

## Marketing the Avocado Crop

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Marketing, of course, covers a great many things—the economic conditions, the size of the crop, the condition of it, and other foods that may be available which compete with your avocados. For quite a time now, all agricultural products have been selling very readily at extremely high prices; and there is grave danger that a lot of us have been lulled into thinking that these conditions will continue forever.

Most of the so-called professional statisticians and economists are warning us today that farmers are probably at the end of their peak of boom times; that the chances are that in the next few years, or perhaps even months, the farmers' position will be reversed. Rather recently you have been at the top of the peak, and other people have not been doing quite so well. The reason they give is that you have increased your production during the war years when there was great need for the production, and that the need is perhaps still here, but other people can't pay for your production. Therefore, the demand will drop off, while your production stays high. Other products, manufactured products, have been cut down and are only just building up. Then, of course, wages, as you know, are continuing to increase. It looks as though it is quite possible that the farmer will find prices dropping and costs going up, and it won't be so comfortable.

Now, when that is going to happen or to what extent, what products, etc., it is pretty hard to say; but getting over into the avocado field, if we have those conditions, how is it going to effect you? First of all, if you have a depression, it is generally considered that it hits the so-called luxury items first and hardest. We may not think so, but a lot of other folks think that avocados are somewhat of a luxury.

Some of the first things to feel the pinch have been such items as furs, and furs are considered an agricultural product, which have been hit hard. Another of our great agricultural industries in California is now being hit hard, the wine industry; and of course the wine industry affects the whole grape industry—raisins and fresh grapes. Such items as dried fruits and nuts were hit pretty hard this past year. The packers and the growers may have gotten rid of them in many cases; but, nevertheless, they are still on the shelves of the dealers and those dealers are not very enthusiastic about buying them next year.

We have an estimate for the coming year of an avocado crop that probably will exceed any crop you have produced in California. It is not, perhaps, quite so big as we thought it was going to be a little while ago, but nevertheless, its still looks big. Perhaps it will be

double last year. If you have the conditions that the economists are talking about: low buying power, a surplus of food items, and a big crop of avocados, I suspect you will be faced with the biggest challenge you have ever had in the history of your industry.

The question is, "What can you do about it?" First of all, what can you do as individual growers? If you listen to your farm advisors, Harold Wahlberg and the rest of them, and to Bob Hodgson and others at the University, you will have to produce the most fruit of the best varieties, and the best grades, at the lowest possible price. That is, of course, summing it all up in a nutshell.

What can you do about helping the marketing of that fruit? You have heard a lot about varieties today so I won't need to go into that in detail, except to say that poor varieties not only cut down your returns but they do add to the costs of handling a great many varieties (and heaven knows, you have too many, there is no question about that). A great many varieties add to the cost of grading and packing your fruit. A poor variety, to some extent at least, causes consumer dissatisfaction and to that extent it hurts the sale of your better varieties. You can expedite the long-time program of working over your poor varieties to good ones, and of course working over the poor strains of the good varieties to better bearing strains.

There is also the matter of handling your fruit in the orchard: Careful handling will avoid bruising and scarring and damaging your fruit, cutting the stems short, seeing that your picking equipment, your bags and boxes, are clean and there are no stems, leaves, grit, gravel or anything in them which may damage the fruit. Place the fruit in those boxes carefully, stack it in the shade, and see that it gets delivered to the packinghouse before it acquires a lot of orchard heat. If it once gets heated up, it is hard to get that heat out and the fruit won't hold up so well, won't last so long, and won't get to the consumer in the best condition.

### **Distressed Fruit**

if you have a lot of distressed fruit, (such as windfalls or frost-damaged fruit), put that fruit in separate boxes. Some people mix it, I think, with the idea of getting a little better grade. Actually it slows down the grading, costs more money, and the chances are it will hurt the grading of all of your fruit. Or, if some of it does get by, it causes consumer dissatisfaction.

Then there is the matter of maturity—under-maturity and over-maturity. There is a lot of argument as to which is the worse. From some points of view, the over-maturity is even worse than under-maturity. There is nothing more costly in the packinghouse, and more of a headache all the way around, than handling immature fruit, trying to pick out the fruit that will meet requirements and the fruit that won't. Of course all marginal fruit doesn't get graded out. Graders are human, and some gets by; and that causes consumer dissatisfaction.

If you will hold off your picking until your fruit is reasonably mature, you will save yourselves the possibility of having your fruit condemned. You will decrease packing costs and decrease consumer dissatisfaction. The same thing is true with respect to getting it off before it is over-mature. The best suggestion I can give for that is to pick throughout the season and not try to pick all your fruit at one time. Pick the fruit that

looks most mature off each tree as you go along, and then pick again several times a season. It is more expensive, but it relieves your tree and allows small fruit to grow. Generally speaking, you will get a better grade and help the marketing of your fruit.

In the matter of pests, get your agricultural commissioner's advice and kill off the bugs before they damage and disfigure your fruit. Remove the dead limbs from your tree before they scratch the fruit and cause damage. I understand that dead twigs harbor some of these fungus diseases, such as *Dothiorella*, which damage your fruit.

### **Accurate Crop Estimates Very Important**

One of the most important things you can do is to estimate your crop as accurately and early as possible. You wonder why you are asked to estimate fruit when you can hardly see it on the tree. There are many things that have to be planned according to the size of the crop, and the nearer and earlier we can get an idea of the actual size of the crop, the better planning we can do. For example, in an advertising campaign the actual placing of advertising can be held off until the crop is ready to move; but some of the special items, such as getting lithography started, must be done even as early as June 1. Make early estimates as accurately as possible so your marketing organizations will know what you have in the way of a crop and what they can best do about it.

The training of men is to be considered, and so is the preparation of facilities to actually handle your crop; but I think the most important thing you can do as individual growers is to schedule the picking of your fruit. There again is something you can't see the direct effect of. You wonder why you are asked to pick six boxes today and twenty-five tomorrow, for example. I will try to point out to you very briefly why picking schedules are important. Every city in the United States, or at least many of the cities, will do better with certain sizes and grades and varieties than other cities. For example, City "A" will do better with small size, black, second-grade fruit than City "B" would, and City "B" would do better with large, green, first-grade fruit. If you are going to get the most money out of your fruit, it is desirable to send it to those cities that will do the best with it. Not only that, but in each city each week there is a different set of conditions. You have advertising going on in certain cities on certain weeks and special sales arranged in certain weeks. In order to take advantage of that, we have to get the fruit there on schedule. Therefore, you are asked to pick on schedule. If you don't, the sales department is handicapped in carrying out its plans. A few extra boxes here and a few boxes there aren't going to spoil the deal, but when you add them all up there may be several cars too many or several cars too few at the planned-for time. There are many other things that you as individuals can do, but I think that covers them sufficiently for the moment

### **Packing-House Facilities Now Adequate**

I am going to discuss very briefly what you can do as a group, and I ask your indulgence in talking about the organization I am associated with. I do it not to make comparisons or not out of disrespect for other marketing organizations, but simply as an illustration because I know more about what Calavo's plans are. Very briefly, as far as the physical facilities are concerned, there is no particular problem. For the last couple of years Calavo has increased the packing houses and the packing equipment to the

point where any reasonable sized increase in crop can be taken care of with enough flexibility to enable them to take advantage of market conditions. Our facilities should be able to take care of any changes in weather if it is necessary to hold off, or if packing should be speeded up at any particular time.

I don't think there is any serious problem ahead of us in labor or in materials. They will be handled without too much difficulty. Your big problem, of course, if these economic conditions develop that we have talked about, is going to be the development of a market and getting the fruit there in condition to have it sold at a price that will return you a profit. Very briefly, our plans are to train enough men to add on, say, ten to twenty new dealer servicemen, and sales promotion men to get around to see the retail trade and wholesale trade; to educate them and interest them in handling your fruit and possibly to open more sales offices.

There are about thirty-five Calavo sales offices in operation in the United States today. We will probably open up four or five more, depending on the size of the crop. We will develop the consumer advertising—I think that is the important thing—and increase it commensurate with the size of your crop. If you have twice the size of the last crop, we will undoubtedly have to spend more money, but those expenditures will have to be in proportion to the size of the crop; in other words, so much a flat right across the board rather than increasing the appropriation per flat because you happen to have more fruit.

This industry has been extremely fortunate. As your crops increased, the advertising has gone right ahead and you have been able to get all of your fruit into consumption, and sold for a price that has stimulated the planting of more trees. Never at any time in the history of this industry have you resorted to holding back part of your fruit and dumping it rather than selling it. In other words, you have used the crop, whatever its size, to create new consumers. You have created those consumers by advertising and merchandising. You have not resorted to holding back part of the crop and dumping it.

I don't mean to speak disrespectfully of such things as by-products. Eventually we will probably be in the by-product business but so far practically all of your fruit has been sold as fresh fruit. That is the program that is expected to be followed this next season and for some seasons ahead.

Now on the bright side of the picture, there are a number of things about this industry, which I think, warrant optimism. First of all, you have always sold all your crops regardless of the increase. Sometimes there has been an increase of several hundred per cent and that fruit has been sold, rather than dumped, and new customers have been gained and new appetites created for future crops. In this industry, so far as I know, you have never resorted to subsidies or outside help. You have stood on your own feet and have voluntarily gone ahead and created your markets and done your job; so if and when there is a discontinuance of Government subsidies you are not going to be hurt because you haven't had any. I think some other industries probably will be hurt.

You have, as I said, gone ahead on a voluntary basis. It has been suggested sometimes that you ought to have compulsory advertising appropriations (they do have them in many industries), and the argument for them is, "Well, everybody ought to contribute to the advertising." Frankly, I don't think it pays to do it. Advertising, at best, is a thing that is hard to measure. You never get a hundred cents value on the dollar you

spend, but when it is spent under Government supervision, let's say by an industry group, it is still more difficult to get your money back because that kind of advertising cannot be tied in with any particular merchandising program, and can't be tied in with a sale in New York tomorrow or in Kalamazoo the next day or anything of that kind.

It has to be general, and it is done by a group very often that is not too close to the industry. Such advertising is never tied in with any particular brand that is recognizable by the consumer. I think most advertising experts agree that the most effective advertising is tied up with a brand and is only a part of the general merchandising program. It is not something set up by itself to make profits for the industry.

One of the other things about this industry that is promising is the fact that there is a certain amount of harmony in it—more so than you have ever had before. That is important. You will go a lot farther if the growers, as a whole, are friendly and work together than you can if there is a group over here fighting a group over there, and they are antagonistic, and there is more heat than logic in their discussions.

I don't mean you will always agree. Harlan Griswold and I may have different ideas on how to market, but we get along, and if we do discuss it, we do so in a friendly manner. That is important in any industry. It is one of the reasons this industry has been able to go ahead.

But the greatest thing, the most optimistic thing, about the industry is the per capita consumption, the fact that you are still selling such a large proportion of your fruit—forty-five, fifty, sixty per cent, whatever it is, on the Pacific Coast. The bulk of it is sold out here where the population is the least. In the Eastern states, New York, etc., you are selling a relatively small proportion of your fruit. Appetites of Easterners are somewhat the same as yours. If you will just get them educated, by sales promotion and advertising, you will gain millions of customers. That is the most optimistic thing about the whole industry.

Don't forget what the economists say. This is a good time to pay off your debts, tighten up your belts and be in condition to stand whatever kind of emergency you may be faced with. If you continue the program you have been following, I think the industry is going to increase by leaps and bounds. You are just beginning to see the real increase, and that increase shouldn't scare you at all if we do the job that needs to be done: **CREATE NEW CUSTOMERS.**