

AN INDEPENDENT PACKER VIEWS THE BUMPER CROP — A CHALLENGING OPPORTUNITY

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This address was presented at an Avocado Marketing Education Seminar in Fallbrook, California, November 18, 1978.

Bumper crops are not new to us. That term has been around for quite awhile; and I am not too sure I know what it means, as our industry has grown so rapidly over the years. Certainly, the "bumper" of today will not be the "bumper" of coming years. Expansion of our industry was *mandated* by profits of the past. Further expansion of our California avocado industry is limited by such considerations as water, land, climate, and a host of other things. These limitations should serve as a control for the orderly growth of our industry.

This independent views the coming crop as a great opportunity. If you are asking yourself, "Opportunity for whom?", let me make a few observations. Avocado growers are the first consideration; without them, we have nothing. Without good production, growers have nothing to sell; and without a product there is no industry. The greatest opportunity must be for the grower to capitalize on his investment. The grower now has an opportunity to cash in on the demand created by many years of advertising and promoting. Growers have spent millions of dollars over the years to create this demand. Now, with good harvesting and marketing practices, combined with timely promotions and a "bumper" crop, their rewards should come.

Grower evaluation of "good marketing practices" requires a great many considerations. Every effort should be made to determine the qualifications of the handler that they are marketing through. Does the handler have the experience and the facilities necessary to market avocados? Does he have the experienced employees necessary for all aspects of the marketing operation, from harvesting to sales and accounting? Is he in a good financial condition? What is his credit rating?

The grower must also consider that the marketing of avocados is much different than marketing other produce items. Let us consider some of the differences and reflect on the uniqueness of avocados. Most produce items are ready to eat when picked. Most fruits and berries taste best when picked either vine ripe or tree ripe; however, to allow sufficient time for transportation and marketing, they are picked several days prior to consumption. Avocados are never picked when ripe. They are harvested when mature and allowed to ripen over a considerable time span. From the moment an avocado is picked until it is eaten, the ripening process is continued. Refrigeration is currently the controlling factor, but perhaps in the future gases such as ethylene or others will be developed to control ripening.

At present, the control of the ripening process is in the hands of the packer, the trucker, the wholesaler, the warehouseman, the retailer, and the housewife. To properly educate all of these people is obviously a major problem. The retailer and wholesaler are educated by the California Avocado Commission (previously by the Advisory Board) and by the handlers. This is done through trade publications and through a great deal of personal contact. Truckers are constantly given refrigeration and loading information by handlers. The Commission strives to educate the housewife through extensive consumer media. This is very expensive and requires much repetition. We must have the consumer knowledgeable as to when an avocado is ready to eat if we are to build consumer demand. Educating all these people is a very big job. Most important of all, however, is the grower. He and his handler must pick his fruit when mature and in the best possible condition to assure consumer acceptance. When growers attempt to play the market for the best price of the day, they often ignore optimal fruit condition. Growers must think RETAIL. Thinking retail should not stop anywhere along the line. It should commence before the grower decides which variety he will plant, and continue through the picking process.

A good grower fully understands the difficulty in estimating his crop. A good packer must be able to estimate accurately as his entire business must be based on not only what he will handle this year, but for several years down the road. As we are currently concerned with the "bumper" crop, let's consider only this coming season.

An opportunity exists for the packer. With a "bumper" crop, he can more fully utilize his packing facilities and his personnel. Obviously, well trained and experienced people do not come and go with the long and short crop years; and our industry is fortunate in having many competent, industrious, and dedicated employees.

Opportunity for the carton supplier? This is what they have been looking for. They have invested millions of dollars in research and plant facilities to supply our industry. If their sales projections of cartons go from 10 million to 15 million cartons in one year, it must be obvious that "opportunity" is there.

In late June the packer begins his estimating. Based on these early estimates, he begins his marketing plan for the coming season. The physical facilities must be looked at first. While the packer was probably looking ahead toward larger crops, and consequently already has the needed buildings and refrigeration and packing equipment he may need, alterations or minor changes may be necessary.

During the month of July, the packer forms his opinions as to what his volume might be for the coming crop. Based on these estimates, such considerations as the number of bins or picking boxes needed are made. Boom trucks for the hauling of bins, Jeeps or other equipment to get fruit out of groves, personnel carriers for the transportation of pickers, and trucks and trailers for the transportation of packed fruit are additional considerations to the packer. These must be ordered early to insure delivery by crop time.

August continues the estimating process with careful consideration of the varietal mix and what the fruit flow might be on a month to month basis. The best possible estimates are also needed by the California Avocado Commission to make all advertising plans. The Florida crop is reviewed with regard to their total crop and peak movement months.

Barring a hurricane or other inclement weather, Florida will market the bulk of its fruit in October, November, and December. Total California and Florida production during these months mandates heavy promotions and the use of every marketing tool we have.

September estimates are used for more detailed market planning. Starting dates for the fall and winter varieties become extremely important as advertising media must be bought well in advance. Promotional media must be most timely to gain optimal benefits. Promotions must be arranged with retail outlets. As most chains need a minimum of two weeks lead time to set up an ad, timing is imperative to assure chains of adequate supplies. This is obviously more difficult when maturity is based on our 8 % oil content law. Florida has a tremendous marketing edge on California as their maturity is based on size and date. The industry there is advised several weeks in advance as to what sizes and varieties will be legal. Knowing this, good market planning is obviously much easier in Florida than in California. Whenever we are planning an "ad," fruit availability is of paramount importance.

The month of September also sees the packer estimating the fruit left to be harvested from the current crop. This means, "How many Hass are left in the north?" As we start marketing the fruit from the "bumper" crop season, we hope that the fruit from the past season will not conflict with the new season's crop. Timing of this switch from one season's crop to the next season's crop becomes a critical problem.

October sees us busy getting everything ready to go; and when we go, we go fast. This includes everything from picking equipment to office equipment. Maturity testing becomes most important with regard to picking schedules and up-date marketing plans. We must have frequent meetings with the retail and wholesale trade to advise them when the "new" fruit will start. Pricing expectations are arrived at after determining the supply and prices of competitive California varieties and Florida avocados. By mid-October, this becomes very complex, as the following varieties are on the California market now. *Booths* from Florida sell at \$7.00 or less, depending on their grade. *Booths* are plentiful in supply, as Florida fruit does not have to meet California standards. Northern California *Hass* may be plentiful at \$14.00 to \$16.00 per lug. California *Reeds*, early *Fuertes*, and early *Zutanos* are on the market at about \$10.00 per lug. Overmature *Hass*, *Jalna*, and *Susan* varieties add to the confusion. With this wide selection of varieties and prices, a stable market is most difficult. Our planning as an independent packer over the short range is really dependent on the supply and the condition of these given varieties.

November begins our "bumper" crop year. Although California avocados are marketed throughout the year, the "market year" is from November through the end of October. Now we are ready. We have the latent demand of millions of people who have been exposed to our advertising and to our promotion. We have the people at the retail and at the wholesale level knowledgeable in the proper handling and marketing of avocados. We have new buildings, new packing machinery, new refrigerators, new bins, new boom trucks, and good experienced people from pickers to salesmen. We could not be more enthusiastic, nor better prepared, to handle another "bumper" year as we are now!