

## MARKETING OBSTACLES AND PROBLEMS

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When I was requested about a week ago to come before your California Avocado Association, I probably knew about as little of the avocado business as one could and be interested in anything in California that is grown on a tree. I had heard of avocados and had eaten them more or less, but I had thought of avocados in the same light as we did a few years ago of the Belgian hares, spineless cactus, and eucalyptus. When I was requested to speak to you on some of the problems of the market and I began to come in contact with the people who were in the business and began to learn something of the avocado besides having had it in salad, I began seriously to ponder upon the subject, the obstacles and the problems, and I am frank to say to you that I come before you, after a week of that sort of mental thought, in a very different frame of mind than I had when the subject first came to me.

I have realized the desirability of the avocado as a food. Last fall I was in Florida and Louisiana and there I enjoyed the avocado very much and in fact first learned to eat it.

The first problem in California with the avocado is to put it where the average man can eat it. I have looked at avocados on the bill of fare at 75 cents and a dollar, and I thought they would be fine if I had a million dollars, but they did not mean anything to me at that price in the selection of a meal.

I have compared the launching of your industry with that of the California citrus industry, when the California industry came face to face with a marketing problem, with over-production, without the present system of distribution then in existence, and with absolutely no organization. There was a period when fruit was scarce, prices high, and speculators numerous. At this time the fruit went to the consumers at satisfactory prices to the producer. Then there came a period when the entire condition was reversed, when the market was always over-supplied, the distribution was imperfect, and the prices were nothing. Then the speculative element that had bought the fruit the previous year was entirely absent, except to handle fruit on commission.

You have in your organization a lot of people I did not know were growing avocados, but I see them in this room—men who will go at anything with a determination to carry it through to a successful businesslike conclusion, so I know your organization has started out all right.

I jotted down a few things that seemed to me particularly pertinent to the launching of the marketing campaign of a new perishable fruit industry, as you have to recognize that the avocado is perishable. It seems to me that you are situated geographically in the production of this product, in a most favorable location. We have here each year

thousands of visitors,—the best people of the entire world—to whom if you take the proper steps locally, you can present your product in a favorable manner. It means a great deal to be able to present to a customer—because they are customers—your article under favorable conditions. I believe that more has been done in the introduction of California ripe olives through the fact that after the visitors from elsewhere eat the olive here and acquire the habit here, they use them on their tables and tell their friends about them. I believe more has been done in that way than by any one thing, and I think this is a very important thing in connection with the avocado campaign.

See that your local market is supplied with good fruit, fruit you are proud of as growers. See that your restaurant and hotel people, who use them, know how to prepare them. I am frank to say that the few times I have eaten an avocado in an eating-place in Los Angeles, I have been disappointed in the way it was served. It seemed as though there was a lack of knowledge as to the proper way to prepare the fruit.

You have two cities in California,—Los Angeles and San Francisco— and as I see it, it would be an object for you to begin a comprehensive distribution of your products here under your own supervision. We have found many problems in our citrus marketing that we are now undertaking to solve by what we call "trade development work," or dealers' service work. This work has been done very largely in the East. We only know from our reports and the general effects on our business what the results are. This is a class of work, it seems to me, that would be of great advantage in your business. It works not only with the hotels and restaurants, but with the retailers, with the jobbers, who would handle your product, keeping them all advised of the proper method of keeping the avocado until it is sold and consumed; of preparing it in the various ways it can be used; of its advantage in the diet:—in fact an advertising idea carried out by demonstration such as you have all seen many, many times.

We have in our citrus problem something you may or may not have here. I think I can be frank because I don't know anything about avocados. You should standardize your varieties, just insofar as you can. You must be careful you do not get into your commercial varieties types that may be of temporary benefit to the producer, but may be of lasting injury to the industry. We have in the citrus game certain types of fruit that have an appearance that leads to their selling, at certain times, at higher prices than the standard varieties, but these fruits it has been proven are a menace to the standing of our fruit with the consumer, and it is the consumer you have to satisfy.

You may have a co-operative organization of your producers and may co-operate in your marketing, but you must carry that co-operation down to the people who handle your product and the people who eat it. You take their money to pay you for your effort.

We have found in our business at various times that certain varieties or types of fruit, that were satisfactory from an exterior appearance, did not have the eating quality, the satisfactory amount of juice, and the flavor, to build up an appetite for oranges, and we have had reports from certain markets at different times that indicate that the sale of such fruit has seriously affected the demand for more fruit. It would seem desirable to me, if you standardize your product, that you should adopt something in the nature of a brand, which would stand for your Avocado Association, and which would mean a certain thing to the consumer.

I am not "talking shop" at all, or boosting our own organization, but the greatest thing the California Fruit Growers' Exchange did was to adopt the word "Sunkist" on the best grades. I believe the benefit of the word "Sunkist" has been decidedly cumulative. It has been worth more to us every year than the preceding year. I believe if your Association is in such form that you can get together on something of this kind in the beginning, you will find the benefit cumulative as you go on.

I was talking to a jobber the other day about avocados. I asked him what he knew about them. "Well," he said, "I don't know much about them except in Chicago they used to ship them from Florida—great big green things. The people used to cut them open with a hatchet and take the seeds out to take home to the children to play with." You will probably have advertising problems and I believe, from what I know, that you can carry this out successfully. It is probable that if I were going to do this, I would figure that as the production increased you should start advertising in Los Angeles and San Francisco and work out from these points near the center of production, as fast as the increasing production makes it necessary.

I think it is very important in your marketing arrangements that you bear in mind that you should make very careful selection of the people who represent you and are going to handle your products. It would be a very grave mistake to go into a city of one hundred thousand and attempt to place avocados with every one, in that market who is handling perishable commodities. I know that in every city there are celery houses; there are other houses that are known as orange houses, which handle nothing practically but oranges and apples; and there are other houses that handle everything. You must show the party who handles your products that there is a future and a profit in them, and that you intend to put out a grade of goods that will enable him to build up a business.

I don't know what your present package for shipping avocados is. A great deal of care should be given to this. It must be a package that will meet the necessity of the fruit itself and it must be something of a size that will admit of its proper handling by the jobber. Now the old Spanish Valencia case was a great big box about the size of a coffin that held three packages of oranges. That was a package one couldn't handle and distribute in the by-ways of the country, as we have the standard California box. There are things of this kind that are very pertinent in helping to build up your business.

We have a marketing problem that may not be greatly dissimilar to the avocado, and that is marketing the California grapefruit. There are a great many varieties, you all know, of California grapefruit. There are only a few varieties commercially profitable, and grapefruit people are now going through a period of changing their varieties to those commercially satisfactory and that can be commercially sold. We have found that Florida competition on our grapefruit has practically confined our grapefruit to this coast. We possibly don't raise as good a fruit as they do in Florida, but anyway, we have a problem of increasing the consumption that is possibly similar to the one you will encounter.

To be a successful industry, a product must be placed within the reach of the middle class, and your problem is to work out the way of doing this. It is not the problem of selling a limited product to a class of trade who are demanding more than you have, but it is a constructive problem which must be built up on what is fundamentally the right

lines of distribution. With the proper people in charge of your business, I can see no reason why you should not have success and build up a business that will be a great one for California.

As I heard the food elements of the avocado discussed, it seemed to me that you have a wonderful field. With the increased cost of all things such as meats, etc., it is very evident to us that fruits are becoming more and more a staple in all parts of the country and with all classes of people. This is not a fad, I think, but a thing that is coming to stay. This is true with our different fruits; and with your fruit—the avocado—which is almost a staple food. It will be true when the time comes that you can place your product before the consumer at a price he can afford to pay. Create an appetite for the avocado, as you may have to do—although such was not my experience—and you will find a wonderful outlet for the production of an article of which you can be proud and which will be of lasting good to the American people.

I don't know that I have anything further to add. I assure you it is a great pleasure to speak to you and to see that so many good people are interested in the production of the avocado.

## **DISCUSSION**

**Chairman:** There has been considerable discussion on the matter of values of the avocado fruit, and some criticism as to the selling price. We feel that this should be taken up and some expression given by the Association.

**Mr. J. T. Whedon:** Has there been any action in regard to the kind of box to ship in and whether every individual should look after his own market or do this through the Association?

All of our other crops, such as walnuts, lemons, and oranges, are handled through associations. Marketing was tried individually and proved a failure. Co-operative marketing has brought success, and it seems to me that we have started in on the right line and should have some one looking after this part of our business.

**Chairman:** The Association has attempted to prepare itself to do that very work. Getting the proper package and proper trade-mark will be two of the first things to be taken up. Of course, the market has been such up to date that there has been no call for the aid of the Association. The small, thin-skinned varieties that are not classified in any shape, we cannot expect to market except in a general way.

**Mrs. McKay:** How is the Association going to handle it? By a committee? In what way would they bring the work to a head?

**Chairman:** That would be a matter for the consideration of the Board of Directors. I should judge that when we have sufficient shipments, we will have a committee of the actual shippers to decide on these points.

**Mrs. McKay:** I should like to know if it would be in order to appoint a committee to find out how to use the avocado and have several women assist the University in its research on the avocado.

**Chairman:** I think that is a good suggestion.

**Mrs. McKay:** It seems to me a woman could devise new suggestions for using them.

**Chairman:** Last year we did give this matter consideration to some extent. We had some experiments conducted and issued a card giving a number of recipes that seemed to be especially good. We have these cards or folders at the office of the Association where they may be had on application.

**Mr. Robertson:** While it may be a little early in the industry to bring up a discussion as to the best methods of packing, I have wondered if the Association has made any investigations as to packing avocados, whether they should be packed in paper or packed loosely.

**Chairman:** We made some experiments last year, and the results show that this fruit must not be wrapped.

**Question:** What is the trouble?

**Answer:** They sweat and rot when wrapped.

**Question:** They were packed in paper, were they not?

**Answer:** Yes.

**Mr. Robertson:** The reason I mention this at this time is because last fall at El Paso I happened to go into one of the grocery stores and bought some avocados that came from Florida. I happened to get the first fruit that came out of the package, which was a box about the size of our ordinary orange boxes. When I put my hand inside the box after the clerk had taken one fruit out for me, it was quite warm, in fact, hot. This led me to believe that possibly they should not be packed or wrapped in paper at all.

**Chairman:** Growers have made some study of shipping, and the best method to date seems to be to ship them in excelsior and not wrapped in paper. Anything that prevents free ventilation is bad.

**Mr. Spinks:** I have made some small investigation of this matter. When in San Francisco last fall I visited several shippers of avocados and they all seemed to agree that they wanted very little excelsior, just as little as possible, and as open a grade as possible, no excelsior at all if it could be avoided.

**Mr. Robertson:** The box I saw in El Paso was not a well ventilated box. It was an orange box, I judge.

**Question:** Have the growers in Florida learned anything along this line?

**Answer:** They pack about 40 fruits to the crate and in excelsior.