

THE MOST IMPORTANT THING

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For many years, I have borne in mind certain observations by that pioneer in our industry, Wilson Popenoe.

In 1919 Dr. Popenoe recorded in his *Manual of Tropical and Subtropical Fruits* that "North American horticulturists are accustomed to view the avocado as one of the greatest undeveloped sources of food which the tropics offer at the present day".

He went on to report that students of the avocado in the United States were predicting that "avocado culture will some day become more important than citrus culture in California and Florida."

Popenoe himself predicted that "there is every reason to believe that eventually the avocado will be as familiar to American housewives as the banana is today".

At that time — nearly 60 years ago — the avocado orchards of California, Florida, Cuba, and Puerto Rico were approaching a total of 1,000 acres.

Whether the predictions reported by Popenoe will ever be fully realized is yet to be known. However, we have seen California's avocado acreage increase to about 40 times — and Florida's to perhaps 10 times — the 1919 figure. And this very year, we will send to market from California and Florida in excess of one quarter of a *billion* pounds of avocados.

We have come far. There is a long road still ahead. I wonder what is in store for the industry — for *you* — as that road is traversed. What are the problems that will challenge? What will be the opportunities that will arise? What will be THE MOST IMPORTANT THING to be dealt with on the journey into the future?

In my readings of avocado literature over the years, I have been struck by the fact that THE MOST IMPORTANT THING has kept changing with the passage of time. Join me in a bit of retrospection . . .

At the first semi-annual meeting of this Society (then the California Avocado Association) in 1915, F. O. Popenoe — the father of Wilson and president of West India Gardens, in Altadena, made a report that started this way:

"I believe it can safely be said that the most important problem which we avocado growers of California are facing at the present time is the question of varieties".

The following year, H. J. Webber, director of the Citrus Experiment Station at Riverside, said:

"The study of varieties will for a number of years be our most important problem. It is not

enough to produce fruit for the market. We must produce fruit that will extend the market.

Only by the production of the best fruit can the industry be extended to the proportions we all conceive as the future development".

Our friends in Florida had the same point of view, apparently, regarding THE MOST IMPORTANT THING, as this quotation suggests — taken from a 1917 address by E. D. Vosbury, of the U.S. Department of Agriculture:

"In Florida, as in California, the most important problem before the avocado growers is that of varieties".

There is still a fair amount of interest in avocado varieties, nowadays; but nothing to match the interest that existed right on into the 'forties. We now have half a dozen or so varieties upon which the industry in California seems to have standardized. Yet I would call to your attention that only as far back as 1940, when this Society had its twenty-fifth anniversary, only the Fuerte, of today's major varieties, was among the top ten varieties marketed. Fuerte accounted for 80% of that year's crop. Hass and other leading varieties of today contributed less than one percent *altogether*.

I will submit my opinion, at this point, that variety research and development should be more aggressively pursued again. Today's varieties of avocado are not the ultimate in either productivity or marketability. Hass comes fairly close, but even Hass is wanting in several respects. If this industry is to achieve its potential, it is imperative that yields per acre be increased, and that quality be high and consistent to assure consumer satisfaction. I have proposed before, and I now propose again, that this Society carefully develop a set of specifications for a theoretical ideal avocado — with full consideration of the grower, the shipper, the retailer, and the consumer — and then bring it into reality. The project will take time, and it will take money. But it can be accomplished — and I believe it *must* be accomplished.

So, perhaps variety improvement is still *among* the candidates for designation as THE MOST IMPORTANT THING.

Soon after the end of World War I, THE MOST IMPORTANT THING on the minds of the leaders of the avocado industry came to the matter of *marketing*. At first, the interest emphasis was placed upon *standardization* — to assure that avocados of quality were placed before the consumers. Then, the matters of distribution and promotion became of concern. There was much interest in the formation of a marketing organization for California avocado growers.

A report by grower Arthur F. Yaggy, of Santa Barbara, put the whole matter into a package in a speech he made in 1920:

". . . certain of our members express the opinion that at the present time the Association need not seriously consider the question of marketing, as the trade is calling for avocados faster than we can supply them . . . from the way prices have risen we can all easily believe that it is perfectly possible to send a sky-rocket to the moon . . . Just when this bubble of wild extravagance will burst and things settle down to something like real values, no one can say . . . In the meantime, many small plantings and a few larger ones are getting to the productive stage, and nursery stock is in great demand.

"The majority of our members with whom I have discussed the question, feel that sooner or later we have to do our own marketing . . . 'confine our efforts to one city at a time . . . place (an informed) man in the city to be educated and have him handle and sell the fruit' . . . Our big problem is to tell the public about avocados and furnish them the kinds that make them want more . . . make sure the public knows what a ripe avocado is ... educate the trade . . . get a brand, trade mark or some slogan . . . centralize our marketing operations and all co-operate for the common good ..." The year, let me remind you, was 1920.

THE MOST IMPORTANT THING changed rather dramatically in 1934. California and Florida avocado growers joined forces, that year, to secure adequate protection against Cuban avocado imports, which had been put on the free list by the Cuban Reciprocity Treaty of 1934. The efforts were unsuccessful, and Cuba continued to send avocados into the United States, duty free, during the summer months of June through September until the advent of Castro. Florida was more adversely affected than California was because of our comparatively light production of summer avocados in the 'thirties. Today could be a quite different story, if Cuba were to resume avocado exports to the United States.

Another dramatic change in ranking THE MOST IMPORTANT THING took place in the mid-thirties and on into the early 'forties, when the California avocado industry was plagued by an extremely severe infestation of latania scale. A very high percentage of the fruit produced was marred by scale, with very few groves in San Diego County, especially, being affected. Growers hand scrubbed their fruit with rubber brushes, and mechanized equipment was invented to remove the unsightly scale. The problem was eventually brought under control by biological means, and has not again ever reached its old level of importance. It could, though; and I hope the industry will keep itself on the alert to that possibility.

A new MOST IMPORTANT THING developed during that same period — in 1935 — as prices to California avocado growers fell to less than five cents per pound. That the cause of the price decline was a crop increase of 400% in one year proved to be of little comfort. Individual growers were hurt financially, and THE MOST IMPORTANT THING in that Depression year was *survival*.

Then, in 1937, the California avocado industry had as THE MOST IMPORTANT THING the worst freeze in its history. Thousands of trees were severely damaged — nearly one-fifth of the state's avocado trees were frozen to the state of non-productivity for at least two years, with many killed. More than one-third of the 1937 crop was lost.

Following an extraordinarily wet winter in 1937, THE MOST IMPORTANT THING for California avocado growers was a problem that is still very much with us: *Avocado Root Rot*. The causal organism, *Phytophthora cinnamomi*, had been known to plant pathologists for many years as an enemy of avocado trees; but it was not seen as the threat it has turned out to be.

This Society, as most of you are probably aware, developed funds for increased efforts by the University of California to find a cure for the industry's most serious cultural

problem. Not enough can be said in praise of the California Avocado Society for its heroic work in behalf of all avocado growers, all of it done by volunteers serving without financial compensation of any kind.

The plain fact of the root rot problem, regrettably, is that voluntary funding of research was inadequate. With the advent of mandatory assessment under the California Avocado Marketing Order, sufficient funds have been generated to step up the research program to the point that hope for control and cure of the disease can be cautiously voiced. The ideal answer would be to plant no land to avocados where *Phytophthora cinnamomi* exists, but that is not a realistic answer. The practical answer probably will come from the discovery of an effective fungicide, the development of a resistant root stock, and careful cultural practices — or some combination thereof. As an optimistic non-scientist, I am confident that the avocado root rot problem will be licked. In this matter, I guess THE MOST IMPORTANT THING is *when?*

Incidentally, in connection with these remarks about the root rot problem, I want to report on an interesting observation I made recently on a trip through part of Israel's avocado growing area. Nowhere in the Israeli avocado groves I visited did I see any evidence of root rot, notwithstanding that the soils were often quite shallow and appeared to be not too well drained. To my question, "How come?", the answer was that the soils in the avocado growing area are alkaline, and therefore inhospitable to *Phytophthora cinnamomi*. Just what that might suggest to California avocado growers, if alkalinity is a good thing, I shall leave to qualified scientists.

Most of this presentation, so far, has been a scrutiny of history. That has been deliberate. I am not trying merely to give a history lesson, but rather to lace together the past, the present, and the future. All of THE MOST IMPORTANT THINGS I have mentioned, plus a lot of others that could have been mentioned, have an identity with now and hereafter, as well as the past. There is a basis for progress than can be built from experience it would be foolish to ignore.

As in the past, THE MOST IMPORTANT THING is really plural. There, are today, many problems — and many opportunities — that have great importance. The list should certainly include availability of *agricultural labor*. It should include the questions of *water availability and quality*. And the problems of pest control, disease control, weed control, and maybe even fertilization — in view of increasing restrictions on the *use of chemicals*. Perhaps the list of problems should include *government*, itself; certainly, the ability to farm efficiently and profitably is becoming less possible as government intrudes more into our affairs, and free enterprise fades away.

I believe no one would quarrel with me if I were to suggest that, today, *costs* are THE MOST IMPORTANT THING. Land cost. Water cost. Fertilizer cost. Labor cost. Equipment cost. And taxes. Never before, perhaps, has it been so important to farm efficiently, if the objective of farming is profit. Fortunately, there is some help for the grower in this area; and it should be used to the fullest extent of its availability. I am referring to the help available from the farm advisors in the various counties where avocados are commercially grown. There is no superior source of information on avocado culture, based upon the latest knowledge of the finest agricultural scientists.

Without minimizing any of the important concerns I have already identified, I wish now

to make my own nomination of THE MOST IMPORTANT THING. It is my conviction that THE *REALLY* MOST IMPORTANT THING is *expansion of the market* for avocados — or, in different words, *development of the market potential*.

As we look at the still-expanding acreage of avocados in California — with fully a third of it populated with trees too young to bear fruit, or just beginning to produce crops — we must inevitably conclude that future crops will far exceed in volume anything yet produced. Someone is going to have to be persuaded to buy all those additional avocados — at a price that will keep the growers in business. There will have to be intelligent planning, if that objective is to be realized. And there will have to be recognition of the necessity of cooperation by everyone concerned with the advancement of the California avocado industry, for self-preservation and for the welfare of the common cause.

There is much more involved in the challenge you face than just the prospect of greater crops of California avocados. Acreage of avocados in Florida is also on the increase, with better quality, higher yielding varieties. Even Texas plantings are on the increase. Texas avocado acreage is reported to be approaching the 1,000-acre mark — and growers have recently formed their own Texas Avocado Growers Association. History indicates that Texas will not become a major factor in avocado production; but that was also how the U.S. Department of Agriculture regarded the prospects for a California avocado industry, back in 1913.

To the south of us, Mexico is aggressively developing its avocado production, with heavy planting to the best of California and Florida varieties. Reliable acreage and production data Mexico's avocado industry are hard to come by. It is quite safe to say, however, that avocado production in Mexico in coming years will be far greater than anything on the record to date. Much of Mexico's future avocado production will almost certainly go into domestic consumption — the Mexican market is still not saturated. Some part of it, however, will have to enter other markets. Canada, the Orient, and the European Economic Community all are possibilities for Mexico. The United States is the most intriguing market to Mexican growers, but it is not currently available to them because of our quarantine protection against certain avocado pests. I do not dare to suggest to you that the quarantine is a permanent curtain between Mexico and this country. The situation should be kept under constant surveillance. Under any conditions, however, Mexico will figure in the future of the California avocado industry.

Other Latin American countries, also, have watched with great interest the successful development of the California avocado industry. Several of them are seriously expanding their avocado industries from rather casual to definitely commercial. Whether there is a threat to U.S. growers from fresh avocado imports from countries south of Mexico is questionable — for the near future, at least. There *could* be a threat, however, from the export by those countries of avocado in some processed form. It is not a matter to be worried about; it is another matter to be carefully watched.

Avocado production in at least two other countries should be of some concern to California avocado growers. Israel has somewhere around 10,000 acres of avocados now, and is still planting. She grows the same varieties you grow, plus some of her own development. The yields per acre in Israel substantially surpass the yields in California,

partly as the consequence of variety improvement programs and diligent attention to cultural practices. I have personally observed Fuerte groves, for example, where *typical* production approximates 18,000 pounds per acre!

Israeli avocados are marketed largely in Europe and in the United Kingdom — and, to some extent, in Canada. All of those markets are outlets for California avocados — not to a great extent in Europe and the U.K., but quite importantly in Canada. Israeli growers would not be unhappy if circumstances and economics were to favor export of their avocados also into the eastern part of the United States. That time has not come yet. Whether it ever will, I do not choose to speculate. Through cooperation between domestic producers, including those in Florida, the eastern U.S. market may become well enough supplied that there will be no place for imports.

The other avocado-producing country to which I referred is South Africa. That country does not pose any immediate direct threat to the California avocado industry, since its market is mainly in the United Kingdom. It is a competitor with California in that market at times, but that market is not a major outlet for your avocados. Not now, at least. South Africa does compete in a significant way with Israel, however; and that could have indirect impact upon the future of the overseas market for California avocados.

Now, where have we gotten to?

You will be producing many more avocados in the future. So will growers elsewhere. There will be strong competition for the available market. If the greater production is to be marketed at a profit to the growers, the market will have to be expanded. How is that to be done?

One move to make, with an eye to the future, is to establish your marketing franchise in foreign markets. Such a move is fraught with difficulties, and the expectable volume is likely to be comparatively small for quite a while. Why bother? I think there are two reasons. One is, the time will come when you may need the additional outlets, simply to distribute your production in an orderly way. Another is, by helping to create demand in foreign markets for avocados, wherever grown, you may reduce the yearning of foreign producers for the U.S. market.

Commercial shipments of your avocados to foreign markets have already begun. Calavo, for example, has been sending appreciable amounts of California avocados to Europe and to England. And the California Avocado Export Association — a cooperative of five shippers — has enjoyed encouraging results from the shipment of around half a million pounds of avocados to Japan, this year. Substantial increases in shipments to both Europe and Japan are projected for the future.

The more important move to make for market expansion, in my opinion, is development of the domestic market in the eastern part of the United States, in particular. That is where the population lives that is low in per capita consumption of avocados. It is also, unfortunately, a potential market that is expensive to develop. But it must be developed. It seems to me unrealistic to expect the presently developed markets to absorb the additional tens of millions of avocados you will be marketing within a very few years. Present users may be induced to increase their consumption, but new users will also have to come into the picture.

Happily, you have the mechanism to accomplish the desired result. Although several new handlers have entered the industry, which has historically been somewhat unsettling, the basic marketing apparatus consists of a couple of grower-owned cooperative associations and a small number of seasoned, market-wise proprietary handlers. Though competitive with one another, this corps of marketers provides the means for effective distribution and marketing of the California avocado crops, of whatever size, at a profit to the growers. I confess to a certain bias toward the cooperative system, but this is not the time or place for development of that theme.

An additional, and highly important, part of the market development mechanism available to California avocado growers is the state marketing order that has been functioning for the past 17 years. It is unnecessary to describe here the programs of the California Avocado Advisory Board created by the marketing order, or the activities of its skilled professional management. Most, if not all, of you are familiar with the Board's programs and the results they have yielded. The one thing that may not be well recognized is that the program of the Board, by themselves alone, have not produced the remarkable record of growth in avocado returns enjoyed over a period of ten years. Rather, it has been the *combination* of grower participation, soundly conceived promotional programs developed by the Advisory Board and its management, and effective utilization of those programs by marketers of avocados that accomplished the job. It takes all three elements, working together.

Even the excellent marketing system now available to you can be improved. California avocado growers soon will have an opportunity to make an improvement. Legislation is now on the books that permits California avocado growers to establish a commission to conduct advertising and promotion programs more efficiently and more effectively than has been possible under the marketing order. Your interests will be even better served by a commission than by the present Advisory Board, and I urge you to support the creation of the commission when the time comes to cast votes.

To bring this discussion to an end, let me sum up this way. I have known this industry for 43 years. It has grown fantastically, and it has matured. The California avocado industry of 1977 is very little like the industry of 1934, when I became part of it. It is strong today, and it continues to have tremendous potential. There will be problems in the coming years; of that I am positive. THE MOST IMPORTANT THING is that those problems can be converted into opportunities. All it takes is skill, money, and leadership. You have at least two of those in abundance.