

What A Year!!!

As the season winds down one word that comes to mind: "Wow!" After 23 years in the avocado industry, I have never seen the price per pound of avocado rise so quickly and sustain at such a high level. I see this as a sign of not only the increasing demand for avocados — but specifically the California avocado. Even with a good supply of import fruit retailers were willing to pay a much higher price for California avocados, which is very positive for us as California avocado growers.

Not only was the sustained high price positive for growers, it was a budgetary blessing for the California Avocado Commission (CAC). As you all know, the majority of monies used to run CAC and its programs come from grower assessments, which is currently 2.3 percent of the gross dollars returned to the growers. As you can image, Tom Bellamore and his staff were very concerned when the return during the first seven months of the season was a net of 73 cents per pound as compared to the budget predictions of 95 cents per pound return for the year. Tom went into action by notifying all departments to prepare to look for ways to cut expenses in preparation for a budget shortfall.

I congratulate Tom for his quick action, and all staff members who worked to cut almost \$1.0 million from the budget. Thankfully, it looks

like we will hit the crop estimate and be close to the \$0.95. Because of these cuts, we are able to add to our beginning reserves for 2016-17.

What about next year? The outlook for next year may not be as positive as we hoped. Because of heat, lack of water, etc., the initial word from the field is the California fruit estimate will be around 250 million pounds. In the coming months we will refine that number, which could cause a large reduction of income for CAC. At our last board meeting, staff was alerted and Tom presented a budget keeping all programs strong even with the decrease in revenue. The best part for growers? No increase in the 2.3 percent assessment! I applaud Tom for sticking to his guns when he said a few years ago he wanted to keep the assessment as low and consistent as possible; ac-



Doug O'Hara



tually, this will be the third year in a row with the same assessment!

The 2017 market for the growers is an unknown at this point. History has shown a light crop means higher dollars per pound and a heavy crop means lower dollars per pound; this may not be the case in the future. The avocado market is now a global market; this must be factored into future marketing and harvesting strategies. The number of avocado-exporting countries and increase in total volumes has made it difficult to predict returns on a year-to-year basis. The increase in world avocado consumption and the number of countries accepting imported fruit is helping the situation, but the strength of the U.S. market will always be attractive to other avocado-producing countries. If it is cheaper to send avocados to the United States and the



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returns are higher, fruit will come and our market will be impacted – especially if it is during our peak season. This situation helped create the problem this year and will continue to be an issue in the future. The best case scenario would be for the other countries of origin, the importers and the packers to watch the inventories of fruit in the United States and keep a steady flow of fruit moving through the system. As we saw this year, once the inventories dropped the prices spiked, which benefited everyone. Can this happen in 2017? I am confident it can, and I think the groundwork has already begun by way of increased communication and improved relationships. We have a way to go, but to avoid this situation in the future it is imperative that we continue the work.

I mentioned in my last column that this is the end of my second year as chairman, but it also is the end of my time as a board member. Af-

ter eight years I have decided not to seek a seat for the next term and will spend more time with my family and doing what I love — growing California avocados. I have enjoyed my years on the board and appreciate the hard work that Tom, Jan DeLyser, and all the staff put into our industry. They all take our industry very seriously and I am proud to have them working for us.

Lastly, if there is one thing I learned over the years it's this: Get involved! I encourage every grower to attend board meetings, committee meetings, seminars, and field days. Only so much can be learned by reading articles or minutes of a meeting. Experiencing it first hand is invaluable. All meetings are open to the public and staff/board/committee members are always open to questions and comments. Stakeholder input and involvement will help build the industry and allow it to grow stronger for future generations. 🥑

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