



MULTI COUNTRY AVOCADO PROMOTION PROGRAMS IN THE U.S. MARKET

4th Australian and New Zealand Avocado Growers Conference

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Cairns, Queensland, Australia
July 23, 2009



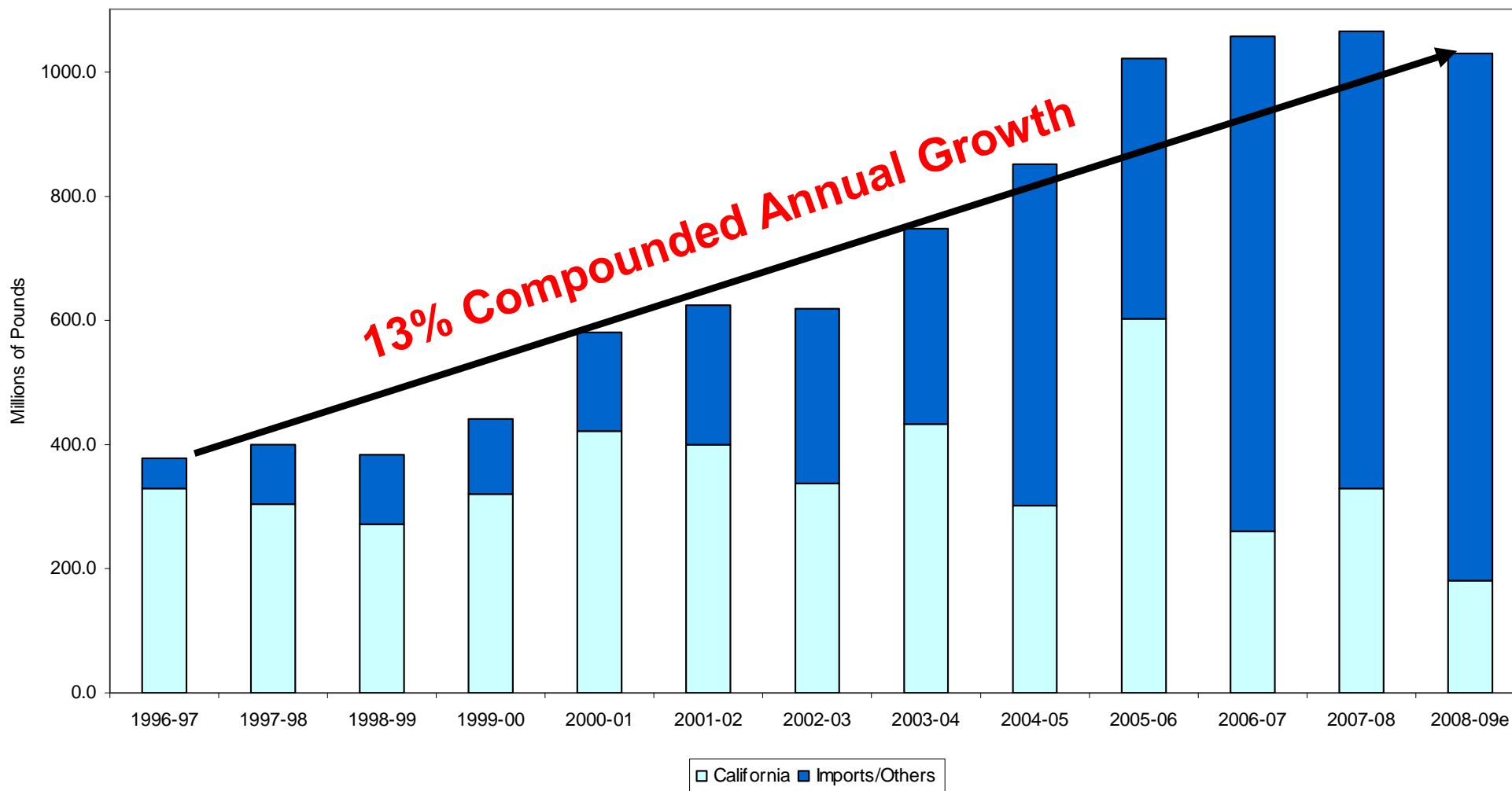
Topics to Discuss

- **Evolution and Growth of a Category**
- **Timeline of Events**
- **Hass Avocado Board**
 - **Introduction**
 - **Associations**
 - **Levy Collection**
- **Marketing Initiatives**
 - **Mission**
 - **Positioning**
 - **Examples of Creative Executions**
 - **Markets**
 - **Timing of Major Activities**
- **Successes**
- **Challenges**
- **Opportunities**
- **Outlook**



Evolution and Growth of a Category

Avocados Volume: All Varieties
Marketing Years (November-October): 1996/07-2008/09





Timeline of Events

Early 1990's

- Chilean avocados are imported into the U.S. at very low volumes
- NAFTA gets signed into Law
- Mexico continues to request access for Avocados into the U.S.

1997

- After a 75 year ban, Mexican avocados obtain limited access into the U.S. under a strict working plan developed by USDA
- California avocado growers see the need to increase marketing dollars in order to avoid a category collapse and begin working on a mandatory funding mechanism

2000

- Hass Avocado Promotion, Research and Information Act is Signed into Law
- Imports continue to increase

2002

- The Hass Avocado Board (HAB) is established under the Act after a national referendum by growers and importers

2003

- Collection of HAB assessments begins

2006-2007-2008

- One Billion Pounds of Avocados are Consumed in the U.S.

Hass Avocado Board

Introduction



- The Hass Avocado Board (HAB) was established under the Hass Avocado Promotion, Research, & Information Act of 2000, signed into law by Congress
- Domestic Hass avocado producers and importers approved the program in a national referendum
- 12 Member Board represented by local producers and Importers
- Operates under the supervision of USDA
- Authorized importer associations formed under the Act are rebated 85% of their member levees.



Hass Avocado Board

Associations Promoting in the U.S.



<p>Associations under the HAB Act and the Order</p>	 A row of four logos: 1) The Hass Avocado Board logo (circular emblem with map and avocado). 2) The Chilean Avocado Importers Association logo (featuring a Hass avocado and the text "CHILEAN AVOCADO IMPORTERS ASSOCIATION"). 3) The California Avocado Commission logo (featuring a sliced avocado and the text "California AVOCADO COMMISSION"). 4) The Avocados From Mexico logo (featuring a Hass avocado and the text "Avocados From Mexico").
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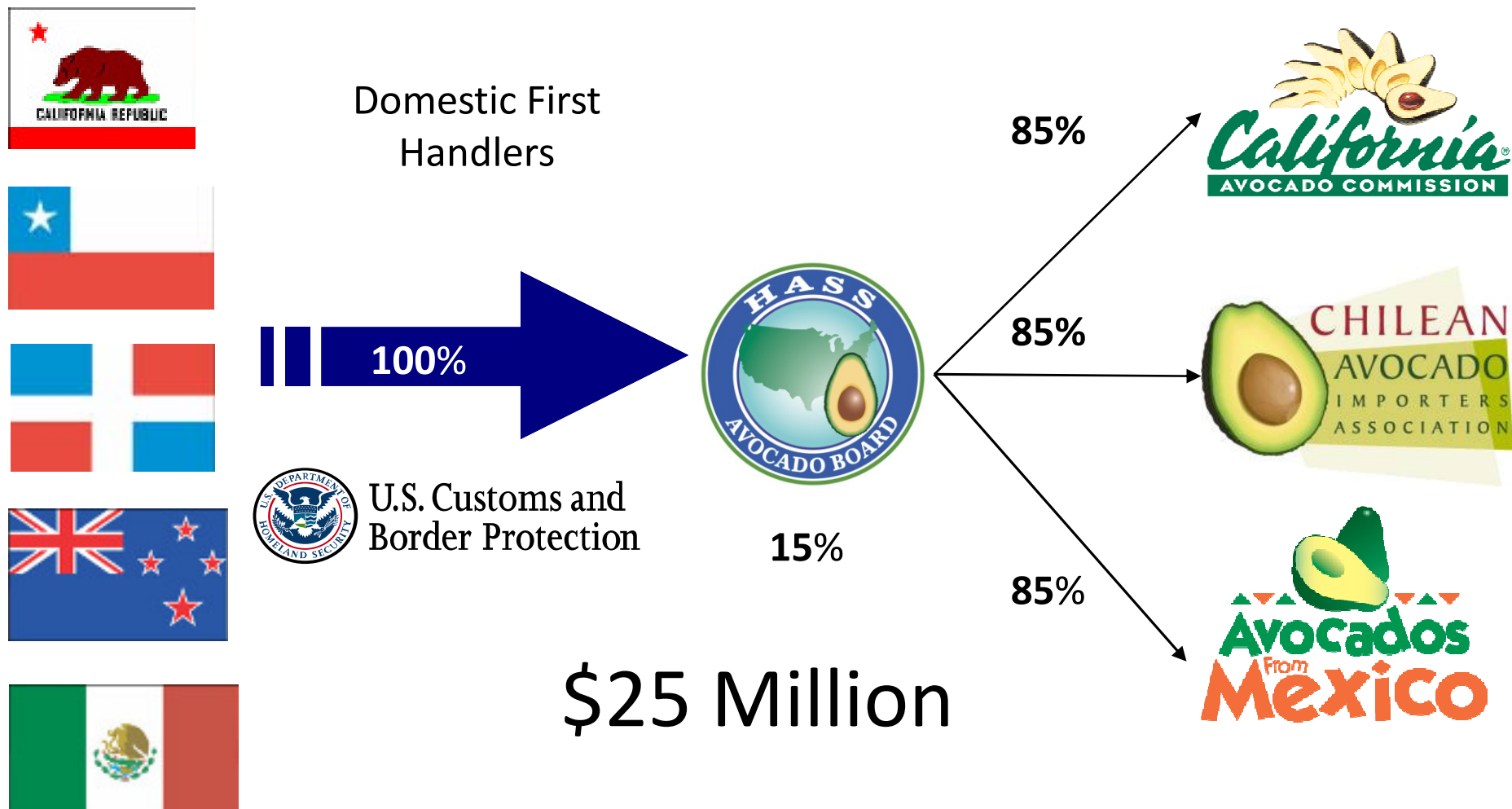
<p>Independent grower/Packer association from Michoacan Mexico</p>	 The logo for APEAM, featuring a stylized green and orange graphic above the text "APEAM".
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Hass Avocado Board

Levy Collection



Domestic producers and importers pay a levy of 2.5 cents per pound, which is collected by HAB through U.S. Customs and Domestic Packers. HAB then rebates 85% to importer and domestic producer associations recognized under the HAB Act and retains 15% for its operations.



Marketing Initiatives

Mission



To increase awareness of and demand for Hass avocados in the United States



To conduct market development activities and promotions to increase the consumption of Chilean Hass avocados in the United States



To aid in maximizing grower returns by conducting advertising, promotion and public relations for California Avocados and engage in related industry activities that together help create a more profitable market environment



To unify its stakeholders by increasing value through expanding the market and driving the consumption for Mexican Hass avocados.

Marketing Initiatives

Positioning



“Hass Avocados, Always in Season!”



Chilean Hass Avocados, “So Good, So Many Ways”



“Insist on California Avocados, Hand Grown in California”



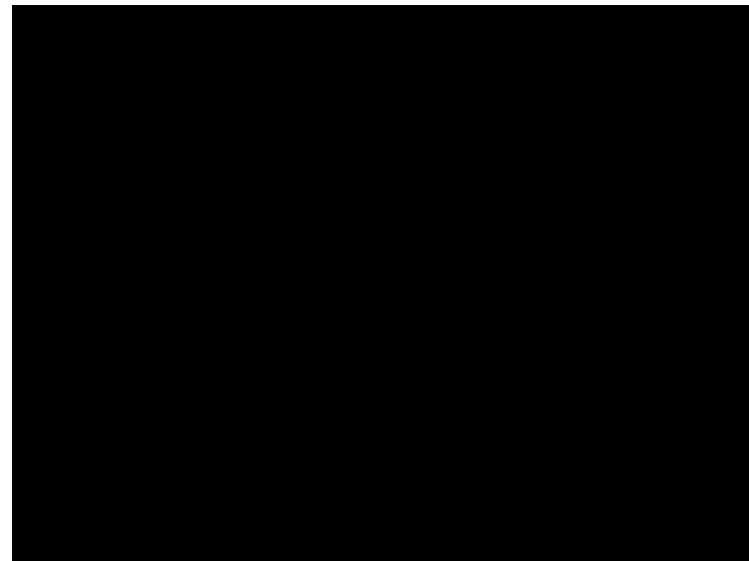
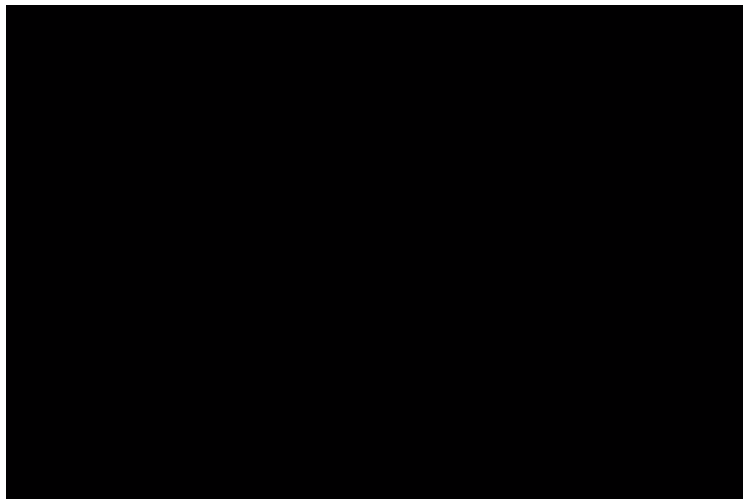
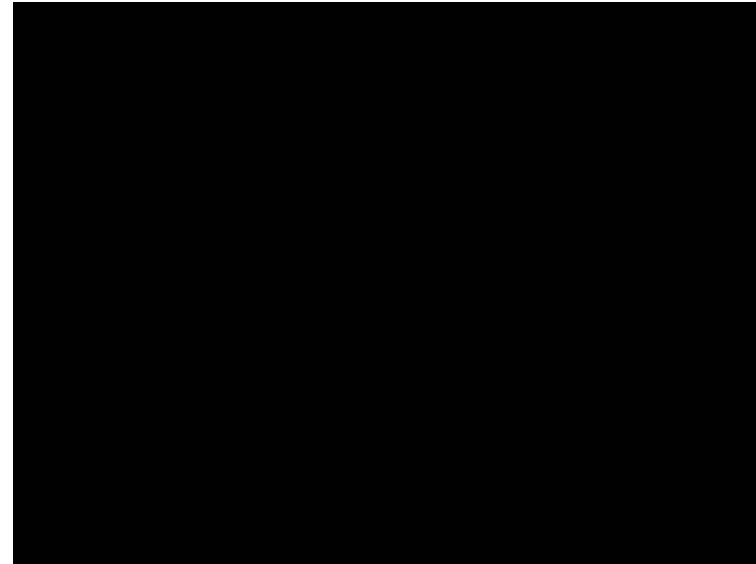
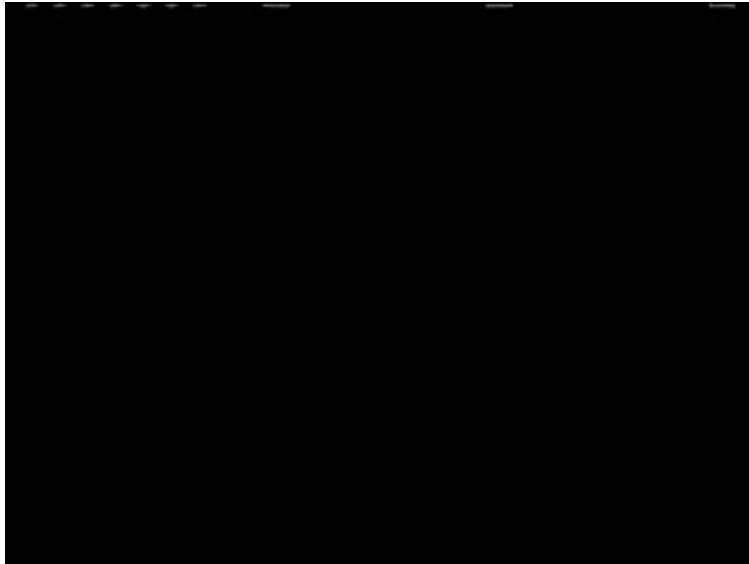
“The Amazing Avocado” and “The Worlds Finest”

Marketing Initiatives Activities



Marketing Initiatives

Consumer Advertising: TV



Marketing Initiatives

Consumer Advertising: Print Media



THE AMERICAN DREAM
TASTES
 SURPRISINGLY
 GOOD ON TOAST

JAIME SERRATO HAS A LOT TO BE PROUD OF.
 But as he looks out over his acres of avocado trees, Jaime beams with gratitude instead. Arriving in America at age 10, he learned the value of hard work by helping his father on the farm. As he grew up, Jaime found mentors at every stage of his career, from his early days as a fruit picker to having a plot of land and a business all his own. Though modest about his own accomplishments, Jaime's pride is obvious in every avocado he grows, and in his son Ricardo, who is following in his footsteps. So insist on California Avocados, hand-grown by families like the Serratos. And spread that American Dream around.

Learn more about the Serratos at CaliforniaAvocado.com.

Insist on California Avocados

Avocados Mexico
 the amazing avocado

your recommended daily allowance of 'WOW!'

Prepare to be amazed by avocados from Mexico. With mono and polyunsaturated good fat, they can help you meet American Heart Association dietary guidelines while adding a rich, creamy taste to the foods you love. What's more, they're versatile, simple to prepare and loaded with vitamins and minerals. And that's enough to make any meal exciting.

discover all the health benefits @ theamazingavocado.com

Marketing Initiatives

Consumer Advertising: Outdoor



Marketing Initiatives Activities: Public Relations



Better Homes and Gardens

April 2008

Guacamole

For made-to-order taste and vivid color, combine fresh ingredients and mast gently.

AVOCADOS
As if we needed another reason to love guac that compounds extracted from Hass avocado cancer cells by killing some and preventing) oting. The monounsaturated fat in avocados absorb all the bioactive compounds they can are also linked to other types of cancer prevention beyond whipping up some guac

Spicy Avocado Soup with Chipot
In a large pan, heat a tablespoon of olive oil, red onion, 1 cup of chopped yellow bell pepper, and 2 1/2 cups of vegetable or chicken pepper, and 1/2 cup of vegetable or chicken pepper. Add 2 1/2 cups of vegetable or chicken pepper, and 1/2 cup of vegetable or chicken pepper. Bring to a boil for 20 minutes. Transfer mixture to a food processor and blend, and 1 medium canned chipotle. Puree until smooth, adding more hot to taste. Garnish with a generous dollop of chopped fresh cilantro, and a squeeze of lime

natural SOLUTIONS

March 2008

HEALTHY PANTRY

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Prevention

February 2008

Smart ways to live well

MEET THE 5 FLAT BELLY FOODS

3. AVOCADO

FLAT BELLY DIET

Chicken with Citrus-Avocado Salsa

NUTRITIONAL INFO PER SERVING (1/2 cup):
Calories 120, Total Fat 12g, Total Carb 12g, Protein 12g, Fiber 12g, Sodium 12g

THE ORANGE COUNTY PACKER

January 14, 2008

Hass Avocado board gears up for game day

The Hass Avocado Board is gearing up for the Super Bowl with a new product line of Hass Avocado Board game day products. The products include Hass Avocado Board game day salsa, Hass Avocado Board game day dip, and Hass Avocado Board game day chips. The products are available at participating retailers.

SAVE \$30 SUPER PARTY!

EASY APPETIZERS

SCUOTTO-WRAPPED ASPARAGUS SPEARS

AVOCADO-STUFFED MARINATED MUSHROOMS

FLATTEN YOUR BELLY FOR LIFE!

Dilly Baby Red Potato Salad

FATTEN YOUR BELLY FOR LIFE!

Fatty foods that fight hunger

Sun-Sentinel

February 3, 2008

QUICK BITES

Guaca-holy-moly, football fans!

The Hass Avocado Board participants at the Super Bowl will donate 45 million pounds of Hass avocados during the Super Bowl this evening. That's enough to cover Arizona's University of Phoenix Stadium.

EASY APPETIZERS

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Woman's World

February 11, 2008

Tips to Clip!

Easy ways to boost your heart health!

Enjoy an avocado!

They're full of oleic acid, a healthy fat that helps lower cholesterol and reduce the risk of heart disease.

They're also a good source of potassium, which helps regulate blood pressure.

They're low in sodium, which is good for your heart.

They're easy to eat and enjoy.

They're a delicious addition to any meal.

They're a healthy choice for your heart.

VERY DAY

WITH RACHAEL RAY

August 1, 2008

ONE 32-ounce container (4 cups) vegetable broth
ONE 14.5-ounce can fire-roasted tomatoes, drained
1 avocado, chopped
1 lime, juiced
2 tablespoons cilantro leaves
1 cup sour cream

Preheat the broiler. Drain the tomatoes and pat dry. In a large bowl, combine the tomatoes, avocado, and cilantro. Add the broth, lime juice, and sour cream. Stir well. Top with the tomatoes and cilantro.

all you magazine

May 2, 2008

rep an avocado with ease

It's the best way to get heart-healthy oils out of their skins and into your dishes.

How to peel an avocado:
1. Wash the avocado thoroughly.
2. Cut the avocado in half lengthwise, around the pit.
3. Twist the halves to separate them.
4. Remove the pit from the larger half.
5. Peel the avocado skin off the flesh.

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Remove the pit.
Gently pry the pit with your knife, taking care not to stab it too hard. The pit will come right out.

Scrape it out.
Spoon along the inside of the skin with a spoon to get the flesh out. If you aren't using the avocado right away, sprinkle it with lemon juice to prevent browning.

FOOD & WINE

THE ARIZONA REPUBLIC

January 27, 2009

SUPER BOWL PARTY IDEAS

Nearly 50 million pounds of avocados will be consumed on Super Bowl Sunday, most in the form of guacamole. That's enough to cover a football field several feet deep, according to the California-based Hass Avocado Board.

For a party guacamole with a slight kick, prepare the Authentic from the Hass Avocado Board. To make, peel and seed 4 ripe avocados. Cut into large chunks and mash coarsely in a large bowl with a fork. Add the following ingredients: 1 teaspoon ground cumim; 1 ripe, medium Roma tomato, seeded and diced; 1/2 cup minced sweet white onion; 2 serrano chiles, seeded and minced; 1/2 cup chopped cilantro leaves; 4 tablespoons fresh lime juice; and hot pepper sauce, sea salt and white pepper, to taste. Blend gently. Serve with chips. Feeds about 6-8.

magazine

March 2009

FLATTEN YOUR BELLY FOR LIFE!

Looking for easy, healthy, delicious meals that won't leave you with a hangover? You've found them here! The HMA's revolutionary new eating plan, the Flat Belly Diet, for more information on how HMA can help you lose belly fat, check out flatbellydiet.com and click on the Food tab.

Fatty foods that fight hunger

Ohio's eat, emporium in monounsaturated fat, may trigger your body to make a hormone called oleic acid that causes hunger, according to University of California, Irvine, researchers. The study found that those who ate a diet high in fat, especially monounsaturated fat, were less likely to snack on junk food. Look for the July 2009 issue of Prevention magazine.

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PREVENTION

May 2008

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never goes out of season

Sure, the Super Bowl is over, but guacamole season never ends.

This recipe, from Washington Post assistant food editor Bonnie S. Henwick, comes together in minutes and can be made in advance. For the best texture, use some avocados that are ripe and some that are more firm. A sprinkling of fresh lime juice and some plastic wrap pressed directly onto the surface of the guacamole will keep it happy in the refrigerator for two days. Serve with baked four tortilla chips.

FLATTEN YOUR BELLY FOR LIFE!

Fatty foods that fight hunger

Marketing Initiatives





Markets



Marketing Initiatives

Timing of Major Activities



	January	February	March	April	May	June	July	August	September	October	November	December
												
												
												
												



Successes

- Over \$100 million spent in the category since HAB's inception
- Trade's perception of Year Round Category Unity has been instrumental in avoiding intra-category conflicts
- Supplier's awareness of market dynamics have translates to an organized and steady flow of fruit
- Uninterrupted flow of data
- Formation of HAB's Marketing Committee
- Increased awareness in developing markets
- 3 straight years with over 1 Billion pounds sold in the U.S.



Successes

“The 13.2 percent average annual growth in U.S. per capita avocado consumption during the 10-year period 1998 through 2007 with essentially constant producer prices is unprecedented for a U.S. tree crop. Much of the credit must go to HAB promotion programs that have significantly increased the U.S. demand for avocados and have contributed to orderly marketing. Producers have received an attractive return on their assessments for HAB programs, with the most conservative estimate indicating a benefit/cost ratio of 1.12 for promotion expenditures. Information programs have helped reduce price variability and decrease retail margins with benefits flowing to producers and consumers”

“An Economic Evaluation Of The Hass Avocado Promotion Order’s First Five Years”

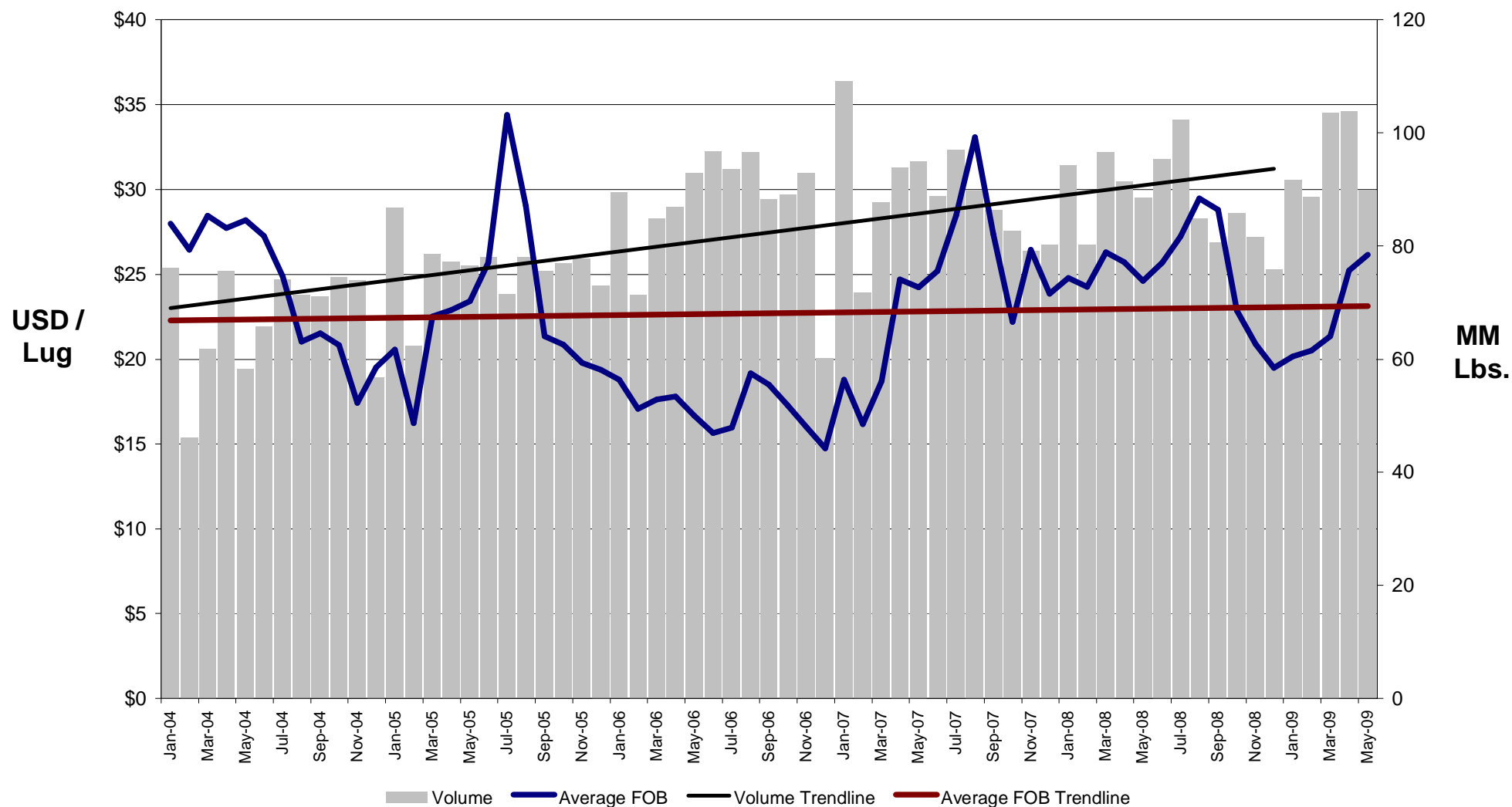
Hoy F. Carman, Lan Li, Richard J. Sexton , University of California Davis



Successes

With a constant increase in volume, inflation adjusted FOB prices per lug (11.2 kg box) have maintained stable, demonstrating the results of increased marketing initiatives.

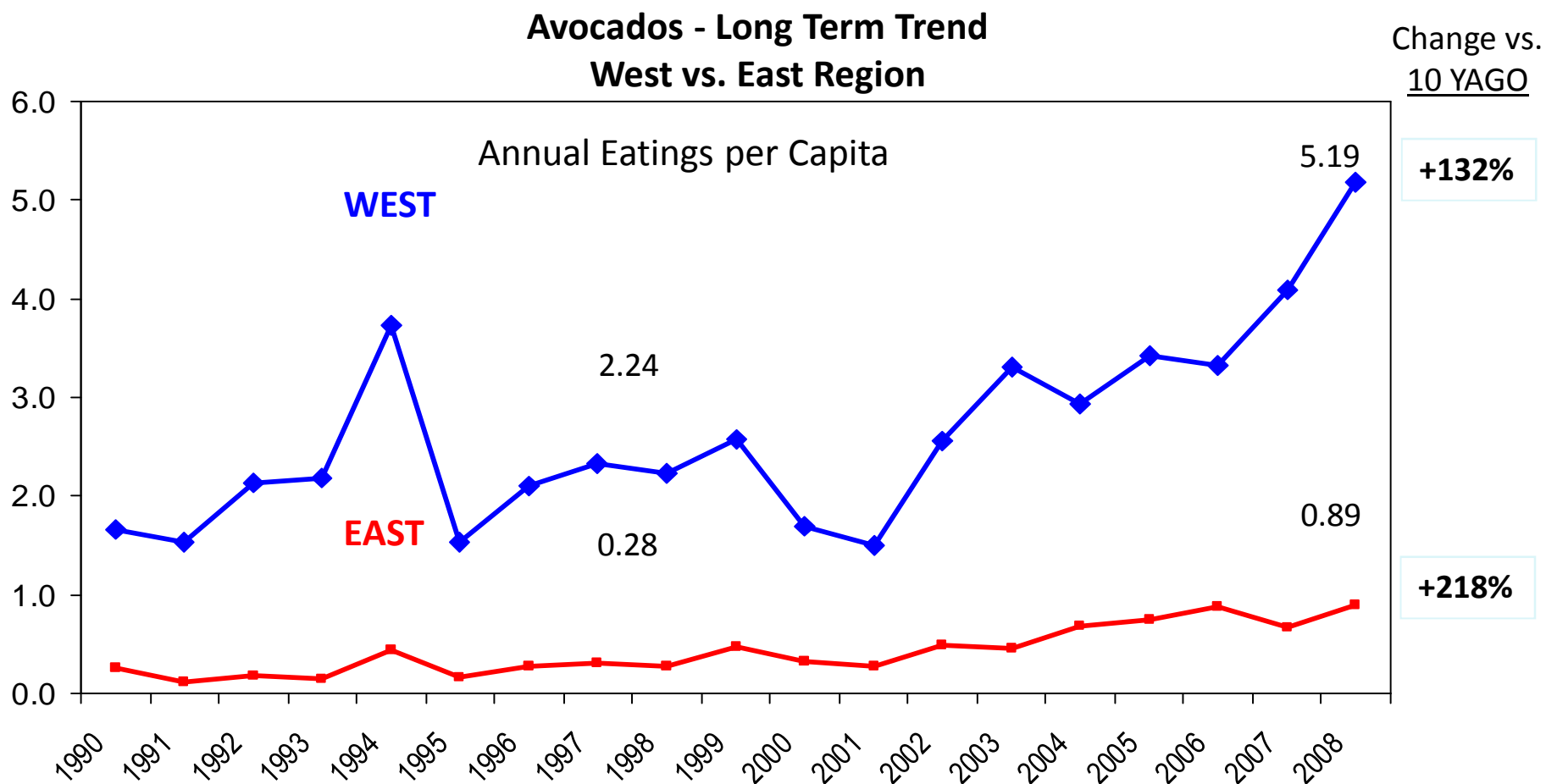
Inflation Adjusted Average FOB Lug Price vs. Volume
By Month, January 2004 - May 2009





Successes

The strong increase in avocado consumption is driven by the West region, but both regions have been seeing sizable percent increases over the last decade.



Source: The NPD Group/National Eating Trends - U.S.



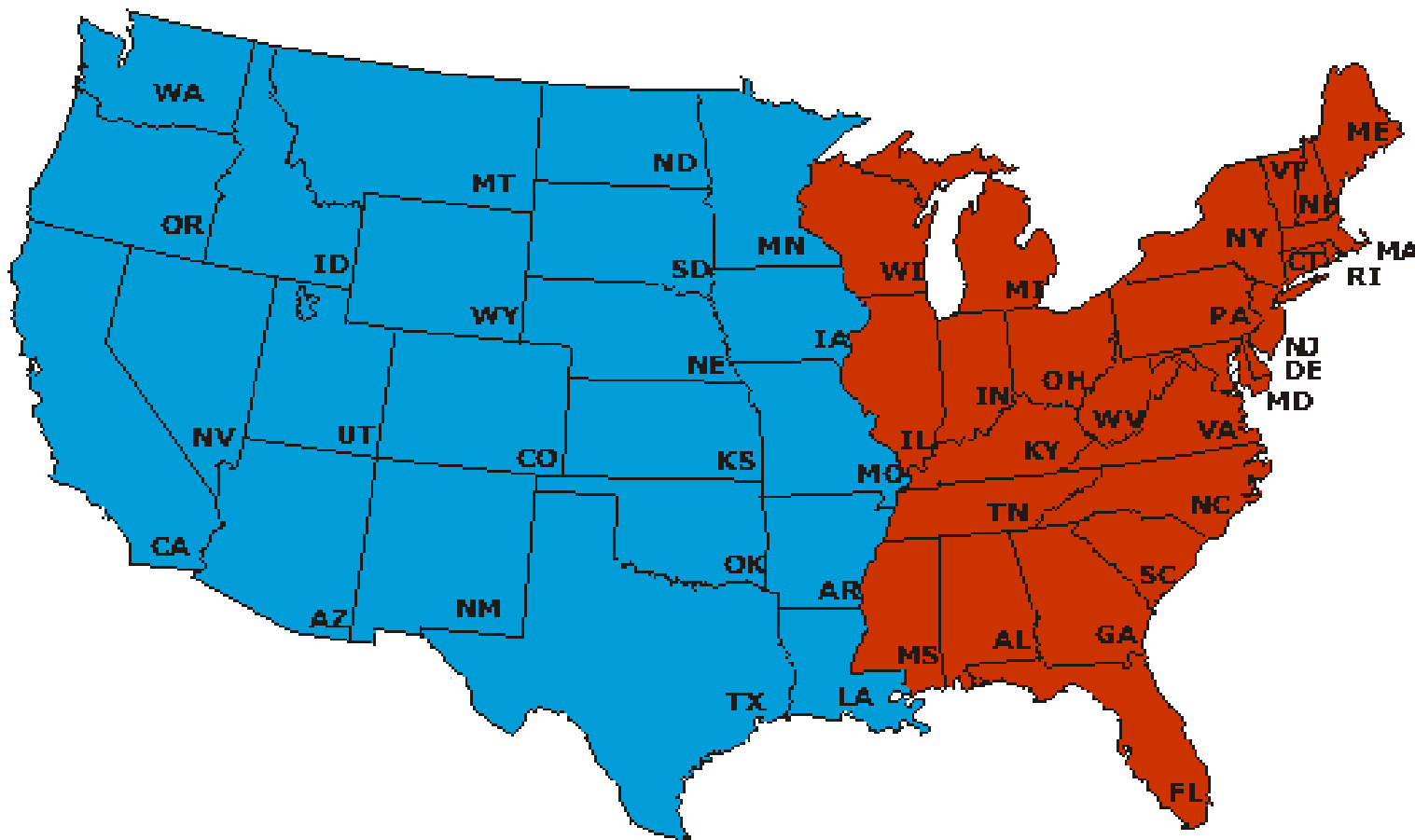
Challenges

- Too many messages create market confusion
- Economies of scale are lost with too many associations
- Issues not related to Marketing create relationship disruptions (pests, tariffs)





Opportunities



West

% of Population: **41%**

% of Avocado Consumption: **67%**

East

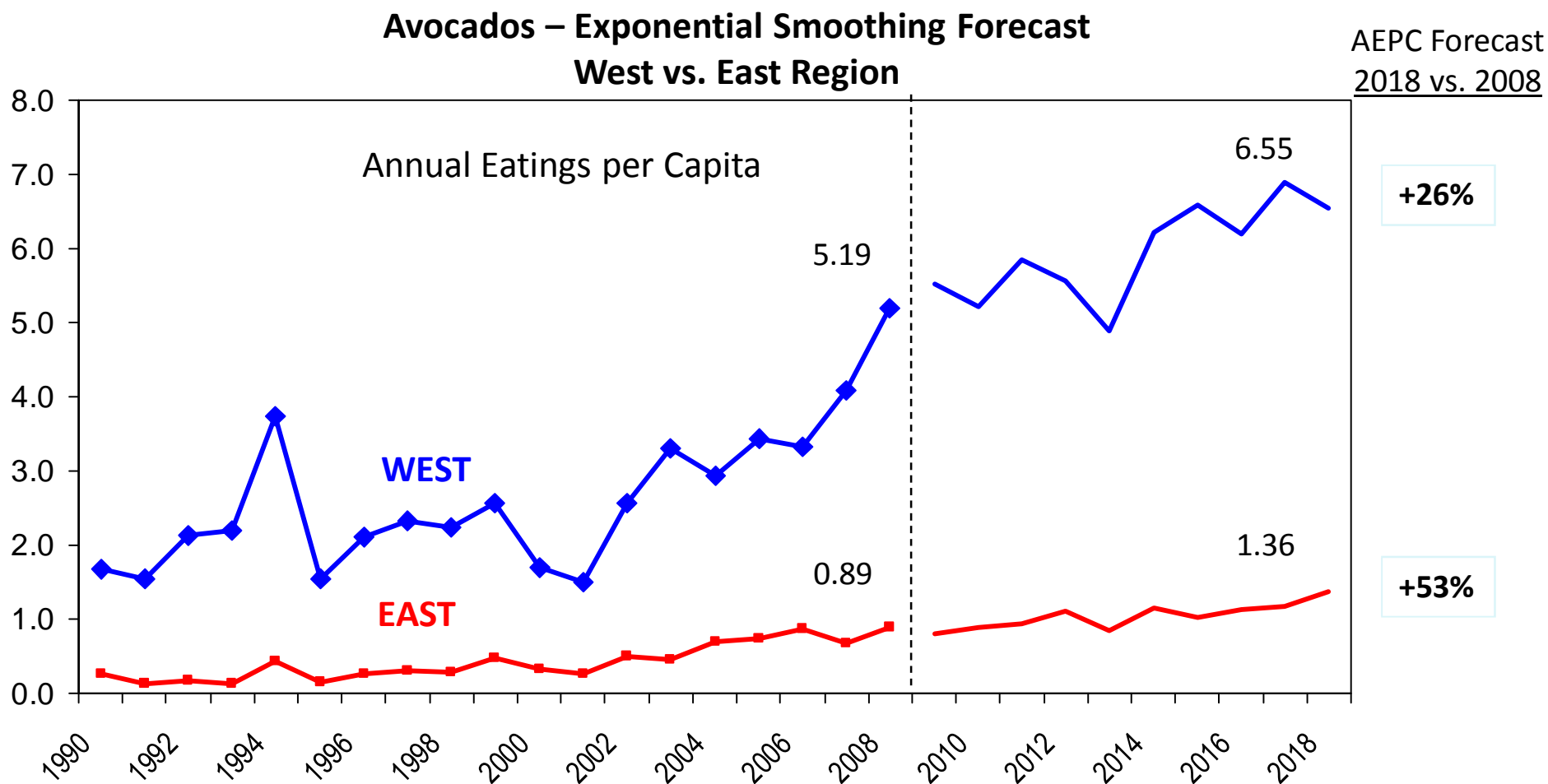
% of Population: **59%**

% of Avocado Consumption: **33%**



Opportunities

The East region has a higher rate of change in eatings per capita, although it represents a far smaller base level of eatings.



Source: The NPD Group/National Eating Trends - U.S.



Outlook

- The Avocado Industry in the U.S. is expected to reach volumes of 1.3 to 1.5 billion pounds (580,000 MT – 675,000 MT) in the next 1 to 5 years
 - Demand Building programs are imperative for the continued success of the category
 - Nutritional research must continue and is imperative to increase the positive messages about avocados
 - Strategic Joint Promotions with all associations are necessary for success
 - Other players are setting their sights on the U.S. market (Peru, South Africa, Australia)



THANK YOU!