

CALIFORNIA AVOCADO COMMISSION
MARKETING COMMITTEE WEB/TELECONFERENCE MEETING MINUTES
April 7, 2021

A web conference meeting of the Marketing Committee was held on Wednesday, April 7, 2021 with the following people participating:

**MEMBERS
PARTICIPATING**

Gary Caloroso
Phil Henry
Denise Junqueiro
Rachael Laenen
Patrick Lucy
Andy Lyall
Carson McDaniel
Ed McFadden
Doug O'Hara
Peter Shore
Steve Taft
Rob Grether, Ex-
Officio Member

**MEMBERS NOT
PARTICIPATING**

Doug Meyer
Angela Tallant
Debbie Willmann

CAC STAFF PARTICIPATING

Monica Arnett
April Aymami
Tom Bellamore
Zachary Benedict
David Cruz
Jan DeLyser
Angela Fraser
Ken Melban

OFFICIALLY PRESENT

David Anderson (Anderson Food Sales
and Marketing)
Carolyn Becker (CL Marketing)
Kim Kurata (Kurata Communications)
Marji Morrow (Rockwell Morrow)
Jill Netzel (Fusion)
Laura Paden (PJ/PR)
Matt Schraut (Fusion)
Brittney Theriault (Golin)

GUESTS PRESENT

Candace Hollar
(MullenLowe
Mediahub)
Kathleen Johnson
(PJ/PR)
Eliyahu Kamisher
(journalist)
Lauren Kelley
(MullenLowe)
John Lloyd-Butler
Martin Pagh
Ludvigsen
(MullenLowe)
Steven Muro
(Fusion)
Bryan Reugebrink
(MullenLowe)
Sam Schaitberger
(MullenLowe)

ITEM #1 ROLL CALL/QUORUM

The Marketing Committee (MC) teleconference meeting was called to order at 10:01 a.m. by Chairman Gary Caloroso. A quorum was established.

ITEM #2 OPPORTUNITY FOR PUBLIC COMMENT

None.

ITEM #3 CONSENT CALENDAR

Mr. McFadden moved to approve the Consent Calendar, including minutes from the February 16, 2021 meeting. The motion was seconded by Mr. Henry and unanimously approved. *MOTION 21-04-07-1.*

ITEM #4 DISCUSSION ITEMS

2020-21 California Crop Projection, Timing and Sizing – Item 4.A.

Ms. Aymami shared the February 2021 California avocado forecast of 292 million pounds, down 25 million pounds from the preliminary handler forecast. She explained that “season to date” means harvested since January because November and December had carryover crop from the previous season. The percent of crop shipped this season is a little behind previous years due to weather and other factors. The majority of the volume is the Hass variety. The weekly harvest shows movement with this week bumping up to 9 million pounds. CAC expects the harvest will hit or exceed 10 million-pound weeks in April through July. The total season is now about 2.5 million pounds ahead of the handler projection. She noted a dip in harvesting the week of March 14 due to rain.

The Committee discussed the impact of weather on the crop and Mr. McFadden observed that this season has had the worst (least) rain and most Santa Ana wind conditions he has ever observed. Committee members noted that the cool spring conditions are contributing to some problems with the fruit not sizing up. Mr. O’Hara noted that some growers are seeing early maturity and pending market conditions may try to harvest early to avoid fruit drop. There was some indication that while the number of avocados on trees is similar to earlier projections, the overall tonnage may be less due to harvesting at smaller sizes.

Ms. Aymami noted the grower survey mailed on April 5 and the handler survey will be due at the end of the month.

2021 Import Crop Estimates, Timing and Sizing – Item 4.B.

Mexico: Committee members reported that Mexico revised its fiscal year forecast through end of June upward, to 2.45 billion pounds.

Peru: There are reports of more avocado volume coming to the U.S. than originally reported, perhaps more than 200 million pounds with substantial volume starting early in May. The dock situation in the ports is impacting shipping of all merchandise, therefore there can be big swings week to week in volume. Handlers are building in eight to 10 days holding time in port. With the issues in the ports of Los Angeles and Long Beach it is expected that a lot of the Peruvian volume will be going to the East Coast, but there is a lot of uncertainty.

California Avocado Trade Marketing Program Updates – Item 4.C.

Ms. DeLyser introduced the presenters for the trade marketing program updates, including retail marketing directors and agencies, as noted in the “Officially Present” section. They highlighted the 2021 California avocado retail, foodservice and export programs, including the customer-specific promotions, advertising and public relations.

Mr. Henry asked about the impact of lack of in-person meetings. The RMDs advised that this year it is not impacting programs, in fact in some ways the trade is a little more engaged while working from home. Compared to last year, more decisions are being made on programs rather than just shipments in reaction to the pandemic. Currently it is about 50/50

with retailers in office and at-home. Some of the larger chains are still working from home and anticipate this may not change until fall. People in the industry generally are missing in-person contact and hoping this will change soon. Meanwhile the CAC team is benefiting from the relationships they have built and virtual meetings.

Season Opener Cooking School – Item 4.D.

Ms. Theriault presented the details of the season opener cooking class for media and retailer attendees on March 31. It was hosted by celebrity chef Brian Malarkey and California avocados have received significant media coverage as a result. She also described upcoming consumer public relations promotions including a recipe contest with Modern Luxury and a CAC-sponsored drive-in movie event in Orange County in June.

Shop.CaliforniaAvocado.com Merchandise Update – Item 4.E.

Ms. Morrow presented the California Avocado merchandise shop report through March, covering sales, impressions, engagements top selling items and upcoming plans. Ms. Laenen asked where the orders were coming from, and Mr. Grether asked about the pricing and promotion strategy. Mr. Ludvigsen noted that some testing of discounts occurred in the fall and that various price points were included in the initial merchandise mix. Ms. DeLyser confirmed the team was evaluating existing as well as new merchandise and will be discussing later in the week.

Industry Updates – Item 4.F.

Mr. Bellamore shared the California Department of Food and Agriculture announcement that the statewide grower referendum to continue the California Avocado Commission passed. About 31% of eligible growers voted, and of those 75% voted in favor of continuance. Mr. Caloroso congratulated CAC, saying it is a model board for all of the produce industry.


There is a draft state assembly bill (AB 710) proposing that commodities produced in California that are on a list for the bill should be given preference for sale in California. For retailers to carry different origins of the products on that list those products would have to meet the same requirements that California requires of products produced here. A stated objective is to “level the playing field.” It is a highly political issue. The California Grocer Association strongly opposes the bill. California avocados currently are not on the list. There is a lot of talk in the field about this issue. An ag committee hearing is coming up and this issue likely will be on the May Board meeting agenda.

ADJOURN

Mr. Henry moved and Mr. O'Hara seconded a motion to adjourn the meeting, and the motion passed unanimously. *MOTION 21-04-07-2.*

Mr. Caloroso adjourned the web/teleconference meeting at 11:31 a.m.

Submitted by:

A handwritten signature in blue ink, appearing to read "Jan DeLyser", is written over a horizontal line.

Jan DeLyser, CAC Staff



CALIFORNIA AVOCADO COMMISSION

AB 2720 Roll Call Vote Tally Summary

To be attached to the Meeting Minutes

Meeting Name: <i>Marketing Committee Meeting</i>	Meeting Location: <i>Zoom Web/Teleconference</i>	Meeting Date: <i>April 7, 2021</i>
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Attendees Who Voted	<u>MOTION</u> <u>21-4-7-1</u>	<u>MOTION</u> <u>21-4-7-2</u>
Gary Caloroso	Yes	Yes
Phil Henry	Yes	Yes
Denise Junqueiro	Yes	Yes
Rachael Laenen	Yes	Yes
Patrick Lucy	Yes	Yes
Andy Lyall	Yes	Yes
Carson McDaniel	Yes	Yes
Ed McFadden	Yes	Yes
Doug Meyer	Not Present	Not Present
Doug O'Hara	Yes	Yes
Peter Shore	Yes	Yes
Steve Taft	Yes	Yes
Angela Tallant	Not Present	Not Present
Debbie Willmann	Not Present	Not Present
<i>Outcome</i>	<i>Unanimous</i>	<i>Unanimous</i>