

**CALIFORNIA AVOCADO COMMISSION
MARKETING COMMITTEE WEB/TELECONFERENCE MEETING MINUTES
December 8, 2020**

A web/teleconference meeting of the Marketing Committee was held on Tuesday, December 8, 2020 with the following people participating:

**MEMBERS
PARTICIPATING**

Gary Caloroso
Phil Henry
Jessica Hunter
Denise Junqueiro
Andy Lyall
Carson McDaniel
Doug O'Hara
Peter Shore
Steve Taft
Angela Tallant
Debbie Willmann

**MEMBERS NOT
PARTICIPATING**

Bob Lucy
Ed McFadden
Doug Meyer

CAC STAFF PARTICIPATING

April Aymami
Monica Arnett
Tom Bellamore
Zachary Benedict
David Cruz
Jan DeLyser
Ken Melban

OFFICIALLY PRESENT

Hillary Brandaw (MullenLowe Mediahub)
Lauren Kelley (MullenLowe)
Samantha Schaitberger (MullenLowe)
Temra Wald (TWC)

GUESTS PRESENT

David Anderson
Carolyn Becker
Wayne Brydon
Dave Fausset
Rob Grether
Candace Hollar
Lauren Jacobsen
Kathleen Johnson
Lauren Kelley
Kim Kurata
Rachael Laenen
John Lamb
Patrick Lucy
Martin Pagh
Ludvigsen
Marji Morrow
Steven Muro
Laura Paden
Bryan Reugebrink
Matt Schraut
Brittney Theriault
Sean Wright

ITEM #1 ROLL CALL/QUORUM

The Marketing Committee (MC) teleconference meeting was called to order at 10:03 a.m. by Gary Caloroso. A quorum was established.

ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT

None.

ITEM #3 CONSENT CALENDAR

Mr. O'Hara moved to approve the Consent Calendar, including minutes from the January 7, 2020 and June 3, 2020 meetings. The motion was seconded by Ms. Junqueiro and unanimously approved. *MOTION 20-12-8-1.*

ITEM #4 DISCUSSION ITEMS

2019-20 California Crop Recap – Item 4.A.

Ms. Aymami reported that for the fiscal year 2019-20 there were 377 million pounds of California avocados harvested, close to what handlers projected in July. This year there will be some carryover into Christmas with avocados from the north for a total season volume of just under 383 million pounds. She reported that this is the first time in about a decade the crop harvest period has lasted so long. She noted percentages of harvest by north and south regions, by variety and growing method: Hass 63.8% from the north, Lamb Hass 66% from the north; about 10% of the total crop was organic with 68% from the south and 32% from the north. About 1.5 million pounds of the GEM variety was harvested in total, AMRIC currently does not collect the GEM information by region.

2020 Import Crop Performance – Item 4.B.

Ms. Aymami showed the actual and 3-week projections for Hass avocados in 2020 total 2.78 billion pounds, with Mexico at 2.2 billion, Peru at 178.7 million and Chile at 4.4 million pounds.

2020-21 California Crop Forecast – Item 4.C.

The Commission's estimate for fiscal year 2020-21 is 317 million pounds of California avocados, with 305 million pounds of Hass, 9 million Lamb Hass, 2 million GEM and 1 million Other varieties. The Reed avocados make up about 50% of the other category. Ms. Aymami showed the projections by month and noted that handlers are projecting a bit more in March and April compared to the 4-year projection. The April through July forecast shows relatively consistent supply, with good supply through August, then reduced volume continuing into September and October. She noted that the handler forecast ranged from 286-325 million pounds. There will be another survey in February.

Growers noted that wind events last week and this week have been strong. Certain growers in the Pauma and Highland Valley areas took a hit, however widespread damage was not reported.

There was consensus with the forecast of 317 million pounds, but there was some concern that market conditions and demand reductions due to COVID-19 could push the California commercial volume later than current projections.

2020-21 Import Crop Projections – Item 4.D.

Mexico has a budget of 2.3 billion pounds and Committee members expect the crop will be even larger. There is an average mix of sizes coming in. Mexico has shipped quite a bit of fruit to Europe, which could have some impact, however overall, the year is looking very similar to 2020 (except more fruit for Mexico). The big variable is market conditions and it was noted that the Mexico domestic market has been light.

Peru may have a little more volume coming to the U.S. compared to 2020, but it is predicated on two factors; how much fruit is shipped to Europe and how quality concerns from 2020 will impact the sourcing choices for one or more large U.S. customers.

Chile and Colombia will have a small presence in the U.S., not expected to be significant. Sizing is not there for Chile.

The Committee expressed concerns that reduced pull for the Super Bowl and pandemic-related restaurant and tourism closures will impact demand and volume, especially in January. There will be a need to push retail to get more avocados through the system. There is some concern that market conditions will make the first quarter rough.

California Avocado Tracking Study – Item 4.E.

Ms. Wald presented a summary of the results of the tracking study showing that consumers in California and the West still prefer California avocados and they continue to rate them the best in key attributes, with a resurgence over the dip in 2019 in many areas. She also noted the impact of COVID on attitudes, including the possible connection with safety being a top factor in choosing avocados at time of purchase.

2019-20 Year-End Dashboard and Consolidated Marketing Accomplishments – Item 4.F.

Ms. DeLyser advised that the Dashboard report was sent to the Committee along with the 2019-20 Top Marketing Accomplishments summary.

Media Results 2020 and learnings for the coming season – Item 4.G.

Ms. Brandaw presented the 2020 campaign highlights, noting CAC will continue to partner with Pandora and Spotify, utilize outdoor bulletins located primarily on major freeways, and custom content with plans to include new partners. Premium video partners were a key priority due to the pandemic and CAC will continue with these, targeting both super users and premium Californians in 2021. The Commission also will test new tactics and short videos in 2021 while continuing programs with effective retail digital and social partners.

Shop.CaliforniaAvocado.com launch and Social Media support – Item 4.H.

Ms. Schaitberger reported on the merchandise shop, noting 2020 presented many curveballs resulting in a delayed launch of the shop (September 2020). Support was limited in the beginning due to social sensitivity. She described how shoppers can click on and buy California avocado items directly from social posts and a “drumbeat of content” including a GreenFriday discount and a holiday push. Ms. Kelley showcased CAC’s influencer campaign on Instagram, with results well above engagement benchmarks.

Sneak Peek at CaliforniaAvocado.com launch and Social Media Support – Item 4.I.

Mr. Wright described the process with artists this year and showed four executions. Seven additional ad executions are in development. Mr. Caloroso thanked the team for the great work.

Industry Updates – Item 4.J.

Mr. Melban advised that at the California Avocado Commission November Board meeting, members discussed the possibility of a section 201 investigation (requested when a U.S. commodity perceives that a serious injury has occurred to a domestic crop based on the flow of imports). There will be a special board meeting on 12/10/20 to discuss what is required to pursue a section 201. Mr. Bellamore noted that the Board meeting agenda is posted on the California avocado grower website.

Ms. DeLyser thanked Ms. Hunter for her past involvement on the Committee.

ADJOURN

Mr. Henry moved to adjourn the meeting and Mr. O'Hara seconded the motion. Mr. Caloroso adjourned the web/teleconference meeting at 11:25 a.m.

Submitted by:



Jan DeLyser, CAC Staff



CALIFORNIA AVOCADO COMMISSION

AB 2720 Roll Call Vote Tally Summary

To be attached to the Meeting Minutes

Meeting Name: <i>Marketing Committee Meeting</i>	Meeting Location: <i>Zoom Web/Teleconference</i>	Meeting Date: <i>December 8, 2020</i>
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Attendees Who Voted	<u>MOTION</u> <u>20-12-8-1</u>
Gary Caloroso	Yea
Phil Henry	Yea
Jessica Hunter	Yea
Denise Junqueiro	Yea
Bob Lucy	Not Present
Andy Lyall	Yea
Carson McDaniel	Yea
Ed McFadden	Not Present
Doug Meyer	Not Present
Doug O'Hara	Yea
Peter Shore	Yea
Steve Taft	Yea
Angela Tallant	Yea
Debbie Willmann	Yea
Outcome	Unanimous