2019 ANNUAL MEETINGS

APRIL 2 – 4, 2019

CALIFORNIA AVOCADO MILESTONES

1978 — California Avocado Commission Official Business Start Date

1982 — First Big Game Promotion

1983 — Angie Dickinson Promotes California Avocados

1989 — First California Avocado Day

1989 — Avocado First Food for Babies with Dr. William Sears

1989 — Ripening Program and Ripe Stickers

1991 — Nutrition Advisory Committee Formed

1992 — First Big Game Ad

1995 — U.S. Market Opened to Imported Avocados

1996 — Website Launched: Avocado.org

1998 — Avo Bowl Promotion

1999 — Genuine California Avocados Logo

2000 — Avocado Highway

1999-02 — Genuine California Avocados Campaign

2002 — Southeast Development Program

2002-04 — Art of the Avocado Trade Campaign

2003 — Full Inclusion of Avocados by National Cancer Institute and PBH 5 A Day Program

2004 — Fresh California Avocado Logo

2006 — Imported Avocados Receive Access to U.S. Market

2008-15 — California Avocado Grower Campaign

2009 — Hand Grown in California Logo

2010 — Launched Social Media

2010-12 — California Avocado Week (2010) Evolved into California Avocado Month (2012)

2012-14 — Fourth of July Campaign and American Summer Holidays Evolution

2013 — California Avocado Label Initiative Launch

2014 — The Scoop Blog Launched

2015 — New California Avocados Logo

2015 — Distinctly Californian Campaign

2016 — Big Game "Add"

2016 — Made of California Campaign

2016 — New California Avocado Commission Logo

2017 — Store Locator Tool Launched

2018 — American Heart Association® Heart-Check Program

2018 — Close to Perfect Thematic

THE BEST GROW HERE

What's on everyone's mind today?

Clue: NOT the past 40 years!!!

$1.20
(or more...)

California Avocado Commission, est. 1978

Crawford Teague, the Commission's first Chairman wrote in the 1978 Annual Report:

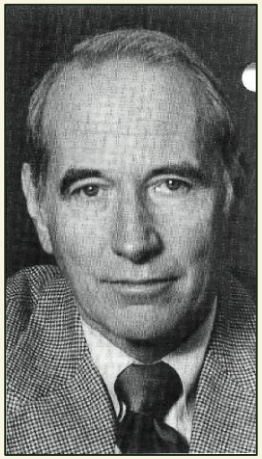
> *"The Commission has given our industry the vehicle it needs to advertise and promote our crops properly."*

Ralph Pinkerton, CAC's first President wrote:

"Who can look ahead with more anxiety than the California avocado grower?

CAC was created by anxious farmers…who don't always agree with management and are not timid about telling us so.

This creates an anxious staff—a staff accustomed to being in first place…a staff that is anxious to see grower returns beat those of last year."



Example of not being timid:

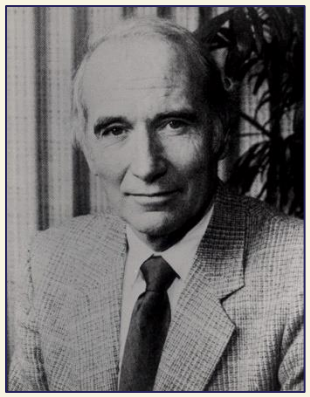
- A grower recently wrote to us surmising that CAC employees are working in "*palatial surroundings*"
- When CAC was established in 1978, the monthly rent on the office leased in Orange County at the time was $2,044
- 31 years later, in 2009, when we moved to our current location in Irvine, the monthly lease was $2,044

When it started:

- 29 member board, with seats for industry cooperatives
- And a staff of 11 people

- Since then, 40 years have passed and growers have reaffirmed continuance of the organization in 8 successful referenda (9 counting initial referendum)

- Over the years, 4 Presidents



Ralph Pinkerton

John W. Bartelme

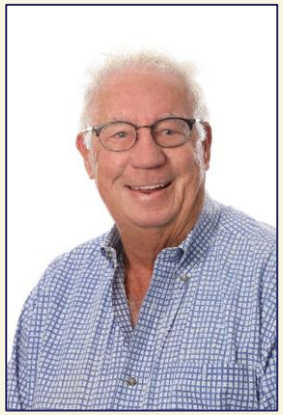
Mark Affleck

Tom Bellamore

Today:

- 19 member board, no co-ops
- Staff size of 13

Many have served since the Commission was first established, but no one more than Charley Wolk, who has accumulated 25 years as commissioner, including 5 terms as Chairman *(and another 7 plus years of service to the Hass Avocado Board)*



Grower ranks have swelled and thinned over time:

	1978	1988	1998	2008	2018
Acres	34,000	76,000	60,000	65,000	50,000
Grower Number	6,400	7,200	6,200	6,700	3,500
Crop Value	$80 MM	$204 MM	$261 MM	$327 MM	$383 MM
Avg Price per Pound	$0.37	$0.57	$0.86	$1.00	$1.13

Early work of CAC focused on:

- Dispelling nutrition myths

- Equating Super Bowl with avocados
  (first imports, late 80s)

- Building a data reporting system (AMRIC) – unprecedented at the time

- Ripe Program

Mid 1990s

Issues management grows in importance:

- Persea mite infestation
- Mexico seeking to overturn 80-year prohibition
- Negotiations yield the Interim Agricultural Water Program (IAWP)

With results:

- Water costs savings totaling tens of millions
- Mexico's access staged, ultimately over 20 years (1998 – 2018)

- While building preference for the California brand

Early 2000

Creation of Hass Avocado Board:

- Mechanism to ensure imports pay their share of market development
- Designed to reflect the interests of California growers

- Extended IAWP worth $200 million

- 2007-08 *Hand Grown in California* Grower-Focused Marketing Campaign

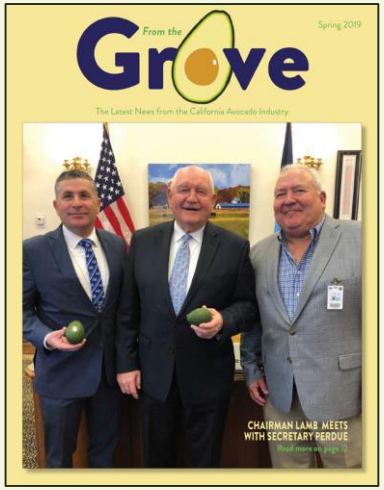
2009 – 2019:

- Premium positioning strategy
- Industry alignment

- Fourth of July as consumption event (rank by volume against other holidays)

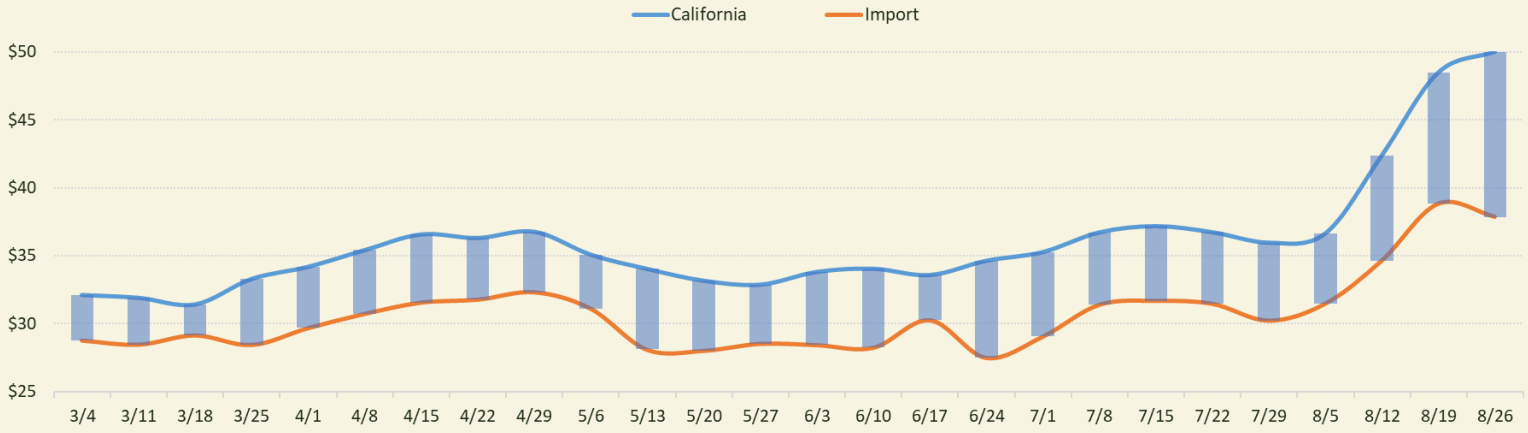
- 4 years of $400 million crop values (2010-11 highest ever at $460 million)

- Board reorganization
- Grower exemption
- Industry magazine
- Pine Tree Ranch



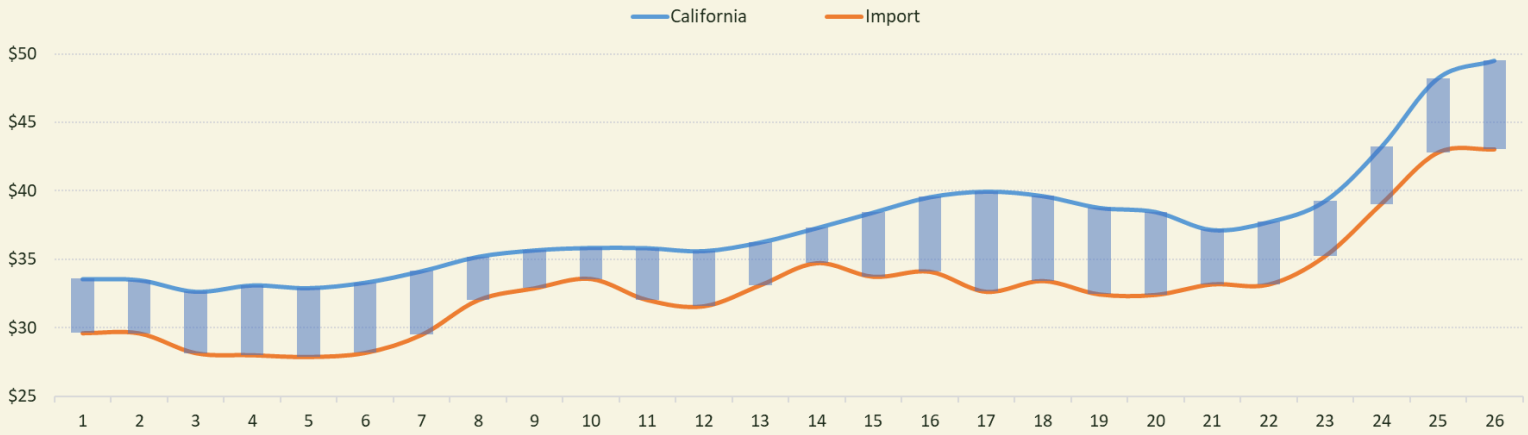
CALIFORNIA AVOCADOS DELIVERED AN FOB PRICE ADVANTAGE IN 2018 WITHIN CALIFORNIA

FOB of California avocados shipped WITHIN California by week
2018 California Season (March - August)



The FOB price advantage of California Avocados averaged **+18%** over imports during the 2018 California Season, but reached as high as +32% (w/e 8/26)

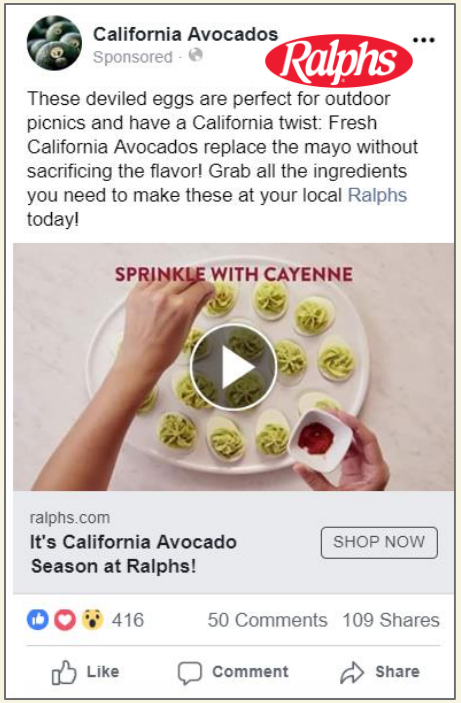
4-Year Average FOB of California avocados shipped WITHIN California
2015 - 2018 California Seasons



The FOB price advantage of California Avocados averaged **+14%** vs. imports over the past four California Seasons

Source: AMRIC Hass #1 Conventional (pounds) Mar-Aug 2018
California Seasons (26 weeks) Mar-Aug 2015, Apr-Sept 2016, Mar-Aug 2017, Mar-Aug 2018

- Current crop:
  - 175 million pounds expected
  - Smallest since 2008-09 (174 million pounds)
  - Share of U.S. market expected to be 7 percent
- Key to Success:
  - Remaining relevant among key trade customers
  - Sufficient critical mass in volume to support promotions
  - Premium focus



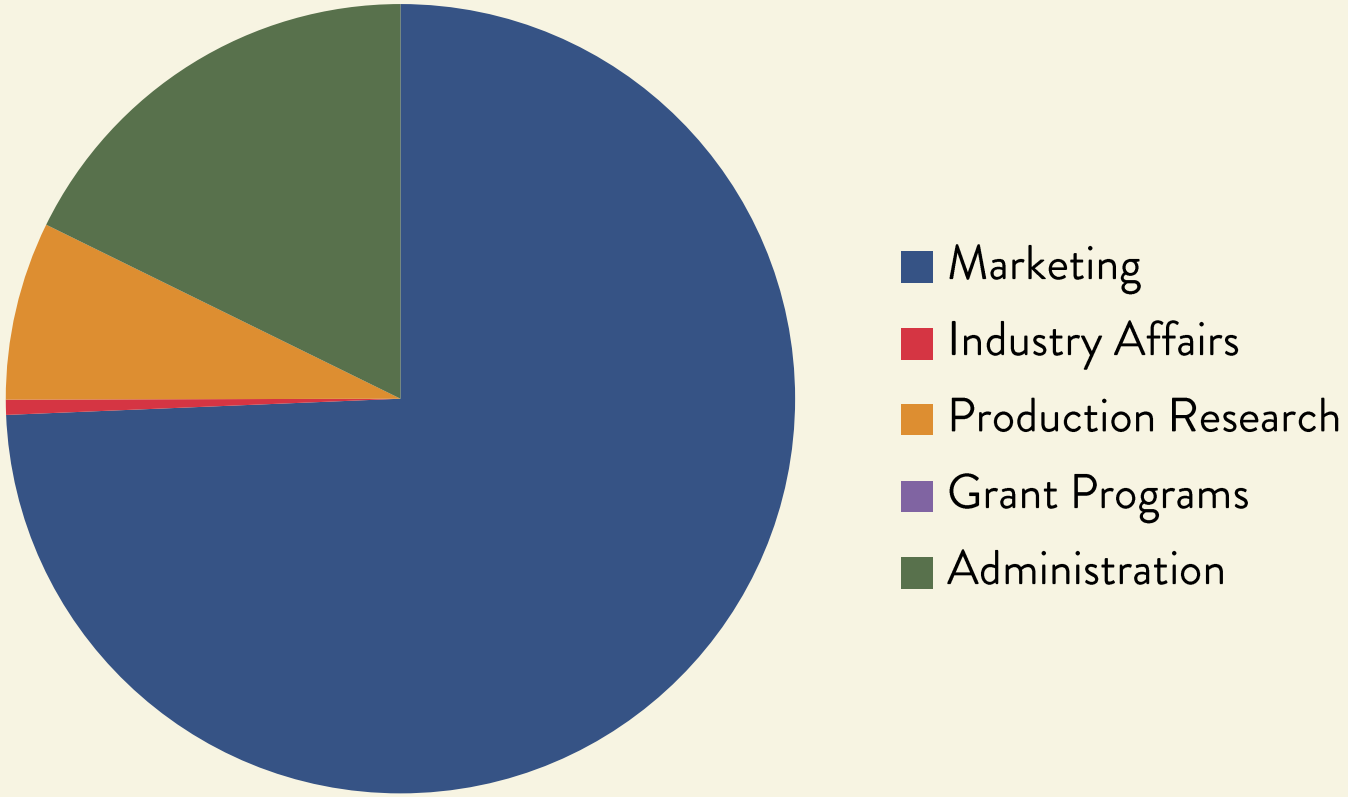
Today's Program

- Opening Remarks: *John Lamb, Chairman*
  Tom Bellamore, President
- Financial Perspective: *Monica Arnett, Director of Finance & Administration*
- The Evolution of Marketing: *Jan DeLyser, Vice President Marketing*
- Industry Affairs: *April Aymami, Industry Affairs Director*
- Issues Management: *Ken Melban, Vice President of Industry Affairs*
- Production Research: *Dr. Tim Spann, Research Program Director*
- Question & Answer Session

FINANCIAL PERSPECTIVE

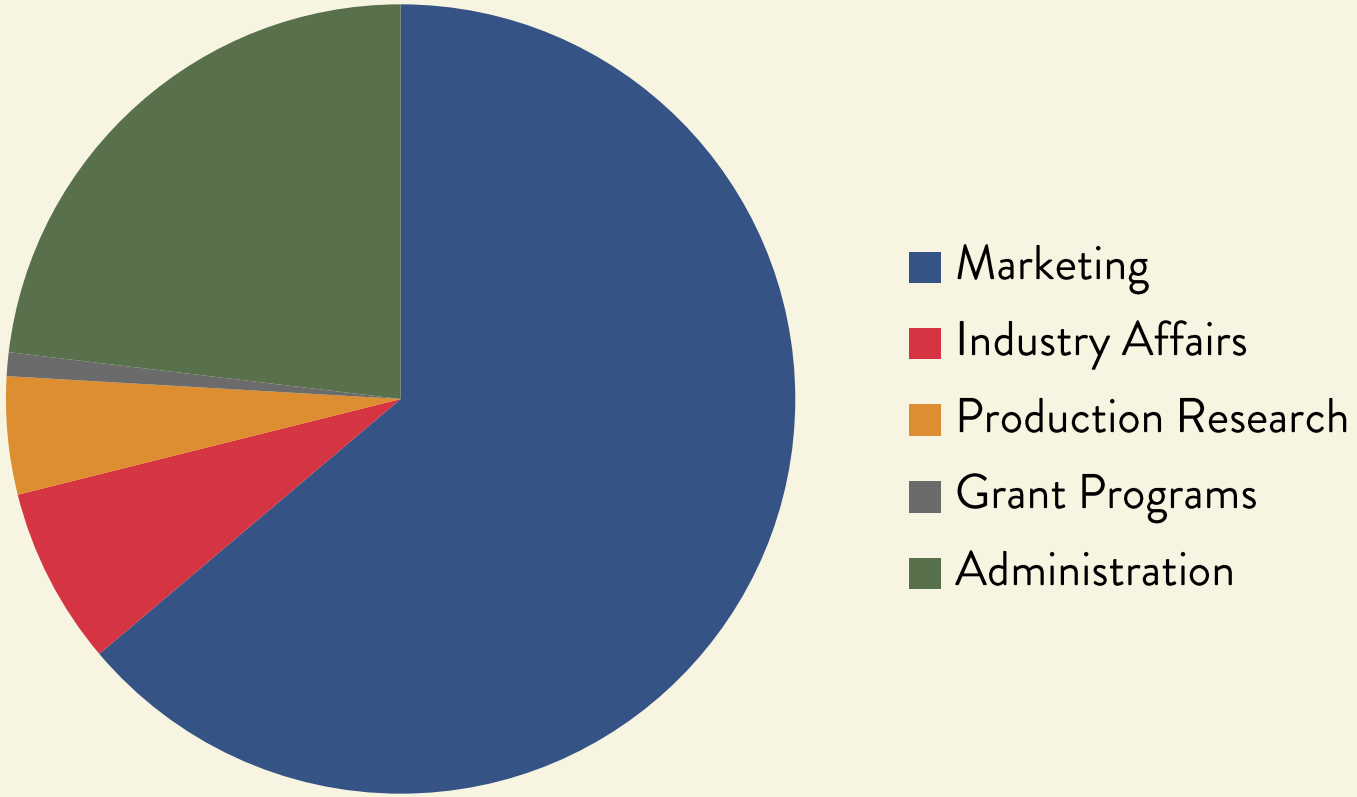
CAC FISCAL YEAR BUDGET: 1978-79

Marketing		Industry Affairs		Production Research		Grants		Administration		Total
$2,046,000	+	$17,000	+	$201,000	+	$0	+	$488,000	=	$2,752,000
(74%)		(1%)		(7%)		(0%)		(18%)		(100%)



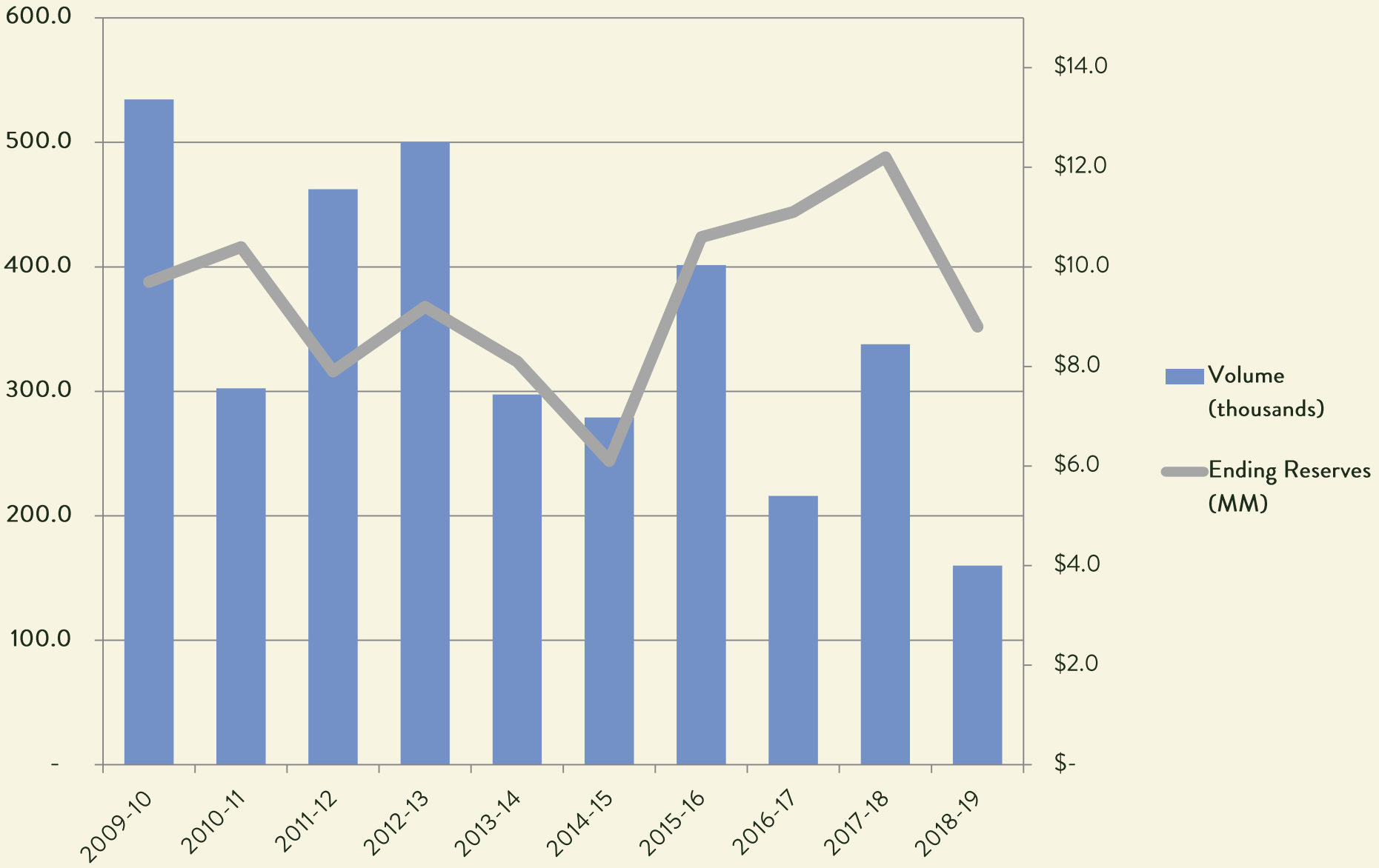
CAC FISCAL YEAR BUDGET: 2014-15 THRU 2018-19 (AVERAGE)

Marketing		Industry Affairs		Production Research		Grants		Administration		Total
$9,079,000	+	$1,035,000	+	$686,000	+	$138,000	+	$3,287,000	=	$14,225,000
(64%)		(7%)		(5%)		(1%)		(23%)		(100%)

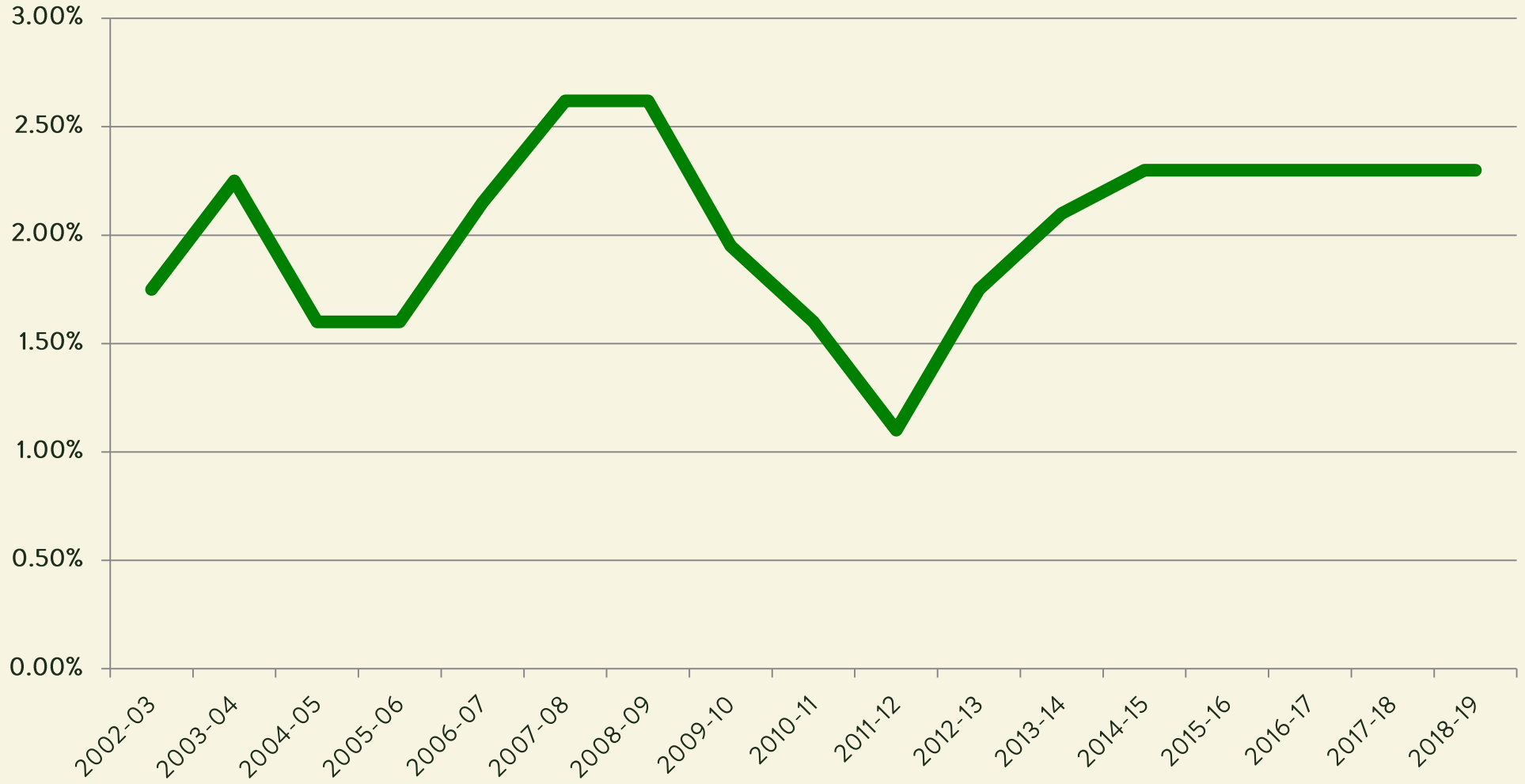


CAC FISCAL YEAR BUDGETED CASH FLOW: 2018-19

ENDING RESERVES VS. VOLUME: 2009-10 THRU 2018-19



CAC ASSESSMENT RATE: 2002-03 THRU 2018-19



THE EVOLUTION OF MARKETING

CALIFORNIA AVOCADO RELEVANCE

The California Avocado marketing challenge in an ever-changing marketplace with reduced market share is to remain relevant to our customers and consumers. The good news:

- The quality of fruit grown in California is a differentiator
- Consumers engage with new media in new ways
- Enhanced ability to remain top of mind in season
- Efficient and cost effective

CALIFORNIA AVOCADO RELEVANCE

Menu Matters conducted a consumer behavior research study last year. One of the key learnings is that patrons expect items identified as "California" to feature avocados … more than any other produce/product.

THE MARKETPLACE HAS CHANGED

	1978	Now
Dominance	Volume Origin California #1	California Occupies Premium Niche

CALIFORNIA AVOCADO VARIETIES

	1978	Now
VARIETIES	Diverse Mix	Hass Dominance

Bacon/ Zutano 17%

Fuerte 21%

Hass 56%

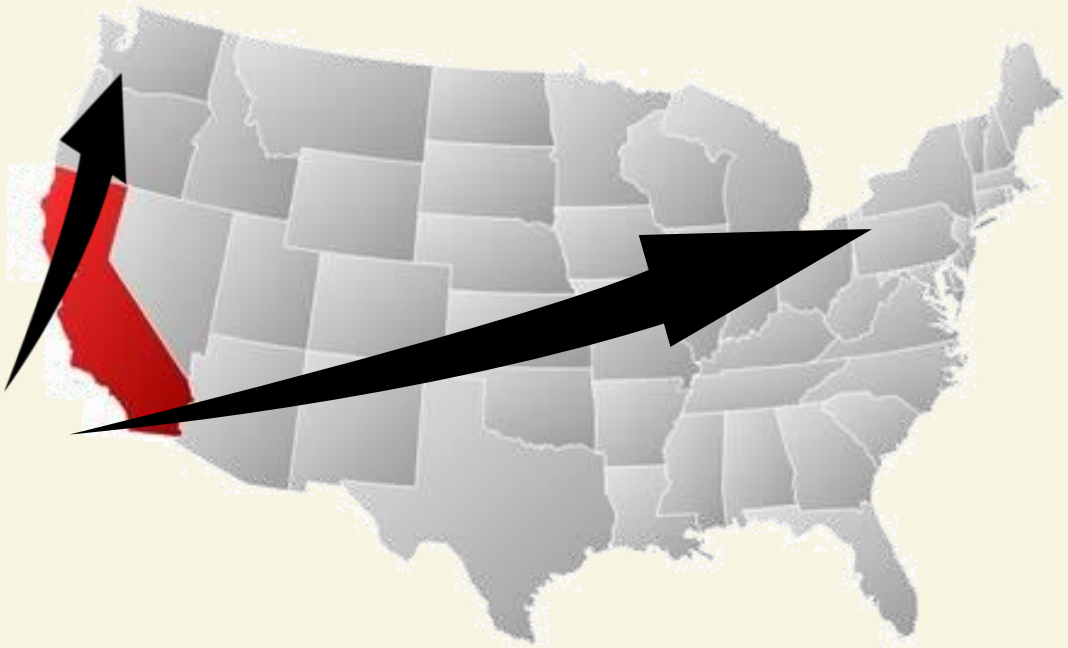
39,802 California Avocado Acres

Hass 96%

49,986 California Avocado Acres

CALIFORNIA AVOCADO DISTRIBUTION

	1978	Now
California Avocado Distribution	West, Building East	West, Focusing on California + Opportunities



THE RETAIL ENVIRONMENT HAS CHANGED

SUPERMARKETS OF THE PAST

TARGETED RETAILERS IN 2019

Albertsons

VONS

SAFEWAY

Ralphs

Fry's Food Stores

Smith's

Raley's

Bel Air

Nob Hill Foods

family since 1935

Save Mart

Gelson's

Bristol Farms

Mollie Stone's Markets

Costco Wholesale

Walmart

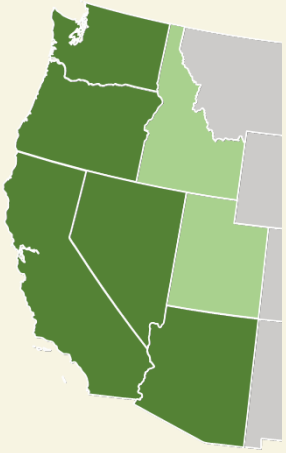
Whole Foods Market

Target

FOODSERVICE DISTRIBUTION GROWTH

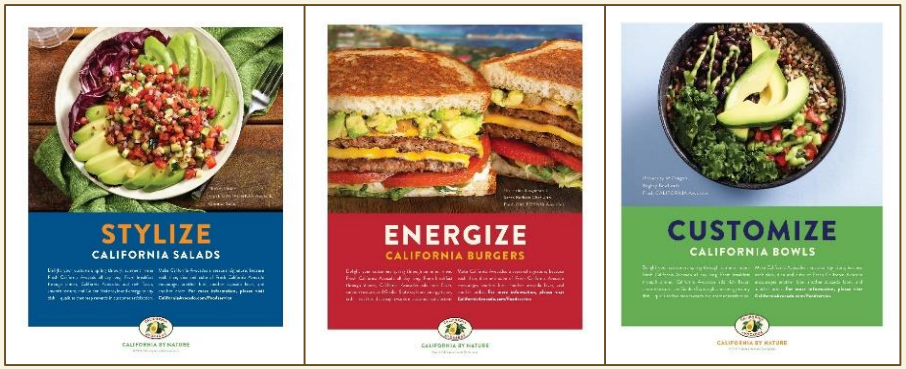
Chain Promotions

- Target chains geographically
- Focus on chains that complement brand positioning



Ads

- Digital
- Print



Menu Ideation

Concepting with on-site demonstrations designed to secure California Avocado placement on menus

Events

National Restaurant Association | Marketing Executives Group | pma Foodservice Conference + Expo | The Flavor Experience | Flavor, Quality & American Menus | International Corporate Chefs Association | GCIA Global Culinary Innovators Association | ifec | Market Vision

Public Relations

Provide assets and information to Foodservice Trade Media

CONSUMER TARGET EXPANDS

1978

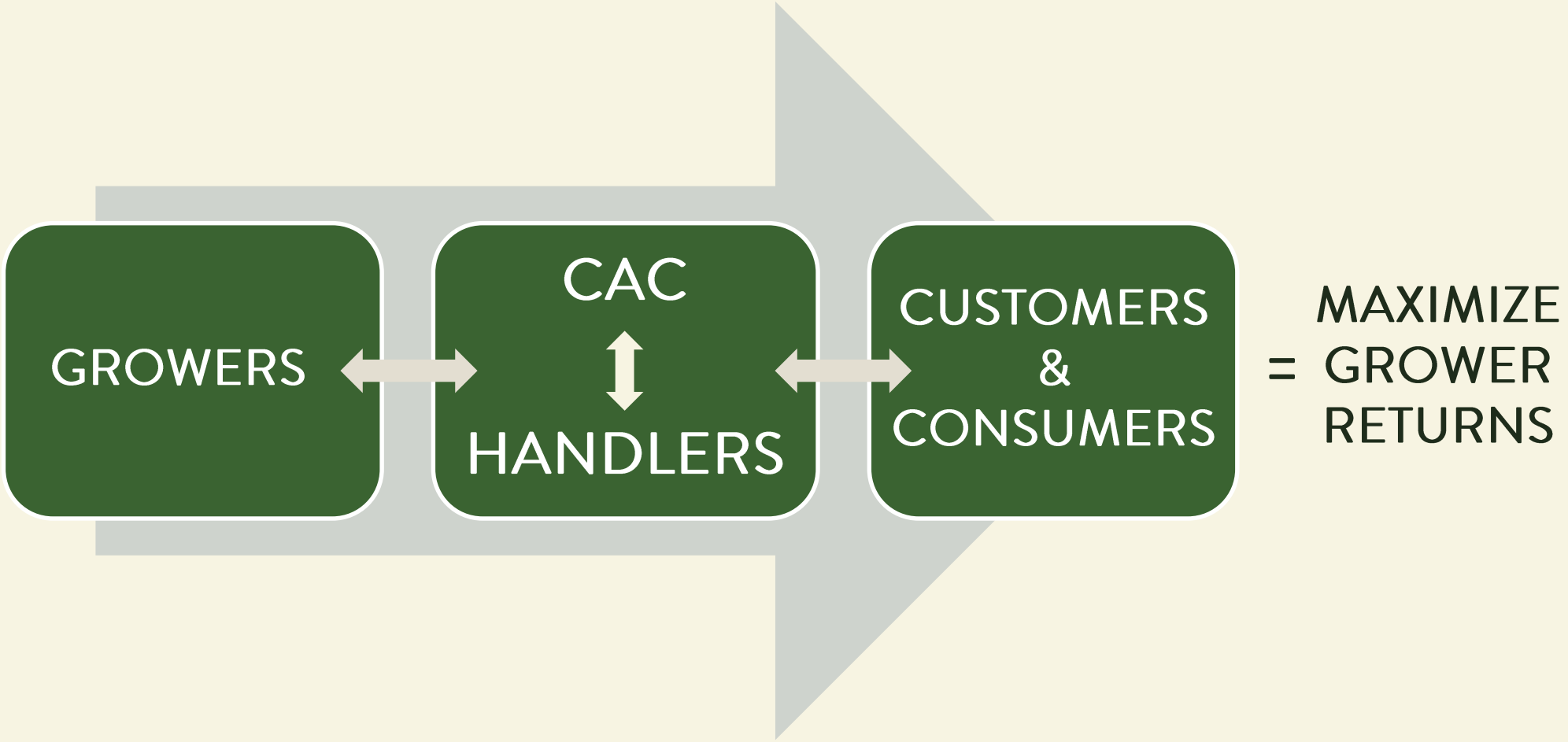
Baby Boomers becoming largest group; working women on the rise

Now

Growth from tech-reliant Gen X/ Millennials/Gen Z; women AND men

MARKETING COMMUNICATIONS ALIGNMENT

Alignment has always been important; even more so in a lower volume year



Market Conditions have been a challenge this year, adding to the angst of a short crop year. Retailers are as anxious as all of you to get this season rolling … timing is essential, reaching critical mass on volume to supply our targeted accounts.

SOME PROGRAMS REMAIN RELEVANT

FOR IMMEDIATE RELEASE

Contact:
Cristina Samiley
csamiley@golin.com
(213) 335-5570

CALIFORNIA AVOCADOS TAKE CENTER STAGE IN CLASSIC CALIFORNIA CUISINE

Celebrated Chefs from the Golden State Offer Iconic California Dishes to Open California Avocado Season

IRVINE, Calif. (March 27, 2018) – Springtime in California brings with it the season's bounty of fresh, local ingredients that inspire home and professional chefs alike. To kick off this year's California avocado season, which runs now through Labor Day, the California Avocado Commission (CAC) has partnered with two highly acclaimed chefs to create fresh takes on classic California dishes by featuring the state's favorite fruit.

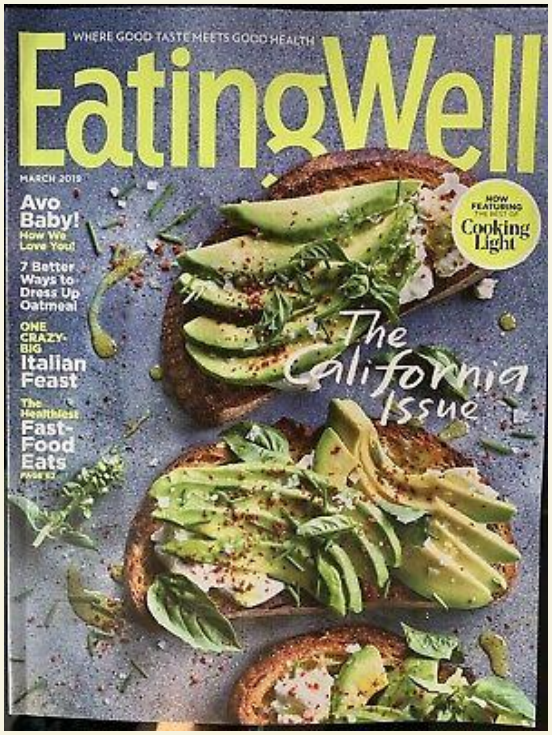
From salads to sandwiches, pastas to soups, it's pretty much a given when a dish has "California" in its name, it's likely a dish made even better with creamy delicious avocados. CAC's partner chefs have developed two recipes with a California twist for everyone to enjoy.

Two-star Michelin Chef Josiah Citrin, of Los Angeles' lauded Melisse and Charcoal Venice, elevated a simple pasta pesto dish with the use of the creamy fruit in his Linguine with California Avocado Pesto and Cherry Tomatoes, spotlighting California avocados in season.

"California avocados are one of the most versatile ingredients you can work with," says Citrin. "Here I have blended it seamlessly into a pasta sauce to add a velvety texture. However, regardless of its shape or form, the California avocado brings vivacity to all of the ingredients that surround it."

At contemporary California restaurant, Kali, Chef Kevin Meehan has earned critical acclaim for blending the precision of white tablecloth kitchens with the accessibility and ease of a favorite neighborhood haunt. His menu is one that proudly showcases local ingredients. His Charred California Avocado Salad puts California's cherished avocado front and center.

"We pride ourselves on serving hyperlocal dishes, so naturally California avocados – an essential California fruit – work their way onto our menu often," says Meehan. "Our charred California avocado is served simply with pistachios and shaved vegetables.



SOME TRADITIONAL MEDIA HAVE EVOLVED

BEFORE: LARGE BILLBOARDS

2019 CAC OUTDOOR WILD POSTINGS+

LOS ANGELES

Melrose Ave. & Crescent Heights

ORANGE COUNTY

Irvine Spectrum

SAN DIEGO

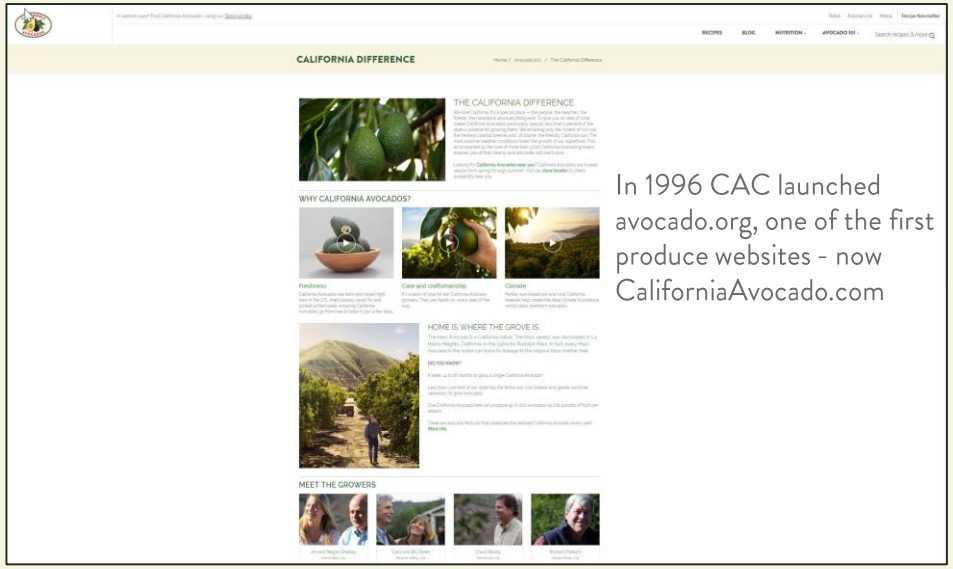
Fence Barricade – 1st St.

SAN FRANCISCO

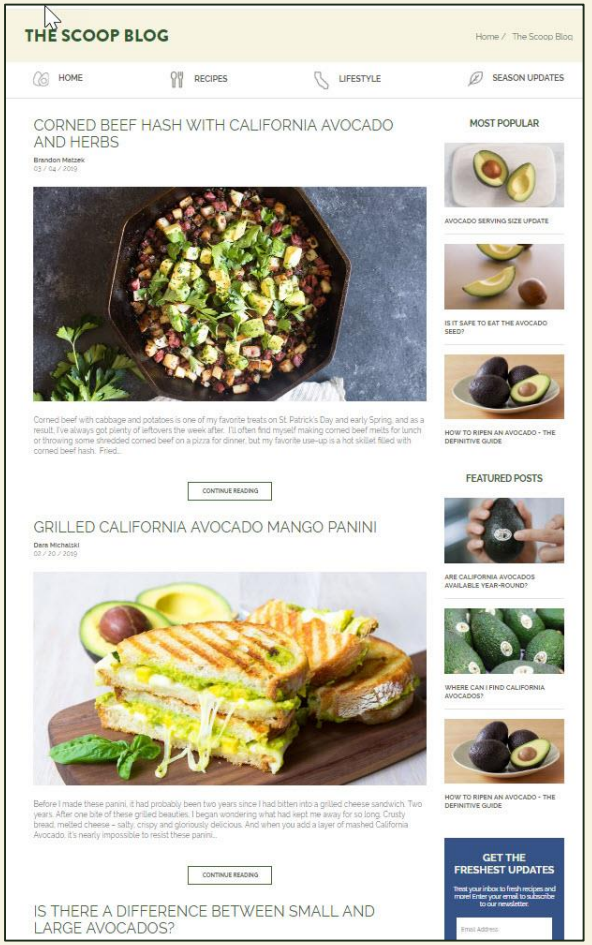
Grand Ave. & Pine St.

Union Street (2 Units)

In 2019 CAC Uses Marketing Tactics That Did Not Exist in 1978



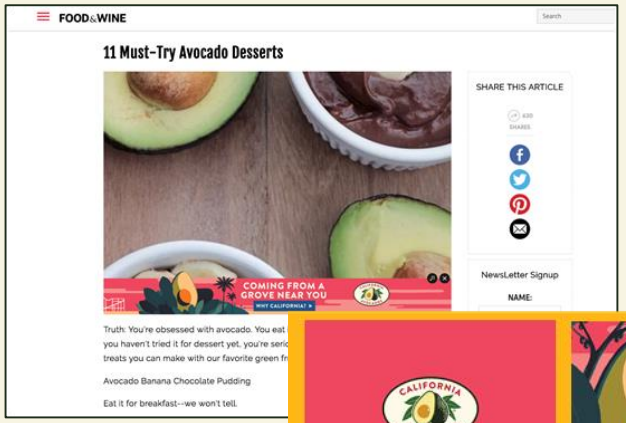
In 1996 CAC launched avocado.org, one of the first produce websites - now CaliforniaAvocado.com



2019 Marketing Tactic Example

gumgum

Surround foodie and avocado content with unique in-image and in-screen creative targeted to Avocado Super Users and Premium Californians



MORPHING MEDIA – TELEVISION TO VIDEO

TELEVISION

Watch what is “on”

VIDEO

Watch what you want, when you want

hulu YouTube

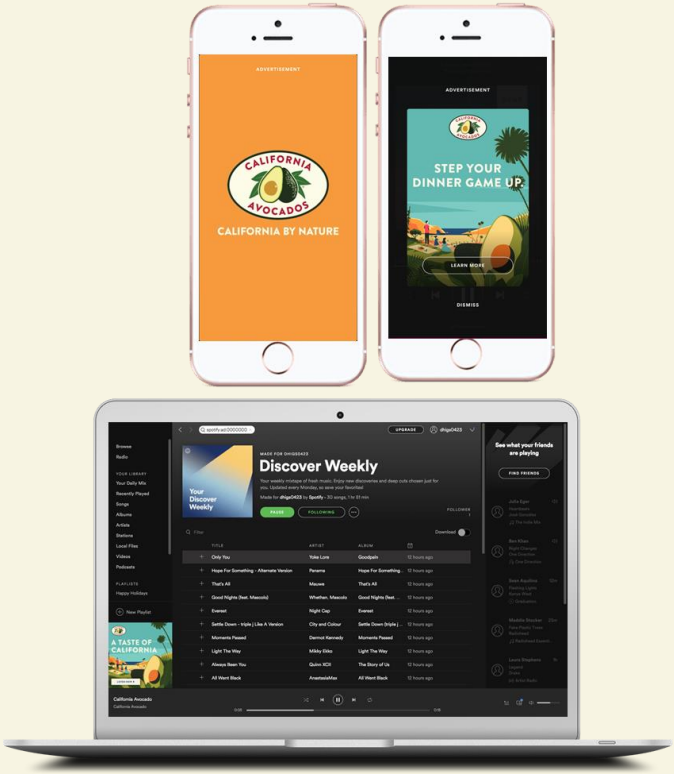
In 2019 California Avocado videos will run on Digital Streaming Channel Hulu, in a TV-like environment, also on YouTube

MORPHING MEDIA – RADIO TO AUDIO

"MOBILE" RADIO BEFORE THE DIGITAL WORLD

Radio – select a station and listen to what is on

2019 CAC AUDIO – SPOTIFY

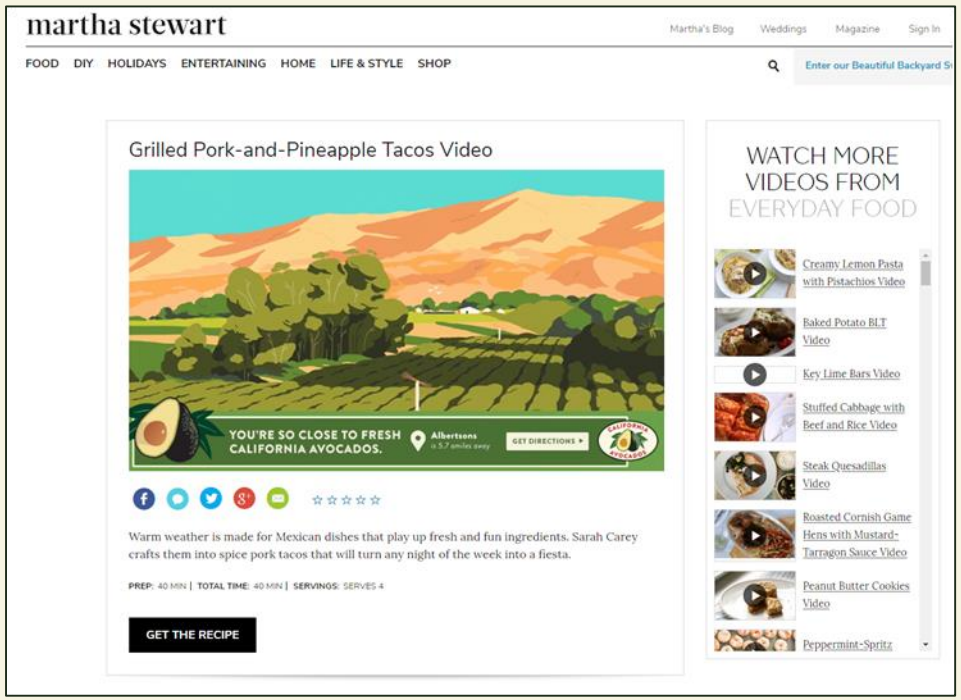


Audio – listen to what you want to, when you want to

2019 DIGITAL RETAIL PARTNERS

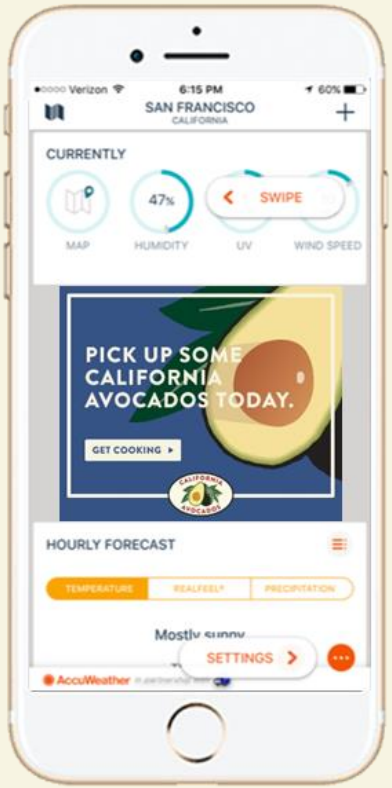
VIANT™

Use Viant's superior targeting capabilities to reach consumers with California Avocado's custom retailer list with pre-roll and custom store locator overlay



PlaceIQ

Reach consumers currently in grocery stores and near California Avocado groves with mobile display banners across popular apps



2019 DIGITAL CUSTOM CONTENT PARTNERS

Tastemade

California Avocado custom video program with three snackable social videos

TASTY

Two Tasty videos featuring custom California Avocado recipes distributed across Tasty and Buzzfeed channels

BUSTLE

Custom content featuring original photography and custom illustrated infographic

HELLO SOCIETY

Leverage local foodie influencers for inspirational, California-centric content on Instagram

2019 SOCIAL TACTICS

BRAND

RETAIL

Raise awareness of California Avocado seasonality in retail stores, while using location-data to target within miles of each retailer's location

Leverage location-targeting on Twitter to drive consumers to select retail locations and drive a sense of urgency when California Avocados are available at select retailers

Posts will run in-season supporting targeted retailers

INDUSTRY AFFAIRS

INDUSTRY SERVICES – OVER 35 YEARS OF COMMITMENT

"The year 1983/84 was revolutionary for the Commission. It will be remembered for at least a few years as the year of the Rex Land Report."
- Ralph Pinkerton, CAC President

- **The Land Report concluded the industry had too many marketers**

"The '20-desk selling' which fragments our selling efforts will have to change through some type of gathering together under a conglomerate umbrella to prevent financial disaster for growers." - Ralph Pinkerton, CAC President

- The Land Report succeeding in stimulating a complete restructuring of the Commission, to include three divisions:
  - Marketing
  - Finance
  - Industry Services

INDUSTRY SERVICES – OVER 35 YEARS OF COMMITMENT

- **Goals of the newly created 1983/84 Industry Services Department**
  - Improve internal and external communication efforts
  - Collect, evaluate and disseminate crop statistics
  - Develop a strategy to monitor key political issues

- **Goals of today's Industry Affairs and Production Research Departments**
  - Advocate for, and engage with, the industry
  - Support industry strategy through research and outreach

- **These goals led to an early commitment to the following industry programs**
  - Avocado Marketing Research Information Center (AMRIC)
  - Industry Communications
  - Crop Estimating
  - Acreage Surveys
  - Issues Management
  - Advocacy
  - Production Research

> *". . . the Commission assumed a leadership position as the central and official source of information."*

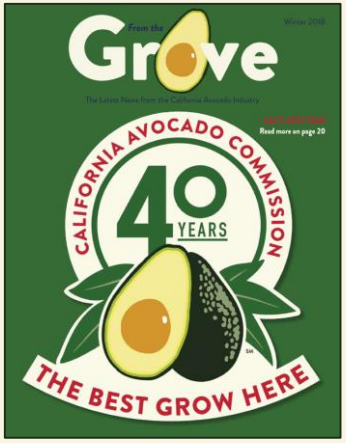
AMRIC
AVOCADO MARKETING RESEARCH INFORMATION CENTER

- AMRIC launched in 1984, after 16 years of effort
  - Primary goal, since inception, is to collect and compile information vital to understanding avocado market forces
  - Program has proved so valuable that it has been used as a model for others
    - California Blueberry Commission – BMRIC
    - Hass Avocado Board – AVIS

INDUSTRY COMMUNICATIONS

A look at how CAC's industry communications has evolved...

1984	2019
Annual Grower Meetings	Annual Grower Meetings
Annual Report	Annual Report
GreenSheet	GreenSheet
Growing Times	*From the Grove*
	CaliforniaAvocadoGrowers.com
	Online Decision Support Tools System
	Pine Tree Ranch Demonstration Grove
	Hot Topic Field Meetings/Seminars/Workshops



CROP ESTIMATING

- In 1984 Pinkerton blamed marketing problems on years of inaccurate crop estimates, resulting in the development of crop estimating tools using:
  - Computer models
  - Field Estimators
  - Grower Surveys
  - Statistical Analysis
  - Full-time Coordinator

- Today, crop estimating is still a high priority for CAC, however with year-round supply from global sources, the industry's needs have changed
  - The pressure to have an extremely accurate estimate has lessened
    - For budgeting purposes, conservative estimates are used
    - For marketing, online/digital media allow more flexibility to time programs with crop movement

CROP ESTIMATING

These changes in priority allow CAC to utilize tools established 35 years ago, along with newly developed, more cost-effective tools, to assemble pre-season and mid-season crop estimates

SEASON	PRE-SEASON ESTIMATE	MID-SEASON ESTIMATE	FINAL VOLUME
2013-14	325 MM	315.7 MM	297.5 MM
2014-15	335 MM	283.3 MM	279 MM
2015-16	392.5 MM	390.9 MM	401.4 MM
2016-17	215 MM	213.7 MM	215.9 MM
2017-18	374.6 MM	340.5 MM	337.8 MM
2018-19	175 MM	IN-PROCESS	TBD

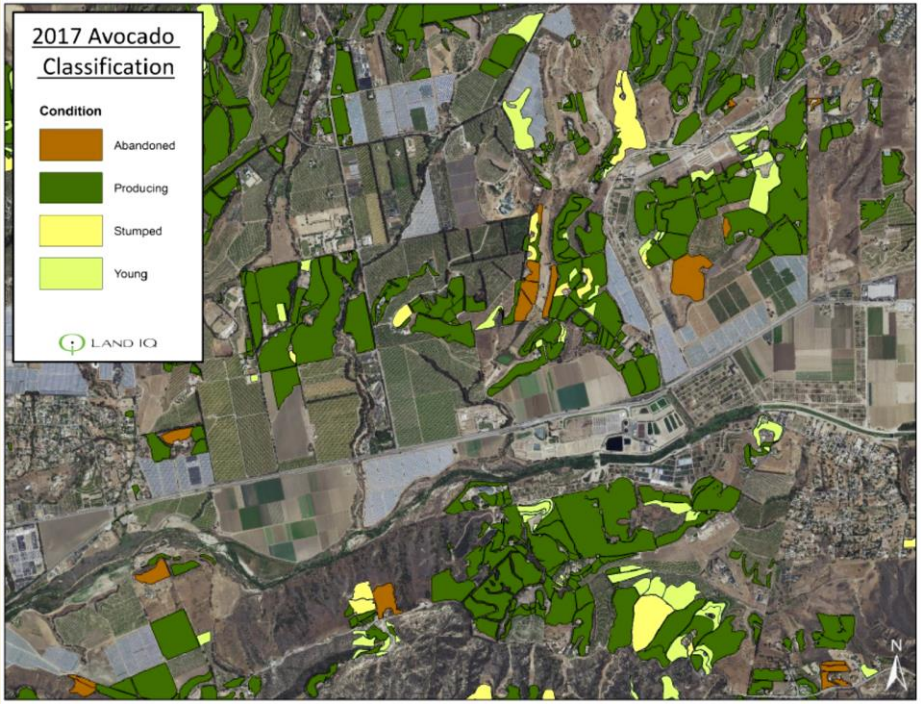
Final vs. Mid-Season 5-year average: 2% Variance

ACREAGE INVENTORY

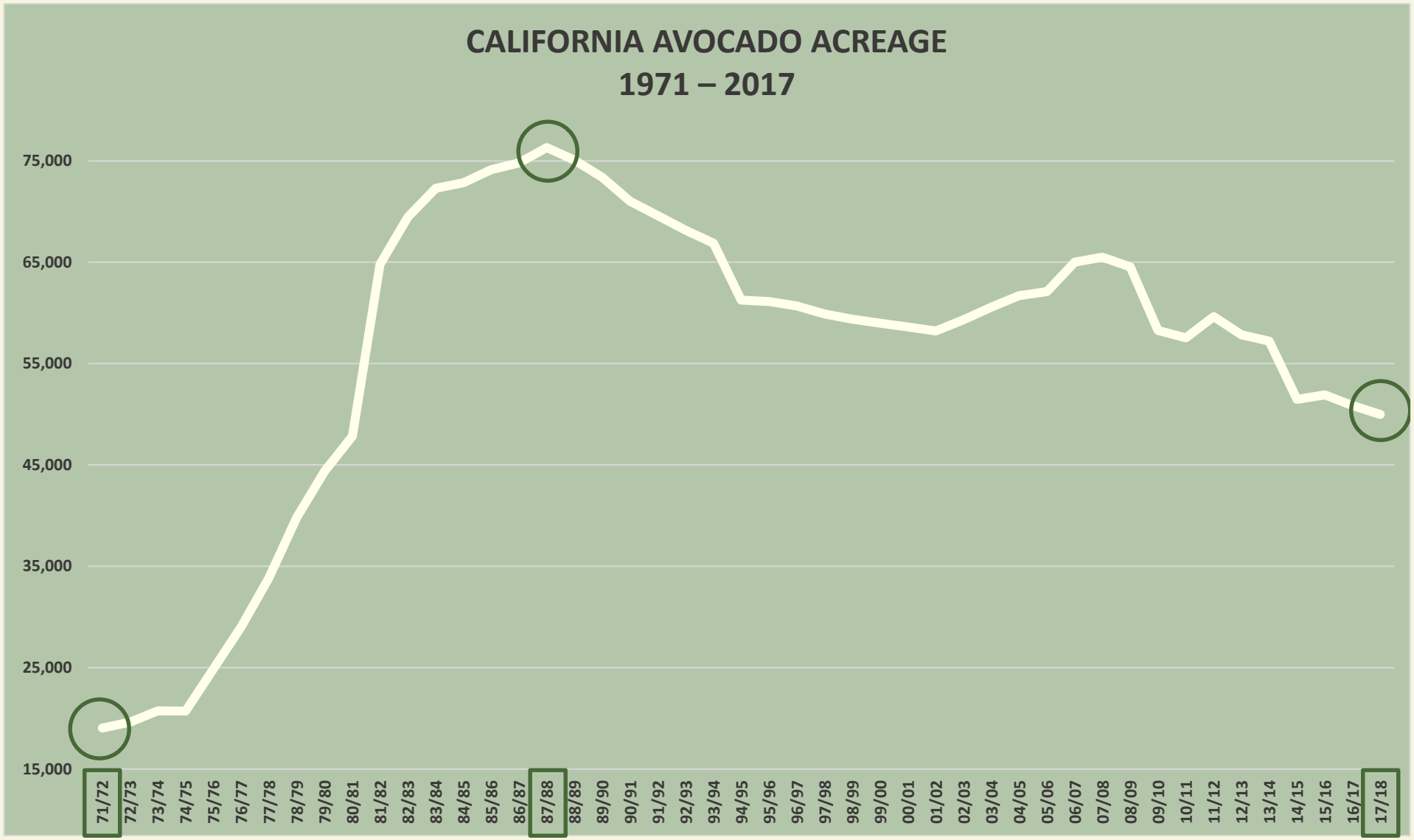
- CAC's efforts to build reliable inventory of California avocado acreage began in 1987
  - Primary driving forces:
    - Accurate crop estimating
    - Analysis of industry health and viability

- Over the year's CAC has obtained imagery through a variety of sources:
  - Privately flown aircraft: 1987 – 2001
  - Satellite imagery: beginning in 2005
  - Addition of spectral analysis: beginning in 2005

- Today's technology has advanced to the point that CAC is able to obtain acreage survey results within months of acquiring imagery



CALIFORNIA'S ACREAGE THROUGH THE YEARS



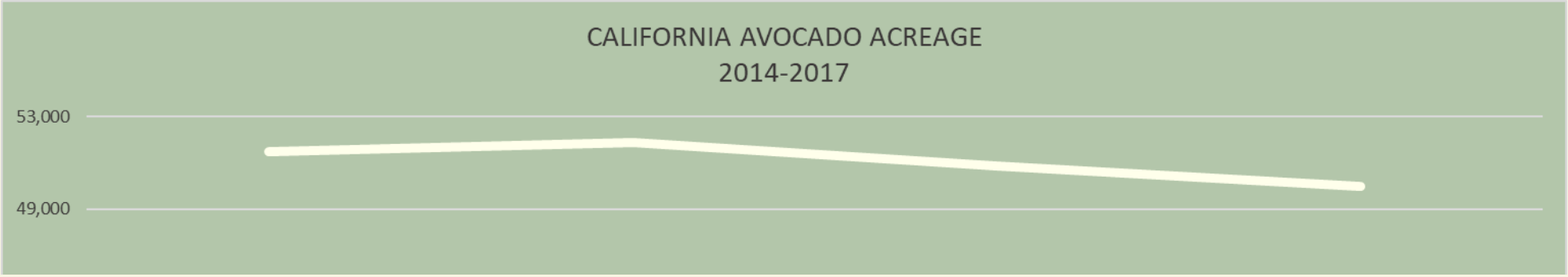
19,309

76,307

49,986

CALIFORNIA'S ACREAGE IN THE FUTURE

- While acreage has decreased significantly since the 1987/88 peak, in recent years acreage has remained relatively stable



- The 2017 acreage survey indicates growth potential with almost 9,000 acres identified as either Young or Stumped

2017 ACREAGE SURVEY RESULTS				
County	**Producing**	**Young**	**Stumped**	**Total**
San Diego	16,361	1,262	1,479	19,103
Riverside	4,670	883	427	5,980
Ventura	18,232	1,902	567	20,701
Santa Barbara	5,583	948	637	7,168
San Luis Obispo	3,316	411	339	4,066
Other	1,824	82	22	1,928
Total:	**49,986**	**5,489**	**3,471**	**58,946**

ISSUES MANAGEMENT

Crawford Teague, the Commission's first Chairman wrote in the 1978 Annual Report:

"The year offered its own set of marketing challenges. Rebounding from the devastating frost of December 1978, the industry was further buffeted by ***unseasonable heat in late spring and summer of 1979****. As a result, crop projections originally estimating a bumper crop of more than 300 million pounds were reduced to the actual figure of 246 million…*

*The commission has given our industry the vehicle it needs to advertise and promote our crops properly – **but** we cannot overlook the cultural and domestic problems we will be facing in the future:* ***water supply, labor costs, theft****, to name a few."*

ISSUES MANAGEMENT

1990s, Issues Management as a program area increased in importance

- Issues Management activities often under the radar
- Recall

February 2012

FOOD SAFETY

1990 – CAC establishes Food Safety Crisis Response program

1998 – CAC develops a Food Safety plan

2004 – CAC releases *Growing for Quality* manual outlining grower best practices to produce the highest quality and safest fruit possible

2011 – Food Safety Modernization Act (FSMA) becomes law
– CAC launches Good Agricultural Practices (GAP) program

2012 – First series of GAP (Food Safety) grower workshops (2012 – 2016)

2016 – Food & Drug Administration (FDA) releases the Produce Safety Rule (PSR)
- establishes a set of farming practices to minimize microbial contamination

FOOD SAFETY

2019 – California Department of Food and Agriculture (CDFA) partners with FDA to conduct on-farm inspections required by the PSR

- Phased-in Implementation of the PSR
  - Large farms (average annual sales >$500,000), compliant January 2018
    - **Inspections beginning spring of 2019**
  - Small farms (annual sales >$250,000 and <$500,000), compliant January 2019
  - Very small farms (annual sales >$25,000 and <$250,000), compliant January 2020
- CDFA recently sent Large farms a letter and questionnaire….

cdfa PRODUCE SAFETY PROGRAM

cdfa CALIFORNIA DEPARTMENT OF FOOD & AGRICULTURE

Produce Safety Program Grower Questionnaire

Please complete the following and return by March 15, 2019. You may email to: producesafety@cdfa.ca.gov or mail to: CDFA, Produce Safety Program, 1220 N Street, Sacramento, CA 95814.

Contact information of individual responsible for on-farm food safety compliance (please print):

Name _____ Farm Name _____

Work Phone _____ Cell Phone _____

E-Mail _____

Are your average annual sales greater than $500,000? Y ☐ N ☐

Has a responsible party completed the Produce Safety Alliance Grower Training? Y ☐ N ☐

Has your company/farm developed an operational GAP/Food Safety Plan? Y ☐ N ☐

Does your company/farm currently participate in a GAP/Food Safety Auditing Scheme? Y ☐ N ☐ If Y, please list all:

_____

Please indicate farm activity (check all that apply):

Grow ☐ Harvest ☐ Pack ☐ Hold ☐

Please indicate the water source(s) for your farm (check all that apply):

Surface ☐ Ground ☐ Municipal ☐ Unknown ☐

Please indicate adjacent land use(s) (check all that apply):

Farming ☐ Open/Fallow ☐ Wild/Natural ☐ Livestock/Dairy ☐ Urban ☐ Poultry ☐

While we have information regarding the types of products you grow, in many cases that information is broadly categorized, i.e., "Fruiting vegetable" which may be summer squash to tomato, or "Leaf/Stem Vegetable" which could be broccoli to kale. To assist us in narrowing those categories, please indicate the commodities grown on your farm (check all that apply):

- ☐ Avocados
- ☐ Melons
- ☐ Table Grapes
- ☐ Carrots
- ☐ Raisins
- ☐ Tomatoes
- ☐ Cherries
- ☐ Artichokes
- ☐ Summer Squash
- ☐ Winter Squash
- ☐ Cucumbers
- ☐ Dry Onions
- ☐ Green Onions
- ☐ Leafy Greens (lettuce, spinach, chard, kale, etc.)
- ☐ Stem (Cole) Veg. (broccoli, cauliflower, brussels, etc.)
- ☐ Sweet Peppers
- ☐ Hot Peppers

Please list all commodities that will receive commercial processing: _____

https://www.cdfa.ca.gov/producesafety/

PRODUCE SAFETY ALLIANCE TRAININGS

- Grower PSA workshops 2018 & 2019
- Underwritten by CAC and packers…

THANK YOU!!

Calavo

Avocado Del Rey Company

ecofarms

Giumarra

Henry

Index Fresh

McDaniel Fruit Co.

Mission

Westfalia Fruit

Westpak Avocado, Inc.

FOOD SAFETY MANUAL

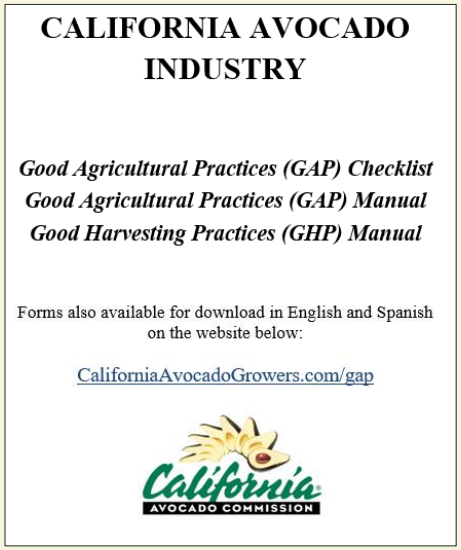
2011 – CAC develops grower Good Agricultural Practices (GAP) manual

2014 – GAP manual Version 2.0

2016 – Food Safety manual Version 3.0

2019 – NEW Food Safety manual Version 4.0

- Aligns with the PrimusGFS V3.0
- Additional record keeping
- Greater attention to ranch maintenance
  (e.g. trash removal, materials storage, weed abatement)



CAC grower website…

– www.californiaavocadogrowers.com/growing/food-safety

SANITARY PHYTOSANITARY (SPS) EFFORTS

1979 – *"You have battled the Federal government over the entry of **seed weevil** infected avocados from Mexico," Ralph Pinkerton, president*

2019 – CAC continues to push for a systems approach to prevent entry of serious pests…

- Submitted comments to APHIS on Ecuador Pest Risk Assessment regarding **avocado seed moth** (2018)
  - Expect PRA will be revised and back out for public comment
  - Dr. Mark Hoddle, UCR entomologist

- Canada removal of California avocado as host for Light Brown Apple Moth (LBAM) (September 2018)

Osama El-Lissy, APHIS deputy administrator

Export Program Continues; Surpasses Goals for 1979

During the 1979 crop year, the California Avocado Commission continued its efforts to expand the export market for California avocados.

A special advertising and promotion program was conducted in Japan and Hong Kong utilizing $150,000 in Commission funds and $150,000 in matching funds from the U.S. Foreign Agricultural Service.

This program was administered in conjunction with the California Avocado Export Association — an organization formed three years ago by a number of avocado handlers for the purpose of marketing avocados under the brand name "Avocal."

ocados, although the taste is becoming familiar to a majority of Japanese consumers. Interestingly, in the past three years the amount of consumer users of avocados has risen from 0 to 85 percent in Japan and Hong Kong.

The total dollar value of U.S. exports was $6,671,600 in 1979.

One of the most well-received personalities of the industry's representatives and spokesmen was Sandy Griest, Miss California Avocado (center). Shown here with Lucy Lo, Hong Kong spokeswoman for California avocados and Dick Seaton, avocado export consultant, Miss Griest traveled the Orient appearing on many variety and talk shows on behalf of California avocados.

2018 – $100k Market Access Promotion (MAP) funds for Japan market

TRADE – SOUTH KOREA

2019 – MAP funding

- $175k South Korea
- $25k China

South Korea Import Statistics
Commodity: 080440, Avocados, Fresh Or Dried
Year Ending: December

Year Ending | Dec | 2018 | GO HS: 080440 | GO

Chart View

Rank	Partner Country	Unit	2016		2017		2018	
			USD	Quantity	USD	Quantity	USD	Quantity
	World	LBS	11,884,702	6,425,755	30,388,383	13,181,165	47,319,986	25,484,770
1	United States	LBS	6,840,221	3,592,474	18,558,383	7,455,384	33,330,443	17,615,996
2	Mexico	LBS	1,242,478	865,504	7,338,770	3,793,744	8,579,012	5,437,774
3	New Zealand	LBS	3,801,994	1,967,776	4,490,974	1,931,971	5,410,498	2,430,995

Global Trade Atlas

2013-18 average

Market	Size	Pounds	Avg Lug $	USA Avg Lug $	Over/(Under)
ASIA-S. KOREA	36+	293,625	$43.65	$39.66	$3.98
	40	964,525	$43.04	$39.51	$3.53
	48	4,470,000	$43.13	$39.78	$3.36
	60	2,881,500	$36.43	$33.65	$2.78
	70	590,325	$29.03	$29.11	($0.07)
	84/96	7,750	$30.68	$20.44	$10.24

2005 – CAC begins the process to gain China trade access

Congress of the United States
Washington, DC 20515

January 9, 2019

The Honorable Sonny Perdue
Secretary
U.S. Department of Agriculture
1400 Independence Avenue S.W.
Washington D.C. 20250

The Honorable Gregory Ibach
Under Sec. Marketing and Regulatory Programs
U.S. Department of Agriculture
1400 Independence Avenue S.W.
Washington D.C. 20250

The Honorable Ted McKinney
Under Sec. for Trade and Foreign Agricultural Affairs
U.S. Department of Agriculture
1400 Independence Avenue S.W.
Washington D.C. 20250

Dear Secretary Perdue, Under Secretary Ibach and Under Secretary McKinney:

We write to ask the United States Department of Agriculture (USDA) to accelerate efforts to gain market access to China for California Hass Avocados. California's 2000 avocado farmers produce over 90 percent of the total U.S. avocado crop, including 100 percent of all U.S. Hass avocado production worth an average farm-gate value of $400 million, yet they have not gained the same level of access to China as competing countries. Equal access is an essential component of free trade, so we respectfully ask that you work with our producers to establish greater access to the Chinese market.

In 2005, the California Avocado Commission (Commission) initiated a China market access request with USDA's Animal and Plant Health Inspection Service (APHIS). For the last fourteen years, the Commission has worked diligently to provide APHIS with timely information to assist in the process. Over that same period, Mexico, Chile and Peru – all major exports of Hass avocado to the U.S. - have secured market access to China. During that same time period, competition in the U.S. avocado market has continued to intensify. As there is no established commercial avocado production in China, the demand for avocados in China is experiencing tremendous growth. It is imperative that California avocado farmers be afforded the same trade opportunities as their competitors.

DIANNE FEINSTEIN
U.S. Senator

JULIA BROWNLEY
Member of Congress

KEN CALVERT
Member of Congress

SALUD O. CARBAJAL
Member of Congress

JIM COSTA
Member of Congress

TJ COX
Member of Congress

DUNCAN HUNTER
Member of Congress

DEVIN NUNES
Member of Congress

JIMMY PANETTA
Member of Congress

GEM

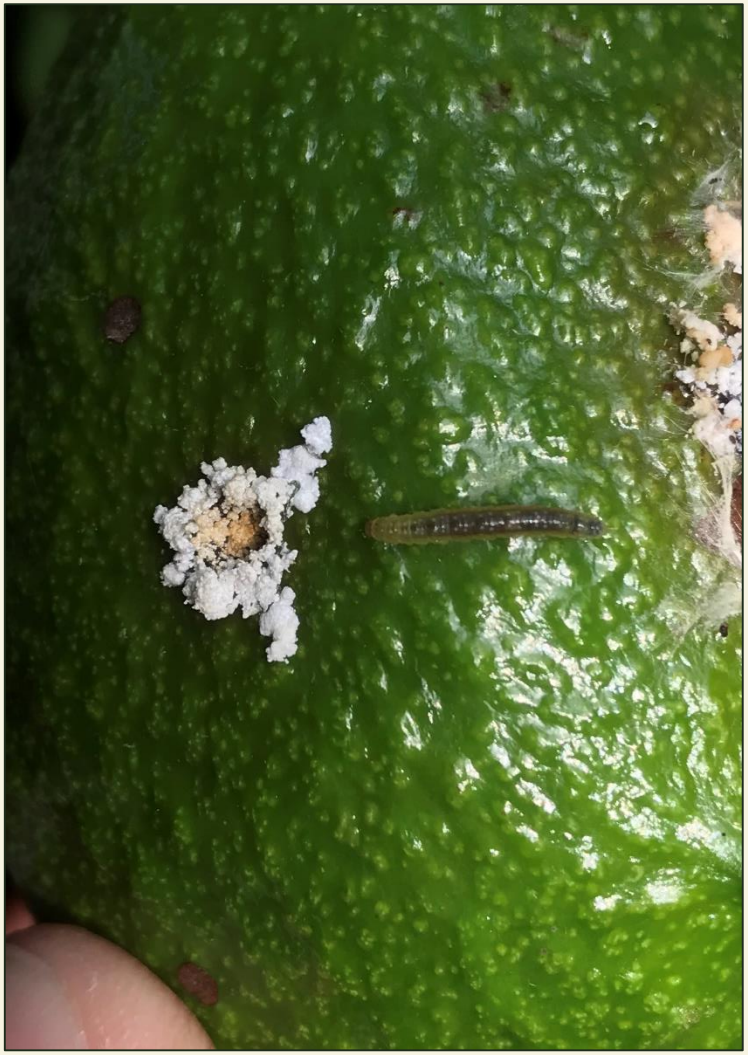
- CAC worked to get GEM added to crop insurance coverage beginning in 2019
- Provided information for industry effort to secure PLU
- Approved by International Federation for Produce Standards (IFPS) October 2018
- International licensing agreements?

PRODUCTION RESEARCH

PRODUCTION RESEARCH

For 40 years, CAC's Production Research Program has strived to help growers stay profitable and productive by funding research in three program areas:

- Pest and Disease Management
- Breeding and Genetics
- Cultural Management



PRODUCTION RESEARCH

- Pest and Disease Management
  - 1982 Red Banded Whitefly
  - 1990 Persea Mite
  - 1996 Avocado Thrips
  - 2004 Avocado Lace Bug
  - 2012 Polyphagous and Kuroshio Shot Hole Borers
  - Pesticide trials to register products and have multiple modes of action available to growers to mitigate the development of pesticide resistance
  - Avocado seed moth (*Stenoma catenifer*)
    - Pheromone developed and used as part of the phytosanitary program in countries importing to the U.S. to protect California growers
  - New CDFA grant program: Proactive Integrated Pest Management Solutions

Mark Hoddle with a Stenoma trap

All photos courtesy of Mark Hoddle, UC Riverside

PRODUCTION RESEARCH

- Breeding and Genetics
  - Scion Breeding
    - Released varieties: Esther, GEM, Gwen, Harvest, Holiday, Lamb Hass, Sir Prize, Whitsell
    - Varieties likely to be released: BL-516, BL-35, 4421712-05, 465418-99, 464918-99, 465518-99
  - Rootstock Breeding
    - Released varieties: Duke 7, Thomas, Barr Duke, G6, Uzi, Steddom, Zentmyer
    - Varieties likely to be released: PP35, PP40, PP42, PP45, PP80

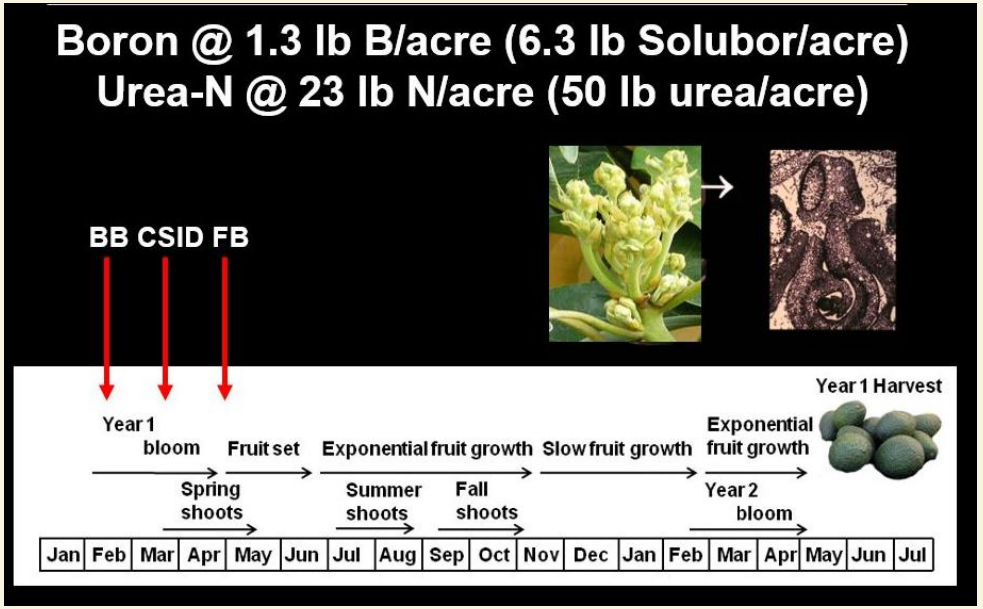
Gwen

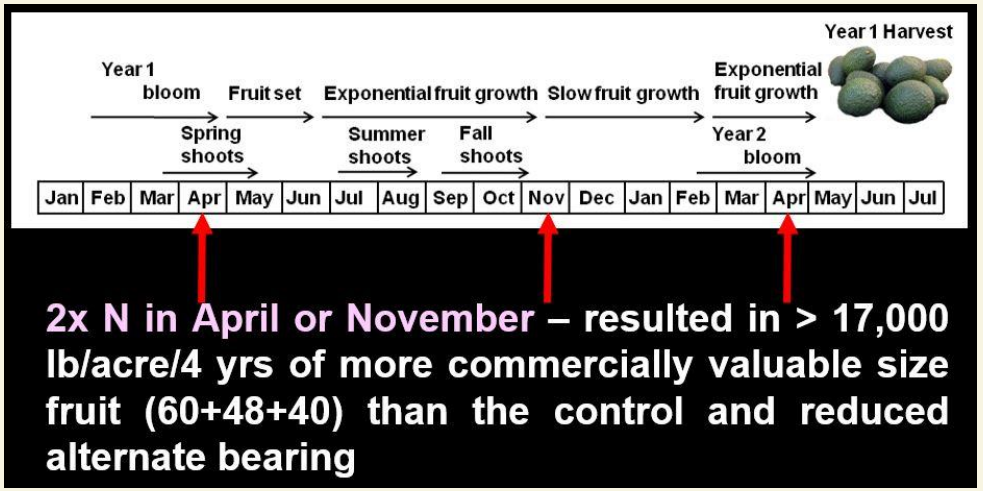
GEM

Lamb Hass

PRODUCTION RESEARCH

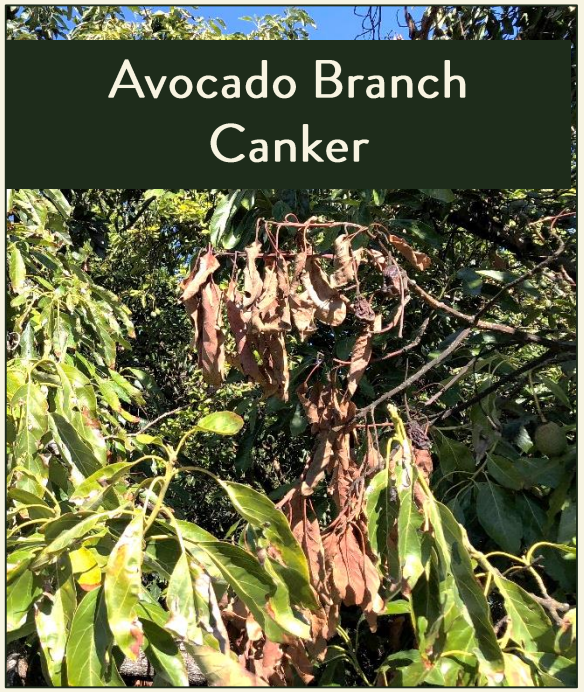
- Cultural Management
  - Urea and Boron bloom sprays to increase yield
  - Fertilizer application timing trials for maximum uptake efficiency
  - High-density spacing and pruning trials
  - Avocado Decision Support Tools
    - Irrigation and nutrient management tools
    - Further development will be based on utilization
  - Plant growth regulators to improve fruit set, size and total yield
    - Gibberellic acid (GA3)
    - Benzyladenine





PRODUCTION RESEARCH

- Production Research's goal hasn't changed, but our approach has
  - Focusing on maximizing limited resources
    - Strong emphasis on grower outreach and education
    - Pine Tree Ranch demonstration grove
    - Research projects very targeted to specific grower-identified issues
      - Let others who benefit from CAC-funded research start carrying the load, e.g., breeding
    - Capitalizing on opportunities to glean knowledge from elsewhere
      - Laurel wilt seminars by Florida researchers
      - Expertise on GEM avocados from other countries



QUESTIONS & ANSWERS

THANK YOU!