

A New Board, A Better Strategy



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Several months ago, the California Avocado Commission's (CAC) board of directors met for two days in Ventura County to discuss the future of the California avocado industry. It was a leaner, younger board — down from 29 members to 19, because of changes to Commission law, with the next generation well represented. The diversity of ideas that emerged was indicative of the new board composition.

The central questions before the board were: *Where can CAC focus to make the biggest difference five years out, and beyond?* and *What can be done to reinforce and strengthen the premium positioning of California avocados?* If these sound familiar, it's because we routinely take stock of the pathway we are on with the aim of making improvements based on key learnings, and premium positioning has been the industry's strategic mantra for some time now.

After a day of churning through the details about those internal and external forces impacting our industry, and an evening of reflection, the board arrived at a point of clarity with respect to a new strategic platform. Six strategic priorities were identified:

- Quality improvement
- Adding dimension to the brand and our targets
- Pursuing domestic and global

- premium market opportunities
- Improving industry alignment
- Strengthening partnerships on issues
- Becoming more effective at production research and knowledge transfer

Each of these priorities could be the basis for a magazine column or perhaps an entire issue of *From the Grove*. Instead, I'll give a few examples of how the conversation went with the hope they will be illustrative.

Quality improvement may be the toughest priority to achieve, for one simple reason: everyone in the supply chain likes to point to the next guy as being the bigger culprit behind compromised quality. Growers know what to do to produce a quality crop, and for the most part, they do it. But not always. Still, we are quick to point out that the consumer's attempt to select a just-right, ripe avocado at retail by squeezing the fruit may undo all the care that went into those avocados prior to going on display. Nonetheless, there is room for improvement at every step in the post-harvest chain, and if we redouble our efforts to address the weak links, our chance of delivering on our quality promise to the consumer increases. Premium, after all, connotes high quality. An example of a breakthrough idea

related to the quality priority may be reexamination of the release dates for GEM avocados and possibly other varieties.

The next two marketing-centric priorities entail taking what we have done to successfully position our fruit as a premium product and doing it better. There is still much to be learned about the buying habits of millennials and Gen Z consumers and understanding what makes them tick. In-depth research on our premium target can help us craft and deliver our messages in a more meaningful way. Adding "dimension" to our brand means identifying the product or brand attributes that our target consumers respond to and leveraging those as points of differentiation from other avocado origins. In the breakthrough idea category is the barcode initiative that someday may replace the weary, price-lookup-code (or PLU) relied upon by retail cashiers. As you may know, the PLU classifies avocados by size and type, but not by origin. Imagine how much better the retail scan data we purchase would be if we could definitively distinguish a California avocado from a Mexican avocado when a sale is made! It's hard to believe we are not there yet.

The goal, of course, is to find customers with a willingness to pay for Cal-



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ifornia and quality, and have every sale ring up the value our fruit deserves.

With an ever-crowded U.S. market, sometimes the best place to hunt for that premium customer is abroad. This year, the Commission is conducting a limited, test-marketing effort in Japan and South Korea. Some export markets favor smaller size fruit, serving as a relief valve for 60s and 70s that might otherwise put downward price pressure on the U.S. market. Going forward, we need to look to these outlets more consistently, and the board discussed pursuing U.S. Department of Agriculture (USDA) grant funding for export market development more aggressively. An example of a breakthrough idea related to the two marketing priorities would be investigating and tying into the e-commerce food delivery trend, which is slow in taking off in the U.S. but is spinning heads in some Asia markets.

"Improving industry alignment" is code for everyone rowing in the same direction — packers and growers alike. One way to make progress on this priority is enhancing the quality and availability of information. An initiative is underway at CAC to improve our California crop forecasting through more frequent communication with the industry's packers and a revamping of our acreage inventory program. If other suppliers to the U.S. market could be relied upon to do the same thing, growers and packers would be more fully informed about the ebb and flow of fruit in any given season, and better equipped to make sound marketing decisions.

The final two strategic priorities acknowledge the importance of supporting the marketing effort through advocacy, issues management and production research. CAC has a long history of engaging in partnerships on issues, and the issues confronting the industry have not diminished. We need to keep working on the toughest



problems — water, pests, labor, regulation — and we also need to forge relationships that increase our chances of securing outside funding for marketing. Greater involvement in the USDA's Market Access Program and Technical Assistance for Specialty Crops Program is one such example.

On the production research front, there are multiple opportunities for progress and change. The board heard ideas from members of the production research committee about accelerating the rootstock program through semi-commercial field testing and privatization, and CAC's Research Program Director Dr. Tim Spann stepped forward with some innovative ideas for sharing industry best practices at home and abroad.

Each strategic priority identified by the board will become the focus of intensive planning by Commission staff and the marketing agencies that help us carry out our mission. Ultimately, objectives and strategies are built out, and action steps — in the form of the annual business plan — make their way back to the board for approval, funding and evaluation. As you think about the next five years and what lies ahead for you as a grower, know that your board and staff are immersed in developing strategies to deliver the highest value possible for California avocado growers. 🥑