

Reason for Optimism in 2017

This was definitely a mixed year and a tale of two seasons. If you picked all your fruit early, you probably have a bad taste in your mouth. But seemingly most growers were able to participate in the stronger market from May to the end of the season. A tour of the five districts revealed a good amount of optimism in this new district report from your CAC Commissioners throughout the State. (The responses are in first person and were edited and paraphrased in some cases.)

District 1

Board Member Jerome Stehly was interviewed on September 1. The district he represents is CAC's most southern district.

2016 Crop:

We finished harvest in August and had a very nice finish to the season which helped a lot of people out. How growers judge the season depends who you talk to and when they were able to pick. I'd say it is a 50/50 mix. When the prices were very low, we had some growers going into panic mode as they didn't know how low it was going to go and they started stripping their trees. Those who didn't do that did much better. Hopefully there were lessons to be

learned, as it always seems better if you can spread your pick out over a longer period of time. Orderly marketing works best. It works better to pick some fruit early and save some for later, which we saw was the case this year.

Water Situation:

There is plenty of water to buy this year but it is going to be expensive. In my district, we do see growers pulling the plug especially on older trees. Most of those who are replanting are putting in high density plantings.

Labor:

Labor is definitely one of our biggest problems and I think more and more growers are going to have to get involved in the H2A program. I have been doing it for several years and we have been very successful. This year I brought in 22 workers. Next year I'll probably shoot for 30-35. A lot of people ask me about my experience but I don't see too many people following our lead. We contracted the 22 people for 10 months, which is the longest you can do. About 70 percent of them stayed with 30 percent leaving early. Housing is the biggest concern. I ended up buying some property with two

houses on it and that's how we take care of that provision.

2017 Crop:

It's too early to tell.

District 2

Board Member Leo McGuire was interviewed on Friday, Sept. 2. His district consists of Temecula, parts of Fallbrook and other territory in Riverside and San Diego counties.

2016 Crop:

On June 21, the longest day of the year, we got snookered by the highest temperatures I've ever seen in all my years in the avocado business. For two days we were well over 110 degrees, which resulted in an awful lot of drop. The good news is that because of the heat we had very little insect pressure. I'm also a PCA (pest control advisor) so I look at that and I have to put an optimistic spin on it.

The heat also had a positive impact on market price which allowed the majority of growers in the district to be in the positive side of the ledger for the year. It could have been a lot worse.

Water:

The price of water is the number one topic in our area. In Temec-

ula we still have water for less than \$1,000 an acre foot. If you are in San Diego County, you are paying more than that. And it's awfully hard to survive with that kind of water bill. There are trees being removed, especially if you have an older grove or one that has problems. The heat (on June 21 and throughout the summer) really showed up on the trees with root rot.

Labor:

We did not have enough labor. It was very difficult to find sufficient labor to harvest the crop. As a result it took a lot longer to harvest the fruit in my district. That was both good and bad. The fruit picked later did have a better price but if we could have gotten it off before the June 21 heat wave, we wouldn't have lost as much.

2017 Crop:

We had an okay set in my district. It's probably comparable to 2015, which was about 30 percent less than 2016. And we got through August without having a lot of drop. But as my Dad always said, 'Never count your bloom until it's in the bin.'

Optimistic Look at the Future:

If you are an avocado grower, or a farmer of any kind for that matter, you have to be optimistic. I think there can be a lot of optimism about what happened in 2016. Late in the season, we did get a premium for our (California) fruit. If we can continue to get a premium, we can pay the bills, and we can stay in business. If you've been at this awhile, you have to be excited about what happened this year. My family has been growing avocados in this district since the 1950s and we had a lot of years when we didn't get over 20 cents per pound.

District 3

Board Member Ed McFadden was interviewed on Sept. 2. He rep-



Leo McGuire traveled to Thailand and Southeast Asia in August and was very excited by the avocados he saw being marketed. "I looked and I couldn't find any California fruit but I did find fruit from other places and they were getting a lot of money for them." He said the prices varied but were as high as \$3 per avocado.

resents the Fillmore/Piru growing region of Ventura County which is currently in District 3, but will be moving to District 4 in 2017.

The 2016 Season.

It was a very interesting one full of ups and downs for the district. The fruit matured early, which resulted in some drop because labor could not be found to harvest it all in a timely manner. It is the fifth year of drought for the area and that did contribute to early maturity. There were also several heat waves, including temperatures as high as 112 degrees in June.

The failure to get all the fruit off the trees in a timely manner proved to be a blessing in disguise. We were forced to stretch out the harvest which turned out to be a good thing. Lack of labor worked in our favor this year. Early in the season, the field price fluctuated from 50 to 80 cents per pound depending upon the

size of the fruit. If you couldn't get your fruit picked you ended up getting two to three times that much.

Overall, our area probably had returns that averaged very close to the preseason estimate of 95 cents per pound. But it was a mixed bag with some growers doing far better and others doing worse.

Water:

This remains the scariest issue we face. The El Niño was supposed to create a wet year but sometimes those conditions don't result in a wet year which proved to be the case this year. We did have several very good rains which helped leach the soil of salts. Now we are looking at a La Niña which typically means drier and cooler. But we may end up with more water than we think. We can hope for that.

Our aquifers are low and the lack of water released from our reservoirs has prevented us from managing our water supply. This year it is all going to depend on the rain and how deep your wells are. But we did have some rains last winter and the trees are in better shape than they were a year ago.

Fire Danger:

Another worrisome situation is fire. There are a dozen fires currently burning in Southern California as the water content of the brush is very low. We are doing what we can to create fire breaks but one hot weekend with Santa Ana winds and we could have a situation worse than 2003 and 2006 when fire caused a lot of problems. We are as ready as we can be, but it is scary. Right now we have 8-10 more weeks where we have to grit our teeth and hope for the best.

2017 Crop:

It's definitely down from 2016. In our area, I would say 2016 was a "weak on year" and it looks like 2017 will be less of an off year. I am see-

ing more fruit on the trees than I did a month ago. There has definitely been a late set. I was looking at some trees yesterday and saw some fruit that I did not see a month ago.

The Future:

In my area there are more trees being planted than being taken out. Water is a limiting factor, but one piece of good news is that the shot hole borer does not appear to be as bad as we first expected. We do need some leaching rains. We can irrigate, and we are doing that as much as we ever have, but we need a good natural rain to get rid of those salts.

But there are a lot of cultural practices that growers can do to help themselves out, including not letting the trees get too large and making sure the trees aren't stressed.

District 4

District 4 Board Members Art Bliss and John Lamb submitted this report in late August and represent the Santa Paula, Somis and Ojai areas of Ventura County.

2016 Crop:

The 2016 avocado year is winding down. Picking crews are turning to pruning or moving on to other cultural tasks. This year has been a rollercoaster and growers were either happy or distressed – depending on when they picked their fruit and the prices they received. When all is said and done, it appears the domestic volume and average price received were remarkably close to CAC's projections. Yet, it isn't too soon to begin thinking about next year.

2017 Crop:

After preliminary meetings with handlers, the CAC staff and marketing committee are projecting a smaller crop for next year – 250 million pounds. However, Hass Avocado Board (HAB) is projecting a larger total volume to be sold domestically – over 2.5 billion pounds. All in all, it

means California avocados will comprise less than 10 percent of the total volume sold...and this volume may be compressed into an even tighter marketing window.

Taking Care of Business:

This year may have been an anomaly but in any event, what is a grower to do? If next year is anything like this year, each grower should:

- Be aware of CAC's marketing plan and media promotions. The prices received before the implementation of this year's plan were significantly lower than after the plan was initiated. It appears next year's crop will be marketed during another short time frame making picking decisions critical.
- Make sure fruit is mature and it offers the quality buyers expect from California avocados – CAC's tiered approach is beginning to reap benefits with the most loyal customers paying premiums for California quality and remaining loyal throughout the season. Unless your trees are stressed, consider picking later in the harvest season.
- Coordinate with your packer and talk to the field staff to maximize your returns and coordinate picking. With a smaller picking window, this coordination becomes even more critical.

District 5

On August 31 Rick Shade reported the highlights from his district. District 5 is comprised of all growing regions north of Ventura County.

On 2016 Production:

We still do have fruit on the trees but by the end of next week it will almost all be gone. There is fruit in the Morro Bay region but I am not sure how much. They've carved out a nice niche for themselves but it's hard to leave that fruit on the trees when

you are getting \$2 a pound.

A Sign of this Year's Crop Value:

We had a theft problem this year and lost about \$100,000 worth of fruit. There was a thief working a few hours a night every night of the week, stealing about 300 pounds per week going from grove to grove. The rural ag crime officer did a great job of staking him out. The thief is now sitting in jail facing a felony charge. We think he was selling them to restaurants, according to the business cards that he had when he was arrested.

Interesting Year:

This was a strange one. We are lucky that it was a relatively mild summer so that reduced the water requirements, but it was a strange year. It was the first time I ever had harvesting crews having to dodge planting crews. As a ranch manager, I had trouble lining up enough labor so everyone could participate in the higher price that were available later in the season.

2017 Crop:

Very difficult to say. I tell everyone the trees look green. The trees that are 15 years old or less seem to have a pretty good crop on them. Some of that fruit looks big enough to almost pick. But the older trees – we have some in my district that are 40, 50 even 60 years old – they have been hurt badly by the drought. There is just not much fruit on those trees. Different zones and different tracts are telling different stories.

What People Are Talking About:

Of course the big question is water. There are rumblings of a dry La Niña year. We are just going to have to keep irrigating. Water is still the number one topic. It used to be everyone talked about the price. Now availability has taken over the conversation. 🥑