



AGENDA

California Avocado Commission
Marketing Committee Meeting

Meeting Information

Date: July 19, 2022

Time: 10:00 a.m.

Location: Hybrid Meeting

Physical Meeting Location:

California Avocado Commission

12 Mauchly, Suite L

Irvine, CA 92618

Web/Teleconference URL:

<https://californiaavocado.zoom.us/j/81891686003?pwd=2cnNABLHIcLXPGJ4Ai5tvUbWVeAOI.1>

Conference Call Number: (669) 900-6833

Meeting ID: 818 9168 6003

Passcode: 597722

Meeting materials will be posted online at least 24 hours prior to the meeting at:

<https://www.californiaavocadogrowers.com/commission/meeting-agendas-minutes>

Committee Member Attendance

As of Friday, July 15, 2022, the following individuals have advised the Commission they will participate in this meeting:

Gary Caloroso

Peter Shore

Jennifer Anazawa

Rachael Laenen

Patrick Lucy

Andy Lyall

Carson McDaniel

Doug Meyer

Steve Taft

Chris Varvel

Debbie Willmann

Time	Item
10:00 a.m.	1. Call to Order a. Roll Call/Quorum
10:05 a.m.	2. Opportunity for Public Comment Any person may address the Committee at this time on any subject within the jurisdiction of the California Avocado Commission.
10:10 a.m.	3. Consent Calendar Consent Calendar items are expected to be routine and non-controversial, to be acted upon by the Marketing Committee at one time without discussion. If any Committee member, staff member, or interested person requests that an item be removed from the Consent Calendar, it shall be removed so that it may be acted upon separately. a. Consider Approval of Marketing Committee’s Web/Teleconference Meeting Minutes of June 1, 2022
10:15 a.m.	4. Discussion Items a. Chairman Caloroso’s 2022 Marketing Committee Updates b. 2022 California Crop Forecast c. 2022 Import Crop Projections d. Inflation Report and FOB Updates e. Retail and Foodservice Tiered-Account Updates f. In-season Marketing and Out-of-season Marketing Discussion g. Shop.CaliforniaAvocado.com Discussion h. 2022-23 Marketing Planning and Budget Discussion i. Industry Updates
12:00 p.m.	5. 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 David Cruz at dcruz@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.

**CALIFORNIA AVOCADO COMMISSION
MARKETING COMMITTEE MEETING MINUTES
June 1, 2022**

A meeting of the Marketing Committee was held on Wednesday, June 1, 2022, with the following people participating:

**MEMBERS
PARTICIPATING**

Jennifer Anazawa
Gary Caloroso
Dave Fausset
Patrick Lucy
Carson McDaniel
Ed McFadden
Hayden McIntyre
Doug Meyer
Peter Shore
Steve Taft
Debbie Willmann
Rob Grether (Ex
Officio Member)

**MEMBERS NOT
PARTICIPATING**

Rachael Laenen
Andy Lyall
Chris Varvel

CAC STAFF PARTICIPATING

Monica Arnett
April Aymami
Zac Benedict
David Cruz
Jan DeLyser
Angela Fraser
Ken Melban

OFFICIALLY PRESENT

David Anderson (Anderson Food Sales
and Marketing)
Carolyn Becker (CL Marketing)
Candace Hollar (Mediahub)
Lauren Jacobson (Golin)
Kathleen Johnson (PJ/PR)
Tyler Kirsch (MullenLowe)
Kim Kurata (Kurata Communications)
Marji Morrow (Rockwell Morrow)
Steven Muro (Fusion)
Laura Paden (PJ/PR)
Erica Sanchez (MullenLowe)
Matt Schraut (Fusion)

GUESTS PRESENT

Gahl Crane (Eco)
Brittany Ferrant
(Media Hub)
Robbie Granatelli
(MullenLowe)
Lauren Kelley
(MullenLowe)
Jill Netzel (Fusion)
Martin Pagh
Ludvigsen
(MullenLowe)
Bryan Reugebrink
(MullenLowe)
Sam Schaitberger
(MullenLowe)
Kenneth Weiss

ITEM #1 ROLL CALL/QUORUM

The Marketing Committee hybrid meeting was called to order at 10:01 a.m. by Chairman Gary Caloroso. A quorum was established.

ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT

Ms. DeLyser acknowledged and congratulated Committee member Rachael Laenen, who would not be attending because she just had a baby.

ITEM #3 CONSENT CALENDAR

Mr. McFadden moved to approve the Consent Calendar, including minutes from the March 9, 2022 meeting. Mr. McIntyre seconded the motion and it was unanimously approved.

MOTION 22-06-01-1.

ITEM #4 DISCUSSION ITEMS

Chairman Caloroso's 2022 Marketing Committee Updates – Item 4.A.

Mr. Caloroso turned the discussion over to California Avocado Commission Board Chairman Rob Grether, who noted that CAC engaged the search firm Boyden in fall 2021 to find a candidate to become the new president and CEO of the Commission. In May 2022, the Search Committee and Board interviewed and proposed a candidate, but they did not come to terms with that candidate. With Tom Bellamore retiring on June 1, the Commission is entering a period without a president. Mr. Grether noted that the Board and its committees will continue to provide leadership with staff while working to secure a new president.

2022 California Crop Forecast – Item 4.B.

Ms. Aymami shared the May grower survey projection that indicated about a 20-million-pound reduction from the original forecast of 306 million pounds. She noted that traditionally the May grower survey comes fairly close to year-end results. Between the grower and handler forecasts CAC is now using 286 million pounds as the new fiscal year estimate. This figure was noted in the GreenSheet and has been picked up by some press. Some Committee members feel the forecast may be a little high. Another handler survey will go out in June, with results in early July.

The Committee discussed that in all growing regions, California avocado growers are trying to pick as much as they can this month. Mr. McFadden noted he is seeing young trees produce some larger sizes but older trees are producing smaller fruit that is mature now. There was consensus that with available labor, strong market conditions even for size 60s and smaller and concerns about hotter months after a season with low rain and some wind events, there is no incentive for growers to hold off on harvesting. June volume should be strong. There should be supply in July but CAC will, as usual, review late-season promotions to determine if they can go on as planned. Overall, California performance has been good; customer support is strong and there seems to be awareness of the size profile being smaller.

2022 Import Crop Projections – Item 4.C.

Mexico: Their budget for the fiscal year starting in July is for 2.9 billion pounds, with 2.4 billion pounds destined for the U.S. Jalisco is projected to supply about 150 million pounds. The Committee noted unknowns and uncertainty with projections coming out of Mexico as well as a tug of war between Canada and Japan as existing customers for Jalisco fruit.

For the Mexico Flora Loca crop, the forecast is big, perhaps as high as 700 million pounds. Timing of when that fruit will come to market is hard to determine. Some early harvesting of the Flora Loca has stayed in Mexico where market conditions also are high. Jalisco is expected to start shipping in June; volume is not expected to have a big impact this year.

Peru: The Committee advised that between 200 million and 240 million pounds of avocados from Peru may enter the U.S. market over the next three to four months, trending to larger sizes (40s and larger). Back-to-back heavy weeks are expected in June as Peru is looking to get as much fruit to the market as possible. Ms. Anazawa expects peak shipments to occur around the Fourth of July holiday.

Mr. Fausset noted that some growers in Peru are not set up to ship to the U.S. and may leave fruit on the trees because Europe is oversupplied. It is expected that more volume may be directed to the U.S. market and there could be more spot market pricing on larger sizes.

Colombia: With a forecast of 15 million pounds for the U.S., Colombia is trying to establish programs here, working on phytosanitary and GAP. They are positioning their avocados as a complement to Peru, offering smaller sizes (60s and 70s). Colombia has both summer and winter crops.

Mr. Melban noted that Ecuador received approval for access to the U.S. market. CAC had contacted APHIS to ensure they will be checking for *Stenoma catenifer* in all avocado varieties coming into the U.S.

2022 Outdoor Creative, Content Creation Highlights, Digital and Social Updates Including TikTok Launch – Item 4.D.

Ms. DeLyser noted that June 1 is the start of California Avocado Month and CAC is celebrating its 10th anniversary.

Ms. Hollar presented updates on the media, noting advertising started on March 14 with streaming video, digital and audio. Outdoor started in late May. Custom content is live with Food52 and The Kichn, with content running on their websites as well as social platforms. She shared influencer social content and noted the launch of the new TikTok platform for California avocados. Sample videos and other ads were shown. Retailer programs are live across Waze, YouTube and other social platforms including customized banner ads.

Ms. Sanchez showed out-of-home advertising units including traditional static billboards that are now in Los Angeles, Orange County, San Diego and San Francisco. In addition, she shared the motion boards at the Irvine Spectrum and Fashion Island shopping districts as well as motion ads on car charging stations in California. These feature the “hero avocado” and “summer pool characters” in the ad executions. On June 20, a giant wallscape ad will go live in Los Angeles.

Mr. Kirsch summarized social initiatives. CAC is tapping into the native behaviors of “TikTokers” with videos running through summer offering a moment of “California Avocado Zen.” He shared a video of partner influencer Kelz reacting to a California avocado road trip video, which has garnered 100,000 views so far. The Commission also partnered with Instagram influencer Puno to highlight California avocado merch and provide fun tips about cooking with California avocados. Coming up, chefs Owen Han and H Woo Lee will conduct a farmers market challenge, emphasizing that California avocados are local.

Consumer Public Relations and Living Well Brand Advocates Program Updates – Item 4.E.

Ms. Jacobsen highlighted year-to-date consumer public relations programs including a charcuterie-board-themed virtual cooking class in March attended by influencers, consumer media and trade media guests, resulting in more than 213 million impressions across national and regional media outlets. A grove open house was held on May 14 to kick off the 10th anniversary of California Avocado Month. CAC is partnering with celebrated chef

Nyasha Arrington on two new recipes. Ms. Jacobsen noted public relations outreach to state, counties and cities in California to gain acknowledgement of California Avocado Month and shared a proclamation from San Luis Obispo County. She also noted brand advocates outreach in March and April yielded 470,000 impressions.

Ms. Paden shared early highlights from this season's Living Well Brand Advocate program. This year four influential registered dietitians are focusing on different topics of consumer interest while communicating avocado nutrition benefits and California avocado messaging via the web, TV and retail. She noted new partner Masha Davis' Instagram story with a tour of a California avocado grove as well as other programs.

Retail and Foodservice Tiered-Account Updates – Item 4.F.

Mr. Anderson noted that Kroger launched a California-specific avocado bag program at Ralphs, Fred Meyer, QFC and Smith's, which means a significant increase in California Avocado brand identification in-store. He shared program details of Costco, Sam's Club and Walmart and noted that some national accounts now have marketing media groups. Through their programs CAC can advertise both onsite and offsite. He showed a creative set customized with a "shop now" add-to-cart feature. He provided information on the Fresh Market program as well as pending promotions with Hy-Vee, Publix, Schnucks and Whole Foods, noting that promotions may need to be pulled back based on the crop news.

Ms. Becker shared details about California promotions with Albertsons/Vons/Pavilions, Bristol Farms, Gelson's, Lucky, Mollie Stone's, Nugget Markets, Raley's, Ralphs, Safeway, Save Mart and Stater Bros. Outside of California there are promotions planned with Albertsons/Safeway, CHEF'STORE, King Soopers, National Grocers, New Seasons Market, Northwest Grocers, PCC Community Markets, Sprouts and Supermercado Mi Tierra. Promotions include sales contests, custom signage, ad features and e-commerce ads, displays, coupons, a co-promotion with Tajin seasoning and a video training program for produce managers.

Ms. Johnson covered retail communication programs including Bristol Farms Newfound Market grand opening, Gelson's recipes, Raley's Cinco de Mayo and California Avocado Month featuring a grower. She noted that representatives from Save Mart, Raley's and Nugget Markets participated in the virtual cooking class. CAC sponsored a popular Hy-Vee A1C3 screening that promoted California avocados as a diabetic-friendly choice. She highlighted a retail dietitian program with RD Manuel Villacorta as well as upcoming programs with AVP, Gelson's, Nugget Markets, Raley's and Stater Bros.

Ms. Kurata outlined the progress against target foodservice accounts, which started with a list of 110 accounts. She highlighted activity and promotional plans including Buckhorn BBQ + Grill (new chain this year), Del Taco, Erik's DeliCafé, Flame Broiler, Mixt and Split, Nordstroms, Norms, Robeks (new chain this year), Rubio's, Super Duper Burgers and Wahoo's. She indicated that Denny's wanted later timing in the season so will not repeat this year. The team is working on Ike's Love and Sandwiches, Jimboy's Tacos, Starbird and Charo Chicken. They met with Ruby's Diner, Dog Haus, Polly's Pies and Salata, which are prospects for this season or the next. A menu ideation session was held with Fresh Brother's Pizza and one is scheduled with Big Shots Golf.

Inflation and its Impact at Retail – Item 4.G.

Mr. Muro and Mr. Schraut presented the impact of limited avocado supply and inflation on retail avocado pricing. Mr. Schraut shared weekly avocado supply and retail volume trends, noting food inflation reached 8.8% in March and 9.4% in April, with retail avocado price increases up to 35%. The Committee requested an update on F.O.B pricing.

Shop.CaliforniaAvocado.com Updates – Item 4.G.

Ms. Morrow reviewed the April 2022 California Avocado merch shop results and highlighted the latest support activities.

Industry Updates – Item 4.H.

Ms. Fraser advised the International Fresh Produce Association’s Global Produce & Floral Show housing block is now open. She will be sending information out as well as about the (limited) supply of complementary expo passes the Commission has due to its allotted exhibitor points.


Mr. Melban discussed updates to CAC’s food safety program. He traveled to Washington, D.C. to work with the Farm Bill Alliance because as a specialty crop it is important to maintain funding. The Commission is working on market access program funding and insurance issues. He noted that the government’s tree assistance program covers freeze damage, but heat damage is not specifically called out so CAC is working to change the language.

Mr. Melban noted that CAC is participating in the Hass Avocado Board’s avocado sustainability center. This initiative is to identify areas to tell a positive avocado story and improve the industry’s sustainability image.

ADJOURN

Mr. Caloroso adjourned the web/teleconference meeting at 11:59 a.m.

Submitted by:

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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>California Avocado Commission, 12 Mauchly, Suite L, Irvine, CA 92618</i>	Meeting Date: <i>June 1, 2022</i>
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Attendees Who Voted	<u>MOTION</u> <u>21-6-1-1</u>
Gary Caloroso	Yea
Peter Shore	Yea
Jennifer Anazawa	Yea
Dave Fausset	Yea
Patrick Lucy	Yea
Carson McDaniel	Yea
Ed McFadden	Yea
Hayden McIntyre	Yea
Doug Meyer	Not Present
Steve Taft	Not Present
Debbie Willmann	Yea
<i>Outcome</i>	Unanimous



AMRIC HANDLER CROP SURVEY RESULTS

JULY 2022

Below is a summary of the AMRIC Handler Late-Season Crop Survey responses for the 2022 Total Crop Volume:

Hass

- Low: 250 million pounds
- High: 273 million pounds
 - *Average: 260 million pounds*

Lamb-Hass

- Low: 8 million pounds
- High: 9 million pounds
 - *Average: 9 million pounds*

GEM

- Low: 4 million pounds
- High: 4 million pounds
 - *Average: 4 million pounds*

These responses have been reviewed in conjunction with the individual handler crop volume responses, resulting in a late-season crop estimate update of 270 million pounds with the following varietal breakdown:

- Hass – 256 million pounds
- Lamb-Hass – 9 million pounds
- GEM – 4 million pounds
- Other – 1 million pounds

Based on revised crop volume, the monthly projections have been updated as follows:

- July – 35 million pounds
- August – 13 million pounds
- September – 2 million pounds
- October – None



AMRIC HANDLER CROP SURVEY RESULTS

JULY 2022

Using Bin Count data, it is estimated that 220 million pounds were harvested through June, leaving approximately 50 million pounds remaining through the end of the season. Below is a look at how the remaining weeks may play out based on historical weekly shipments, alongside the original weekly projections based on the May 2022 update:

Week Ending	May 2022 Update	July 2022 Update	Variance
3-Jul	9,020,000	11,700,000	2,680,000
10-Jul	8,302,100	9,300,000	997,900
17-Jul	8,850,800	8,500,000	(350,800)
24-Jul	8,565,700	8,000,000	(565,700)
31-Jul	7,838,700	7,250,000	(588,700)
7-Aug	6,216,400	3,500,000	(2,716,400)
14-Aug	6,341,500	3,500,000	(2,841,500)
21-Aug	6,243,200	3,000,000	(3,243,200)
28-Aug	6,046,200	3,000,000	(3,046,200)
4-Sep	1,890,700	400,000	(1,490,700)
11-Sep	1,450,700	350,000	(1,100,700)
18-Sep	976,700	200,000	(776,700)
25-Sep	930,800	125,000	(805,800)
2-Oct	737,500	100,000	(637,500)
9-Oct	251,100	75,000	(176,100)

As for the 2023 very preliminary crop estimates, survey results were as follows:

- Low: 240 million pounds
- High: 340 million pounds
 - *Low Average: 256 million pounds*
 - *High Average: 294 million pounds*