

## **The Avocado Outlook**

### **Wm. F. Cowan**

The Committee, who arranged for the Sixteenth Annual Avocado Institute, were wise in programming the talks to appeal to new avocado growers. This is significant when it is realized that, based on our records, 57 percent of the California avocado growers have been producers less than three years, and only 41 percent have been engaged in producing avocados for five years or more. This clearly indicates the educational job before the Extension Service and the marketing agencies, if growers are to have a comprehensive understanding of the growing and marketing of their avocados.

Grove transfers, or sales, indicate that the older plantings in many districts are being subdivided into smaller units, whereas the new plantings are generally on a larger scale. However, as yet, the average acreage continues at around 262 trees per grower, or about 3.7 acres per producing unit. Therefore, emphasis on how to increase production is essential, if these relatively small-sized units are to continue to be self-sustaining.

More efficient and effective marketing facilities are contingent on increased and more consistent yields. Therefore, it is important that avocado growers exercise careful and intelligent soil management practices over such factors as they have control, for their eventual success will be dependent on heavy yields of quality fruit, at minimum costs of production.

### **Marketing Peculiarities of Avocados**

There are about 100 different commercial varieties of avocados; the ten leading varieties producing about 96 percent of the total production. In addition, there are more than 500 other varieties. Unlike most other tree crops, these varieties are of different sizes, shapes, and of various colors.

Avocados also differ from most other tree fruits in that the fruit matures on the trees, but a softening period before they are edible, averaging about one week from the time of picking, is involved before they are ready to eat.

Based on studies made by the University of California at Los Angeles, it has been determined that the rate of the respiration of avocados is higher than that of most of the other tree fruits. The respiration which takes place after the fruit is picked brings about softening. This peculiarity in the ripening process makes necessary exceptionally favorable storage facilities during the marketing period.

The avocado is not necessarily a natural in "taste appeal"—that is, it generally does not always produce a favorable response when first tasted by the consumer. This taste requires cultivation, necessitating marketing resourcefulness to develop demand for the product.

To be a good commercial variety, an avocado should have good eating quality, keeping quality, and appearance.

Confronted with these peculiarities, pioneer avocado growers conceived and based their marketing program on the following policies:

1. Consumer satisfaction. That is, recognizing that the interests of the consumer must be secured and satisfied in order that the industry might grow and be successful.
2. Obtaining widest possible distribution by an educational program among the trade and the consumers, and to supply the demand of these factors within the limits of production, and to further promote the sale of the fruit by advertising its desirable qualities.
3. Adhering to a flexible pricing policy, which would result in the consumption of the entire crop at maximum returns to growers.

The early producers believed that adherence to these marketing principles would lead the industry to permanency and success. Following; these concepts and to support them, they prescribed standards of quality, size, and uniformity of weights and packs.

Reviewing the early years of the industry, we find that for the first seven years, that is 1924 to 1931, the average production amounted to about 600,000 pounds per year, with a very high return, averaging about 23¢ per pound. During this period of light production, the industry was practically a hobby. However, commercial volume production developed about 1931 and in that year there were some five times the average production of the previous seven years and, thereafter, the size of the crop, though fluctuating, steadily increased.

It is interesting and important to realize that this industry" was developed during the depression years, when there was mass unemployment throughout the country, low purchasing power, and general surpluses in most agricultural commodities. In spite of these unfavorable economic conditions. the industry made continued progress. Aside from the difficulty of introducing a new perishable commodity during the depression years, perhaps the most limiting factor in market development has been the wide annual fluctuation in size of crop necessitating expansion and sudden contraction of market development plans.

### **Initial Marketing Problems**

In the early stages of the industry, there was little trade enthusiasm either on the part of the wholesaler or the retailer. This is attributable to the small production. Trade factors are primarily interested in volume. In order that this new commodity receive the attention necessary to assure its sale, at fair returns to the producers, it was necessary to establish direct sales representation, and to sufficiently promote the sale of the fruit in order to stimulate the interests of the trade and the consumer. In these beginning years, this was proportionately expensive, but the early market expansion program built a foundation which generated sufficient trade interest for the disposition of later large crops.

Whatever the success or progress in marketing avocados, it can be attributed to

growers who have been contented with nothing less than a well planned and rounded merchandising program, based on orderly distribution as a means of exploiting potential markets.

### **Future Outlook**

Projected future crops, which we have made, lead us to believe that we can expect progressive increases annually—for the four-year period ending 1951, the crop may approximate 52,000,000 pounds; for the four-year period ending 1955, 65,000,000 pounds; 1959, 91,000,000; and ending 1963, 117,000,000 pounds.

It is hoped that these projected increased crops will be realized so that a continuous exploitation of the markets will be justified. Crop conditions permitting, increased merchandising effort will serve to; introduce fruit to new consumers; increase consumption of present users; supplement, as well as displace, some other competitive salad fruits and vegetables, and generally increase per capita consumption.

The high nutritional value of the fruit is being emphasized, and this phase of the marketing program will be accentuated. The dietary benefits will be increasingly stressed through home economics and nutritional media.

All of the knowledge and experience of the past will be aimed at expanding the demand in order to make the best possible returns to growers.

### **1945-46 Crop Outlook**

At the present time, business activity is reported to be slightly off, but the sustained incomes from war production seem to be keeping buying at steady levels in the food industry. With industrial peace and harmony, and steady re-conversion progress, the coming season should be very satisfactory. The success of the season, of course, is based on the demand that exists for the fruit; plans to develop this demand have been prepared; to satisfy this demand requires purchasing power, and purchasing power means a high level of employment. Avocado growers can realize and appreciate the benefits that they derive when a high level of employment and purchasing power exists. This has been evidenced by the increased returns received for increased production during the war years. Agriculture will absorb less and less labor, as the trend on the farm is toward mechanization. This labor must be absorbed in other industries and distributive services, if a high level of employment and purchasing power is to be maintained. Otherwise, not only avocado returns will be less, but the industry will be directly affected by other agricultural surpluses. As growers, we must do everything in our individual power to avoid recurring depressions.

In conclusion, let me urge that the avocado growers' perspective must be broadened and not restricted to our own industry. We must be informed on matters affecting agriculture's welfare, such as local, state, and national legislation, labor, and the activities of business in general. Most important, this interest must be continuous and be crystallized into proper legislative representation and action to promote the economic development of this country, if we are to enjoy maximum demand and profitable returns.