

Industry Observations

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Mr. Chairman, Ladies and Gentlemen: I want to thank you, Mr. Christie, for your very kind and flattering remarks. I am a little embarrassed because certainly whatever success Calavo may have achieved is by no means due to my individual efforts nor to the efforts of any one person, but to the cooperation of all of us here and to many others, and to the hard work and smooth functioning of an organization of about one hundred loyal employees of whom I see many here tonight.

This success is also due to the generous assistance of many other organizations, particularly of our County and State and Federal Department of Agriculture and to the University of California Citrus Experiment Station and to our friends of the press, the newspapers here in Southern California as well as in the cities in which we carry on advertising in the east.

And certainly, last but not least, to our friend, the California Avocado Association. The Association not only sponsored the Calavo Growers—I was going to say the Calavo Growers were born of the Association, but when you reminded me that the Association is only twenty-one years of age and Calavo Growers a little over thirteen years, I thought it might be a little too precocious. But the Association has certainly taken on its shoulder a great deal of the work Calavo Growers would otherwise have had to do.

VARIETY REPORTS VALUABLE

I think that is one reason why the Calavo Growers have been successful, namely, that many of these matters have been handled by the Association—and successfully handled. I am thinking particularly of certain jobs such as the Variety Committee's Reports. Those of you who heard the Report today and have heard them through the years, realize the value of that Report. Without them the industry would be in a very chaotic condition today.

I know from observation what those men have been through. They have used their own time and money to study the varieties and report on them; they have given the best information they can find so that the grower can be at least advised of the latest thing that is known about these varieties. They change their mind from year to year and make mistakes, but nevertheless they have the temerity to come out and say what they find at the time, and growers find that this information benefits them.

Then there is the work of standardization. About fifteen years ago the Association started the work by arousing the interest of the University and others in the method of relating maturity to oil content. After some years of work they got avocados included in the Standardization Law. This law has been very effective, due largely to the enthusiastic cooperation of the law enforcement officials, agricultural commissioners, and the State Department of Agriculture. I might add that one reason it has been effective is for your own work, Mr. Chairman, when you were with the University, and developed the method of determining oil content in use today.

There are many other things that the Association has done which we would have had to do, so that Calavo Growers has been relatively free to deal with the problem of marketing. Judging by the meeting today and the questions asked, there is no problem of marketing—at least no one seems to be particularly interested in it. The problem is still there, however. Fluctuating production adds to the problem but we hope that with the aid of the Association and by group action we can solve it.

Last year we had a crop four hundred percent bigger than anything that we ever had before. This year it is more or less the opposite situation—we have a crop only half of what it ought to be. Next year we don't know what the crop will be. One year we may have a three million pound crop, next year thirteen million, next year six million or twenty-five million—I never played an accordion, but I can assure you that trying to adjust an organization to these fluctuating crops is pretty good practice. That is the biggest problem, I would think, adjusting ourselves to this fluctuating production.

I read with interest this week a copy of a report on Calavo Growers put out by the Harvard Business School. They made two statements of particular interest. One was that the outstanding characteristic of the organization was flexibility. The other was that they concluded that the better price for the California fruit as compared with Florida fruit, was due in large degree to the cooperative marketing development in the State of California.

SIDELINES AND EXPERIENCE

One reason why the organization has been flexible is that it has handled certain amounts of side lines which have filled in during slack periods and short seasons. Another has been the accumulated experience of the organization—problems are now handled more or less automatically by employees who know their jobs. If there are any growers here who have not been in touch with the organization, or who think in terms of five or ten years ago, I am sure they will be pleased and surprised to see the changes that have taken place, and I want to issue an invitation to all such growers to come in and see for themselves.

Mr. Chairman, there is just one subject I want to touch on and then I'll stop. Mr. Ryerson passed the word to me that it would be all right with him if I talked all night.

This subject has to do with production, too. Mr. Wahlberg stated there was great variation between groves. You stated in your remarks that there were two factors necessary to produce greater profits—one is production and the other is marketing. Recently I have heard again and again the fact that people seemed to be pretty well

satisfied that the marketing was going to be taken care of. When big crops come we would take care of them; but the growers were concerned about production—the orchards were not producing crops on which could be built an industry. Unfortunately we find that this is more or less true. We have just completed a careful study of the production of trees of all ages in all groves owned by Calavo members. We find that on the average there are many groves not producing sufficient crops on which to build an industry, but fortunately there is a reason for that—the trees are not old enough. As you know, the average age is about six years. When you consider that the oldest trees in the State are somewhere in the neighborhood of forty to forty-five years, and still growing and producing bigger crops all the time; and when you hear about trees such as Jim France described in the tropics producing still bigger crops, you can realize that it isn't right to expect a little tree four or five years of age to do the job of trees mature only after fifty or more years of age.

TIME AND CARE IS ANSWER

I think that is the main answer to the statement that some of the orchards are not producing commercial crops. We haven't given them time. We found in this study that when trees reach an age of from eight to ten years they do start producing very satisfactory crops. We found also, in line with what Mr. Wahlberg said, that there is a tremendous difference in productivity of trees of different groves, according to the location and the care that is given them. Some are very good and some very poor, and there is a tremendous spread—perhaps the greatest spread between groves in this industry than in most any other industry. Undoubtedly some groves should never have been planted. But fortunately, the vast majority of the trees are in locations which, if they continue to receive the present type of care, will produce very satisfactory returns—I think at least as good as any that could be expected in any other agricultural venture.



One of the seven large retail food establishments in St. Louis, which is a Calavo "booster".
Above photo shows market display of Calavo avocados for the holiday trade.



This window display and a demonstrator sold 85 flats of Calavo avocados during one week at a prominent Chicago retail store. The sale was coordinated with Calavo's newspaper advertising, with gratifying results.