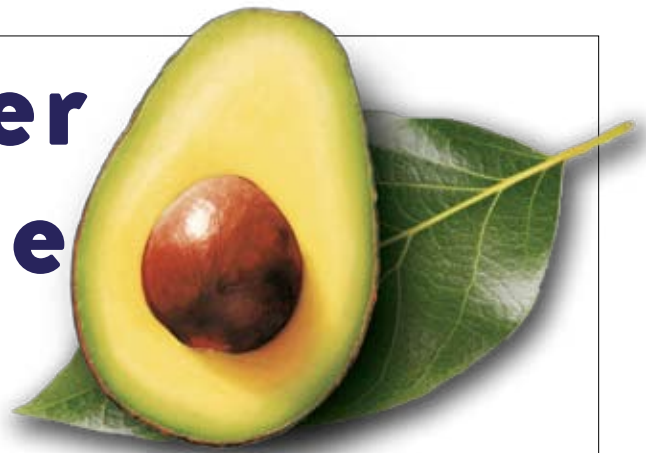


Grower Profile



Beach House Serves as Touchstone for a Family Farming Operation

By Tim Linden

With a farming history that dates back more than 100 years and about a half a century of avocado production, it might seem odd that a beach house in Ventura County is the glue that holds Leavens Ranches LLC together. But separate interviews with the trio of leaders that currently run the 1200-acre operation clearly indicate that the once-a-year summer meeting at the beach house with all the family shareholder members is an extremely important element of the firm's success as a family-owned and operated agricultural entity. It is the touchstone where unit members are updated, expansion plans are discussed and the Leavens family members, who live all across the country, reconnect with each other, their roots and the company.

"Sell the ranch if you must but don't ever sell the beach house," President/CEO Link Leavens quipped is a common refrain joked about during every family in-person meeting.

The family story dates back to 1902 when Joseph G. Leavens came to Ventura County and established himself as a dry goods merchant in Santa Paula. Joe and his brother began farming together between Santa Paula and Fillmore in 1912, and the family is still farming that ranch today. In the 1940s after World War II, Joe's son Paul, a career Navy man, and his wife Anne, and their family moved to a ranch west of Santa Paula. This property, "The Home Ranch," still serves as company headquarters.

Leavens Ranches was established as an official entity and Paul and Anne's four children – Mary, Dorothy, Paul Jr., and Sarah – became partners (unit holders as they are now called)

in Leavens Ranches. That partnership endures today as Leavens Ranches LLC, but now there are 27 unit holders, each of whom draws a direct bloodline to the original Joseph Leavens. Of those 27 unit holders, only three – Link Leavens, his sister Leslie and his cousin David Schwabauer – have a hands-on involvement in running the organization, but the company's corporate structure makes sure that all the unit holders and their families are involved and informed. Hence, there is a second quarter in-person meeting when the family gathers at the beach house in July, as well as an annual meeting in February, and three additional conference calls when further updating occurs.

Leslie Leavens, who is the company's chief financial officer, explained that Paul Sr. had four children, and each of those four G2 (generation 2) branches owns approximately 25 percent of the business. Of the G2s, only Dave's mom, Mary Leavens Schwabauer, the matriarch of the family, is still living at 92. G3, which includes the three aforementioned hands-on employees, has nine members. There are 17 members of G4, ages 18 to 45, and nine members of G5...so far. The board consists of seven people – one G3 board member from each of the four families plus three non-family board members who bring specific expertise to the management of the organization.

It was under Paul Jr.'s leadership that the company grew and expanded three farming areas: the Santa Clara Valley, including the Home Ranch in Santa Paula, the larger ranch in Moorpark and a third ranch in Monterey County. Over the years, the company has grown a variety of different crops,



As they do every year, many members of the Leavens Family gathered at their beach house in July to discuss the family business.

but avocados and lemons are their mainstays, as Paul Jr. focused on those crops in the 1950s as he was developing the ranches.

Link said today's split leans a little bit heavier toward lemons but Leavens Ranches has more than 450 acres of avocados. The company's three leaders each have their own story, which led to their current spot atop the organizational chart of the family farm.

Link and David took similar routes as both of their fathers worked in the company and they followed suit. Link, who is in his mid-60s, has been employed by the company for 45 years. After graduating from high school, he went to Cal Poly Pomona and studied fruit production with the intention of coming to the family business. "As a kid I always knew this is what I wanted to do," he says.

In 1973, after graduating, he joined the firm and has been there ever since. Of course, he has carved his own path but he also has proudly followed in his father's footsteps. For example, in 1987, Paul Jr. relinquished his position on the Calavo board to Link who has served the avocado company in that same position ever since. In fact, he is quite proud of helping Calavo go from a co-op status to publicly-owned with a value approaching \$2 billion.

Along the way he has added to his skill set by earning an MBA from Cal Lutheran and has lent his expertise to many different associations and organizations. Industry service is a common thread among the Leavens Ranches management

team. Besides being president and CEO, Link oversees the Santa Paula and Monterey operations.

Dave also received an agricultural degree from Cal Poly Pomona and an MBA from Cal Lutheran. His father, Charles Schwabauer, married Mary Leavens, and soon found himself working at the ranch. "My dad was always very mechanically inclined," said David. "He was very valuable to the ranch as he kept everything running. He used to say that everything was held together with bailing wire and bubble gum."

David wasn't certain he would follow in his father's footsteps but he said his dad asked him to so he did. "I have no regrets. There are always thoughts about the road not taken, but I know I have lived a rich, full life because of the road I did take."

Like his two other management partners, he is active in the industry, especially on several water boards. He runs the Moorpark ranch.

Leslie, however, did not contemplate a career in ag business. Not while she was in college studying fine arts...nor even when she was first working in agriculture for Brokaw Nursery. "I completely fell into it by chance or accident," she said, remembering that she grew up in a male-dominated culture in which a woman running the family ag business was never part of the discussion.

After graduating from UCLA in the late 1970s, Leslie pursued a few other options for several years including owning a Sacramento business that provided and serviced indoor plants

in office buildings. But in 1981, she moved back home and needed a job. She had grown up with the Brokaw family and was well acquainted with the owners of that well-known nursery. She secured a job as a dispatcher in charge of shipping nursery stock to the company's customers. It was a summer job that morphed into a seven-year run.

"It was a very valuable experience," she said, especially considering that she eventually would move into management in her family operation. "It gave me a lot of insight on being a non-family employee in a family business."

She also got to know many of the farmers in the county and developed strong relationships with many fellow farmers. "These are folks I am still interacting with on a regular basis."

But after leaving Brokaw, Leslie still didn't jump into the family business. "It was very gradual," she said. "I first went to work for the Ventura County Arts Alliance and then my dad hired me part-time."

Leslie helped out with accounts payable and some of the financial work, but she didn't even have a computer. Eventually, however, it did move into a full-time position and she and her dad did discuss her role in the company as well as in the industry. He thought she could play an active role in industry organizations, and, in fact, she has, serving on several water boards as well as local farm organizations including the Saticoy Lemon Association board and the Farm Bureau.

Her dad, she said, ran the company like a "benevolent dictator." Leslie clearly has a different style. She loves the role she plays for Leavens Ranch as its chief financial officer. One important aspect of the job is working with the other members on the board and management committee, especially the chairman of the board. "It is profoundly satisfying to be able to work for one's own family business," she said. "I get to work with not only my brother and cousin but also with the chairman on an individual basis."

She noted that cousin Andy Gilmour has played this role for the last few years and called him an "extraordinary visionary."

Discussing the company operation itself, Link is proud of the work he and fellow leaders have accomplished. He said diversification is one thing they have strived for as a risk defuser. Farming in three geographical areas, the company is physically diversified. With two major crops, it is diversified by commodity. And within those two crops, the company has planted several different varieties, which again adds to its ability to withstand unforeseen problems.

It is currently evolving its planting density strategy. Most of the groves are planted on 22-foot centers, but Link said they have experimented with density as high as only eight to nine foot centers. "We are trying to learn from other perspectives," he said. "More units per acre means more production and that makes sense."

Link marvels about how far the avocado has come in his four-

plus decades of involvement. "It's unbelievable. The elasticity of the avocado is the envy of all the produce industry," noting the premium prices consumers have been paid this year even though weekly supplies are at a very high level.

And he is very bullish on California's future as an avocado producer. He said the advantage of location cannot be overestimated. "CAC (California Avocado Commission) has done a great job of promoting."

As the three managing partners survey their future, they each look at it a little differently. Though Link is the oldest, he is the least certain about retirement and doesn't have a fixed date on the horizon. He noted that his father retired at age 70 and that might be a retirement age that interests him. Leslie, on the other hand, is going to retire from her day-to-day activities at Leavens Ranch in the spring of 2020. But she plans to continue her involvement with industry boards and associations. Dave, at 58, the youngest of the three, is also eyeing the end of the work road, but he hasn't picked a date yet. However, he wants it to be sooner rather than later because he does want to explore some of those roads still untraveled. He said art has always interested him and he has been an active member of the Santa Paula Art Museum. He expects to devote more time to that interest in a philanthropic way when he has more time on his hands.

Of course, the question is who will take over the management of the company. At this point, no members of G4 are involved in the day-to-day operations. And Leslie said the bylaws require family members to have appropriate schooling and experience before they can move into a management role in the family organization. "We have always been a family-owned and operated business, but it appears we will become family owned but not family operated," Leslie said.

David said that does appear to be the case. He observed that most of the unit holders do not live in California and have not pursued agriculture in either education nor in their work lives. He does have a daughter who works for the farm bureau where she lives in Oklahoma, but she is very happy with Midwest life and has expressed no interest in moving back to California.

Link said the company and its family-run board does recognize the situation and in fact, this year did hire a non-family member in a management position for the first time ever. And since his departure is not yet imminent, there will be at least several more gatherings at the family beach house, allowing for strategic planning and renewed connection to the family business before new leaders take over. That also will give an opportunity for more members of the family to come together and celebrate the rich agricultural history that is part of the Leavens legacy. "Who knows, maybe we will skip a generation and then the next one will come back and run the company," said Leslie. 🍷