

## California Avocado Association 1924-25 Annual Report 10: 9-13

### CALIFORNIA AVOCADO ASSOCIATION

*Field Day - Hewes Park, Orange County*

July 26, 1924

The meeting was attended by over 200 people who enjoyed the hospitality of the David Hewes Realty Corporation and viewed with interest the exhibit of fruit, packing containers and irrigation system. At noon the guests sat down to a picnic lunch of their own with the addition of lemonade, orangeade and coffee, served by Mrs. D. Eyman Huff.

At 1 o'clock President Coit introduced D. Eyman Huff, the host of the day, who welcomed the visitors to Hewes Park and assured them that at any time they might make use of the park for any purpose whatsoever. Mr. Huff stated that he was now an avocado grower, having planted some 150 trees during the past year and that he expected to plant a considerable acreage of avocados in the future.

President Coit explained briefly the function of the California Avocado Association and urged the growers to support the organisation with their memberships. A number of growers present, who had not previously joined the Association, signed membership applications before leaving.

Chef Wyman of the Los Angeles Times was introduced and told of his interest in the avocado, having become acquainted with it some years ago in Honolulu. Chef Wyman stated that he had prepared a large number of avocado recipes which he had used in hotels throughout the country and had published thru the medium of the Los Angeles Times. The Chef expressed his pleasure at being present at such a gathering of avocado growers and said that any time the avocado enthusiasts wished to get their product before the public by means of recipes he would be more than glad to cooperate with them. He said he thought the avocado was one of the finest foods ever grown or produced and that the future prosperity of the industry was assured.

Secretary Hodgkin was called upon to explain the activities of the California Avocado Growers' Exchange and spoke as follows:

"For the benefit of those who do not thoroughly understand the difference between the Association and the Exchange it would be well to explain that about ten years ago a number of avocado enthusiasts organized the California Avocado Association for the purpose of 'improving the culture, production and marketing of the avocado.'

"At that time few avocados were produced and marketing was unimportant. The attention of the Association has therefore been directed primarily to problems of culture and propagation. But in 1923 the Directors of the Association found themselves face to face with a very serious marketing problem. A study of the situation showed that the Association was not so organized as to cope with the large business of marketing. It

was therefore decided to create a new organization. In order that the organization might be started in the most democratic way meetings were held in every avocado growing district in Southern California. At these meetings all interested persons had a full opportunity of expressing themselves as to the type of organization, general policy and method of operation and at each meeting a delegate was elected to represent the district at the organization and incorporation meetings which followed. The incorporators studied the contracts, by-laws and articles of incorporation of all the successful co-operatives and attempted to choose from them the most desirable features that could be applied to the avocado industry. A new law dealing with farmers' co-operatives had been placed on the statute books of the State of California in August, 1923. Several features of this new law make it much easier to organize a stronger marketing association than under the old statute. Having therefore chosen the best features from the existing California co-operatives, and having adapted them to the new statute and to the avocado industry, the directors feel that the California Avocado Growers Exchange, though the newest and perhaps the smallest of the California co-operatives, is also the most modern and has the best possible legal framework.

The California Avocado Growers Exchange commenced operations in February, 1924. From the point of view of the Secretary, who has to answer complaints of growers and buyers alike, the Exchange was started at the worst possible time. Previous to the organisation of the Exchange, growers had been in the habit of receiving from 50c to \$1.50 per pound for their fruit and at the time the Exchange commenced operations the wholesale price of avocados was 50c per pound but the Exchange no sooner commenced to handle the fruit than prices began to drop—first to 45c, then 40c, then 35c and in May, 1924, the theoretical price was 30c per pound and buyers were not taking the fruit at that. A great deal of fruit was put in storage and large quantities of it softened and had to be sold for as little as 15c per pound. The outlook was discouraging as there seemed to be no way out of the situation. After studying the problem, the Directors decided to take a radical step and completely change the system of selling the fruit. A new location was secured for the packing plant at 1405 East Eighth Street, which is part of the Terminal Market and very accessible from the wholesale terminal, where most of the fruit was sold. About ten days from the time of making this change the fruit was moving out freely and prices had been advanced from 10c to 15c per pound. The Exchange is now handling over 20,000 pounds of fruit per month and has handled to date about 110,000 pounds.

There are several lessons to be learned from this unfortunate experience through which the Exchange had to pass.. First of these is that lower prices do not speed up the consumption of avocados as might be expected. Fruit did not sell at 30c per pound any better than it did at 50c. A reduction of 5c, 10c or 15c per pound in the market price has absolutely no good effect on the market. It is, however, possible to sell a limited amount of fruit at a special sale, at 5c to 10c below the market price, but when the grower comes to town with a load of fruit and accepts 5c or 10c below the market he does his bit to bring down the price level without doing himself any good. The result is that in order to make any sales the Exchange has to drop its price and when the grower returns the next week with another load of fruit he is offered 5c or 10c less than he received before; again the Exchange has to drop the price. The process can be kept up indefinitely. Growers who sell their fruit on consignment make it even more difficult for

the Exchange to maintain market prices because all jobbers would sooner handle fruit on consignment than buy it outright. On a consignment basis they have no investment and therefore no risk. They make their profit by selling the fruit for what they can get and the more fruit they sell the better it is for them. They, of course, endeavor to get the market price in order to hold the business of the grower, but it is not their business to advertise or in any way endeavor to raise the market price. That must be done by a growers' organization or it won't be done at all.

The Exchange was able to increase prices because the new location made it handier for the wholesalers to get their fruit from the Exchange than it had been previously. Added to this the Exchange spent a considerable amount of money on advertising of various sorts. First of all the retail store was established at 430½ South Hill Street, where avocados were displayed and samples were given to passersby and retail sales of guaranteed fruit were made. The store is still in operation. A large number of recipe leaflets were printed and distributed; avocado signs and posters of various sorts were distributed among the retailers and fruit stands. The new location and advertising coupled with a stronger sales effort brought results. A number of new dealers were interested in handling avocados and one at least set up in business as an avocado wholesale specialist.

### *The Outlook for the Future*

The remainder of the present season will be affected, primarily, by the Florida crop which will soon be on the market. According to the inquiries being received by local jobbers this fruit will sell in California for about 30c per pound. Last year the fruit went as low as 20c. The crop of California-Mexican type avocados will soon be ready to pick. On the other hand the supply of California Guatemalan fruit is decreasing rapidly and the new outlets for fruit that the Exchange has created will probably absorb what fruit is left. In fact, it is very important that these new dealers be supplied with fruit in order to keep them in business. As a general rule it is advisable to pick the fruit when it is ready rather than to pick it immature or attempt to hold it on the trees until it drops, in order to take advantage of what the grower thinks may be a better market. The outlook for the next two or three seasons is pretty much the same as for the present season. There will be large increases in production but not so much that they cannot be taken care of by the normal increase in outlets under the present system.

Regarding the future, say three or four years from now, we may look for one or two disastrous years when prices will not only be lower than previously but probably red ink will be received for many shipments and much of the fruit will be allowed to rot on the ground unless we are able to take some very radical steps in preparing for the tremendous production that is in sight. At the present time there are less than 100 full grown avocado trees of known varieties in the State. There are less than 500 acres of avocados producing anything, as opposed to thousands of acres that have been planted within the last two or three years and many thousands of acres that will be planted during the next few years.

During the afternoon tour of inspection through the neighboring groves the growers will see an example of the relation of producing to non-producing groves. On the San

Joaquín Fruit Company's ranch there are 7 acres of Taft avocados that have just come into production but there are also 240 acres of avocados that have been set out within the last year or two. Production then within the next three or four years will be measured in carloads instead of pounds. The only way to offset this tremendous increase is by preparing for it with a large fund of money to be used for advertising and trade development when the time comes. Cutting prices to less than cost of packing and freight will not move all of this fruit because the consuming public knows nothing about it.

The present production is so small that if all the returns were used for publicity and trade development these would be insufficient to prepare the way for the future, and it would be worse than useless to spend large amounts of money on advertising at this time for the marketing of a supply that will not be in existence for three or four years. It is also unreasonable to expect the present producers to set aside a fund sufficient to use when needed because the present producer is no more interested in the market four years from now than is the new planter or the man with avocado land or avocado nursery stock for sale. Unless we are to have these years of disasters, therefore, it will be necessary to set up a fund to be used later for advertising and trade development, this fund to be made up of contributions by new planters in the form of annual dues to the Exchange and of contributions from realtors selling avocado land in the form of a donation of so much per acre on avocado land sold, and of a contribution from nurserymen in the form of a donation on all avocado trees sold.

In the meantime, the producers are doing their quota by contributing to a fund that is being used to extend the market as rapidly as the growing supply of avocados warrants. This preparation, however, will hardly be adequate for the sudden tremendous increase that we look for.

The other side of this rather dismal picture is to be seen in the fact that although thousands of acres are being set out today, the avocado is very exacting in its requirements. It must be free from frost, wind, drought, and excessive heat. It must have good drainage and fertile soil in order to produce heavy crops. It is reasonable to expect that at least some of the land being planted to avocados will not meet these requirements. As a matter of fact the amount of territory well suited to avocado culture is rather limited. The most hopeful feature of the avocado business is the fact that the fruit is in reality a very nutritious food. In the countries where it has long been grown it is recognised as such, but in the United States, and even in Southern California and among avocado enthusiasts it is thought of primarily as an expensive luxury to be added to an otherwise complete meal. When the avocado does become known to the rank and file of the American people as a food to be eaten as such in place of other staple articles of diet, its consumption will be unlimited. Even if it is necessary to bring this information to the attention of the people generally through means of disastrous prices, the avocado industry will in the end come into its own."

The president introduced Mr. Myron Burr, who has become interested in the avocado wholesale business and is specialising as an avocado jobber. Mr. Burr gave an interesting talk of his experience in endeavoring to educate the consumer in the use of avocados, and on his different methods of distribution. He stated that he was distributing through the roadside stands, retail stores, clubs, restaurants, cafes, and

hotels, and direct to the consumer through a mail order business. He mentioned the excellent co-operation he was receiving through Chef Wyman and through chefs throughout Southern California generally; and the excellent publicity he had received through the courtesy of the food show recently held in Los Angeles.

At 3 o'clock the growers, led by Mr. McPherson, made a tour of inspection to the neighboring points of interest to avocado growers. There were fifty automobiles in the tour. The party stopped first at the place of B. H. Sharpless, where the original Sharpless avocado tree was seen; next at the old Northrop place, now owned by Mrs. De Witt Smith, where the original Northrop tree still stands; then over the Skyline Drive, where Mr. C. E. Utt has shown what can be done by converting barren hills into the most wonderful and beautiful plantings of avocados, citrus and grapes in Orange County. At the end of this remarkable drive over Lemon Heights, the party stopped at the Taft grove on the San Joaquín Fruit Company's land where Mr. C. V. Newman explained how girdling had brought about a tremendous production on trees that had spent their energies on growing for ten years. Mr. Newman went on to say, however, that now that the trees had come into production the practice of girdling was discontinued. Mr. Newman then led the party through the new plantings of the San Joaquín Fruit Company's ranch and impressed upon the visitors the importance of careful selection of the avocado seeds for planting, then the selection of the seedlings from the nursery beds, then the careful selection of proper buds for budding, and finally the very careful selection of nursery trees for the orchard planting.

Mr. Newman stated that of the total number of seeds bought for planting, only approximately 25 per cent were finally placed in the orchard as trees. From the San Joaquin Fruit Company's ranch the party proceeded to Mr. C. P. Taft's groves where the original Taft tree was seen with a large crop of fruit setting for next year.