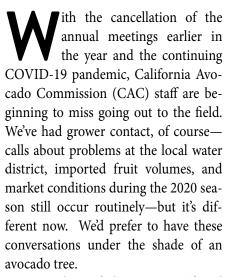
Message from the President

Still Here, and Still Marketing



In place of that, your staff and board have become adept at online meetings, and this same tool is relied upon to conduct business with key retail and foodservice accounts, and to plan next year's campaign with the Commission's marketing agencies. When you see a business partner on-screen, after days or weeks of not speaking with them, it's always positive and something of a relief. It's as if we are all thinking: "We are safe, well, and happy to be moving forward despite the tremendous societal upheaval we've all experienced."

The current marketing season has presented challenges and there have been market fluctuations we could have done without. Retailer enthusiasm about stocking and supporting California avocados has been refreshingly robust and the larger-than-average

crop has kept the motor running well into the fall. Late season advertising and promotion have been possible this year, in part because of a stalled period in March, and those growers who held fruit for the autumn window should enjoy retail and consumer pull at a time when it typically begins to shift to imports. Examples include scheduled promotions with New Seasons Markets in the Northwest and with The Fresh Market, which has 159 stores across 15 states; both retail partners, and others, have committed to California sourcing late in the season this year.

As CAC Retail Marketing Director (RMD) Carolyn Becker reported at the August Commission board meeting, the landscape of retail promotions has been changing over the past few years, and the current pandemic has sped up its pace. Retailers now employ a multifaceted approach to communicating with their customers and promoting various products and brands. The use of digital marketing (product offers, coupons) and social media has proliferated, reaching younger shoppers and spurring impulse buying.

These changes mesh well with the Commission's ability to provide retailers with custom content (streaming video, recipes or photo assets, for example) for their websites or social media platforms, including tailored messaging



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about California avocados. Although the pandemic brought an abrupt end to in-store demos or product sampling, such as those conducted by Costco, optin emails to a retailer's loyalty customers, digital coupons, and Instagram and Pinterest postings have swept in to fill the void, reaching consumers where they spend their time online. Veteran CAC RMD Dave Anderson, whose focus is on large national (corporate) accounts and regional retailers in the Midwest, Southeast and Texas, commented to the board that the contrast between the phone not ringing (from retail accounts) in March and the level of retail promotional activity by mid-summer was astounding and unlike anything he had ever experienced.

The struggling foodservice sector left California without a home for much of our smaller size fruit, and weakened prices as a result, but now, well into the pandemic, we're beginning to see increased promotional activity among these accounts. The Commission partnered with eight new restaurant chains this year spanning California: Ike's Love & Sandwiches, Norm's Restaurants, Mixt, Islands Restaurants, Eric's DeliCafe, Sharky's Wood Fired Mexican Grill, Super Duper Burgers and Wahoo Fish Tacos, some of whom we have been courting for several seasons. A common thread among these chains



is their alignment on the use of quality, fresh, local ingredients - a perfect fit for California avocados. Among the returning keystone foodservice partners were Del Taco, Rubio's, Habit Burger, Denny's and Flame Broiler. The loss of dine-in traffic set the foodservice industry back considerably, but the shift to online ordering and curbside delivery has opened promotional opportunities via these partners' websites and social media platforms. As with retail, there will be late season foodservice promotions to support the crop into fall, notably with Wahoo Fish Tacos and Islands Restaurants.

Retail and foodservice promotion is just one part of what the Commission does each season to support California avocado growers and move the crop. Promotions with these key trade accounts strive to influence the consumer where the transaction occurs. Other activities aim to set the stage for consumer purchases of California avocados, by keeping awareness of our product topof-mind and ensuring that consumers perceive our brand favorably. Consumer advertising, public relations, nutrition-oriented communications and other, high-impact outreach activities round out the marketing work of the Commission each season. Courting the consumer, particularly in the digital realm and on social media, occurs throughout the year and particularly when our fruit is in season, keeping us engaged with loyal customers and those seeking California avocados for the first time.

This past spring, the California avocado growers, like many other business operators, were in jeopardy. Foodservice sales dried up, there was tremendous instability in the retail sector, and the economy seriously faltered. Hopes were high prior to the pandemic and we all looked forward to a strong season because the crop size was highly "marketable." A few months later, the industry started to turn a corner; marketing efforts adjusted to the new situation and began to gain momentum. Because of the resiliency of California avocado growers, the industry's packers, Commission staff, agencies, and our trade partners, we went from near despair to a point where we are now tracking to have the third highest crop value in the industry's history—a figure close to \$417 million.

And if that's possible with a pandemic raging, then there is every reason to believe that greater gains, still, can be made when we someday get back to business as usual.



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