

**CALIFORNIA AVOCADO COMMISSION  
MARKETING COMMITTEE MINUTES**  
**December 4, 2018**

A meeting of the Marketing Committee was held on Tuesday, December 4, 2018 in Irvine, California with the following people in attendance:

**MEMBERS PRESENT**

Gary Caloroso  
Phil Henry  
Denise Junqueiro  
Bob Lucy  
Carson McDaniel  
Ed McFadden  
Steve Taft

**MEMBERS ABSENT**

Andy Bruno  
Jessica Hunter  
Andy Lyall  
Doug Meyer  
Bob Schaar  
Peter Shore  
Dana Thomas

**CAC STAFF PRESENT**

Monica Arnett  
April Aymami  
Tom Bellamore  
Zachary Benedict  
Dave Cruz  
Jan DeLyser  
Ken Melban  
Tim Spann  
Connie Stukenberg

**OFFICIALLY PRESENT**

Candace Hollar

**GUESTS PRESENT**

Keith Blanchard  
Wayne Brydon  
Kim Kurata  
John Lamb  
Jennie Moore  
Marji Morrow  
Steven Muro  
Laura Paden  
Lori Small  
Sofia Schlapkohl

**ITEM #1 ROLL CALL/QUORUM**

The Marketing Committee (MC) meeting was called to order at 11:07 a.m. by Bob Lucy. A quorum was not present.

**ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT**

None.

**ITEM #3 CONSENT CALENDAR**

Mr. Lucy advised that since a quorum was not present the minutes for the August 1, 2018 meeting will be discussed at the next Marketing Committee meeting.

**ITEM #4 DISCUSSION ITEMS**

**2018-19 California Crop Projection, Timing and Sizing – Item 4.A.**

Mr. Lucy noted that at the August Marketing Committee meeting handlers reported that the remaining California Avocado volume was about half of what the actual ended up being. He encouraged handlers to do their best on forecasts to enable the Commission to properly plan and implement retail and foodservice programs. Ms. Aymami noted that the 2017-18 California Avocado season finished at about 336 million pounds, which was close to the

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mid-season forecast. She advised that the new acreage survey has been provided to grove managers and CAC will be involving grove managers more in the estimating process. Mr. Bellamore noted that the new methodology for the acreage survey provides better and more timely data, which should result in improved forecast accuracy. Ms. Aymami noted that she has not received all of the handler submissions for the November forecast. Based on the five responses to date, estimates for the 2018-19 California Avocado crop forecast range from 140million pounds to 170 million pounds, with an average of about 160 million pounds. The Committee generally agreed with the average forecast so far, with some indication that the northern region may increase their forecast slightly.

Mr. Caloroso suggested that CAC should invite representatives from the far north growing districts to the Marketing Committee meeting in August to get a better feel for the late-season crop volume and timing. Alternatively, Mr. Lucy suggested a mini meeting with growers there.

Committee members noted that last season's weather hit certain geographic pockets worse than others. It was noted that areas where temperatures exceeded 110 degrees had the most damage.

A discussion of expected harvest timing noted that while the season forecast is for a light crop, it may not mean a truncated season. Some growers may be motivated to strip their crop early (February/March) for cash flow reasons, while the harvest may last into July and beyond in some areas.

Ms. Aymami advised that about 7 percent of the 2018-19 California crop went to export. AMRIC currently understates export volume, so CAC will revisit export reporting by looking at USDA figures.

### 2019 Import Crop Estimate, Timing and Sizing – Item 4.B.

Ms. Aymami advised that the 2018 U.S. Hass avocado volume is forecast at 2.55 billion pounds with 4 weeks left in the year. HAB does not have any reports posted for 2019 yet.

APEAM is supposed to revise their numbers and provide to HAB. Meanwhile reports are that Mexico is expecting to ship 1.8 to 1.9 billion pounds to the U.S. next year. While Mexico may have "lost" volume due to the recent stoppage, it is anticipated they will make it up by shipping fruit later. This could result in a slight increase in spring 2019 volume vs. 2018. Mr. Lucy noted it will be important to watch Mexico and California shipments to ensure an orderly supply.

Chile has programs in the market now and is expected to be opportunistic over the next few months. A total of 70-80 million pounds may come to the U.S. It is too early for a Peru forecast, but it is likely to be similar to last year at 178 million pounds. Shipments from Colombia take only six to seven days by boat to Miami, and while current volume is nominal watching that supply source is now on the radar.

### CAC Media Presentation and Timing Discussion – Item 4.C.

Ms. DeLyser reminded the committee that media is just one part of the Marketing program –

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there are also the retail and foodservice programs set up by CAC retail marketing directors and the foodservice team public relations and nutrition programs. Ms. Hollar presented the key learnings of CAC's 2018 advertising noting areas that performed particularly well and how the team utilized that information in developing the proposed media plans for 2018-19.

Ms. Hollar reviewed the premium Californian target and super user target subset that will continue. She showed that digital media makes up 51% of the targets' daily media usage. Streaming video is the largest other share of their time. Ms. Hollar then presented CAC's recommended media plan for 2019. She noted that while some social media runs year-round, digital media, including the audio channel Spotify, is currently planned to run from April through June. Outdoor wild postings will continue in California. Four content partners will return: Tastemade, Tasty, Bustle and Hello Society. New to the 2019 schedule is Hulu streaming video, which is TV-like digital television.

Mr. Lucy asked about the flexibility of the media timing, for example, could some media be pushed into July? Ms. Hollar advised that other than outdoor media everything could be stretched earlier or later. She advised it would be helpful to have schedule changes one month before the buy starts. Mr. Benedict noted that the retail social programs can be customized to the timing needed for each retail or foodservice partner.

Mr. Henry asked about the number of wild posting locations, mentioning that high-end locations were great. He asked about targeting the media to coastal California, Ms. Hollar confirmed that the 2019 program is targeted to all of California.

Ms. Junqueiro questioned if the California branding was strong enough in social and asked about the recipe-focused videos. Ms. Hollar noted that there were a variety of videos, both recipe videos and brand focused. Ms. DeLyser explained the Commission's plans for elevating the role of growers more in social and digital this year and noted that last year's "drone video" performed the best in Nielsen research. Mr. Benedict advised CAC has to find a balance between branding and creating content the target consumers actually care about. CAC selects tactics that work best with each social channel. Ms. Stukenberg advised that the recipe videos had a place in the customized programs for retailers.

Mr. Lucy asked if CAC is informing the growers about all of the marketing programs. Chairman Lamb said the communication is going to the growers via the GreenSheet and From the Grove magazine, Mr. Bellamore noted that the topic was covered in depth at last year's annual meetings.

### California Avocado Export Program Report – Item 4.D.

Mr. Cruz presented CAC's export program highlights from 2018 in Japan and South Korea. He stated that CAC's export program was started in 1978 and that handlers have been involved in export programs to varying degrees since that time. He showed the highlights of CAC programs in Japan and South Korea that utilized grant funds this past season. The programs included point-of-sale material, demos and more.

Mr. Lucy asked whether there were restrictions on the types of market development activities that could be conducted. Mr. Bellamore said there is a wide range of what you can

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do with grant funds, depending upon which USDA program you utilize. The funds may not be used for certain activities like discounts and instant redeemable coupons. Mr. Melban advised that CAC will be notified after approval of the Farm Bill regarding the amount of grant funds they will receive. Mr. Bellamore advised continuing to work with handlers for opportunistic export programs when the price and volume warranted doing so. He also advised that CAC is still laying the groundwork for export to China.

PMA Fresh Summit Report – Item 4.E.

Ms. Stukenberg summarized the CAC plan and activities for PMA Fresh Summit in Orlando. She advised that 2019 Fresh Summit will be in Anaheim where CAC plans to conclude the 40-year anniversary celebration.

The CADO Museum Status – Item 4.F.

Ms. Bellamore advised that The CADO continues to struggle financially. CAC has pursued some creative ideas to help “make it go”, but it may not happen. CAC will reevaluate its position in January.

Year-End Dashboard – Item 4.G.

Ms. DeLyser explained that the Dashboard has highlights and key performance indicators from last season. She also provided a copy of the U.C. Davis report on the value of CAC marketing programs.

Industry Updates – Item 4.H.

Mr. Melban reported on USMCA (“NAFTA 2.0”); the agreement must still be ratified by Congress. He noted there are no big changes for avocados in the agreement and that other than dairy there were not many changes to agriculture. Bigger changes were in areas such as the automobile industry. He said the new agreement has a sunset clause requiring reevaluation in 16 years.

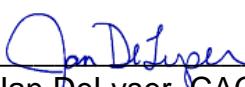
Mr. Melban was asked about and advised that export travel will depend on grant funding (South Korea and China). He will notify handlers of USDA trade mission trips. He reminded the committee that CAC is holding two food safety training sessions this week.

**Next meeting will be on February 26, 2019. There may be a check-base call in January.**

**ADJOURN**

Mr. Lucy adjourned the meeting at 1:03 p.m.

Submitted by:

  
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Jan DeLyser, CAC Staff