. Rob Grether was nominated as member and Jamie Johnson was nominated as alternate member.

MOTION:

The CAC Board of Directors approves the election of Rob Grether, CAC Board Member as HAC member and Jamie Johnson, CAC Board Alternate Member as HAC alternate member.

(Cottingham/Laenen) MSC (10 Yea/1 Abstain)

MOTION 23-11-16-8

Recommend Member and Alternate to Serve on Avocado Sustainability Advisory – Item 8.b.

Jason Cole, CAC Chairman, informed the Board that they need to appoint two members to serve on the Avocado Sustainability Advisory. It was confirmed that both members of CAC on the Avocado Sustainability Advisory will be voting members, not a member and an alternate. Ken Melban, CAC VP of Industry Affairs and Operations stated that he would be willing to continue to serve. Daryn Miller, CAC Board Member, also agreed to serve.

MOTION:

The CAC Board of Directors approves the election of Ken Melban, CAC VP of Industry Affairs and Operations and Daryn Miller, CAC Board Member as ASA members.

(Grether/Cottingham) MSC (10 Yea/1 Abstain)

MOTION 23-11-16-9

ITEM #9 MARKETING REPORT

Strategy Behind 2023-24 Business Plan Development – Item 9.a.

Terry Splane, CAC VP of Marketing commented that when he was informed that the CAC budget would be cut by thirty percent (30%), it forced the marketing team to think completely differently about what adds value to the grower, the brand, and the consumer that were shown in the Marketing Update presentation. The CAC Marketing objectives are to aspire to an average price per pound that meets or exceeds the target set by the Commission Board, retain or increase California avocado awareness, perceived value and preference with our consumer targets, and build loyalty with existing and target new trade customers.

Introduction of New Resources – Item 9.b.

Lori Small, CAC Marketing Manager commented that she has 10+ years working directly on public relations and influencers on behalf of CAC in previous years. Ms. Small stated that with her experience, we eliminated the need for a separate public relations agency and allows for streamlining the PR and influencer efforts by bringing them in-house.

Insights Driven Business Enhancements – Item 9.c.

Cristie Mathers from the new marketing agency, Curious Plot, informed the Board that their company is a full-service marketing communications and management consulting agency that is dedicated to serving clients in agriculture. Curious Plot is unique in that they are not only a full-service agency dedicated to food and agriculture, but they are an independent subsidiary of Land O' Lakes which is farmer owned.

California Avocado Commission
Board Meeting Minutes
November 16, 2023

Ms. Mathers spoke on the 2023 Media Campaign Wrap-Up on the media plan for digital, audio, outdoor and social media. She then informed the Board of the new changes they are excited to deliver with optimizing programs using strategic, hyperlocal, targeted paid media placements that integrate with retail and drive targets directly to the store.

John Cornell, CAC Board Member commented on one of the marketing presentation slides pertaining to meeting or exceeding the price per pound identified by the CAC Board. Mr. Cornell commented that supply and demand determines what the price per pound is, so he wanted to know where the price came from.

Jason Cole, CAC Chairman replied to Mr. Cornell that the price per pound is the price the Board uses for budgeting purposes to set the annual assessment rate. Mr. Cole reminded Mr. Cornell that an evaluation of the crop was done at the August 2023 meeting to discuss the price for assessment and budgeting purposes.

Mr. Cornell commented that he understands that the price must be used to set the budget and assessment, however, for performance purposes, he believes that the measurement should be the value that the Commission can create for California fruit over our competition which would determine if we were succeeding or failing. Mr. Cornell stated that the only thing we can do is to create a premium. Ken Melban, CAC VP of Industry Affairs and Operations commented that the language should be 'price differential' instead of the word 'premium' because it is subjective.

Rob Grether, CAC Board Member commented that he respectfully disagrees that the measure of success is only if we achieve a premium over imported fruit. He commented that CAC has a marketing budget to promote California avocados. Imported avocados also have marketing support and in some cases a significantly larger marketing budget. Mr. Grether stated that while he believes we should have a goal that California fruit command a premium, if it does not achieve a premium, he does not think we should judge the Commission's marketing efforts as a failure. It may be that the best we can do is just to keep pace with imported volumes. He is not saying this should be the goal, however, but for us to be careful stating that if we do not receive the premium, it is evidence that the program is a failure.

April Aymami, CAC Director of Industry Affairs commented that if the Board chooses, they can set a different price than what is used for the budget. She stated that the price number right now is a dollar and fifteen cents (\$1.15) since this was the number used for the budget. If the Board would like to discuss this matter further and chooses to set a higher price as a goal, the Board can do that as the business plan allows for flexibility. There is no set number in the language at the request of the USDA to avoid issues such as price fixing.

Robert Jackson, CAC Board Member asked if there is any historical metrics to evaluate what if any premium California fruit is getting over Mexican fruit. Mr. Melban replied yes, every year this information is reviewed and there is a price differential graph that is provided to the Board on the CAC Dashboard.

Wayne Brydon, Del Rey Avocado commented that the premium is developed by the consumer wanting the California avocados over Mexican avocados because it has a better shelf life, better quality, and better texture. Consumers are the ones that then create the premium for us with the demand.

John Berns, CAC Board Alternate Member commented that when he is speaking with farmers, the number one issue the farmers want to see is a correlation between the assessment, marketing budget, and the premium/price differential. Mr. Berns believes that this information

needs to be advertised more because the farmers are not seeing it, so it needs to be placed in the farmers' faces.

Tracking Study Key Takeaways – Item 9.d.

Marji Morrow from Rockwell Morrow presented the 2023 Tracking Research information to the Board. Ms. Morrow informed the Board that CAC has been using the tracking study for decades and is usually updated annually. She shared that the total sample for the western markets was over a thousand, so this is a big statistically significant study.

The tracking survey shows that the awareness of California avocados in social media has been steadily increasing since 2021 with a big jump in 2023. The value perception shows that California avocados are more likely than Mexican avocados to be described as quality and paying more for, even though California avocados are more expensive. There is interest with consumers in sustainability with the fact that California avocados being sustainably grown is extremely or very important to the consumers. The top interests of consumers on sustainability are environmentally friendly farming practices, ensuring worker safety and wellbeing, ethically sourced, and locally grown results in fewer carbon emissions.

The key takeaways are that California is still number one in several key measures, continues to be the preferred region, and seen as the best in terms of quality, best tasting, freshest, and most premium.

The *2023-24 Marketing Update* presentation is attached to the permanent copy of these Minutes and identified as EXHIBIT D.

ITEM #10 INDUSTRY AFFAIRS REPORT

Ken Melban, CAC VP of Industry Affairs and Operations informed the Board that he had a few quick items. CAC was successful in petitioning the USDA on the Oriental fruit fly which has been quarantined currently in San Bernadino and Riverside Counties. Hass avocados were listed as a host which would have required treatments of the trees. Based on the Mediterranean fruit fly and Mexican fruit fly, CAC was able to work with the USDA that the information was not consistent and ultimately determined that Hass was not a host for the Oriental fruit fly and the Queensland fruit fly. Jessica Hunter, CAC Board Member asked if GEM and Lamb Hass were affected. Mr. Melban stated CAC is working with USDA to have those varieties changed to non-host also but it is not an easy process.

Mr. Melban informed the Board of the effort underway with the LA Region Water Control Board regarding protocol issues that would be impactful to our growers. CAC is part of a coalition supporting the effort to move this through the courts with the assistance of George Soares' colleagues and he will keep the Board posted as it continues to unfold. Jason Cole, CAC Chairman elaborated that they are trying to change the conditional waiver, setting new discharge thresholds. He commented that because they are not coming to the table with any compromise, we are preparing for a potential legal battle.

Mr. Melban wanted to follow up on the brief conversation on price differential. Rob Grether, CAC Board Member had gone back and reviewed the 2020 winter edition of From the Grove from our previous president, Tom Bellamore, showing a thorough review of the price differentials and price points. Mr. Melban stated that CAC is hearing the comments from the Board about the price, and we will put the updated information out there whether it is positive, negative or neutral.

ITEM #11 – CLOSED SESSION REGARDING THE APPOINTMENT, EMPLOYMENT, EVALUATION OF PERFORMANCE, OR DISMISSAL OF AN EMPLOYEE PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 11126(a)

The Board may go into closed session to discuss and make recommendations regarding appointment, employment, or dismissal of an employee – Item 11.a

Mr. Cole convened a Closed Session of board members, alternates, legal counsel, and the CDFA representative at 12:05 p.m.

Return to open session and announce action taken in closed session, if any – Item 11.b.

Mr. Cole returned to open session at 12:39 p.m. In closed session, the Board took action to recognize that Ken Melban, as Vice President of Industry Affairs and Operations, and Terry Splane, as Vice President of Marketing, effective November 16, 2023, will jointly serve as co-executive leaders of the California Avocado Commission.

ADJOURN MEETING

Mr. Cole adjourned the meeting at 12:42 p.m. The next regularly scheduled Board meeting will be held on February 22, 2024.

Respectfully submitted,

Stacia Kierulff, CAC Human Resource Manager

I certify that the above is a true statement of the Minutes of November 16, 2023 approved by the CAC Board of Directors on February 22, 2024.

Daryn Miller, CAC Board Secretary

EXHIBITS ATTACHED TO THE PERMANENT COPY OF THESE MINUTES

EXHIBIT A	November 2023 Board Packet
EXHIBIT B	November 2023 Board of Directors Orientation Presentation
EXHIBIT C	November 2023 Code of Conduct and Ethics
EXHIBIT D	2023-24 Marketing Update Presentation
EXHIBIT E	November 16, 2023 Board Meeting AB 2720 Roll Call Vote Tally Summary



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

Meeting Name: <i>California Avocado Commission Regular Board Meeting</i>	Meeting Location: <i>Hybrid In-Person – Irvine Online - Zoom</i>	Meeting Date: <i>November 16, 2023</i>
--	--	--

Attendees Who Voted	<u>MOTION</u> <u>23-11-16-1</u>	<u>MOTION</u> <u>23-11-16-2</u>	<u>MOTION</u> <u>23-11-16-3</u>	<u>MOTION</u> <u>23-11-16-4</u>	<u>MOTION</u> <u>23-11-16-5</u>	<u>MOTION</u> <u>23-11-16-6</u>	<u>MOTION</u> <u>23-11-16-7</u>	<u>MOTION</u> <u>23-11-16-8</u>	<u>MOTION</u> <u>23-11-16-9</u>
Robert Jackson	Nay	Yea	Yea	Yea	Yea	Yea	Abstain	Yea	Yea
Jessica Hunter	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea
Victor Araiza	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea	Yea
John Cornell	Nay	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea
Rob Grether	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Abstain	Yea
Maureen Cottingham	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Rachael Laenen	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Jason Cole	Yea	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote	Did Not Vote
Daryn Miller	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Abstain
Will Carleton	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Peter Shore	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Quinn Cotter	Yea	Yea	Yea	Yea	Yea	Nay	Yea	Yea	Yea
Outcome	10 Yea 2 Nay	Unanimous	Unanimous	Unanimous	Unanimous	4 Yea 7 Nay	9 Yea 1 Nay 1 Abstain	10 Yea 1 Nay	10 Yea 1 Nay



BOARD INFORMATION

ITEM 3.b: 2023-24 FINANCIAL & CROP UPDATE

SUMMARY:

Attached are the final Balance Sheet and Income Statement for the 2022-23 fiscal year ending October 31, 2023.

Since the beginning of CAC's 2023-24 fiscal year, California has seen minimal crop harvest, resulting in little to no assessment revenue. As such, CAC has utilized its cash reserves to cover expenses incurred during the first four months of the year. Harvest is projected to increase in March and April, with peak volumes expected May through July 2024. Management tracks cash flow on an ongoing basis, and at this time, based on the healthy starting reserve balance, does not anticipate needing to utilize the line of credit in the current fiscal year.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Information item only

STAFF RECOMMENDATION:

- Not applicable

EXHIBITS / ATTACHMENTS:

- 2022-23 Balance Sheet for year-ending October 31, 2023
- 2022-23 Income Statement for year-ending October 31, 2023
- 2022-23 Pounds & Dollars by Variety Report (October 2023)
- 2024 CA Pre-Season Crop Estimate and Harvest Projections

Balance Sheet
As of 10/31/2023

California Avocado Commission (CAC)

Assets			
Cash			
10001-00-000	Petty Cash	\$ 240.00	
10005-00-000	Cash in Bank-BOW	\$ 2,155,821.65	
10103-20-000	Cash in Bank - BOW - (held for AIP)	\$ 213,799.50	
10201-00-000	Cash in Bank-LAIF	\$ 10,570.24	
10205-00-000	Money Market Account-BOW	\$ 2,630,504.63	
10205-50-000	Money Market Account-BOW-85% Rebate	\$ 2,341,414.45	
10303-20-000	Money Market Account - BOW (held for AIP)	\$ 553,873.08	
	Total Cash:		\$ 7,906,223.55
Accounts Receivable			
11001-00-000	Assessment Receivable	\$ 37,937.52	
11001-50-000	Assessment Receivable-85% Rebate	\$ 850,637.24	
12004-00-000	Avocado Inspection Program Receivable	\$ 652.43	
	Total Accounts Receivable:		\$ 889,227.19
Other Receivable			
12701-00-000	Grant Receivable	\$ 235,930.60	
12901-00-000	Misc Receivable	\$ 34,340.60	
	Total Other Receivable:		\$ 270,271.20
Prepayments			
13001-00-000	Prepaid Deposits	\$ 11,352.50	
13002-00-000	Prepaid Expenses	\$ 27,482.17	
	Total Prepayments:		\$ 38,834.67
Fixed Assets			
15001-00-000	Furniture	\$ 187,904.42	
15002-00-000	Accumulated Depreciation-Furniture	\$-187,904.42	
15101-00-000	Office Equipment	\$ 61,002.24	
15102-00-000	Accumulated Depreciation-Office Equip.	\$-61,002.24	
15301-00-000	Software	\$ 15,021.62	
15302-00-000	Accumulated Depreciation-Software	\$-15,021.62	
15401-00-000	Land Improvements	\$ 108,558.63	
15402-00-000	Accumulated Depreciation-Land Improvements	\$-108,558.63	
	Total Fixed Assets:		\$ 0.00
Leased Assets			
16001-00-000	Mauchly Office Lease	\$ 634,984.73	
16002-00-000	Mauchly Amortization	\$-374,767.36	
16003-00-000	Pine Tree Lease	\$ 76,136.36	
16004-00-000	Pine Tree Amortization	\$-72,228.36	
16101-00-000	Quadient Capital Lease	\$ 3,435.74	
16102-00-000	Quadient Amortization	\$-1,673.82	
16105-00-000	CBE 2022 Sharp Capital Lease	\$ 13,543.55	
16106-00-000	CBE 2022 Sharp Amortization	\$-1,417.11	
16109-00-000	CBE 2022 Ricoh Capital Lease	\$ 13,652.62	
16110-00-000	CBE 2022 Ricoh Amortization	\$-3,033.92	
	Total Leased Assets:		\$ 288,632.43
	Total Assets:		\$ 9,393,189.04
Liabilities			
Current Liabilities			
20001-00-000	Accounts Payable	\$ 344,628.40	
20001-50-000	Accounts Payable-85% Rebate	\$ 240,935.72	
20101-00-000	Accrued Expenses	\$ 184,758.61	

Run Date: 2/16/2024 10:20:14PM
G/L Date: 2/16/2024

Page: 1
User Logon: April

Balance Sheet
As of 10/31/2023

California Avocado Commission (CAC)

Current Liabilities		(Continued)		
21021-00-000	Vacation Payable - Short Term		\$ 117,244.22	
22001-20-000	Due to AIP-Checking		\$ 213,799.50	
22101-20-000	Due to AIP (LAIF/MMA)		\$ 553,873.08	
	Total Current Liabilities:			\$ 1,655,239.53
Lease Liabilities - Short Term				
24001-00-000	ST Lease Liability - LACA1		\$ 129,268.20	
24002-00-000	ST Lease Liability - CAPO1		\$ 3,943.14	
24101-00-000	ST Lease Liability - MAFI1		\$ 1,069.63	
24103-00-000	ST Lease Liability - CBE 2022 Sharp		\$ 5,127.81	
24105-00-000	ST Lease Liability - CBE 2022 Ricoh		\$ 4,743.87	
	Total Lease Liabilities - Short Term:			\$ 144,152.65
Lease Liabilities - Long Term				
28010-00-000	LT Lease Liability - LACA1		\$ 144,489.56	
28110-00-000	LT Lease Liability - MAFI1		\$ 728.82	
28112-00-000	LT Lease Liability - CBE 2022 Sharp		\$ 7,153.51	
28114-00-000	LT Lease Liability - CBE 2022 Ricoh		\$ 6,022.16	
	Total Lease Liabilities - Long Term:			\$ 158,394.05
	Total Liabilities:			\$ 1,957,786.23
Net Assets				
32000-00-000	Retained Earnings		\$ 0.00	
32000-00-000	Net Assets-Current Year		\$-4,178,143.06	
32001-50-000	Net Assets-Restricted for Marketing		\$ 2,951,115.45	
32002-00-000	Net Assets-Invested in Leased Assets		\$ 42,715.21	
32003-00-000	Net Assets-Unrestricted		\$ 8,619,715.21	
	Total Net Assets:			\$ 7,435,402.81
	Total Liabilities & Net Assets:			\$ 9,393,189.04

**Income Statement For Board
For The 12 Periods Ended 10/31/2023**

California Avocado Commission (CAC)

		ORIGINAL		
	Year to Date	YTD Budget	Variance	Variance %
Revenue				
CAC Assessment Revenue-Current Year	3,494,866	4,935,938	-1,441,072	-29.20%
CAC Assessment Revenue-Prior Year	-809	0	-809	0.00%
Penalties-Current Year	99	0	99	0.00%
HAB Rebate Assess. Revenue-Current Year	4,503,501	4,940,625	-437,124	-8.85%
HAB Rebate Assess. Revenue-Prior Year	3,679	0	3,679	0.00%
Accounting/Administration Fee Revenue (AIP)	60,996	61,000	-4	-0.01%
USDA Grant - FAS MAP Korea	34,379	200,000	-165,621	-82.81%
USDA Grant - FAS MAP China	226,677	200,000	26,677	13.34%
Merch Shop Sales Revenue - All Roads Shirt	420	0	420	0.00%
Merch Shop Sales Revenue - Avocado Toast Shirt	160	0	160	0.00%
Merch Shop Sales Revenue - All Roads V-Neck Shirt	160	0	160	0.00%
Merch Shop Sales Revenue - Grove Tour Bank Tank	81	0	81	0.00%
Merch Shop Sales Revenue - CA Flag Shirt	615	0	615	0.00%
Merch Shop Sales Revenue - CA Colors LS Tee	176	0	176	0.00%
Merch Shop Sales Revenue - CA Creativi-Tee Shirt	140	0	140	0.00%
Merch Shop Sales Revenue - CA Dreamin' Hoodie	1,643	1,000	643	64.30%
Merch Shop Sales Revenue - CA Lovin' Sweatshirt	539	0	539	0.00%
Merch Shop Sales Revenue - CA Best Friend Sweatshi	552	0	552	0.00%
Merch Shop Sales Revenue - California Wonder Hood	380	0	380	0.00%
Merch Shop Sales Revenue - CA Wonder Sweatpants	380	0	380	0.00%
Merch Shop Sales Revenue - Avocatote Canvas Bag	224	0	224	0.00%
Merch Shop Sales Revenue - Duffle Bag	145	0	145	0.00%
Merch Shop Sales Revenue - CA Avocado Pouch	560	0	560	0.00%
Merch Shop Revenue - CA Avocado Laptop Sleeve	125	0	125	0.00%
Merch Shop Sales Revenue - Avocado Socks	485	0	485	0.00%
Merch Shop Sales Revenue - Best Avos Beach Towel	473	0	473	0.00%
Merch Shop Sales Revenue - Magnet	33	0	33	0.00%
Merch Shop Sales Revenue - Stickers	78	0	78	0.00%
Merch Shop Sales Revenue - CA Best Friend Mug	624	0	624	0.00%
Merch Shop Sales Revenue - CA Waves Beach Towel	288	0	288	0.00%
Merch Shop Sales Revenue - A CA Tasteful Apron	171	0	171	0.00%
Merch Shop Sales Revenue - Avocados Rad Hat	510	0	510	0.00%
Merch Shop Sales Revenue - Avomazing Sticker Pack	71	0	71	0.00%
Merch Shop Sales Revenue - Avo Head	93	0	93	0.00%
Merch Shop Sales Revenue - Baby Pit Pillow	150	0	150	0.00%
Merch Shop Sales Revenue - California Colors Poste	435	0	435	0.00%
Merch Shop Shipping Revenue	7	0	7	0.00%
Merch Shop Sales Tax Revenue	646	0	646	0.00%
Interest Income	14,081	15,000	-919	-6.13%
Sale Of Assets	39	0	39	0.00%
Pine Tree Ranch Crop Income	36,594	93,750	-57,156	-60.97%
Revenue - Insurance Claims	86,193	0	86,193	0.00%
Other Income	18,000	0	18,000	0.00%
Other Income-Champ	59,900	70,000	-10,100	-14.43%
Total Revenue:	8,548,559	10,517,313	-1,968,754	-18.72%
Gross Profit:	8,548,559	10,517,313	-1,968,754	-18.72%
Expenses				
Marketing Expenses				
Media-Social/Custom-Mullen	777,713	785,000	7,287	0.93%

Run Date: 2/16/2024 10:16:16PM
G/L Date: 2/16/2024

Page: 1
User Logon: April

**Income Statement For Board
For The 12 Periods Ended 10/31/2023**

California Avocado Commission (CAC)

		ORIGINAL		
	Year to Date	YTD Budget	Variance	Variance %
Marketing Expenses	(Continued)			
Media-85% Rebate-Mullen	2,115,000	2,115,000	0	0.00%
Production-Mullen	92,505	125,000	32,495	26.00%
Buy California Marketing Agreement-85% Rebate	25,000	25,000	0	0.00%
Program Administration Fees-85% Rebate-Mullen	1,361,799	1,361,799	0	0.00%
Marketing Planning/Special Projects-ROMO	25,000	25,000	0	0.00%
Marketing/Planning Meetings-85% Rebate	532	1,000	468	46.80%
Marketing Planning/Special Projects-85% Reb-ROMO	22,875	22,875	0	0.00%
Trade Advertising-Media-85% Rebate-Fusion	220,822	222,000	1,178	0.53%
Trade Advertising-Production-FUSION	87,162	88,000	838	0.95%
Trade Advertising-Production-85% Rebate-Fusion	27,381	28,000	619	2.21%
Marketing Support-85% Reb-ROMO	40,295	39,500	-795	-2.01%
Trade PR Fees-ROMO	27,239	27,700	461	1.66%
Trade PR Expenses-85% Rebate	765	5,000	4,235	84.70%
Recipe Development-85% Rebate	6,252	2,500	-3,752	-150.08%
Recipe Development-85% Rebate-ROMO	3,174	3,000	-174	-5.80%
Dues-85% Rebate	15,005	12,780	-2,225	-17.41%
Sponsorship-NorCal-85% Rebate	5,220	2,450	-2,770	-113.06%
Sponsorship-SoCal-85% Rebate	4,059	3,300	-759	-23.00%
Conventions-85% Rebate	125,637	155,785	30,148	19.35%
Booth Storage-85% Rebate	1,215	1,215	0	0.00%
Program Admin/Strategy/Planning-PJ/PR	22,000	22,000	0	0.00%
Retail Communications-Retail Resources-PJ/PR	8,000	8,000	0	0.00%
Key Account Marketing Communications-Fees-PJ/PR	125,500	125,500	0	0.00%
Key Account Coverage-TX/MW/SE-Anderson-85% Rebate	94,800	94,800	0	0.00%
Key Account Coverage-SW/NW-Becker-85% Rebate	150,000	150,000	0	0.00%
Grower Photography/Videography	6,970	10,000	3,030	30.30%
Grower Photography/Videography-85% Rebate	46,745	26,500	-20,245	-76.40%
Retail Performance Programs-Retail Promotions	475,848	638,448	162,600	25.47%
Retail Brand Awareness Programs	191,190	210,968	19,778	9.37%
Retailer Social Media Advertising Support	10,482	20,000	9,518	47.59%
Retail Merchandising Services (POS Placement)-85%R	0	25,000	25,000	100.00%
Export Program	32,862	70,000	37,138	53.05%
Grower Communications-GingerRoot	8,320	11,000	2,680	24.36%
Retail POS Scan Data-IRI	68,031	70,000	1,969	2.81%
Data Analysis & Retail Research-FUSION	94,311	106,500	12,189	11.45%
Inventory Reporting-AVMA	2,700	2,700	0	0.00%
Tiered-Acct Consultation & Reporting-FUSION	55,624	56,000	376	0.67%
Planning & Program Administration-85% Rebate-FUSIO	53,017	53,500	483	0.90%
Premiums-85% Rebate	0	3,500	3,500	100.00%
POS Materials-85% Rebate	25,572	3,500	-22,072	-630.63%
Storage/Fulfillment-85% Rebate	44,332	40,000	-4,332	-10.83%
Travel-Marketing Management-85% Rebate	14,905	7,500	-7,405	-98.73%
Travel-Marketing Staff-85% Rebate	17,637	20,000	2,363	11.82%
Marketing Office Expense-85% Rebate	25,344	35,000	9,656	27.59%
Media-85% Rebate-KC	68,420	73,800	5,380	7.29%
Production-85% Rebate-KC	18,000	25,000	7,000	28.00%
Public Relations-KC	4,100	4,000	-100	-2.50%
Public Relations-85% Rebate-KC	78,568	59,500	-19,068	-32.05%
Foodservice Events-85% Rebate-KC	291,807	296,500	4,693	1.58%

Run Date: 2/16/2024 10:16:21PM
G/L Date: 2/16/2024

Page: 2
User Logon: April

**Income Statement For Board
For The 12 Periods Ended 10/31/2023**

California Avocado Commission (CAC)

		ORIGINAL		
	Year to Date	YTD Budget	Variance	Variance %
Marketing Expenses	(Continued)			
Chain Promotions-85% Rebate-KC	155,473	210,200	54,727	26.04%
Culinary Education Program-KC	1,910	2,000	90	4.50%
Program Administration Fees-85% Rebate-KC	40,850	53,000	12,150	22.92%
Program Administration Expenses-85% Rebate-KC	274	1,000	726	72.60%
Artisan Chef Program-85% Rebate-Golin	102,601	95,000	-7,601	-8.00%
News Bureau-85% Rebate-Golin	46,997	60,000	13,003	21.67%
Media Tracking & Reporting-85% Rebate-Golin	39,386	70,000	30,614	43.73%
Retail Content Development-CAC	55,100	85,000	29,900	35.18%
Blogger Advocates-Golin	96,737	115,000	18,263	15.88%
Living Well Brand Advocates-85% Rebate	31,279	34,215	2,936	8.58%
Living Well Brand Advocates-85% Rebate-PJ/PR	44,215	44,215	0	0.00%
Program Administration Fees-85% Rebate-Golin	118,881	100,000	-18,881	-18.88%
Living Well Pgm Adm Fees-85% Rebate-PJ/PR	10,000	10,000	0	0.00%
Program Administration Expenses-85% Rebate-Golin	1,426	500	-926	-185.20%
Email Content-Mullen	25,000	30,000	5,000	16.67%
Website & Blog-Mullen	199,287	200,000	713	0.36%
Social Media & Content Marketing	921	15,000	14,079	93.86%
Social Media & Content Marketing-Mullen	50,984	90,000	39,016	43.35%
Online & Social Media Support-ROMO	14,750	14,750	0	0.00%
Consumer Research	37,500	39,000	1,500	3.85%
Merch Shop COGS - CA Dreamin' Hoodie	0	1,000	1,000	100.00%
Merch Shop Shipping Costs-Outbound Freight	7,532	2,600	-4,932	-189.69%
Merch Shop Order Processing - PMC	988	900	-88	-9.78%
Merch Shop Customer Service - PMC	80	20	-60	-300.00%
Merch Shop Credit Card Fees	458	40	-418	-1,045.00%
Merch Shop Program Fee - PMC	2,745	1,600	-1,145	-71.56%
Merch Shop Program Fee - Shopify	640	407	-233	-57.25%
Merch Shop Sales Tax Expense	703	3,433	2,730	79.52%
Total Marketing Expenses:	8,106,452	8,600,000	493,548	5.74%
Industry Affairs & Production Research				
AMRIC Operation-Misc	2,379	19,000	16,621	87.48%
AMRIC Operation-Hooman Mohammadpour	5,700	9,000	3,300	36.67%
Crop Forecasting-Misc	3,738	10,025	6,287	62.71%
Crop Forecasting And Analysis-Land IQ	114,475	114,475	0	0.00%
Grower Database	450	3,000	2,550	85.00%
Grove ID GIS Project Dmnt-Misc	2,399	3,500	1,101	31.46%
Grove ID GIS Project Dmnt-Land IQ	9,250	14,250	5,000	35.09%
Online Information	1,929	20,000	18,071	90.36%
Online Information-GingerRoot	10,380	21,000	10,620	50.57%
Online Information-Fishhook	0	5,000	5,000	100.00%
Publications-Misc	776	28,100	27,324	97.24%
Publications-ROMO	1,500	3,000	1,500	50.00%
Publications-Fox Wthr	1,320	1,400	80	5.71%
Publications-GingerRoot	1,040	7,500	6,460	86.13%
Publications-Champ	66,335	72,000	5,665	7.87%
Annual Meeting	24,550	20,000	-4,550	-22.75%
Annual Report	9,132	8,500	-632	-7.44%
Annual Report-GingerRoot	5,220	6,500	1,280	19.69%
Water Issues	58,484	100,000	41,516	41.52%

Run Date: 2/16/2024 10:16:21PM

G/L Date: 2/16/2024

Page: 3

User Logon: April

**Income Statement For Board
For The 12 Periods Ended 10/31/2023**

California Avocado Commission (CAC)

		ORIGINAL		
	Year to Date	YTD Budget	Variance	Variance %
Industry Affairs & Production Research	(Continued)			
Field/Technical Support	9,726	65,000	55,274	85.04%
Research Program Coordination & Outreach	116,726	135,000	18,274	13.54%
Legislative & Regulatory Advocacy	71,878	125,000	53,122	42.50%
Product Registrations	0	4,000	4,000	100.00%
Sustainability Project	0	150,000	150,000	100.00%
Sustainability-ROMO	113	0	-113	0.00%
Elections	9,642	10,000	358	3.58%
Legal Support	101,456	40,000	-61,456	-153.64%
Governance Support	4,597	55,000	50,403	91.64%
Pine Tree - Rent	395	17,008	16,613	97.68%
Pine Tree - Grove Management	27,580	30,000	2,420	8.07%
Pine Tree - Utilities	3,585	3,600	15	0.42%
Pine Tree - Property Tax & Insurance	1,592	1,680	88	5.24%
Pine Tree - Miscellaneous Expense	22,998	5,000	-17,998	-359.96%
Pine Tree - Crop Harvesting	11,067	13,500	2,433	18.02%
Pine Tree - Crop Hauling	0	500	500	100.00%
Pine Tree - CAC Assessment	540	938	398	42.43%
Pine Tree - HAB Assessment	1,183	1,875	692	36.91%
Field Meetings, Seminars & Workshops	468	23,500	23,032	98.01%
Pine Tree Ranch Field Days	397	2,000	1,603	80.15%
Grower Outreach	760	13,500	12,740	94.37%
Coalition Dues, Sponsorships , Registrations & Rep	36,545	42,100	5,555	13.19%
Industry Reports-AVMA	440	500	60	12.00%
Grant Writing	0	2,500	2,500	100.00%
Travel	32,962	75,000	42,038	56.05%
Office Expense	1,660	13,000	11,340	87.23%
Committee Meeting Expense	592	5,000	4,408	88.16%
Misc IA Exps (Theft Reward)	2,500	0	-2,500	0.00%
Phenology and Ecology of Avocado Lace Bug	76,074	76,074	0	0.00%
Phytophthora Resistant Avocado Rootstock Trial	89,628	89,628	0	0.00%
Development of Chloride Mitigation Strategies	24,866	24,866	0	0.00%
Develop tools and info on crop water use	95,041	95,041	0	0.00%
USDA Grant - FAS MAP Korea	34,379	200,000	165,621	82.81%
USDA Grant - FAS MAP China	201,552	200,000	-1,552	-0.78%
Total Industry Affairs & Production Research:	1,299,999	1,987,060	687,061	34.58%
Administration				
Rent-Office-Mauchly	126	125,895	125,769	99.90%
Rent-CAM, Ins, Prop Tax-Mauchly	25,041	20,400	-4,641	-22.75%
Rent-Offsite Storage	10,381	8,580	-1,801	-20.99%
Insurance-Liability	91,998	96,800	4,802	4.96%
Office Expense	17,356	16,750	-606	-3.62%
Office Supplies	2,275	7,200	4,925	68.40%
Janitorial-Mauchly	6,288	14,800	8,512	57.51%
Utilities-Mauchly	15,196	16,600	1,404	8.46%
Bank & Payroll Fees	10,741	17,800	7,059	39.66%
Equipment Maintenance & Expense	8,806	28,800	19,994	69.42%
Telephone	8,769	9,400	631	6.71%
Cell Phone	8,758	13,650	4,892	35.84%
Postage & Courier Service	1,325	5,000	3,675	73.50%

Run Date: 2/16/2024 10:16:21PM
G/L Date: 2/16/2024

Page: 4
User Logon: April

**Income Statement For Board
For The 12 Periods Ended 10/31/2023**

California Avocado Commission (CAC)

		ORIGINAL		
	Year to Date	YTD Budget	Variance	Variance %
Administration	(Continued)			
CPA-Financial Audits	47,250	34,300	-12,950	-37.76%
CPA-Assessment Audits	0	28,270	28,270	100.00%
CDFA Fiscal and Compliance Audit	0	9,350	9,350	100.00%
Calif. Department of Food & Ag.-CDFA	79,992	81,960	1,968	2.40%
Dept. of Ag-USDA/AMS	38,059	60,000	21,941	36.57%
Legal-Ballard/Rosenberg-Labor Issues	9,882	7,500	-2,382	-31.76%
Outsourced Accounting	118,119	120,000	1,881	1.57%
Other Professional Expense	21,000	15,000	-6,000	-40.00%
Salaries/Wages	1,787,805	1,695,670	-92,135	-5.43%
Pension Expense	105,343	171,610	66,267	38.61%
Payroll Tax & Work Comp	127,695	124,780	-2,915	-2.34%
Benefits	236,786	299,320	62,534	20.89%
District Meetings & Expenses	0	5,000	5,000	100.00%
Board Members-Entertainment	0	2,000	2,000	100.00%
Board Members-Travel, Lodging, Mileage, Meals	25,463	74,425	48,962	65.79%
Board Meeting Expenses	18,633	31,000	12,367	39.89%
HAB BOLD Participation	938	18,000	17,062	94.79%
Network Maintenance	44,317	31,430	-12,887	-41.00%
Network Hardware, Software & Licenses	22,443	20,000	-2,443	-12.22%
IT Support & Consulting	27,159	44,500	17,341	38.97%
Accounting & Assessment System	27,434	8,850	-18,584	-209.99%
IT Services	11,481	11,210	-271	-2.42%
Staff Travel & Entertainment	40,242	30,000	-10,242	-34.14%
Depreciation Expense	39,057	39,060	3	0.01%
Amortization Expense	156,412	0	-156,412	0.00%
Pension Adm & Legal-Smart Investor	13,725	33,500	19,775	59.03%
Pension Adm & Legal-The Retirement Plan Company	7,312	13,800	6,488	47.01%
Pension Adm & Legal-CRL	1,419	5,000	3,581	71.62%
Membership Dues & Registration	1,270	2,500	1,230	49.20%
Dues, Education, Training, Recruitment & Other	69,941	41,450	-28,491	-68.74%
Temporary Help	0	25,000	25,000	100.00%
Interest Expense	2,152	0	-2,152	0.00%
Office Restoration	31,862	0	-31,862	0.00%
Total Administration:	3,320,251	3,466,160	145,909	4.21%
Total Expenses:	12,726,702	14,053,220	1,326,518	9.44%
Operating Income (Loss):	-4,178,143	-3,535,907	-642,236	-18.16%
Earnings Before Income Tax:	-4,178,143	-3,535,907	-642,236	-18.16%
Net Change in Net Assets:	-4,178,143	-3,535,907	-642,236	-18.16%

CALIFORNIA AVOCADO COMMISSION POUNDS & DOLLARS BY VARIETY

November 2022 Through October 2023

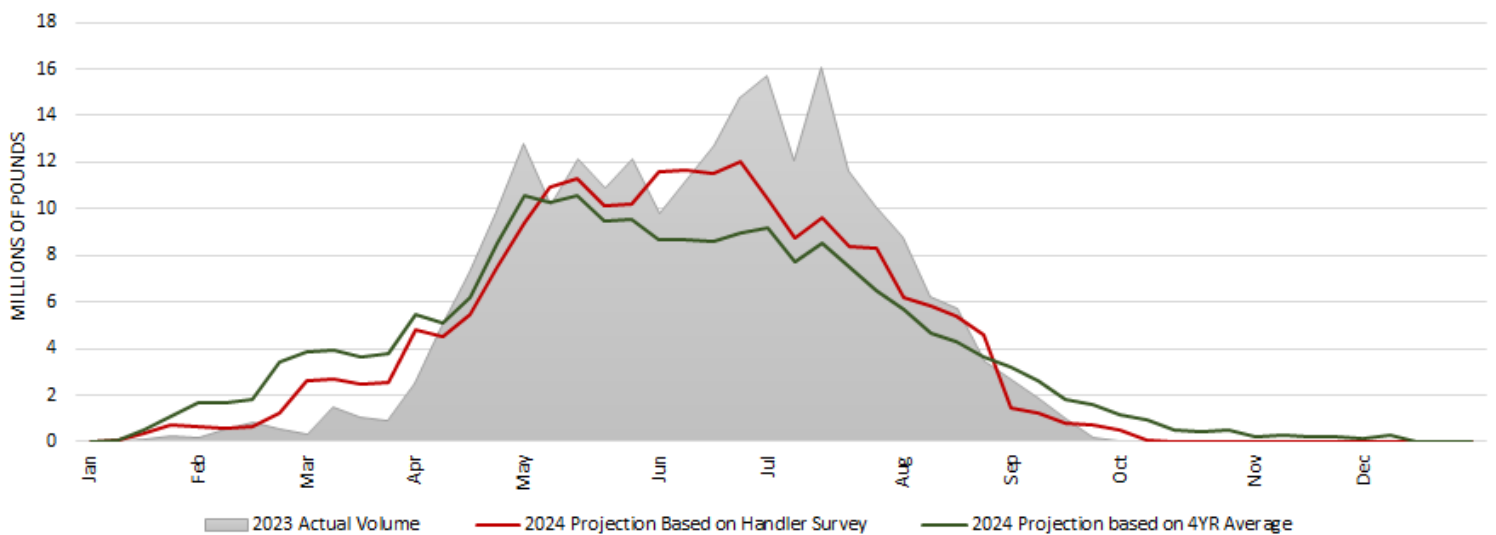
Month	Hass Pounds	Lamb Pounds	Gem Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Gem Dollars	Others Dollars	Total Dollars	Avg \$/Lb
Nov 2022	3,388	344	0	118,842	122,574	\$9,523	\$1,443	\$	\$12,888	\$23,854	\$0.195
Dec 2022	2,110		0	53,379	55,489	\$5,730	0	\$	\$41,456	\$47,186	\$0.850
Jan 2023	139,502		0	36,353	175,855	\$124,928	0	\$	\$23,972	\$148,900	\$0.847
1st QTR	145,000	344	0	208,574	353,918	\$140,181	\$1,443	0	\$78,316	\$219,940	\$0.621
Feb 2023	1,867,042		0	60,645	1,927,687	\$1,875,560	0	\$	\$36,851	\$1,912,411	\$0.992
Mar 2023	5,522,443		55,699	27,213	5,605,355	\$5,330,346	0	\$53,520	\$17,325	\$5,401,191	\$0.964
Apr 2023	31,204,693		1,598,144	35,106	32,837,943	\$29,805,132	0	\$1,291,734	\$36,055	\$31,132,921	\$0.948
2nd QTR	38,594,178	0	1,653,843	122,964	40,370,985	\$37,011,038	0	\$1,345,254	\$90,231	\$38,446,523	\$0.952
1st Half	38,739,178	344	1,653,843	331,538	40,724,903	\$37,151,219	\$1,443	\$1,345,254	\$168,547	\$38,666,463	\$0.949
May 2023	46,831,428	2,449	1,755,758	81,002	48,670,637	\$39,886,613	\$2,819	\$1,271,481	\$65,375	\$41,226,288	\$0.847
Jun 2023	54,782,888	1,181,020	1,615,538	4,390	57,583,836	\$50,919,412	\$1,165,024	\$1,383,244	\$3,221	\$53,470,901	\$0.929
Jul 2023	49,244,377	4,812,695	149,926	189,037	54,396,035	\$56,901,122	\$5,291,699	\$161,454	\$201,001	\$62,555,276	\$1.150
3rd QTR	150,858,693	5,996,164	3,521,222	274,429	160,650,508	\$147,707,147	\$6,459,542	\$2,816,179	\$269,597	\$157,252,465	\$0.979
Aug 2023	25,302,101	1,277,210	10,022	39,299	26,628,632	\$32,888,045	\$1,726,853	\$13,953	\$69,079	\$34,697,930	\$1.303
Sep 2023	4,736,375	132,845	6,990	51,702	4,927,912	\$5,920,383	\$146,231	\$12,361	\$90,230	\$6,169,205	\$1.252
Oct 2023	92,993	926	0	96,753	190,672	\$94,696	\$7,600	\$	\$119,308	\$221,604	\$1.162
4th QTR	30,131,469	1,410,981	17,012	187,754	31,747,216	\$38,903,124	\$1,880,684	\$26,314	\$278,617	\$41,088,739	\$1.294
2nd Half	180,990,162	7,407,145	3,538,234	462,183	192,397,724	\$186,610,271	\$8,340,226	\$2,842,493	\$548,214	\$198,341,204	\$1.031
Total	219,729,340	7,407,489	5,192,077	793,721	233,122,627	\$223,761,490	\$8,341,669	\$4,187,747	\$716,761	\$237,007,667	\$1.017
Year-to-Date % of Crop	94.25%	3.18%	2.23%	.34%	100.00%	94.41%	3.52%	1.77%	.30%	100.00%	
Year-to-Date Average \$/lb						\$1.018	\$1.126	\$0.807	\$0.903	\$1.017	



2024 CALIFORNIA PRE-SEASON CROP ESTIMATE AND HARVEST PROJECTIONS

2024 Preliminary California Crop Harvest Projection						Dec 2023 Handler Survey Hass Distribution
Month	Hass	Lamb	Gem	Other	Total	
Jan	987,600	-	-	149,800	1,137,400	0.5%
Feb	2,970,800	-	-	137,400	3,108,200	1.5%
Mar	10,289,900	-	50,900	42,400	10,383,200	5.3%
Apr	29,994,200	200	1,743,200	76,400	31,814,000	15.3%
May	40,733,800	5,900	1,803,200	33,100	42,576,000	20.8%
Jun	45,246,000	151,500	1,207,900	135,100	46,740,500	23.1%
Jul	40,379,800	3,605,100	174,200	236,100	44,395,200	20.6%
Aug	21,327,500	1,572,700	15,000	103,900	23,019,100	10.9%
Sep	4,070,400	623,800	5,600	50,200	4,750,000	2.1%
Oct	-	40,800	-	7,000	47,800	0.0%
Nov	-	-	-	4,900	4,900	0.0%
Dec	-	-	-	23,700	23,700	0.0%
Total	196,000,000	6,000,000	5,000,000	1,000,000	208,000,000	100%

California Avocado Commission
2024 Weekly Harvest Projection vs. Prior Year Actual Harvest
 based on 208 MM pound crop size
 (All California Varieties)



California Avocado Commission 2024 Harvest Distribution Projection by Week					
Week Ending	Hass	Lamb	GEM	Other	Total
7-Jan	1,800	-	-	2,900	4,700
14-Jan	28,000	-	-	41,200	69,200
21-Jan	275,700	-	-	64,000	339,700
28-Jan	682,100	-	-	41,700	723,800
4-Feb	555,400	-	-	75,900	631,300
11-Feb	573,900	-	-	22,400	596,300
18-Feb	649,000	-	-	8,000	657,000
25-Feb	1,192,500	-	-	31,100	1,223,600
3-Mar	2,633,900	-	4,700	12,600	2,651,200
10-Mar	2,656,400	-	5,700	8,500	2,670,600
17-Mar	2,434,400	-	25,200	16,800	2,476,400
24-Mar	2,565,200	-	15,300	4,500	2,585,000
31-Mar	4,716,700	-	105,400	6,300	4,828,400
7-Apr	4,301,100	-	234,700	8,700	4,544,500
14-Apr	5,151,000	-	335,100	6,600	5,492,700
21-Apr	7,114,900	-	400,900	27,400	7,543,200
28-Apr	8,710,500	200	667,100	27,400	9,405,200
5-May	10,337,700	3,600	593,700	11,800	10,946,800
12-May	10,815,900	2,300	450,000	4,400	11,272,600
19-May	9,818,600	-	319,300	7,400	10,145,300
26-May	9,761,600	-	440,200	9,500	10,211,300
2-Jun	11,169,500	3,800	397,100	2,400	11,572,800
9-Jun	11,218,100	11,100	354,800	46,600	11,630,600
16-Jun	11,194,900	48,400	223,500	39,500	11,506,300
23-Jun	11,663,500	88,200	232,500	46,600	12,030,800
30-Jun	9,961,100	269,500	107,000	68,000	10,405,600
7-Jul	8,165,800	504,600	9,800	38,800	8,719,000
14-Jul	8,576,800	944,000	31,100	37,000	9,588,900
21-Jul	7,241,800	1,092,000	25,200	49,200	8,408,200
28-Jul	7,434,400	795,000	1,100	43,100	8,273,600
4-Aug	5,606,300	548,700	6,900	19,000	6,180,900
11-Aug	5,437,600	398,300	1,600	22,600	5,860,100
18-Aug	4,988,800	392,200	1,400	23,900	5,406,300
25-Aug	4,294,700	233,500	5,100	38,400	4,571,700
1-Sep	1,240,600	229,400	4,900	10,300	1,485,200
8-Sep	968,100	262,700	-	10,900	1,241,700
15-Sep	716,500	64,300	-	16,900	797,700
22-Sep	658,900	45,600	700	9,200	714,400
29-Sep	486,300	21,800	-	2,900	511,000
6-Oct	-	39,500	-	2,200	41,700
13-Oct	-	600	-	4,800	5,400
20-Oct	-	700	-	-	700
27-Oct	-	-	-	-	-
3-Nov	-	-	-	1,400	1,400
10-Nov	-	-	-	1,400	1,400
17-Nov	-	-	-	-	-
24-Nov	-	-	-	2,100	2,100
1-Dec	-	-	-	-	-
8-Dec	-	-	-	7,900	7,900
15-Dec	-	-	-	3,900	3,900
22-Dec	-	-	-	5,900	5,900
31-Dec	-	-	-	6,000	6,000
Total	196,000,000	6,000,000	5,000,000	1,000,000	208,000,000

Item 3.b-11

Hass=Results of December 2023 AMRIC Handler survey * Lamb, GEM Other =4-year average distribution

2024 California Crop Weekly Harvest Projection 4-Year Historical vs. AMRIC Handler Forecast All Varieties		
Week Ending	4-Year Historical Forecast	AMRIC Handler Forecast Dec 2023 Update
7-Jan	5,700	4,700
14-Jan	85,300	69,200
21-Jan	498,300	339,700
28-Jan	1,116,400	723,800
4-Feb	1,650,300	631,300
11-Feb	1,649,400	596,300
18-Feb	1,847,900	657,000
25-Feb	3,411,500	1,223,600
3-Mar	3,886,300	2,651,200
10-Mar	3,916,200	2,670,600
17-Mar	3,617,900	2,476,400
24-Mar	3,787,900	2,585,000
31-Mar	5,462,900	4,828,400
7-Apr	5,123,100	4,544,500
14-Apr	6,185,700	5,492,700
21-Apr	8,500,400	7,543,200
28-Apr	10,577,100	9,405,200
5-May	10,249,200	10,946,800
12-May	10,542,700	11,272,600
19-May	9,482,800	10,145,300
26-May	9,552,600	10,211,300
2-Jun	8,649,300	11,572,800
9-Jun	8,694,400	11,630,600
16-Jun	8,576,200	11,506,300
23-Jun	8,978,000	12,030,800
30-Jun	9,179,600	10,405,600
7-Jul	7,713,900	8,719,000
14-Jul	8,533,200	9,588,900
21-Jul	7,516,800	8,408,200
28-Jul	6,481,600	8,273,600
4-Aug	5,701,000	6,180,900
11-Aug	4,641,900	5,860,100
18-Aug	4,288,700	5,406,300
25-Aug	3,609,600	4,571,700
1-Sep	3,223,100	1,485,200
8-Sep	2,597,800	1,241,700
15-Sep	1,801,300	797,700
22-Sep	1,637,300	714,400
29-Sep	1,192,200	511,000
6-Oct	961,500	41,700
13-Oct	505,500	5,400
20-Oct	421,200	700
27-Oct	480,000	-
3-Nov	244,400	1,400
10-Nov	303,700	1,400
17-Nov	195,300	-
24-Nov	214,600	2,100
1-Dec	173,900	-
8-Dec	318,600	7,900
15-Dec	3,900	3,900
22-Dec	5,900	5,900
31-Dec	6,000	6,000
Total	208,000,000	208,000,000



BOARD ACTION

ITEM 3.c: CONSIDER APPROVAL OF COMMITTEE APPOINTMENTS

SUMMARY:

Under Commission law, CAC has the power to appoint committees composed of both members and non-members of the Commission to advise the Commission in carrying out Chapter 5 of Division 22 of the Food and Agricultural Code. (§67058). During the Board Orientation, it was emphasized that the Board delegates assignments to committees, while retaining final authority on all program, projects, activities and policies adopted by any committee of the Commission. CAC Bylaws specify:

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

In addition, the Bylaws allow the Chairperson to appoint committee members from among the Board members and alternates, as well as the industry in general. (Article IV, 1.d).

Chairman Jason Cole has acted in accordance with the above and appointed Chairpersons for several functional committees. Chairman Cole and the committee Chairpersons then conferred regarding committee members. The attached list has been prepared for Board approval.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

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

STAFF RECOMMENDATION:

- Staff supports the appointments as proposed

EXHIBITS / ATTACHMENTS:

- 2023-24 Committee Appointments



2023-24 COMMITTEE APPOINTMENTS

<p>EXECUTIVE COMMITTEE</p> <ul style="list-style-type: none"> • Jason Cole, Chair • Rachael Laenen, Vice Chair • Maureen Cottingham, Treasurer • Daryn Miller, Secretary • Rob Grether*, Past Chair <p>FINANCE COMMITTEE</p> <ul style="list-style-type: none"> • Maureen Cottingham, Chair • Will Carleton • Jamie Schaeffer • Andrew Prechtel <p>MARKETING COMMITTEE (paused)</p> <ul style="list-style-type: none"> • Gary Caloroso, Giumarra Companies, Chair • Jennifer Anazawa, Mission Produce • Maureen Cottingham, Grower • Dave Fausset, Westfalia Fruit Americas • Robert Jackson, Grower • Patrick Lucy, Del Rey Avocado • Andy Lyall, Grower • Carson McDaniel, McDaniel Fruit Company • Hayden McIntyre, Grower • Joe Nava, West Pak Avocado • Steve Taft, Eco Farms • Peter Shore, Calavo Growers • Chris Varvel, Henry Avocado • Debbie Willmann, Index Fresh 	<p>PRODUCTION RESEARCH COMMITTEE</p> <ul style="list-style-type: none"> • Danny Klittich, Chair • Daryn Miller • Leo McGuire • John Burr • Jim Davis • Ryan Rochefort • Consuelo Fernandez (Brokaw Nursery) • Darren Haver (UC) • Allisen Carmichael <p>HASS AVOCADO COMMITTEE REPRESENTATIVES</p> <ul style="list-style-type: none"> • Rob Grether • Jamie Johnson <p>GOVERNANCE COMMITTEE</p> <ul style="list-style-type: none"> • Rachael Laenen, Chair • Robert Jackson • Victor Araiza • Hayden McIntyre • Jaime Johnson • John Berns
---	--

NOTE: Chairman Cole is an ex-officio member of all CAC committees, task forces and teams

*Non-voting ex-officio member



BOARD ACTION

ITEM 3.d: CONSIDER APPROVAL OF CAC AS PROVIDER OF AVOCADO INSPECTION PROGRAM ADMINISTRATIVE SERVICES FOR THE CDFA FOR THE PERIOD FROM JULY 2024 THROUGH JUNE 2025

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 2023-24, this amount is \$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 3.e: CONSIDER APPROVAL OF AVOCADO INSPECTION COMMITTEE (AIC)
MEMBER / ALTERNATE RECOMMENDATIONS**

SUMMARY:

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

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

<u>Name</u>	<u>Seat</u>	<u>Term Expires</u>
John Schaap	Handler Member	2024
<i>Vacant Seat</i>	Grower Member	2024
Salvador Dominguez	Grower Member	2024
Aaruni Thakur	Alternate Grower Member	2024
Bailey Diiioia	Handler Member	2025
Hillary DeCarl	Handler Member	2025
Stewart Lockwood	Grower Member	2025
<i>Vacant Seat</i>	Alternate Handler Member	2025

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

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

CDFA has advised Commission management that they have received an expression of interest from a candidate for a grower seat on the AIC and asked that the individual be submitted for the CAC Board's consideration. In addition, CDFA contacted current committee members with terms expiring May 31, 2024 and both John Schaap and Aaruni Thakur have expressed an interest in continuing on the AIC while Sal Dominguez declined reappointment. Included as an attachment is the AIC Prospective Member Appointment Questionnaire for grower applicant Jed Harrison.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

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

STAFF RECOMMENDATION:

- Based on the fact that Aaruni Thakur is already serving as an alternate grower member on the AIC, and has expressed an interest in serving as a member of the committee, management recommends the CAC Board submit their recommendation for Aaruni Thakur to fill the currently vacant grower member position on the AIC, and also be reappointed to this seat for the for the next two-year term commencing June 1, 2024. Also, that the CAC Board recommend the reappointment of John Schaap, as handler member, and appointment of Jed Harrison, as grower member, for the two-year term commencing June 1, 2024.

EXHIBITS / ATTACHMENTS:

- AIC Prospective Member Appointment Questionnaire for Jed Harrison

THE STATE OF CALIFORNIA
DEPARTMENT OF FOOD AND AGRICULTURE
CALIFORNIA AVOCADO INSPECTION COMMITTEE

PROSPECTIVE MEMBER APPOINTMENT QUESTIONNAIRE

AVO - 120 (REV. 1/2015)

PERSONAL INFORMATION

NAME: JED HARRISON DATE: 30 JUNE 2023

MAILING ADDRESS: [REDACTED]

TELEPHONE NUMBER: [REDACTED]

FAX NUMBER: [REDACTED]

E [REDACTED]

PROFESSIONAL INFORMATION

NAME OF COMPANY: HARRISON RANCH

WHAT IS YOUR POSITION IN THE COMPANY? OWNER / GROWER

HOW LONG HAVE YOU PARTICIPATED IN THIS INDUSTRY? 12 YRS.

PLEASE LIST NAMES AND DATES OF ANY INDUSTRY, TRADE, ASSOCIATIONS AND/OR PROGRAMS THAT YOU ARE AND/OR HAVE BEEN ASSOCIATED WITH:

LEMON COVE WATER BOARD, EXETER KWANIS BOARD, TAMS STEERING
COMMITTEE (EX OFFICIO), U.S. EPA NATIONAL EMERGENCY MANAGERS,
UCANR GEM MATURITY STUDY

PLEASE LIST THE REASON(S) YOU WOULD LIKE TO SERVE ON THIS COMMITTEE: (SEE ATTACHED)

ADDITIONAL INFORMATION

PLEASE INDICATE WHICH MEMBER POSITION YOU ARE SEEKING TO FILL AND ANSWER THE ASSOCIATED QUESTIONS.

☒ PRODUCER

PRODUCTION ACREAGE: 29

AVOCADOS, NAVELS, LEMONS (3+ AC AVOS).

LOCATION (CITY AND COUNTY): LEMON COVE, TULARE

☐ HANDLER

☐ PUBLIC MEMBER

ARE YOU A CITIZEN AND RESIDENT OF CALIFORNIA? ☐ YES ☐ NO

ARE YOU FINANCIALLY INTERESTED IN ANY PRODUCER, SHIPPER, OR PROCESSOR? ☐ YES ☐ NO

IF YES, PLEASE EXPLAIN: _____

26 June 2023

Additional Statement from Jed Harrison

In addition to my application, I wanted to provide some additional detail regarding why I desire to serve on the CDFA California Avocado Inspection Committee.

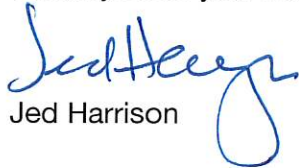
I planted my first avocados in Lemon Cove, in 2011. Since that time I have been learning how to best grow avocados in this climate. My initial crops of Hass and Lamb Hass have always matured earlier than in coastal regions.

In 2018 I planted my initial Gem trees. I very quickly determined that this variety is well suited to my ranch's microclimate. In 2019 and 2020, my ranch participated in Mary Lu Arpaia's Gem maturity study. What the study indicated was that fruit in the valley matures earlier than in southern and coastal locations. This difference has been reflected in the recently adopted Gem maturity dates. I think as acreage increases, climatic differences should be revisited for other varieties (e.g. Hass and Lamb), as well as for other newer varieties (e.g. Maluma, Luna).

In 2019, I top-worked my Hass trees to the Gem variety. I also have additional acreage I intend to plant to Gem. Avocado plantings in the SJV are increasing, and it will be important to reflect the climatic and cultural differences of valley avocados in determining maturity standards and harvest dates. I would like to advocate on behalf of valley growers with the real world perspective of being a valley grower.

In 2022, a meeting was held at UC Lindcove Research Station, Hosted by UCANR and CAC, to discuss avocado growing in the San Joaquin Valley. The meeting was well attended, and included tours of two local avocado groves (Harrison Ranch was one of these). With the development of varieties well suited to the SJV (e.g. Gem and Luna), and advantages of lower growing costs, combined with great grower interest, plantings in the SJV can be expected to continue to grow.

Thank you for your consideration.


Jed Harrison



BOARD ACTION

ITEM 5.a: CONSIDER APPOINTMENT OF HANDLER MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2024

SUMMARY:

There currently exists a handler member vacancy on the CAC Board for the term ending October 31, 2024. This vacancy is the result of previous handler member Gary Caloroso resigning from his seat in 2023. The Commission announced the handler member vacancy in January 2024, and at the time this item was prepared CAC has received no nominations for this position.

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 handler member vacancy prior to the February 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).

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to fill the vacant handler member seat
- Take no action

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

- None



BOARD ACTION

ITEM 5.b: CONSIDER APPOINTMENT OF HANDLER ALTERNATE MEMBER TO FILL EXISTING VACANCY FOR TERM ENDING OCTOBER 31, 2025

SUMMARY:

There currently exists a handler alternate member vacancy on the CAC Board for the term ending October 31, 2025. This vacancy is the result of the seat remaining unfilled at the conclusion of the 2023 CAC General Election. The Commission announced the handler alternate member vacancy in January 2024, and at the time this item was prepared CAC has received no nominations for this position.

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 handler alternate member vacancy prior to the February 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).

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Conduct a vote to fill the vacant handler alternate member seat
- Take no action

STAFF RECOMMENDATION:

- None

EXHIBITS / ATTACHMENTS:

- None



BOARD ACTION

ITEM 6.a: **CONSIDER ACCEPTANCE OF 2022-23 AUDITED FINANCIAL STATEMENTS**

SUMMARY:

Moss Adams has completed its audit of CAC's financial statements for the fiscal year ended October 31, 2023 and has prepared a draft report on the audited financial statements for the Board's consideration.

FISCAL ANALYSIS:

- Not applicable

BOARD OPTIONS:

- Accept the CAC 2022-23 Audited Financial Statements as presented
- Do not accept the CAC 2022-23 Audited Financial Statements as presented
- Take no action

STAFF RECOMMENDATION:

- Accept the CAC 2022-23 Audited Financial Statements as presented

EXHIBITS / ATTACHMENTS:

- Draft Annual Financial Report for the years ended October 31, 2023 and 2022

DRAFT
Not to be reproduced or relied
upon for any purpose

Report of Independent Auditors and Financial Statements with
Supplementary Information

California Avocado Commission

October 31, 2023 and 2022

Table of Contents

	Page
Report of Independent Auditors	1
Management's Discussion and Analysis (Unaudited)	
Management's Discussion and Analysis	5
Financial Statements	
Statements of Net Position	12
Statements of Revenues, Expenses, and Changes in Net Position	13
Statements of Cash Flows	14
Notes to Financial Statements	15
Supplementary Information	
Budgetary Comparison Schedule	27
Note to Supplementary Information	28
Combining Statement of Revenues, Expenses, and Changes in Net Position	29
Schedule of Restricted Marketing Program Expenses	30
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	32

Report of Independent Auditors

The Board of Directors
California Avocado Commission

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the California Avocado Commission as of and for the years ended October 31, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the California Avocado Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the California Avocado Commission as of October 31, 2023 and 2022, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the California Avocado Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the California Avocado Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and, therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the basic financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 California Avocado Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the California Avocado Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

U.S. GAAP require that the management's discussion and analysis on pages 5 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the California Avocado Commission's basic financial statements. The budgetary comparison schedule, combining statement of revenues, expenses, and changes in net position, and the schedule of restricted marketing program expenses ("Supplementary Schedules") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the supplementary 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 [REDACTED], 2024, on our consideration of California Avocado Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 California Avocado 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 California Avocado Commission's internal control over financial reporting and compliance.

Irvine, California
[REDACTED], 2024

Management's Discussion and Analysis (Unaudited)

California Avocado Commission

Management's Discussion and Analysis

Years Ended October 31, 2023 and 2022

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, 2023 and 2022. 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 2023 assets exceeded its liabilities as of October 31, 2023, by \$7,435,404 (total net position). This amount decreased \$4,178,145, or 36% from the prior year amount of \$11,613,549.
- Net position restricted for marketing at the end of fiscal year 2023 decreased \$1,183,496 to \$2,951,115, or 29% from the prior year amount of \$4,134,611. This amount made up 40% of total net position.
- Unrestricted net position at the end of fiscal year 2023 decreased \$2,969,227 to \$4,484,289, or 40% from the prior year amount of \$7,453,516. This amount made up 60% of total net position.
- The Commission's 2022 assets exceeded its restated liabilities as of October 31, 2022, by \$11,613,549 (total net position). This amount decreased \$1,027,030, or 12% from the prior year amount of \$10,406,519.
- Of the total net position at the end of fiscal year 2022, net investment in capital assets decreased \$54,204 to \$25,422, or 68% from the prior year amount of \$79,626.
- Net position restricted for marketing at the end of fiscal year 2022 decreased \$128,407 to \$4,134,611, or 3% from the prior year amount of \$4,263,018.
- Unrestricted net position at the end of fiscal year 2022 increased \$1,389,641 to \$7,453,516, or 23% from the prior year amount of \$6,063,875. This amount made up 64% of total net position.

Overview of the 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 financial statements: Statements of Net Position; Statements of Revenues, Expenses, and Changes in Net Position; and Statements of Cash Flows. The Commission's financial statements also include notes to the 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.

California Avocado Commission Management's Discussion and Analysis Years Ended October 31, 2023 and 2022

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, noncapital financing, capital financing, and investing activities.

The notes to the 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*.

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.

Financial Analysis

Comparative data for the prior year ended October 31, 2022, has been presented in the accompanying financial statements (including MD&A) to facilitate financial analysis for the current year ended October 31, 2023. A comparative analysis of fiscal year 2022 with fiscal year 2021 is also presented in the MD&A.

California Avocado Commission
Management's Discussion and Analysis
Years Ended October 31, 2023 and 2022

Statements of Net Position

	2023	2022	As restated* 2021
Current assets	\$ 9,104,558	\$ 13,457,580	\$ 12,469,197
Capital assets, net	288,634	461,285	652,590
Total assets	9,393,192	13,918,865	13,121,787
Current liabilities	1,789,943	1,955,954	2,169,303
Noncurrent liabilities	158,395	349,362	545,965
Total liabilities	1,948,338	2,305,316	2,715,268
Net position			
Net investment in capital assets	-	25,422	79,626
Restricted for marketing	2,951,115	4,134,611	4,263,018
Unrestricted	4,493,739	7,453,516	6,063,875
Total net position	\$ 7,444,854	\$ 11,613,549	\$ 10,406,519

**The fiscal year 2021 financial statements have been restated for the adoption of Governmental Accounting Standards Board (GASB) 87, Leases, effective November 1, 2020.*

As noted earlier, net position may serve over time as a useful indicator of the Commission's financial position. The largest portion 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 (the "AIP").

Current assets at the end of fiscal year 2023 totaled \$9,104,558 and represented 97% of total assets. Current assets decreased \$4,353,022 from the prior year amount of \$13,457,580. This decrease is due to lower total cash and cash equivalents at year end due to a reduction in the assessment rate of a quarter percent, coupled with lower production volume and value, leading to a decrease in assessment revenue. Total current assets cover current liabilities 5.1 times, indicating good liquidity.

Current assets at the end of fiscal year 2022 totaled \$13,457,580 and represented 97% of total assets. 2022 current assets increased \$988,383 from the 2021 year amount of \$12,469,197. This increase was primarily due to an increase in cash and cash equivalents at year end due to operating revenues exceeding operating expenses. Total current assets covered current liabilities 6.9 times, also indicating good liquidity.

**California Avocado Commission
Management's Discussion and Analysis
Years Ended October 31, 2023 and 2022**

The Commission's liabilities primarily consist of current liabilities including accounts payable, accrued liabilities, deposits due, fiduciary liability amounts held for AIP, and current amounts due for lease liabilities and compensated absences. Liabilities at the end of fiscal year 2023 totaled \$1,957,788, decreasing from a balance of \$2,305,316 in 2022. This decrease was due to lower non-marketing obligations owed to vendors, a decrease in compensated absences, a reduced fiduciary balance held for AIP, and payments made against long-term leases. Liabilities at the end of fiscal year 2022 totaled \$2,305,316, decreasing from a restated balance of \$2,715,268 in 2021.

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 and right-of-use (ROU) assets net of accumulated depreciation and amortization and outstanding principal balances of debt attributable to the acquisition, construction, lease commitment, or improvement of those assets.

At the end of fiscal year 2023, the Commission had no net investment in capital assets decreasing from the prior year amount of \$25,422. This decrease is due to the depreciation and amortization of capital assets and ROU assets.

At the end of fiscal year 2022, net investment in capital assets totaled \$25,422, decreasing \$54,204 from the prior year amount of \$79,626. This decrease is due to the depreciation and amortization of capital assets and ROU assets. Net investment in capital assets represented 0.2% of total net position at October 31, 2022.

Restricted net position for marketing activities is subject to imposed restrictions by federal statutes governing their use. Restricted net position totaled \$2,951,115 at the end of 2023, decreasing \$1,183,496 from the prior year amount of \$4,134,611, and decreasing \$128,407 between 2021 and 2022. Restricted net position represented approximately 42% and 41% of total net position for the years ended October 31, 2023 and 2022, respectively.

Unrestricted net position available for future activities at the end of fiscal year 2023 totaled \$4,484,289, decreasing \$2,969,227 from the prior year amount of \$7,453,516. Unrestricted net position available for future activities at the end of fiscal year 2022 totaled \$7,453,516, increasing \$1,389,641 from the prior year amount of \$6,063,875.

California Avocado Commission
Management's Discussion and Analysis
Years Ended October 31, 2023 and 2022

Statements of Revenues, Expenses, and Changes in Net Position

	2023	2022	As restated* 2021
Operating revenues	\$ 8,072,696	\$ 13,862,474	\$ 10,928,909
Operating expenses	12,724,552	13,390,230	15,380,265
Operating income (loss)	(4,651,856)	472,244	(4,451,356)
Nonoperating revenues	473,711	734,786	521,336
Change in net position	(4,178,145)	1,207,030	(3,930,020)
Net position, beginning of year, as originally presented	11,613,549	10,406,519	14,342,442
Cumulative effect of change in accounting principle	-	-	(5,903)
Net position, beginning of year	11,613,549	10,406,519	14,336,539
Net position, end of year	\$ 7,435,404	\$ 11,613,549	\$ 10,406,519

*The fiscal year 2021 financial statements have been restated for the adoption of GASB 87, Leases, effective November 1, 2020.

Operating revenues totaled \$8,072,696 in 2023, decreasing \$5,789,778 or 42% from \$13,862,474 earned in 2022. This decrease is due to a decrease in assessment revenue received due to a reduction in the assessment rate of a quarter percent, coupled with lower production volume and value; 228 million pounds were reported in 2023 as compared to 276 million pounds in 2022. The majority of operating revenue consisted of assessment revenue, totaling \$8,001,336 (or 99.1% of total operating revenues). The remaining portion (0.9%) was from administrative and accounting fees generated from the AIP of \$60,996 and online merchandise sales of \$10,364.

Operating revenues totaled \$13,862,474 in 2022, increasing \$2,933,565 or 27% from \$10,928,909 earned in 2021. This increase is due to an increase in assessment revenue received due to a larger total crop volume; 276 million pounds were reported in 2022 as compared to 270 million pounds in 2021. The majority of operating revenue consisted of assessment revenue, totaling \$13,786,415 (or 99.5% of total operating revenues). The remaining portion (0.5%) of was from administrative and accounting fees generated from AIP of \$60,996 and online merchandise sales of \$15,063.

Operating expenses totaled \$12,724,552 in 2023, decreasing \$665,678 or 5% from \$13,390,230 in 2022. This decrease was due to a reduction in marketing expenditures in response to anticipated crop volume. Operating expenses totaled \$13,390,230 in 2022, decreasing \$1,990,035 or 13% from \$15,380,265 in 2021. This increase is primarily due to decreased activities in marketing programs in 2022.

California Avocado Commission Management's Discussion and Analysis Years Ended October 31, 2023 and 2022

At the end of the fiscal year 2023, the Commission reported an ending net position of \$7,435,404, a decrease of \$4,178,145 from the prior year amount of \$11,613,549. This is a result of lower total production value.

At the end of the fiscal year 2022, the Commission reported an ending restated net position of \$11,613,549, an increase of \$1,207,030 from the prior year amount of \$10,406,519. This was due to an increase in assessment revenue received from a larger total crop volume as well as operating revenue exceeding operating expenses with the intent of increasing the Commission's year-end cash balance.

Capital Assets

The Commission had no net investment in capital assets of as of October 31, 2023, decreasing from the prior year amount of \$25,422, and from \$79,626 between 2021 and 2022 (net of accumulated depreciation and amortization). These decreases represent the depreciation and amortization of capital assets and ROU assets during the respective fiscal year. All capital assets were fully depreciated as of October 31, 2023 and because lease liabilities exceeded ROU assets the difference is reflected in unrestricted net position.

Long-Term Liabilities

At the end of fiscal year 2023, the Commission's long-term liability which consisted of compensated absences and lease liabilities amounted to \$158,395, a decrease of \$190,967 from the prior year balance of \$349,362. This decrease is due to the retirement and turnover of employees as well payments made toward existing leases.

DRAFT
Not to be reproduced or relied
upon for any purpose

Financial Statements

California Avocado Commission
Statements of Net Position
October 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 4,797,137	\$ 7,809,861
Assessments receivable	37,938	14,894
Other receivables	270,924	333,653
Prepaid expenses and deposits	38,835	51,464
Fiduciary cash and cash equivalents, amounts held for AIP	767,673	948,364
Inventory	-	64,056
Restricted		
Cash and cash equivalents	2,341,414	4,089,590
Assessments receivable	850,637	145,698
Total current assets	9,104,558	13,457,580
NONCURRENT ASSETS		
Capital assets being amortized, net	288,634	422,227
Capital assets being depreciated, net	-	39,058
Total assets	<u>\$ 9,393,192</u>	<u>\$ 13,918,865</u>
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 529,387	\$ 635,382
Accounts payable and accrued liabilities, payable from restricted assets	240,936	100,677
Fiduciary liabilities, amounts held for AIP	767,673	948,364
Deposits	-	18,000
Lease liabilities, due within one year	144,153	151,164
Compensated absences, due within one year	117,244	102,367
Total current liabilities	1,799,393	1,955,954
NONCURRENT LIABILITIES		
Lease liabilities, due in more than one year	158,395	284,699
Compensated absences, due in more than one year	-	64,663
Total noncurrent liabilities	158,395	349,362
Total liabilities	1,957,788	2,305,316
NET POSITION		
Net investment in capital assets	-	25,422
Restricted for marketing	2,951,115	4,134,611
Unrestricted	4,484,289	7,453,516
Net position	<u>\$ 7,435,404</u>	<u>\$ 11,613,549</u>

See accompanying notes.

California Avocado Commission
Statements of Revenues, Expenses, and Changes in Net Position
Years Ended October 31, 2023 and 2022

	2023	2022
OPERATING REVENUES		
Assessment revenue	\$ 3,494,156	\$ 8,399,945
HAB rebate assessment revenue (restricted)	4,507,180	5,386,470
Administrative and accounting fees	60,996	60,996
Other operating revenues	10,364	15,063
Total operating revenues	8,072,696	13,862,474
OPERATING EXPENSES		
Marketing	8,106,456	8,905,379
Nonmarketing programs	1,299,998	1,349,570
Administration	3,318,098	3,135,281
Total operating expenses	12,724,552	13,390,230
Operating (loss) income	(4,651,856)	472,244
NONOPERATING REVENUES		
Interest income	14,081	16,492
Interest expense	(2,152)	(1,889)
Grant income	261,056	426,417
Other income	200,726	293,766
Total nonoperating revenues	473,711	734,786
Change in net position	(4,178,145)	1,207,030
NET POSITION, beginning of year	11,613,549	10,406,519
NET POSITION, end of year	\$ 7,435,404	\$ 11,613,549

See accompanying notes.

California Avocado Commission
Statements of Cash Flows
Years Ended October 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 8,049,652	\$ 13,956,381
Cash payments to suppliers for goods and services	(10,304,056)	(10,936,923)
Cash payments to employees for services	(3,033,391)	(2,191,377)
Net cash (used in) provided by operating activities	(5,287,795)	828,081
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Proceeds from grants	340,977	451,123
Other income	165,534	330,398
Net cash provided by non-capital financing activities	506,511	781,521
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal paid on leases	(172,236)	(154,081)
Interest paid on leases	(2,152)	(1,889)
Net cash used in capital and related financing activities	(174,388)	(155,970)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on demand deposits and LAIF	14,081	16,492
NET CHANGE IN CASH AND CASH EQUIVALENTS	(4,941,591)	1,470,124
CASH AND CASH EQUIVALENTS, beginning of year	12,847,815	11,377,691
CASH AND CASH EQUIVALENTS, end of year	\$ 7,906,224	\$ 12,847,815
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating (loss) income	\$ (4,642,406)	\$ 472,244
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH (USED FOR) PROVIDED BY OPERATING ACTIVITIES		
Depreciation and amortization expense	211,572	208,285
Changes in assets and liabilities		
Decrease (increase) in assessments receivable	(727,983)	280,953
Decrease (increase) in prepaid expenses and deposits	12,629	138,725
Decrease (increase) in inventory	64,056	725
(Decrease) in accounts payable and accrued liabilities	24,814	(132,582)
(Decrease) increase in accounts payable and fiduciary liabilities	(180,691)	(72,606)
(Decrease) increase in compensated absences	(49,786)	(67,663)
Net cash (used in) provided by operating activities	\$ (5,287,795)	\$ 828,081

See accompanying notes.

California Avocado Commission

Notes to Financial Statements

Note 1 – Summary of Significant Accounting Policies

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

Activities of the Commission – The 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, 2023 and 2022, was 1.50% and 1.75%, respectively of the gross revenues received by producers, respectively. 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. HAB is authorized under the United States Department of Agriculture (USDA) to manage research and marketing throughout the United States.

The Commission’s Board of Directors is composed of no fewer than eight and no more than 10 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.

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 accounting 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 for marketing, it is the Commission’s policy to use restricted resources first, then unrestricted resources as they are needed.

Assets, liabilities, and net position

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 (the “State”) 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.

California Avocado Commission

Notes to Financial Statements

Receivables – No allowance for uncollectible accounts has been recorded for the years ended October 31, 2023 and 2022. 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.

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. Maintenance and repairs are charged to operations in the period incurred. 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

Leases – The Commission, as a lessee, recognizes a lease liability and an intangible ROU asset at the commencement of a lease, unless the lease is considered a short-term lease or transfer of ownership of the underlying assets. ROU lease assets are measured based on the net present value of the payment, using the Commission's weighted-average cost of capital, which approximates the Commission's incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact to the lease liability.

The Commission calculates the amortization of the discount on the lease liability and reports that amount as outflow of resources in that period. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations and are recognized as outflows of resources in the periods on which the obligations for the payments are incurred.

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.

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.

California Avocado Commission

Notes to Financial Statements

Fiduciary and restricted assets – Fiduciary assets are held for the 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.

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 and amortization, reduced by the outstanding balances of lease liabilities, 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. There was no outstanding debt related to capital assets at October 31, 2023 and 2022.

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, 2023 and 2022, the Commission had restricted net position in the amounts of \$2,951,115 and \$4,134,611, 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.

Note 2 – Detailed Notes on Assets and Liabilities

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

	2023	2022
Petty cash	\$ 240	\$ 240
Demand deposits	7,895,414	12,837,307
LAIF	10,570	10,268
Total cash and cash equivalents	<u>\$ 7,906,224</u>	<u>\$ 12,847,815</u>

LAIF – The Commission is a voluntary participant in the Local Agency Investment Fund (LAIF) which is regulated by California Government Code (CGC) Section 16429 under the oversight of the Treasurer of the State. 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.

California Avocado Commission

Notes to Financial Statements

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.

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

Investments authorized by the CGC and the Commission's investment policy – The Commission adopted CGC Section 16430 and the 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 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
LAIF	N/A	None	\$75 million

California Avocado Commission

Notes to Financial Statements

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	
	2023	2022
LAIF	\$ 10,570	\$ 10,268

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, 2023 and 2022.

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. The first \$250,000 of the bank balance was covered by the Federal Deposit Insurance Corporation (FDIC). The remaining balance was collateralized at 100% of the total amount deposited by the Commission in accordance with federal regulations set by the USDA.

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).

California Avocado Commission

Notes to Financial Statements

Capital Assets

	November 1, 2022	Additions	Deletions	October 31, 2023
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	158,251	29,653	-	187,904
Office equipment	61,002	-	-	61,002
Software	15,022	-	-	15,022
Land improvements	99,154	9,405	-	108,559
Total accumulated depreciation	333,429	39,058	-	372,487
Capital ROU assets, being amortized				
Buildings	699,397	11,724	-	711,121
Equipment	45,843	27,197	(42,407)	30,633
Total capital ROU assets, being amortized	745,240	38,921	(42,407)	741,754
Less: accumulated amortization for				
Buildings	298,140	125,656	-	423,796
Equipment	24,873	4,451	-	29,324
Total accumulated amortization	323,013	130,107	-	453,120
Capital and ROU assets, net of depreciation and amortization	<u>\$ 461,285</u>	<u>\$ (130,244)</u>	<u>\$ (42,407)</u>	<u>\$ 288,634</u>

California Avocado Commission

Notes to Financial Statements

	November 1, 2021	Additions	Deletions	October 31, 2022
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	<u>372,487</u>	<u>-</u>	<u>-</u>	<u>372,487</u>
Less: accumulated depreciation for				
Furniture	125,903	32,348	-	158,251
Office equipment	61,002	-	-	61,002
Software	15,021	1	-	15,022
Land improvements	85,032	14,122	-	99,154
Total accumulated depreciation	<u>286,958</u>	<u>46,471</u>	<u>-</u>	<u>333,429</u>
Capital ROU assets, being amortized				
Buildings	699,397	-	-	699,397
Equipment	28,863	16,980	-	45,843
Total capital assets, being amortized	<u>728,260</u>	<u>16,980</u>	<u>-</u>	<u>745,240</u>
Less: accumulated amortization for				
Buildings	149,070	149,070	-	298,140
Equipment	12,129	12,744	-	24,873
Total accumulated amortization	<u>161,199</u>	<u>161,814</u>	<u>-</u>	<u>323,013</u>
Capital and ROU assets, net of depreciation and amortization	<u>\$ 652,590</u>	<u>\$ (191,305)</u>	<u>\$ -</u>	<u>\$ 461,285</u>

Depreciation expense was \$39,058 and \$46,471 for the years ended October 31, 2023 and 2022, respectively. Amortization expense was \$172,514 and \$161,814 for the years ended October 31, 2023 and 2022, respectively.

California Avocado Commission

Notes to Financial Statements

Long-Term Liabilities

	November 1, 2022	Additions	Deletions	October 31, 2023	Amount Due within One Year
Compensated absences	\$ 167,030	\$ 140,840	\$ (190,626)	\$ 117,244	\$ 117,244
Lease liabilities	435,863	38,921	(172,236)	302,548	144,153
	<u>\$ 602,893</u>	<u>\$ 179,761</u>	<u>\$ (362,862)</u>	<u>\$ 419,792</u>	<u>\$ 261,397</u>

	November 1, 2021	Additions	Deletions	October 31, 2022	Amount Due within One Year
Compensated absences	\$ 234,693	\$ 134,319	\$ (201,982)	\$ 167,030	\$ 102,367
Lease liabilities	572,694	16,980	(153,811)	435,863	151,164
	<u>\$ 807,387</u>	<u>\$ 151,299</u>	<u>\$ (355,793)</u>	<u>\$ 602,893</u>	<u>\$ 253,531</u>

Lease liabilities – The Commission recognizes a ROU asset and lease liability for all non-short-term leases (contracts of 12 months or less). At the time of commencement or conversion of a lease, the Commission includes all possible extension periods that are deemed to be reasonably certain given all available information in the term of a lease. Unless explicitly stated in the lease agreement, a discount rate is used to calculate the initial lease ROU asset and liability. Variable payments based on the future performance of the lessor or the Commission or usage of the underlying asset are not included in the measurement of lease assets or liabilities. For the fiscal years ended October 31, 2023 and 2022, all Commission leases were based on fixed payments and did not have variable payment components. For the fiscal years ended October 31, 2023 and 2022, the Commission did not have to remeasure any lease liabilities due to (1) early termination of a lease; (2) reduction in the monthly lease payment; or (3) change in the discount rate.

In November 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. The lease agreement does not contain other renewal periods and management will evaluate extension of the lease closer to its term date. During the years ended October 31, 2023 and 2022, the Commission paid \$125,895 and \$122,390 respectively for use of the space. The Commission used an incremental borrowing rate of 0.38% as of November 1, 2020, as the discount rate in establishing the initial asset and liability. Subsequent to the 2022 fiscal year end, this office space experienced significant damage due to flooding from a burst pipe, repairs of which were primarily covered by the lessor and/or insurance. No impairments to the remaining asset or liability balance were assessed as a result of this coverage. Certain rent payments were abated by the landlord for the period the space was not available to carry out operations.

California Avocado Commission

Notes to Financial Statements

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 which ended on June 30, 2023. The original lease allowed for an option to extend for two five-year periods based on the current market rental value of the property at the time of commencement of the option. At the time of this report, management was in negotiations to execute one of the five-year extensions; however, a short-term renewal was executed in the interim until negotiations concluded. During the years ended October 31, 2023 and 2022, the Commission paid \$24,912 for rent, respectively, including rent paid for a garage on the property for \$100 a month.

The Commission has entered into agreements to lease various printers, scanners, and a postage machine. The average term for each lease is three years with total payments of approximately \$1,500 per month. Some agreements allow for continuation of payments until the equipment is returned. None of the terms guarantee a buy-out of the asset. The Commission used the risk-free rates from the U.S. Treasury ranging from 0.16% to 0.20% as of November 1, 2020, as the discount rate in establishing the initial asset and liability. Two of the lease arrangements were entered into during the year ended October 31, 2023. For those leases the Commission used the risk-free rates ranging from 2.49% to 4.52%.

Principal and interest payments to be made under these leases for each of the next three years are as follows:

	Principal	Interest	Total
Years Ending October 31,			
2024	\$ 143,894	\$ 1,173	\$ 145,067
2025	144,068	441	139,177
2026	14,586	4	14,590
	<u>\$ 302,548</u>	<u>\$ 1,618</u>	<u>\$ 298,834</u>

Note 3 – Other Information

Avocado Inspection Program – During February 1986, the Commission contracted with the State Department of Food and Agriculture to administer the AIP for the State. Since the Commission is, in substance, an agent for the State, fiduciary cash and cash equivalents, amounts held for the AIP, are offset by fiduciary liabilities, amounts held for the AIP. As of October 31, 2023 and 2022, \$767,673 and \$948,364, respectively, was held by the Commission for the AIP.

On October 10, 2012, the Commission entered into a lease agreement on behalf of the 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, 2023. During the years ended October 31, 2023 and 2022, the Commission paid \$20,080 and \$19,265, respectively, for office rent subsequently reimbursed by the AIP, exclusive of operating expenses.

On May 1, 2013, the Commission entered into a lease agreement on behalf of the 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, 2024. During the years ended October 31, 2023 and 2022, the Commission paid \$12,360 and \$12,100, respectively, for office rent subsequently reimbursed by the AIP, exclusive of operating expenses.

California Avocado Commission

Notes to Financial Statements

As the Commission does not have any right to the use of such lease arrangements, no assets or corresponding liabilities have been recorded by the Commission.

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 line of credit matured on May 29, 2023. In February 2024, a new line of credit was entered into with BMO Bank in the amount of \$3,000,000 that matures in December 2024. This new line of credit accrues interest at a variable rate set at the prime rate plus 4.0%. At October 31, 2023 and 2022, there was no outstanding balance due on the line of credit.

Risk management – Insurance Programs of the Commission – 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 \$300 deductible.

Crime liability – insured by Travelers Casualty and Surety – Coverage is \$1,000,000, subject to a \$5,000 deductible.

Umbrella liability – insured by Fireman's Fund Insurance – 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.

Fiduciary liability – insured by U.S. Specialty Insurance Company – 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 – General aggregate coverage of \$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 – Coverage is \$1,000,000 per occurrence.

Workers' compensation coverage – insured by Hartford Casualty Insurance Company – Coverage is \$1,000,000 per occurrence.

California Avocado Commission

Notes to Financial Statements

Cyber – insured by HSB Specialty Insurance Company – Coverage is \$1,000,000 per occurrence with a \$5,000 self-insurance retention.

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 2023.

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 employees eligible to participate in the PSP for the plan year ended October 31, 2023, was \$1,053,430. Total payroll for the eight employees eligible to participate in the PSP for the plan year ended October 31, 2022, was \$1,770,715. Total contributions for the years ended October 31, 2023 and 2022, were \$105,343 and \$177,081, respectively.

The Commission may make annual contributions to the PSP, with each eligible employee receiving an allocation of 10% of compensation. In addition, the PSP allows for the Commission to establish an additional amount, if any, to be contributed and allocated on behalf of certain designated employees. The PSP stipulates that the Internal Revenue Service Code, Section 415, shall govern limitations on annual PSP contributions, which were \$66,000 for the plan year ended October 31, 2023, and \$61,000 for the plan year ended October 31, 2022. 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.

DRAFT
Not to be reproduced or relied
upon for any purpose

Supplementary Information

California Avocado Commission
Budgetary Comparison Schedule
Year Ended October 31, 2023
(with comparative actual totals for the year ended October 31, 2022)

	Budget	Actual	Variance Favorable (Unfavorable)	2022 Actual
REVENUES				
Assessment revenue	\$ 4,935,938	\$ 3,494,156	\$ (1,441,782)	\$ 8,399,945
HAB rebate assessment revenue (restricted)	4,940,625	4,507,180	(433,445)	5,386,470
Administrative and accounting fees	61,000	60,996	(4)	60,996
Interest income	15,000	11,929	(3,071)	16,492
Grant revenue	400,000	261,056	(138,944)	426,417
Merchandise Shop revenue	1,000	10,364	9,364	15,063
Other income	163,750	200,726	36,976	293,766
Total revenues	10,517,313	8,546,407	(1,970,906)	14,599,149
EXPENSES				
Marketing				
Consumer marketing	4,736,549	4,637,963	98,586	5,267,555
Merchandising	2,416,646	2,138,416	278,230	1,867,264
Foodservice	725,000	659,402	65,598	615,454
Consumer/Trade Living Well	88,430	85,494	2,936	144,591
Consumer public relations	440,500	461,128	(20,628)	775,329
Merchandise Shop	10,000	13,146	(3,146)	122,423
Marketing activities support	182,875	110,907	71,968	112,763
Total marketing	8,600,000	8,106,456	493,544	8,905,379
Non-marketing programs				
Industry affairs	1,301,451	778,458	522,993	650,552
Production research	285,609	285,609	-	296,443
Grant expenses	400,000	235,931	164,069	402,575
Total non-marketing programs	1,987,060	1,299,998	687,062	1,349,570
Administration				
Administration	3,311,110	2,989,795	321,315	2,843,121
Information systems	115,990	132,834	(16,844)	85,762
Depreciation/Amortization	39,060	195,469	(156,409)	208,287
Total administration	3,466,160	3,318,098	148,062	3,137,170
Total expenses	14,053,220	12,724,552	1,328,668	13,392,119
Change in net position	(3,535,907)	(4,178,145)	(642,238)	1,207,030
NET POSITION, beginning of year	10,922,229	11,613,549	691,320	10,406,519
NET POSITION, ending of year	\$ 7,386,322	\$ 7,435,404	\$ 49,082	\$ 11,613,549

California Avocado Commission
Note to Supplementary Information
October 31, 2023 and 2022

Note 1 – Budgetary Information

Budgets and budgetary accounting – Each year, the California Avocado Commission (the “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 Vice President of Industry Affairs and Operations of the Commission to review each line item. The overall combined budget is prepared by the President and Vice President of Industry Affairs and Operations 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
Year Ended October 31, 2023

	Restricted	Unrestricted	Total
OPERATING REVENUES			
Assessment revenue	\$ -	\$ 3,494,156	\$ 3,494,156
HAB rebate assessment revenue (restricted)	4,507,180	-	4,507,180
Administrative and marketing fees	-	60,996	60,996
Other operating revenues	-	10,364	10,364
Total operating revenues	4,507,180	3,565,516	8,072,696
OPERATING EXPENSES			
Marketing	5,694,847	2,411,609	8,106,456
Nonmarketing programs	-	1,299,998	1,299,998
Administration	-	3,318,098	3,318,098
Total operating expenses	5,694,847	7,029,705	12,724,552
Operating loss	(1,187,667)	(3,464,189)	(4,651,856)
NONOPERATING REVENUES			
Interest income	4,168	9,913	14,081
Interest expense	-	(2,152)	(2,152)
Grant income	-	261,056	261,056
Other income	-	200,726	200,726
Total nonoperating revenues	4,168	469,543	473,711
Change in net position	(1,183,499)	(2,994,646)	(4,178,145)
NET POSITION, beginning of year, as restated	4,134,611	7,478,938	11,613,549
NET POSITION, ending of year	\$ 2,951,112	\$ 4,484,292	\$ 7,435,404

California Avocado Commission
Schedule of Restricted Marketing Program Expenses
Year Ended October 31, 2023

	Restricted	Budget
Marketing programs		
Media – 85% Rebate-Mullen	\$ 2,115,000	\$ 2,115,000
Program Administration Fees – 85% Rebate-Mullen	1,361,799	1,361,799
Online Marketing	199,287	200,000
Subtotal consumer advertising	3,676,086	3,676,799
Artisan Chef Program-85% Rebate-Golin	102,601	95,000
News Bureau – 85% Rebate-Golin	46,997	60,000
Program Administration Fees – 85% Rebate-Golin	118,881	100,000
Program Administration Expenses-85% Rebate-Golin	1,426	500
Media Tracking & Reporting-85% Rebate-Golin	39,386	70,000
Subtotal consumer public relations	309,291	325,500
Marketing/Planning Meetings-85% Rebate	532	1,000
Marketing Planning/Special Projects-85% Reb-ROMO	22,875	22,875
Buy California Marketing Agreement-85% Rebate	25,000	25,000
Subtotal marketing activities	48,407	48,875
Marketing Support-85% Reb-ROMO	40,295	39,500
Trade Advertising-Media – 85% Rebate-Fusion	220,822	222,000
Trade Advertising-Production – 85% Rebate-Fusion	27,381	28,000
Trade PR Expenses-85% Rebate	765	5,000
Recipe Development-85% Rebate	6,252	2,500
Recipe Development-85% Rebate-ROMO	3,174	3,000
Dues-85% Rebate	15,005	12,780
Sponsorship-NorCal-85% Rebate	5,220	2,450
Sponsorship-SoCal-85% Rebate	4,059	3,300
Conventions – 85% Rebate	125,637	155,785
Booth Storage – 85% Rebate	1,215	1,215
Key Account Coverage-MW/SE-Anderson – 85% Rebate	94,800	94,800
Key Account Coverage-West-Becker – 85% Rebate	150,000	150,000
Grower Photography/Videography-85% Rebate	46,745	26,500
Planning & Program Administration-85% Rebate-FUSIO	53,017	53,500
Retail Merchandising Services (POS Placement)-85%R	-	25,000
Premiums-85% Rebate	-	3,500
POS Materials – 85% Rebate	25,572	3,500
Storage/Fulfillment-85% Rebate	44,332	40,000
Travel-Marketing Management-85% Rebate	14,905	7,500
Travel-Marketing Staff-85% Rebate	17,637	20,000
Marketing Office Expense-85% Rebate	25,344	35,000
Subtotal trade - retail	922,177	934,830
		(continued)

California Avocado Commission
Schedule of Restricted Marketing Program Expenses (continued)
Year Ended October 31, 2023

	<u>Restricted</u>	<u>Budget</u>
Living Well Brand Advocates-85% Rebate	31,279	34,215
Living Well Brand Advocates-85% Rebate-PJ/PR	44,215	44,215
Living Well Pgm Adm Fees-85% Rebate-PJ/PR	<u>10,000</u>	<u>10,000</u>
Subtotal consumer/trade living well sub total	<u>85,494</u>	<u>88,430</u>
Media – 85% Rebate-KC	68,420	73,800
Production – 85% Rebate-KC	18,000	25,000
Public Relations – 85% Rebate-KC	78,568	59,500
Program Administration Fees – 85% Rebate-KC	40,850	53,000
Program Administration Expenses – 85% Rebate-KC	274	1,000
Foodservice Events – 85% Rebate-KC	291,807	296,500
Chain Promotions – 85% Rebate-KC	<u>155,473</u>	<u>210,200</u>
Subtotal foodservice	<u>653,392</u>	<u>719,000</u>
Total marketing	<u>5,694,847</u>	<u>5,793,434</u>
Total program expenses	<u>\$ 5,694,847</u>	<u>\$ 5,793,434</u>

See accompanying notes.

Report of Independent Auditors 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*

The Board of Directors
California Avocado Commission

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 as of and for the year ended October 31, 2023, and the related notes to the financial statements, which collectively comprise the California Avocado Commission's basic financial statements, and have issued our report thereon dated [REDACTED], 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the California Avocado 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 California Avocado Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the California Avocado 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the California Avocado 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Irvine, California

[REDACTED], 2024



BOARD ACTION

**ITEM 9: REQUEST FROM AVOCADO GROWERS OF CALIFORNIA THAT “CAC PETITION
USDA TO ORGANIZE A REFERENDUM FOR THE HASS AVOCADO BOARD
ALLOWING HAB ASSESSMENT PAYING MEMBERS TO EXPRESS THEIR
COLLECTIVE POSITION”**

SUMMARY:

On January 8, 2024 CAC Chairman Jason Cole received the attached letter from the Avocado Growers of California requesting that “CAC petition USDA to organize a referendum for the Hass Avocado Board allowing all HAB assessment paying members to express their collective position.” In response to this letter, Chairman Cole has brought this item before the CAC Board for consideration.

FISCAL ANALYSIS:

- N/A

BOARD OPTIONS:

- Approve that “CAC petition USDA to organize a referendum for the Hass Avocado Board allowing all HAB assessment paying members to express their collective position.”
- Take other action
- Take no action

STAFF RECOMMENDATION:

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

EXHIBITS / ATTACHMENTS:

- AGC Letter to Chairman Cole, dated January 8, 2024



January 8, 2024

Chairperson Jason Cole
California Avocado Commission
12 Mauchly, Suite L
Irvine, CA 92618

RE: Hass Avocado Board Referendum

Dear Chairperson, Cole,

Avocado Growers of California, Inc. (AGC), representing 186+ members, is a non-profit member benefit corporation who advocates for the California avocado growers.

We are writing to bring to your attention a matter of great importance to the domestic avocado industry, particularly those involved in the cultivation and production of Hass avocados. As stakeholders and concerned members of the industry, we urge the California Avocado Commission (CAC) to exercise its right to petition for a referendum for the Hass Avocado Board (HAB).

Despite the law governing HAB that specifies a periodic referendum be held, no such action has taken place in 23 years. Consequently, many of our California grower members and other HAB stakeholders feel disenfranchised by this fact and request that you take corrective action at the earliest possible date.

As Chairman, you can petition the CAC board to call for a referendum under the Hass Avocado Promotion, Research, and Information Act effective: October 28, 2000. Therefore, AGC requests that CAC petitions USDA to organize a referendum for the Hass Avocado Board allowing all HAB assessment paying members to express their collective position.

AGC appreciates your attention to this matter and your efforts to address the concerns of the domestic avocado industry stakeholders by scheduling the overdue HAB referendum as soon as possible in 2024. AGC looks forward to a prompt response and the opportunity for growers to actively participate in shaping the future of the Hass Avocado Board.

Similar requests have been made to USDA and HAB.

Thank you for your time and commitment to the Hass avocado community.

Sincerely,

AGC Board of Directors
Dan Coxe, Chairman
Joanne Robles-Swanson, President
Ohannes Karaoghlanian, Vice President
Tina Wolfred, Secretary
Matt Nelson, Treasurer

CC: Co-executive leaders of CAC: Ken Melban, VP, Industry Affairs & Operations and Teri Splane, VP, Marketing

Item 9-2



BOARD ACTION

ITEM 10: CONSIDER PRC RECOMMENDATION ON POTENTIAL SALINITY RESEARCH FUNDING WITH UC SANTA BARBARA

SUMMARY:

The Production Research Committee met on Thursday, February 8, 2024, to discuss a potential funding opportunity for salinity research. In late December 2023 CAC was contacted by Jesse Landesman, a graduate student beginning her PhD program at UC Santa Barbara. Jesse received a BS degree from UC Davis in Soils and Biogeochemistry. She is interested in understanding salinity and its effects on crops and in her literature review, discovered that avocados are a very salt sensitive crop.

Jesse explained to the PRC that she is applying for a Foundation for Food and Agriculture Research (FFAR) grant to support her research. FFAR requires grant applicants to have an industry sponsor to ensure the research will be useful for the industry. Given her background in soils, interest in salinity, and knowing that avocados are extremely salt sensitive Jesse reached out to see if CAC would be interested in being her industry sponsor.

As an industry sponsor there is both a financial obligation and a mentoring obligation. The financial commitment is \$32,500 per year for 3-years (\$97,500 total). The mentoring obligation requires the sponsor to commit to having on or more industry representatives to “serve as a mentor to the student, working with the student on their annual professional development plan and being available for student questions.”

At this time, Jesse does not have a full research proposal for the PRC to review, but discussed her concepts about understanding how salinity impacts soil biology and how that may harm avocado trees in addition to any direct toxicity effects of salinity. She also discussed her interest in trying to understand how the detrimental effects of salinity on soil biology may be overcome, such as through cover crops, soil additives or other methods.

The committee had a robust discussion and had considerable feedback for Jesse, such as the lack of interest in cover cropping due to issues such as water competition. The committee also brought up the idea of studying different rootstocks and understanding how soil biology changes may affect the different rootstocks and lead to difference in apparent salinity tolerance.

Overall, the idea of being able to be intimately involved in developing the research hypotheses and helping guide Jesse’s research to ensure its value to the industry was appealing to the committee. **The committee voted to recommend CAC write a letter of support agreeing to serve as Jesse’s industry sponsor *if* she is awarded an**

FFAR grant. Importantly, CAC is under no obligation to provide any support, mentoring or financial, if Jesse is not awarded an FFAR grant.

FISCAL ANALYSIS:

- No immediate fiscal commitment.
- If awarded an FFAR grant, funding would begin in August 2024. Thus, approximately \$8,125 (25% of the annual funding of \$32,500) would be required in the 2023-24 fiscal year, which would require a budget amendment later.

BOARD OPTIONS:

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

STAFF RECOMMENDATION:

- Accept the PRC's recommendation



BOARD ACTION

ITEM 11: CONSIDER APPROVAL OF HAB BOLD CANDIDATE SPONSORSHIP

SUMMARY:

In 2021 the Hass Avocado Board launched the Hass Avocado Industry Board Leadership Program (BOLD) to develop emerging leaders interested in addressing the opportunities and challenges facing the Hass avocado industry. BOLD is designed to help participants improve profitability, increase the effectiveness of the industry and become board-ready candidates for HAB, the California Avocado Commission and importer associations.

For the inaugural 2021 BOLD Class, the CAC Board approved participation in and sponsorship of California applicants, with the caveat that they be an existing CAC Board member or alternate. In 2021 and 2022 the CAC board approved sponsorship of Board members or alternates meeting the service requirements approve in 2021. In 2023, there were no CAC Board member or alternate applicants for the HAB BOLD program, however the CAC Board approved sponsorship of two California producer applicants in support of furthering development of future industry leaders.

HAB has provided the following list of individuals who have applied for the 2024 HAB BOLD program as producers, and has asked if CAC is interested in sponsoring one or more individuals for the current year:

- Matias Purcell, Brokaw Nursery
- Mark Buhl, Avotopia
- James Shafer, Latitude 38 Venture Partners
- John Berns, California Grower
- Dane Dominguez, KPMG LLP California Grower
- Andrew Prechtel, Simpatica
- Adam Dominguez, Ranchos Dominguez

FISCAL ANALYSIS:

- The annual cost per participant is estimated to be up to \$4,000. The approved 2023-24 CAC Budget has \$18,000 allocated to cover the sponsorship of HAB BOLD participants.

BOARD OPTIONS:

- Approve sponsorship of one or more participants in the HAB BOLD program
- Decline sponsorship of HAB BOLD participants

STAFF RECOMMENDATION:

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

EXHIBITS / ATTACHMENTS:

- Matias Purcell HAB BOLD Application
- Mark Buhl HAB BOLD Application
- James Shafer HAB BOLD Application
- John Berns HAB BOLD Application
- Dane Dominguez HAB BOLD Application
- Andrew Prechtel HAB BOLD Application
- Adam Dominguez HAB BOLD Application

From: [John McGuigan](#)
To: [John McGuigan](#)
Subject: FW: New BOLD Application submission
Date: Friday, February 16, 2024 5:27:51 PM

From: HAB <info@hassavocadoboard.com>
Sent: Saturday, January 13, 2024 9:00 PM
To: kate@eak-digital.com; John McGuigan <john@hassavocadoboard.com>
Subject: New BOLD Application submission

Name:

Matias Purcell

Email Address:

Cell Phone:

Work Phone:

Contact me by text

- Check here if we can contact you by text

Address:

Ventura, California 93004

High school name, city and state:

Capellan Pascal, Viña del Mar, Chile

Year graduated:

2000

College or vocational school name, city and state:

Universidad Adolfo Ibañez

Graduate:

Yes

Years attended:

2001

Years attended:

2008

Highest degree / major attained:

MBA

Please check the box that applies to you:

- I am a producer of Hass Avocados.

Current employer:

Brokaw Nursery

Length of employment:

2

Length of employment:

10

Employer Address:

Ventura, California 93004

Position/Title (list if more than one):

- Director of Technology

Job Responsibilities:

Manage over 70 acres of planted avocados in Ventura and Santa Paula, CA.
Integrate new technologies for irrigation, fertilization, operations and logistics.

Current supervisor's name:

Rob Brokaw

Current supervisor's email address:

Previous employer:

Naturipe Farms

Length of employment:

2

Length of employment:

1

Employer acknowledgment:

- Please check here if you have discussed your participation in the program with your employer.

Check if you have served on any of the following as a board/committee member in the past 5 years:

- None of the above

List any organizations that you have volunteered for in the past 5 years:

- Oaktober / Once Upon a Watershed

Organizational & community involvement:

I started a small native oak nursery two years ago, and got to propagate around 1,000 California Live Oaks (*Quercus Agrifolia*).

Since then, we have donated over 500 trees to local reforestation projects, School Districts and Botanical Gardens. The rest have been planted in areas that were affected by the 2018 Thomas Fires on some of the ranches I manage.

Expression of interest:

I am a Business Manager with a master's degree in Marketing, from universities in Chile and France. My wife and I decided to move to California 9 years ago and start a family here. We both are dedicated to the avocado industry in different branches. The more I learn about avocados, the more I love the fruit because of its healthy properties and the overall excellent eating experience it provides. With a business background and having had the chance in my life to live in different countries and get to know their cultures, I feel I can make a well-rounded contribution to the avocado industry. Since spending time as a child on my grandfather's ranch back in Chile, I always saw myself connected to farming and the countryside. Thanks to the avocado industry, I have been able to blend my knowledge and business skills with my passion for agriculture. In a world where consumers are ever more educated and inclined toward healthier products, I see a great future for the avocado industry and would like to be part of it.

Career Goals:

Since I started working with avocados, I have had the great opportunity to meet several experts in the industry from whom I have learned a lot. Even though I have gathered a lot of experience in the past few years, and put my leadership aptitudes to the test, I feel there is a lot more to learn in the years to come. My goal is to become an expert in my field and share that expertise with others. I know that I am very fortunate to live in a place like California where I can find many learning options to improve my leadership and further excel in my career.

From: [John McGuigan](#)
To: [John McGuigan](#)
Subject: FW: New BOLD Application submission
Date: Friday, February 16, 2024 5:29:55 PM

From: HAB <info@hassavocadoboard.com>
Sent: Saturday, January 20, 2024 10:26 AM
To: kate@eak-digital.com; John McGuigan <john@hassavocadoboard.com>
Subject: New BOLD Application submission

Name:

Mark Buhl

Email Address:

Cell Phone:

Address:

Menifee, Ca 92584

High school name, city and state:

Golden West

Year graduated:

91

College or vocational school name, city and state:

Sichuan Union University

Graduate:

Yes

Years attended:

1998

Years attended:

2001

Highest degree / major attained:

MBA

Please check the box that applies to you:

- ☐ I am a producer of Hass Avocados.

Current employer:

Avotopia-self employed

Length of employment:

5

Length of employment:

0

Employer Address:

Temecula, Ca 92560

Position/Title (list if more than one):

- Ceo

Job Responsibilities:

In charge of IP
Clonal propagation
TC propagation
Consulting

Current supervisor's name:

Mark Buhl

Current supervisor's email address:

Previous employer:

Global Agricultural Technichal Experts

Length of employment:

20 years

Length of employment:

0

Employer acknowledgment:

- Please check here if you have discussed your participation in the program with your employer.

Check if you have served on any of the following as a board/committee member in the past 5 years:

- None of the above

List any organizations that you have volunteered for in the past 5 years:

- I have donated a tremendous amount of time and resources to University of California around avocado.
- CDFA grants for avocado research and the academic teams

Organizational & community involvement:

All of my community involvement revolves around Avocado. We do a lot of work with taste testing to help set industry standards for dry matter and release dates within California for different varieties other than Hass. We volunteer to help farmers understand, cultural management, practices, irrigation, practices, and

a number of other key farmer resources. We sponsor an international monthly podcast, called Avocado Cafe that features Dr. Mary Lu Arpaia and Dr. Ben Faber along with international experts to share innovation with the global avocado community.

Expression of interest:

I'm trying to elevate the production of avocados in California. Avotopia , my company is leading the way in modern genetics for high density Avocado. We have partnered with Allesbeste Nursery from RSA and are bringing in all the new genetics into California. We have established a global IP partnership with Freshmax, Innovar, and The Fruit Farm Group. All of the genetics will be available to farmers around the world. I sit on the advisory board for Greenbank Avocado from China, the largest production program for avocado in China at over 7500 hectares.

Career Goals:

My professional goals revolve around leading farmers. I am driving modern propagation techniques to drive costs lower and eliminate material bottle necks. I am working to share the story of avocados with the consumers by creating direct relationships between farmers and customers through my company Purechex. Purechex has partnered with Sinclair Labelling Systems to launch an innovative way to put a media rich experience directly on each piece of fruit. Being able to share unique ripening procedures for new varieties, helpful insights to recipes, grower information, games, and all other sorts of valuable information directly to consumers.

From: [John McGuigan](#)
To: [John McGuigan](#)
Subject: FW: New BOLD Application submission
Date: Friday, February 16, 2024 5:30:33 PM

From: HAB <info@hassavocadoboard.com>
Sent: Tuesday, January 30, 2024 3:14 PM
To: kate@eak-digital.com; John McGuigan <john@hassavocadoboard.com>
Subject: New BOLD Application submission

Name:

James Shafer

Email Address:

Cell Phone:

Contact me by text

- Check here if we can contact you by text

Address:

Los Angeles, CA 90020

High school name, city and state:

Loyola High School

Year graduated:

2010

College or vocational school name, city and state:

Fordham University (Bronx, New York)

Graduate:

Yes

Years attended:

2010

Years attended:

2014

Highest degree / major attained:

Bachelor's Degree

Please check the box that applies to you:

- ☒ I am a producer of Hass Avocados.

Current employer:

Latitude 38 Venture Partners

Length of employment:

1

Length of employment:

3

Employer Address:

Remote Position

Position/Title (list if more than one):

- ☒ Senior Associate

Job Responsibilities:

Latitude 38 Venture Partners is a venture capital investment management firm that invests in fintech startup companies that support the growth of community financial institutions. At Latitude 38 Venture Partners, I am responsible for fundraising, investment diligence, and operational support of portfolio companies. It is my responsibility to support the marketing activity of both acquiring new and nurturing existing Limited Partners (Fund Investors). With regard to due diligence, I am responsible for the financial and commercial assessment of investment opportunities. We also help support the financial, operational, and strategic workstreams of our portfolio companies.

Current supervisor's name:

Richard Leggett

Current supervisor's email address:**Previous employer:**

FrontierView

Length of employment:

6

Length of employment:

1

Employer acknowledgment:

- ☒ Please check here if you have discussed your participation in the program with your employer.

Check if you have served on any of the following as a board/committee member in the past 5 years:

- California Avocado Commission

List any organizations that you have volunteered for in the past 5 years:

- California Avocado Commission

Organizational & community involvement:

I was voted by the California Avocado Commission Board of Directors to fill a vacant, alternate director seat in 2023. During this time, I attended several CAC Board meetings, served on the Government Affairs Task Force, and participated in the Board's annual strategy planning session. I donated my time to these meetings to serve the avocado growers of CA District 3. During my time on the government affairs task force, I used my economic and political career background to provide qualitative and quantitative insights to guide discussion among attendees. At the strategic planning session, I participated in group discussion and leveraged my past strategy and planning background to support the planning process. This included, but was not limited to, marketing and resource allocation, operational design, and government affairs effectiveness.

Outside of CAC, although not entirely community based, I donate my time and energy to take care of an ailing parent. I have managed my father's household, finances, and healthcare for the past 2.5 years. This has been a tremendously humbling experience and I completely empathize with others who are going through such an experience.

Expression of interest:

I am a qualified candidate for HAB's BOLD program based on my direct connection to the avocado industry as a multi-generational grower. My family has farmed avocados in Ventura County, CA for over 70 years and I intend on passing that tradition down to future generations. Second, ensuring the success of future leaders is imperative for the avocado industry. As a young grower, I intend on turning my knowledge into an asset to support and guide the avocado industry and adjacent commissions for the foreseeable future. Finally, not only can the BOLD program provide me with information, knowledge, and leadership skills, but I can also provide valuable input as well. I will leverage my past career experience and capabilities – farming avocados, venture capital investing, asset management and development, sales and marketing, and strategic planning – to add value to group discussions during the program.

Career Goals:

Overall, I am keen in developing as a future leader in both the California and world avocado industry. My process for achieving that is threefold. First, I want to develop more insight and knowledge on the avocado industry overall, and I'm confident the BOLD program will help me do that. Second, I want to ensure the career development of those around me. No firm, commission, or leader is successful without a developed and capable team. In all my roles, I have always strived to support the career and leadership development of those around me. Lastly, as I rising leader I want to ensure the prioritization of time and projects with the highest return of investment and value. This includes, but is not limited to, my own farm management, working on special projects with HAB and/or CAC, and in my daily life.

From: [John McGuigan](#)
To: [John McGuigan](#)
Subject: FW: New BOLD Application submission
Date: Friday, February 16, 2024 5:32:39 PM

From: HAB <info@hassavocadoboard.com>
Sent: Tuesday, January 30, 2024 11:56 PM
To: kate@eak-digital.com; John McGuigan <john@hassavocadoboard.com>
Subject: New BOLD Application submission

Name:

John Berns

Email Address:

Cell Phone:

Work Phone:

Home Phone:

Contact me by text

- Check here if we can contact you by text

Address:

Temecula, CA 92590

High school name, city and state:

University High School, Los Angeles, California

Year graduated:

-

College or vocational school name, city and state:

UC Riverside, Riverside and California State University, Los Angeles, California

Graduate:

Yes

Years attended:

1998

Years attended:

2000

Highest degree / major attained:

MA, Educational Administration

Please check the box that applies to you:

- I am a producer of Hass Avocados.

Current employer:

Self

Length of employment:

20

Length of employment:

9

Employer Address:

Temecula, CA 92590

Position/Title (list if more than one):

- Owner/Manager

Job Responsibilities:

Owner and Manager of avocado groves in Ventura, Riverside and San Diego County.

Current supervisor's name:

N/A N/A

Current supervisor's email address:

N/A

Previous employer:

Los Angeles Unified School District

Length of employment:

16

Length of employment:

9

Employer acknowledgment:

- Please check here if you have discussed your participation in the program with your employer.

Check if you have served on any of the following as a board/committee member in the past 5 years:

List any organizations that you have volunteered for in the past 5 years:

- California Avocado Commission, Fuller Falls Mutual Water Company, Rancho San Miguel Homeowners Association

Organizational & community involvement:

I served as a founding Board Chairman for a Charter High School in East Hollywood. I served as a Regional Representative for High School Principals in the Los Angeles Unified School District . I serve as a Director on a Mutual Water Company Board. I volunteer because I am both interested in community and industry issues, and because I can be a voice for those that do not or cannot participate.

Expression of interest:

I believe the BOLD Program offers an excellent opportunity to obtain the knowledge and skills necessary to lead and represent the avocado industry. I should be selected because I am an enthusiastic and inquisitive learner. I am passionate about growing and selling avocados, and I will help the Cohort develop the skills and knowledge to represent and lead our industry. I offer a unique and extensive background of professional and life experiences, including 20 years as an avocado farmer. I have worked in teaching, leadership and management roles in public schools, and in retail and procurement management. I have previous board experience as a chairman of a Charter School Board and I currently serve as an Alternate on the California Avocado Commission and on the Board of a Mutual Water Company. I am fluent in Spanish.

Career Goals:

I have always wanted to be a farmer. After a career in public education I am realizing my dream. Now, I aspire to be the best farmer I can be. To me this means, to not only increase the productivity and profit of my farms, but to also help others succeed. This requires continual learning and engagement in both my own farm operations, and in the avocado farming community. I am always learning and I look forward to continue to learn about all aspect of the avocado industry, including production research, farming practices, marketing, and industry and government affairs. I look forward to representing California avocado growers on the California Avocado Commission, and later on the Haas Avocado Board. Whether or not I am serving in a formal capacity on these boards I will continue to look for opportunities to engage and represent California avocado growers and the farming community.

From: [John McGuigan](#)
To: [John McGuigan](#)
Subject: FW: New BOLD Application submission
Date: Friday, February 16, 2024 5:33:23 PM

From: HAB <info@hassavocadoboard.com>
Sent: Wednesday, January 31, 2024 9:39 AM
To: kate@eak-digital.com; John McGuigan <john@hassavocadoboard.com>
Subject: New BOLD Application submission

Name:

Dane Dominguez

Email Address:

Cell Phone:

Contact me by text

- Check here if we can contact you by text

Address:

Marina del Rey, CA 90292

High school name, city and state:

Ladue Horton Watkins High School, St. Louis, MO

Year graduated:

2017

College or vocational school name, city and state:

University of Southern California

Graduate:

Yes

Years attended:

2017

Years attended:

2021

Highest degree / major attained:

Bachelor of Business Administration

Please check the box that applies to you:

- I am a producer of Hass Avocados.

Current employer:

KPMG LLP

Length of employment:

2

Length of employment:

6

Employer Address:

Los Angeles, CA 90071

Position/Title (list if more than one):

- Senior Associate Consultant
- Assistant to the Head of Ranch Operations

Job Responsibilities:

Dane Dominguez is a Senior Associate in KPMG's Financial Services Advisory practice based in the Los Angeles office. Dane has experience within the financial technology and banking industries where he has worked closely with leaders to drive innovative, strategic solutions focusing on payments strategy and payments governance. Dane is well-versed in driving a customer focused approach to product management through interviews and data, distilling leading research and innovative perspective into actionable recommendations for leaders, and interviewing customers and stakeholders to bring on-the-ground perspective to executive decision making.

Outside of his career as a consultant, Dane works part-time in agriculture for a family owned avocado orchard. In his role as assistant to the head of operations, Dane helps with executive research, marketing, product, and operations decisions.

Current supervisor's name:

June Kang

Current supervisor's email address:

Previous employer:

Ranchos Don Enrique

Length of employment:

6

Length of employment:

0

Employer acknowledgment:

- Please check here if you have discussed your participation in the program with your employer.

Check if you have served on any of the following as a board/committee member in the past 5 years:

- None of the above

List any organizations that you have volunteered for in the past 5 years:

- The American Cancer Society (ACS)

Organizational & community involvement:

I organized and engaged a group of professionals from across my current employer to raise awareness and money, and participate in a non-competitive walk event to show support for ending breast cancer. I organized participants within my immediate workplace community, engaged leadership throughout my firm to spread the reach of the program, and brought on and activated participants from across the company. I encouraged fundraising with recurring messaging, and organized participants for an in-person walk event organized by ACS. The effort resulted in \$20,000+ raised and over two dozen individuals participating. I volunteer to make my immediate community, and the broader national and global community, a better place. My personal experience with breast cancer within my family motivates me to take action and engage the people around me to strive for better.

Expression of interest:

In Santa Paula, California, what started as a place for my migrant grandfather to work in the citrus industry has become a home for myself amongst family-owned avocado orchards. I am the third generation raised with lessons of labor by hand and perseverance by the mind. While honest work in avocados and citrus is a backdrop to my story, I've oriented my life towards education and goal-setting. As a Senior Associate Consultant at a "Big 4" consulting firm, my work in Fortune 500 board rooms is a far cry from my work in the orchards of Santa Paula. The BOLD Program will help me bridge the gap between these two experiences. I bring experience in engaging with corporate executives on organizational and product transformation, and direct experience with planting groves of 35,000 trees on 115 acres of land. The BOLD program is an opportunity to marry these experiences and focus on common goal: leading organizations to solve complex problems and secure greater value for all stakeholders. Through BOLD, I will learn the tools to advance my personal goals of growing my family business and achieving new professional heights, while bringing fresh perspective to HAB and the California avocado industry.

Career Goals:

My career leadership goals are framed by two different but complementary factors: my personal ambition to compete above the standard for excellence, and my family heritage. These two factors combine to create three personal leadership goals. First, lead at the highest level of professional excellence. So far, I have led student groups at The University of Southern California and teams of talented professionals in a "Big 4" consulting firm. This goal is constantly evolving, and a graduate business degree (MBA) and entrepreneurship will expand my leadership. The second goal: mentoring the next generation of professionals, especially individuals from underrepresented groups. I particularly enjoy leading mentorship organizations for early-in-career Latino/a professionals. In the future, I'll strive to lead businesses that foster equitable employment opportunities. The third goal: carry on my family avocado legacy and leave it better than before. At the core of this goal is fostering growth, both professionally and personally, in the employees that work in the orchards. I continue to learn the operations and strategy of the business and with the people who make it possible. These three goals drive me to seek new growth opportunities, specifically the BOLD Program which sits at the intersection of my goals.

From: [John McGuigan](#)
To: [John McGuigan](#)
Subject: FW: New BOLD Application submission
Date: Friday, February 16, 2024 5:34:00 PM

From: HAB <info@hassavocadoboard.com>
Sent: Wednesday, January 31, 2024 5:38 PM
To: kate@eak-digital.com; John McGuigan <john@hassavocadoboard.com>
Subject: New BOLD Application submission

Name:

Andrew Prechtl

Email Address:

Cell Phone:

Address:

Westlake Village, CA 91361

High school name, city and state:

Chaminade College Preparatory, West Hills, CA

Year graduated:

2011

College or vocational school name, city and state:

University of Southern California, Los Angeles, CA

Graduate:

Yes

Years attended:

2015

Years attended:

2019

Highest degree / major attained:

B.S. - Business Administration, B.S. - Accounting

Please check the box that applies to you:

- I am a producer of Hass Avocados.

Current employer:

Simpatica

Length of employment:

4

Length of employment:

4

Employer Address:

Westlake Village, CA 91361

Position/Title (list if more than one):

- Asset Manager

Job Responsibilities:

As an asset manager at Simpatica, my job continues to evolve as the properties we own and operate evolve. Overall, some of my main responsibilities include:

- > Ongoing communication with vendors, packers, investors, banks, accountants, and all parties that are involved in the operation of our business
- > Regular communication and problem solving with our farm managers to ensure ongoing success for our farms
- > Working with our bookkeeping team on financials, payables, receivables, and financial reporting of our properties
- > Working with and reporting with various water, power, and various government agencies
- > Developing and growing our business through new acquisitions and farm property development

Current supervisor's name:

Scott Bauwens

Current supervisor's email address:

Previous employer:

Ernst & Young

Length of employment:

4

Length of employment:

0

Employer acknowledgment:

- Please check here if you have discussed your participation in the program with your employer.

Check if you have served on any of the following as a board/committee member in the past 5 years:

- California Avocado Commission

List any organizations that you have volunteered for in the past 5 years:

- California Avocado Commission
- Habitat for Humanity
- St. Maximillian Church Men's Group
- 100 Men

Organizational & community involvement:

In my work community I recently served on the board and as a finance committee member for the California Avocado Commission. My intention with serving on the Commission was to be closer to the voices of fellow avocado growers and be a part of the decision making group that take action on items that can positively affect the success of local avocado growers.

In my geographic community I have been more involved with my church's men's group as it is a like minded group of positive thinking men who hope to improve each other's our family's, and our community's lives. I plan to once again become more involved with a cause that has always resonated with me, Habitat for Humanity, as their working to provide housing for those in need is so important. Lastly, I hope to restart a local cause called 100 Men that went away as a result of the pandemic. It is a giving group that looks to see the success of local charities alongside local community members and I would love to help bring the local chapter back in the near future.

Expression of interest:

I am honored and grateful to apply for the Hass Avocado Board BOLD program and appreciate the review of my application. My passion for land, farming, and growing avocados specifically have led me to be an interested candidate for this program. I feel that a leadership development program closely aligned with my professional and personal life will allow me to collaborate with individuals with similar struggles and successes. Together, avocado industry professionals and I can relate and come up with ideas that will ensure the ongoing success of our crop now and for years to come.

Career Goals:

As a professional in the avocado producer industry, my main goal is to continue to make avocados a leading fruit choice for consumers globally. When avocados are successfully (and happily) consumed, our farms succeed and so do our neighbor's farms, whether that is down the street in California or beyond state lines. To ensure the success of our farms and the fruit we produce, I aim to continue to develop into a leader that can hear the issues our community faces, devise solutions that can overcome our challenges, and look to find new opportunities that can continue our industry's growth. With the opportunity to participate in a program like BOLD, I will be better equipped to serve on boards, champion our community, and be a leader that our industry needs.

From: [John McGuigan](#)
To: [John McGuigan](#)
Subject: FW: New BOLD Application submission
Date: Friday, February 16, 2024 5:34:46 PM

From: HAB <info@hassavocadoboard.com>
Date: February 6, 2024 at 1:30:08 PM PST
To: kate@eak-digital.com, John McGuigan <john@hassavocadoboard.com>
Subject: New BOLD Application submission

Name:

Adam Dominguez

Email Address:

Cell Phone:

Work Phone:

Address:

Santa Paula, CA 93060

High school name, city and state:

St. Bonaventure High School

Year graduated:

2002

College or vocational school name, city and state:

Ventura College

Graduate:

Yes

Years attended:

2002

Years attended:

2005

Highest degree / major attained:

Associates Degree

Please check the box that applies to you:

- ☐ I am a producer of Hass Avocados.

Current employer:

Total Labor Force Inc.

Length of employment:

18

Length of employment:

2

Employer Address:

Santa Paula, CA 93060

Position/Title (list if more than one):

- ☐ Head of Operations

Job Responsibilities:

Oversee all aspects of Farm Labor harvesting, hauling, and compliance. Organize and maintain all records, trainings, and movement of harvesting crews. Work with growers on timing harvests to maximize return. Ensure all State and Federal regulations are followed to keep company in compliance with labor law.

Current supervisor's name:

Salvador Dominguez

Current supervisor's email address:

Previous employer:

Rentvillas.com

Length of employment:

6

Length of employment:

0

Employer acknowledgment:

- ☐ Please check here if you have discussed your participation in the program with your employer.

Check if you have served on any of the following as a board/committee member in the past 5 years:

None of the above

List any organizations that you have volunteered for in the past 5 years:

- Our Lady of the Assumption School

Organizational & community involvement:

I help put activities together for the children in my sons class.

Expression of interest:

As a Farm Labor Contractor and son of Avocado grower Salvador Dominguez, I feel I'll be able to bring a unique perspective. Having prior experience working in tech will help me understand emerging technologies in agriculture and the best way to impliment them.

Career Goals:

My overall goals are continued growth, both in acres grown as well as acres harvested for others. Helping to solve emerging problems like labor shortages, as well as implementing new technology in every aspect of agriculture. Finding ways of building sustainable farming practices while maintaining efficiency is also a key goal.