

## The Ever-Whirling Wheel of Change...or Time Turned Topsy-Turvy

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Somebody changed our product.

Somebody changed our season.

Somebody made evolutionary changes necessary in the marketing strategies of the California avocado industry.

"Somebody" is the growers of California avocados. Collectively.

That there have been changes surprises no one, but the *nature* of the changes ought to be looked at for perspective as we consider today's problems. The changes did not happen overnight. Though major in impact, they were evolutionary in development and become most strikingly apparent only when viewed in a time frame of *then* and *now*. Whether the changes actually are for the better is not a concern of this essay. That they have taken place is a fact. That they are irreversible is probably also a fact.

A major change, of course, is the sheer size of the industry.

In 1937, the California avocado industry was small by almost any standard—barely into its beginning as a commercial industry. Plantings totaled 14,276 acres (10,179 of bearing age). The crop that year—the second heaviest produced by the industry up to that time—totaled 12.4 million pounds. The crop value, in 1937 dollars, was \$806,000—in 1987 dollars, about \$6.4 million.

By 1987, fifty years later, plantings had increased to around 75,000 acres. The crop, at 555.7 million pounds, was the largest we have ever produced. Its value was \$91.3 million (down, for whatever reasons, from the \$115 million crop value achieved two years earlier).

But fully as important as those remarkable changes are the changes in the product we send to market. During the fifty-year span, the *nature* of avocado crops changed in important ways: in varietal characteristics and in seasonality.

Fifty years ago, most of the avocado crop consisted of smooth, green-skinned varieties, dominated by the Fuerte. Rough, dark-skinned varieties were resisted by consumers. In some markets, "spurned" was the appropriate word. In part because of the dominance of the attractive, high-quality Fuerte variety (85 % of the avocados marketed by Calavo Growers of California in 1937 were of that variety), and in part because of unhappy experiences with the thicker, brittle-shelled, warty, dark-skinned avocados in a bewildering number of varieties of assorted shapes, sizes, and textures offered by California growers during the summer months, consumers made known their preference for "green" by price acceptance. They simply would not buy dark-skinned fruit unless it

was price-discounted.

And fifty years ago, the avocado was generally considered to be essentially a winter-spring product, with scant production in the summer (July-September) and only moderate production in the fall (October-December).

The winter-spring production feature was considered a plus. Few other fresh fruits were available to consumers. Avocados could be (and were) promoted as the perfect fruit to brighten the fresh-fruitless months, December to June. Come summer, housewives' attention (according to that marketing strategy) would turn to peaches and grapes and melons—and, as well, to a variety of fresh vegetables—that had been absent from the markets for dreary months, Florida and Cuba, with their avocado production heaviest in the summer, supplied the market—especially east of the Mississippi River—when California production was the least. Everything fitted together.

But a major seasonal change occurred during the fifty-year span. It is portrayed by the two graphs in Figure 1.

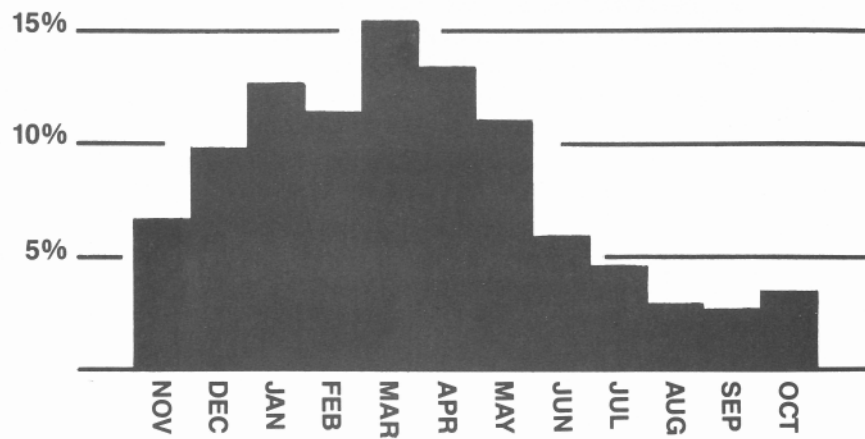
The upper graph depicts the typical movement of California avocado crops fifty years ago in the six-year period, 1932-1937. (*Based on Calavo Growers of California share only; total industry data for the period are not available.*) Almost three-fourths of the annual crop went to market in December through May, peaking in March at 15.4% of the annual total.

How the crop movement changed in five decades is shown in the lower graph. Now, every month is well supplied, with the year's crop fairly spread in a monthly range from about six percent to about ten percent of the total. The peak month has moved to May, with 10.2% of the annual total. Where seventy percent of the earlier crops went to market in the winter and spring of the year, only a little over half of present-day crops goes to market in those seasons.

The February dip in both graphs may be misleading. It reflects simply the fewer days in February than in the bracketing months of January and March. In the 1932-37 period, for example, *daily* movement in February was 2.0% greater than in January; and *daily* movement in March was 3.6% greater than in February. The curve of actual movement, therefore, is smoother than shown in the graphs.

## MOVEMENT TO MARKET BY MONTH CALIFORNIA AVOCADOS

### 1932-37 AVERAGE (CALAVO ONLY)



### 1982-87 AVERAGE (ALL INDUSTRY)

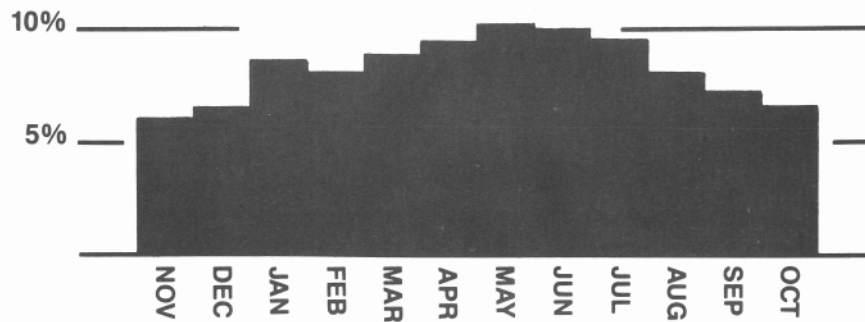


Figure 1.

The principal cause of the changes was a new variety of avocado: Hass. A chance seedling in the small La Habra avocado grove of Rudolph Hass, the cultivar was first propagated in 1935 by Whittier nurseryman Harold H. Brokaw.

Here was something the industry would not seem to have needed: a pebbly-surfaced,

dark-skinned variety with a season advertised as being from May to November. Its warty surface was unappealing. Its dark color was anathema. Its season was competitive with a "smorgasbord" of fresh fruits—and with Florida avocados. About the best that one might say about the new variety, it seemed, was that it tasted good and significantly outproduced the Fuerte. Both statements were valid, but it turned out that much more could be said in the Hass's favor.

Concerned by the "anti-black" bias of marketers and distributors, the Variety Committee of the California Avocado Association, in 1938, warned: "It is true that today the green fruit is in the favored position because of the performance of the Fuerte variety and its consumer acceptance, and that the black fruits are under a cloud because of such poor fruits as the Spinks and Dutton. But, after all, the dark fruit, given equal quality and performance with the Fuerte, could be the ideal fruit, and such a fruit might yet win a place in the sun, and in fact is quite likely to do so."

And it did so. But not without help.

Introduction of the Hass into the market place was slow going for all of the usual reasons, including its limited volume. Hass did not appear among Calavo Growers of California's ten heaviest volume varieties until 1949-50, when it accounted for 0.6% of the total crop. Fuerte, with 83.1%, was first on the list. (The contribution of Hass to the industry's crop was probably slightly higher than 0.6 %, as much of the early-years' production of Hass was handled by other packers than Calavo. Industry-wide production information by varieties, however, did not exist in 1949-50.)

Bit by bit, however, retailer and consumer acceptance of the Hass increased, in large measure as the result of Calavo Growers of California's pin-pointed special advertising and promotion and strategic distribution of the variety into prepared markets. (These efforts were initiated prior to the issuance of the industry's marketing order.) In 1961, Calavo's General Manager William F. Cowan told his board of directors, "The advertising program for dark-skinned Hass appears to be having a favorable effect on the acceptance of this variety; it is contributing to the momentum of green varieties as well."

By 1975, more than half of the 38,659 acres in California planted to avocados were of the Hass variety (43% of the Hass acreage was of "non-bearing" age). Hass production that year exceeded Fuerte production by 10 percent. The California Avocado Advisory Board said in its annual report: "Continuing heavy plantings of the Hass variety are already beginning to bring about an important shift in the marketing of California avocados. . . .greater Hass production. . . .extended the industry's traditional spring peak marketing period through the early summer months [and on into] October at a surprisingly high level of 6 million pounds [2.9% of the year's crop]."

And so it went. Hass had become the premium variety. Its volume soared, by 1987 accounting for 78% of the total record-crop. "King" Fuerte was deposed—relegated to Number Two, at only 8% of the total—and was discounted in price along with all other "greens."

That is history.

What are its lessons?

The first is that nothing is forever. Something new is always going to come along, and if it is better, it may prevail.

The second is that the "better something" will probably prevail only if given help. In the case of a "better-but-different" avocado, probably the help will need to be in the form of special, carefully crafted advertising, promotion, and distribution strategies.

Thirdly, the creation of demand for a product—in this case, for a *different form* of a popular product—requires marketing know-how, orderly planning, money, time, and patience. Lots of patience.

And why is any of this of concern?

Because "new and improved" avocado varieties are being planted, and they are *green-skinned*: the 'Pinkerton' and 'Gwen' and 'Whitsell' cultivars, in particular. And nowadays, "green" is out of favor. Marketable volume of the newcomers—insignificant now, but sure to increase—will be in competition with "King" Hass and subject to price discounting accordingly. Demand for them must be built if they are to find a market that will be profitable to their growers.

So, here we go again. Somebody is changing our product again. The time has come again to dust off marketing know-how, begin orderly planning, and prepare to provide money and time and patience. Lots of patience.