

CALIFORNIA AVOCADO ADVISORY BOARD

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Manager, California Avocado Advisory Board

We would like to consider this the 1962 stockholders report from the California Avocado Advisory Board. California avocado growers and handlers have elected a fourteen-man board of directors to invest assessment funds for the sole purpose of improving returns per acre. Like all investment programs, these funds must achieve a profit for the grower if we are to retain his confidence. The advisory board and the manager have pledged themselves to this purpose.

Investment in an advertising program is quite similar to planting an avocado grove. After planting, it takes several years for an avocado tree to become a commercial entity. The young seedling must be planted, then grafted, and carefully nurtured and it is a liability until it reaches the age of commercial production. The same is true of an advertising program. You must make an investment in the consumer for several years before we might expect her to be a "commercial entity" as an avocado buyer. Results of advertising are cumulative and will grow in effectiveness in direct relationship to the continuity of program which we are able to maintain in the markets.

The fact that advertising has had a profound effect upon marketing is evident in your every day life. What you eat, wear, the car you buy, your recreational life and, even how you vote are stimulated by some form of advertising. Most of the fads in which we indulge are simply products of a successful advertising program.

Avocados are a new and strange product to most of the consumers in the United States. This offers an almost unbelievable potential to be captured. Per capita consumption along the western seaboard is estimated anywhere from 5 to 7 pounds and perhaps as high as 10 or 11 pounds in some of the Texas markets. This would indicate that avocados are a product which win favor with the consumers once they are aware of the unusual flavor and know how to use them. Per capita consumption in most of the large eastern metropolitan centers is likely not over $\frac{1}{2}$ pound per person or about one medium size avocado per year. Distribution, therefore, gravitates toward those markets where per capita consumption is high and is neglected by simple economic necessity in those markets where there is unawareness of the product. In simple terms, it is the objective of your advertising program to build awareness in those markets where per capital consumption is low. This in effect will tend to re-distribute the fruit and create new consuming areas. Since we do¹ not have a manufactured product which can be turned out in lesser or greater quantities to suit the whims of the consumer, we experience low prices when the crop is large and higher prices when the crop is small as long as we have a limited marketing area. With a well directed advertising program we have the opportunity to create a market large enough to handle even our largest crops without disasterously low returns to the grower.

This summer your Advisory Board is taking the first step in a long range program planned to expand the market for avocados. The Market Evaluation Committee has selected Washington D.C., Philadelphia, Cleveland, Cincinnati, and Kansas City to begin our development program. The Board and its Advertising and Publicity Agencies are implementing a comprehensive program in these areas where per capita consumption of avocados is decidedly low. The investment you are making in these markets will be continued in succeeding seasons until the market becomes commercially profitable to our growers.

Your Avocado Advisory Board, recognizing that this is a grower owned program, invites all grower members to feel free to visit the offices at any time and welcomes your suggestions at the Monthly Board meetings.