

California Avocado Society 1942 Yearbook 27: 97-98

Marketing Comments

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On June 1st, more than three-fourths of the season's estimated crop had been marketed. Sales held up very well through the peak period last Spring. For 14 weeks in a row, sales were more than five cars per day. In April, the top volume month, daily sales were above 7 cars.

Price levels were well maintained from February through April, and showed marked strengthening in May.

In line with the crop size, Calavo advertising appeared in 45 newspapers in 25 cities. In 19 cities, 25 radio programs were used. This year's advertising and sales promotional program is built around the "nutritional value" story. In conjunction with this, a biological vitamin assay is now being made for Calavo. It is expected that the outcome of this research will be materially helpful in further educating American consumers to the nutritional values of our fruit.

Particular emphasis is being placed on sales to the military forces. This business is developing nicely. In the case of one military purchasing unit, avocado purchases amounted to as much as 1,000 flats weekly.

EFFECTS OF THE WAR

Like other business organizations, Calavo finds itself facing more and more Governmental regulations affecting its operations. For instance, the orders issued by the Office of Defense Transportation very directly affect Calavo activities. Fruit movement involves trucking from members' groves to pickup stations and packinghouses; and again from packinghouses to some of the larger population centers in the western United States. In all parts of the country, fruit is trucked from Calavo branches to customers within local market areas, as well as to outlying cities in the territory served by each branch office.

One of the complicating factors is the requirement that, under certain conditions, trucks must always have at least 75% of capacity load. With Calavo, as with many other produce marketers, when a load is taken out there is nothing to bring back. Arranging to haul others' commodities immediately gets one into the "trucking business," with licensing, franchises, and what-not to contend with.

As an example of the effect of these Governmental orders, here is what has taken place up to date on the trucking regulations. Notice was received that certain orders would become effective on June 1st. We immediately studied the applicability of these orders to Calavo operations. Meetings were held with others in the produce business who

might be similarly affected. Interpretations or clarifications were sought from the Government enforcement agencies. Recommendations were developed for modifications or deferments, and these were submitted to the authorities. Some of these recommendations and suggestions were adopted, others rejected.

The almost constant stream of regulations and amendments requires utmost attention to this one phase of operation. This takes the time and attention of numerous employees. Compliance, of course, is something which all good Americans are accepting as their contribution toward helping win the war; but many of these orders are drawn up quickly, without adequate knowledge of the industries affected, and are always followed by a difficult period of adaptation in the effort to comply with them. Regardless of whether we come under them, we have to keep many more records.

The General Maximum Price Regulation does not apply to fresh agricultural products in their raw or natural state. It is always a matter of interpretation as to what is meant by "natural state." We presume it will not apply to avocados and limes, but it may apply to some of the other items we handle. It will affect the prices of containers and other materials that we use.

Priorities on materials necessary for packing operations and plant maintenance are another outgrowth of the war. Requests for essential materials and supplies must be followed through with the proper authorities, to make certain these needed materials become available.

Serious shortage of agricultural labor is evident in Southern California, as elsewhere. It has slowed down picking and caused considerable drop of some varieties. Growers are making strenuous efforts to use family and school labor, and exchange help with neighbors. In the packinghouses, women have come forward eagerly and most satisfactorily to take on jobs that had previously been thought could be handled only by men—for example, box making, lidding and stacking of flats. Women are also proving their ability on sales promotional work. This trend will undoubtedly continue, as more men are called for military service. Calavo's Service Flag now has 21 stars.

EXPANSION OF FACILITIES

Foreseeing need for additional facilities to handle increasing crops, both current and future, the Board of Directors has authorized a program of expansion. Construction of additional packinghouse and office space and refrigeration at Vista was begun last summer. This was completed by May, 1942, and more packing equipment will be installed during the summer of this year. This will almost double the capacity of the Vista plant, and will be ready by the time the 1942-43 crop begins to move.

A separate packinghouse has been leased at Brea, California, for lime packing and storage. Refrigeration has also been provided for this unit. Moving lime operations to Brea will make more space available at the Los Angeles packinghouse, and increase the avocado packing capacity of that plant.

In New York, Washington, D. C., Chicago, Cincinnati, and Kansas City, substantially larger quarters have recently been obtained with more refrigeration space. Fortunately these installations were completed before the recent Government orders "freezing"

commercial refrigeration equipment. Demands for cold storage space have become so heavy that it is almost impossible, in many cities, to obtain commercial accommodations. Having our own facilities not only assures their being available, but reduces cost by eliminating transportation and handling charges into and out of commercial storage.