CALIFORNIA AVOCADO COMMISSION

Energizing the CA in CAlifornia AvoCAdos

Annual Report 2007–2008

HAND GROWN IN CALIFORNIA

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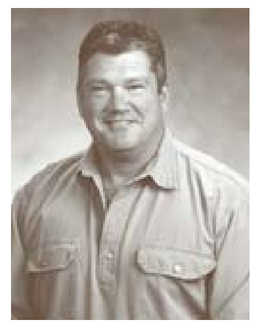
2008 was a year of transition for the California Avocado Commission both in leadership and in our marketing campaign.

The Commission's President and CEO of 20 years resigned abruptly, I served in my first term as Board Chairman, and we appointed a new advertising agency. Yet in the face of change, the California Avocado industry experienced the successful launch of the California Avocado Grower Campaign. While increasing costs placed a strain on profitability, the California Avocado market defied traditional economic models of supply and demand as both volume *and* price increased from the prior year.

At press time we are in the midst of turmoil resulting from an audit released by the California Department of Food and Agriculture. The audit results disappointed and angered our industry, including me. That audit is available at *http://www.avocado.org/press/trade-industry/cdfa-release* along with the latest information on this topic. There is much work to be done to remedy concerns raised.

In 2008 new committees were established. A By-Laws Committee was created to review CAC's governance framework. A Finance Committee focused on strengthening internal controls, with expenditures now under strict review. A Communications Committee began work on improving communication with stakeholders. A Marketing Advisory Committee solidified the important connection between CAC's marketing programs and California Avocado handlers.

The CAC Board of Directors and staff continue to work diligently on behalf of the California grower. As we move into 2009 we will meet head-on the challenges of maintaining brand identity and consumer preference for California Avocados, at the same time refocusing the Commission to regain your trust and best serve your interest.



Rick Shade
Chairman

The 30th anniversary of the Commission went virtually unnoticed. Appropriately, CAC staff and industry stakeholders were instead tending to the glaring deficiencies illuminated by the CDFA audit of the Commission. CAC's 30-year history, however, has relevance when it comes to determining what the organization will become in the future. We must not forsake the lessons already learned, particularly those in the realm of marketing.

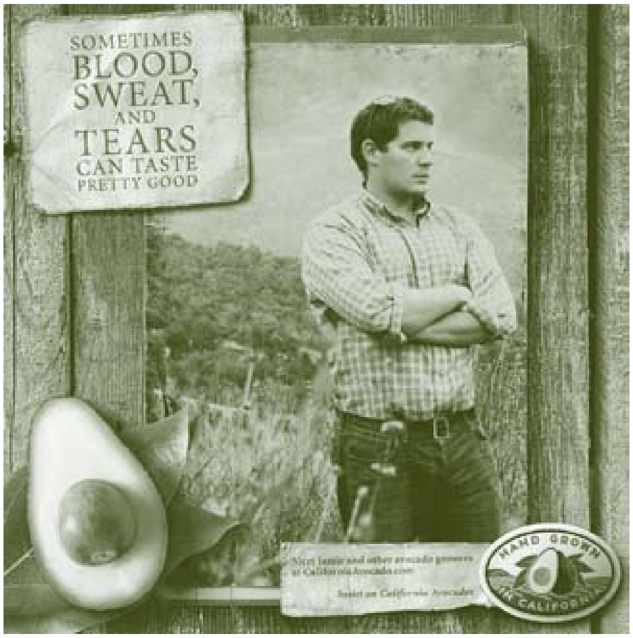
As we stand at the precipice of change, countless opportunities present themselves. We can restructure the Board, increase the connection with growers by holding Board meetings in the field, and refocus our programs with the aim of improving cost-efficiency and effectiveness. We can make the organization more service-oriented by deploying field agronomists to help growers increase productivity. We can consider whether the smallest of growers should be exempt from payment of assessments. Every idea has merit and I encourage all growers to provide input as these planning discussions gain momentum.

Internally, new policies and procedures are being developed to increase transparency and access to information. More detailed financial reports, a simplified business plan, and broader dissemination of information are all being implemented to give growers a better understanding of the workings of the Commission. And there is much more, still, to be done.

As Acting President, my goal for 2008 was to ensure that the California Avocado Grower Campaign was executed without a hitch during the leadership transition. As we enter the second year of the marketing campaign, we continue to focus on strengthening the California brand. We are also looking inward, exploring ways to improve the Commission and safeguard grower funds, to insure every dollar of your investment is well spent.

Tom Bellamore
Acting President

The 2007–2008 season saw the birth of a groundbreaking new marketing campaign designed to energize the CA in California AvoCAdos.



Over the past decade, expanded distribution of offshore avocados as well as increased marketing support for Hass Avocados in the United States have resulted in declining market share and awareness of California Avocados. As a result, the Commission's marketing program for 2007–08 focused on three central objectives:

1. Create a premium position to differentiate avocados grown in California
2. Stimulate demand for avocados when California Avocados are in season
3. Get consumers to ask for California Avocados

In order to reach the Commission's goals, the marketing had to make an emotional connection with consumers. Responding to marketing research and consumer trends, CAC developed the California Avocado Grower Campaign with the Hand Grown in California thematic. California Avocado growers shared their genuine stories providing authenticity in putting a face with the place on the California Avocado.

To differentiate California Avocados versus other avocados in the market, CAC defined the season based on availability and peak eating quality — roughly April through September — and focused marketing communications during this season. Advertising and promotion materials featured a call-to-action tagline, "Insist

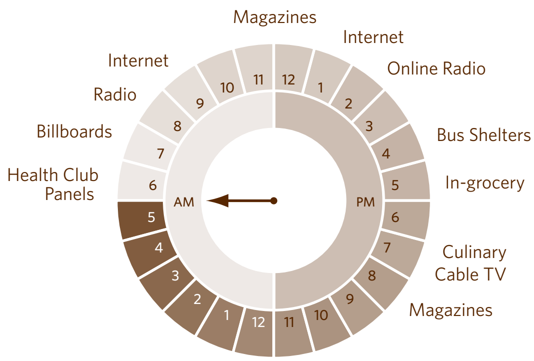
Adding to the strength of the consumer advertising, the California Avocado Grower Campaign and Hand Grown in California thematic were integrated across all of CAC's consumer and trade programs.

on California Avocados. Now in Season." This message reinforced the notion of a specific season for the fruit, subtly encouraging consumers and foodservice customers to reach for California Avocados *now*.

Responding to new research indicating that super users consumed more than 120 avocados per year and tended to be more male, CAC expanded its traditional media target from women to adults ages 25–54. The consumer campaign featured a multi-media mix designed to reach this target throughout the day where they live, work and commute.

Adding to the strength of consumer advertising, the California Avocado Grower Campaign and Hand Grown in California thematic were integrated across all of CAC's consumer and trade programs. Public Relations activities revolved around the campaign, including an editor grove tour, artisan chef endorsements, nutrition outreach and the services of California Olympian Lenny Krayzelburg, who served as a spokesperson discussing California Avocados during the summer games in Beijing.

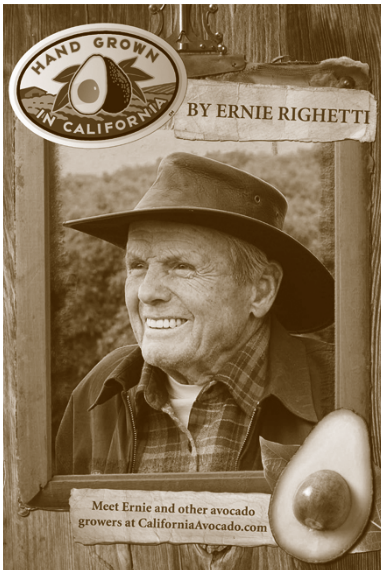
To heighten the new California-centric message, CAC's Web site *avocado.org*, which receives over 1 million visits annually, received a facelift, incorporating the look and feel of the California Avocado Grower Campaign and has been seamlessly integrated with the new branded URL *CaliforniaAvocado.com*. Recipe e-mails sent to about 60,000 subscribers each month reinforced the message among the most loyal fans of California Avocados.

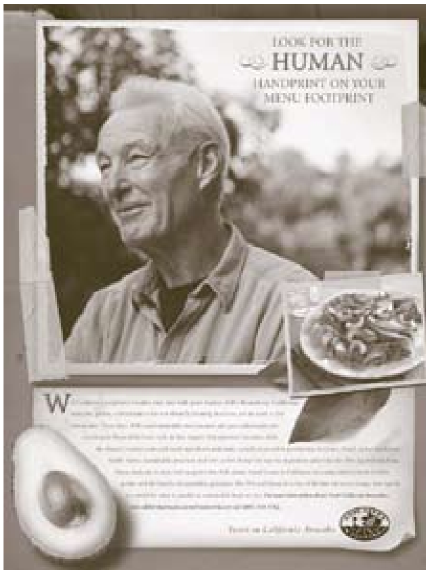


Foodservice ads weaved the authentic stories of restaurant chefs and foodservice operators with those of California Avocado growers to build a compelling story for the fruit.

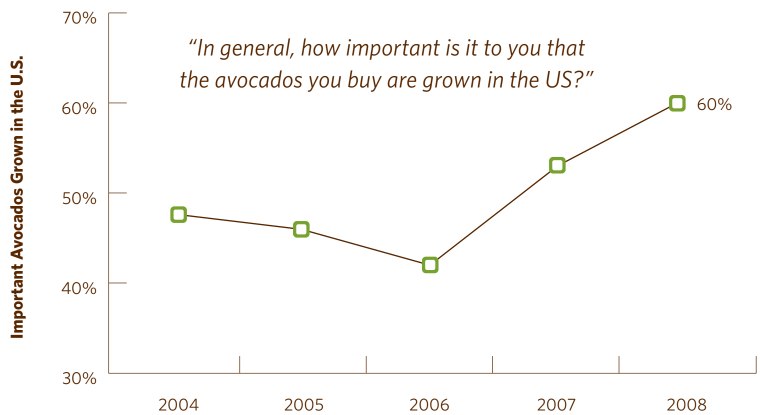
Retail merchandising also integrated the Hand Grown in California message into point-of-sale materials, including case signs, banners and recipe cards. Retailers were also enthusiastic about the new California Avocado display bins, incorporating more than 4,000 of the bins in California-themed avocado displays at the point of purchase, and with a record breaking 12,000 point-of-sale pieces ordered this year.

The integrated marketing campaign reached CAC's target audiences delivering nearly 7 billion impressions during the 2008 California Avocado season.





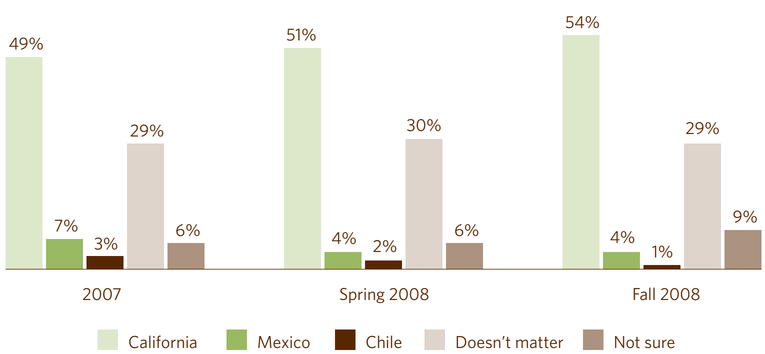
The California Avocado Grower Campaign resonated not only with the foodservice and retail trade, but also among avocado consumers. Results from the *Avocado Tracking Study Fall 2008*, fielded by Cooper Roberts Research, Inc., confirmed that CAC's marketing strategy is on the right course.



Importance of "U.S. Grown" avocados is at an all-time high

Consumer interest in purchasing produce grown in the United States continues to rise. Consumers also want to know who is producing the food they eat, a key factor in CAC's marketing strategy with the California Grower Campaign and the Hand Grown in California messaging.

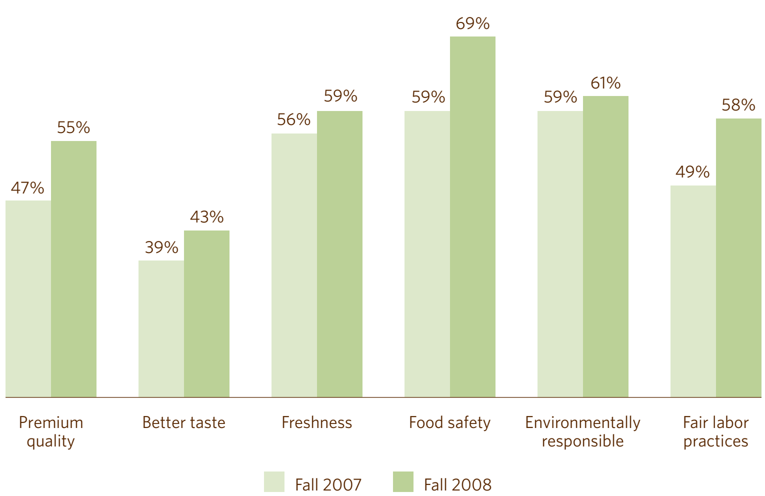
"If given a choice, which avocados would you pick...Avocados grown in..."



Avocado Growing Region Preference
(Core markets)

Preference for avocados grown in California continues to increase, and is strongest among core market consumers aware of avocado advertising.

Fall 2008: *60% prefer California among respondents who are aware of advertising in Core Markets*



California Avocado Attributes
Among respondents who are aware of avocado advertising

After just one season of the new marketing campaign, key attribute ratings for California Avocados have improved, in some cases dramatically.

Industry Affairs is responsible for scanning the myriad of emerging issues that may impact growers, managing existing issues important to industry sustainability and finding the technical, legislative or legal solutions to address immediate, impending or long-term industry challenges.

The crop seasons of 2006/07 and 2007/08 may be remembered as the most challenging on record. A summary of the key challenges and the actions taken by CAC Industry Affairs (IAF) follows.

Challenge

In late October 2007 the largest and most destructive wildfires on record in Southern California wreaked havoc on parts of the industry, exposing serious weaknesses in the Federal Pilot Avocado Crop Insurance Program. At the time around 50 percent of the growers were buying into the program at the minimum level, and very few of those were purchasing additional coverage. While many growers were assuming unnecessary risk, some had legitimate complaints about the program, dismissing it as having little value.

Action: Following the firestorms, CAC Industry Affairs staff actively sought out legislators and provided newspaper, radio and television interviews in an effort to leverage the opportunity to point out failures in the existing Pilot Avocado Crop Insurance Program. CAC took the issue directly to the Federal Risk Management Agency (RMA) which was also pressured by both State and Federal representatives to remedy deficiencies in the Program. RMA immediately put the development of a new insurance product on fast track to provide the industry with a new product that effectively addressed major criticisms of the older pilot program.

Result: Working closely with CAC staff, RMA developed the new California Avocado Actual Production History (APH) Pilot Crop Insurance program. RMA released the new product on October 10, 2008, with coverage effective December 1, 2008 for the 2010 crop. Acceptance of the newer avocado APH insurance product should be higher because calculations for coverage and claims are simpler and, because end-of-season crop average values are not needed, settlement of claims should be expedited.

Challenge

After two consecutive rainy seasons made it to the record books for lack of precipitation, it was evident California was in a drought and the State's water supply situation was grim. What surprised many was the severity of Federal Judge Oliver Wanger's ruling to protect the threatened Delta Smelt, a fish species once abundant in the Sacramento River Delta.

Pumping of water from the Delta was severely restricted and with drought conditions worsening, this ruling could not have come at a worse time. A 30 percent cutback in deliveries became effective January 1, 2008.

Action: Since its creation by CAC in 1990, the Southern California Agricultural Water Team (SCAWT), administered through Industry Affairs, has kept constant vigil over issues affecting the reliability, affordability, and quality of water supplies used by the region's growers. The Team was instrumental in negotiations with the Metropolitan Water District (MWD) in establishing the Interim Agricultural Water Program (IAWP) in 1994.


1. *Research has identified an effective growth regulator for avocado. Treated (left), untreated (center) and a compact tree (right) managed with pruning and growth regulator.*

2. *Diaprepes root weevil threat. An adult weevil on an orchard tree near Carlsbad, San Diego County.*

In late 2008, realizing that water supplies would be reduced for the foreseeable future, the MWD Board directed its staff to initiate a review of the IAWP and bring forward recommendations on proposed changes to the program. In response, the SCAWT entered into discussions with MWD to determine the best course of action — with growers' interests paramount.

Results: After a series of discussions between the SCAWT and Metropolitan, a phase-out of the IAWP was authorized in a plan that included several options for growers with complete phase-out of the program by 2013.

The SCAWT was successful in securing new conservation incentives for agriculture specifically aimed at helping ease the burden placed on IAWP participants who decide to opt out immediately and begin paying Metropolitan's full service rates. Details of the conservation incentives program are still being worked out but the program will provide funding for devices, in-grove practices, training and research to enable growers to manage their irrigation costs through greater water use efficiency.

Challenge

Laurel wilt, a fatal disease that attacks members of the Laurel family, including avocado, continued devastating the native forests of the eastern seaboard. The disease, caused by a fungus carried on the mouthparts of the invasive redbay ambrosia beetle, was introduced to Savannah, Georgia in 2002. While natural spread of the beetle is relatively slow, the interstate movement of firewood cut from killed trees may accelerate spread. Several members of the Laurel family, including camphor, redbay and avocado, are commercially propagated nursery stock in Florida, increasing the likelihood that Laurel wilt disease will be spread.

Action: A new rule published in the Federal Register allows states to petition the U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) for special quarantine declarations if an exotic pest already established in part of the U.S. poses a specific economic threat to another region. This rule change was in keeping with a promise made during an APHIS strategic planning meeting attended by CAC's Dr. Guy Witney in June 2008. If used as intended, the rule could prove invaluable in keeping threats such as ambrosia beetle and Laurel wilt out of California. To further assess the risk of the disease, Witney and researchers from University of California Riverside will attend a national Laurel Wilt Symposium in early 2009.

The avocado industry faced a host of other threats in 2007–2008 and IAF continues to actively address these:

- **Exotic pests**, including several scale insect species unknown in California, continued to be carried dangerously close to our growers' orchards on foreign fruit repacked in California facilities.

- **Diaprepes root weevil**, a very serious pest of citrus, avocado and about 280 other crop and ornamental species, established in several coastal communities from Carlsbad to Long Beach.

- **Xyllela fastidiosa**, the organism that causes fatal Pierce's disease in grapes, was reported to be the cause of a decline of avocado in Costa Rica.

- The Office of Environmental Health Hazard Assessment of the California Environmental Protection Agency issued a Notice of Intent to List **avermectin** (abamectin), the primary material used in avocado thrips and persea mite control programs, as a Proposition 65 chemical.

- **Regulatory compliance** on a multitude of new fronts from waste discharge to volatile organic compound emissions continues to challenge growers.

IAF staff has been closely monitoring these threats and is actively engaged with responsible agencies. For example, staff is working with Federal RMA contractors developing a quarantine insurance product that would protect growers from losses in the event of future pest quarantine events.

Production Research

Industry Affairs' Production Research Program is central to the discovery of technical solutions and innovations that advance production and postharvest handling of California Avocados. Following are summaries of just some of the achievements in the program this past year. Please go to: *www.avocado.org/growers/symposiumtoc.php* for full reports.

Pests

The program has successfully screened and provided the efficacy data required to register the chemical tools used in today's pest control programs, and is preparing these for the future:

- Spinetoram (Delegate®) a material shown to be very effective in controlling both major pests in research trials recently cleared registration and is available for commercial application in 2009.

- Fenpropathrin (Dannitol®) for avocado thrips control will be available March 2009 for the first commercial non-crop destruct use on 100 acres.

- Etoxazole (Zeal®) and spirodiclofen (Endivor®), miticides shown to be very effective in program trials, are expected to have full registration by summer 2010.

Finding effective biological control tools for the most serious pests of avocado in California remains a high priority.

Varieties and Rootstocks

In an effort to leverage State funds, the program successfully secured a three-year University of California (UC) Discovery Grant to support basic genetic research in avocado. This may yield tools to dramatically accelerate the pace of development of new varieties and rootstocks.

Root-rot resistant rootstock, 'Steddom', 'Zentmyer' and 'Uzi', developed in the rootstock breeding program, are nearing release by UC for commercial nursery propagation. Each has shown utility in providing root-rot resistance and superior yield of Hass under specific local growing conditions.

Management and Physiology

An intensive research effort to find tools for controlling tree vigor and increasing production is providing tangible results. Naphthalene acetic acid (NAA or Tre-Hold®), a sprout inhibitor that in 2008 trials provided good control of vegetative re-growth after pruning, is expected to gain Section 18 emergency use labeling in Spring 2009. Registration of 2,4-Dichlorophenoxyacetic acid (2,4-D), shown in research to significantly increase production, is being pursued.

A multi-county project to find the production relationships between rootstocks and water quality was launched in 2008. It aims to provide industry-specific rootstock recommendations to meet local salinity challenges.

Industry Affairs and Production Research will continue to champion those causes most important to the farming businesses of the grower community. The staff approaches every Commission business activity with grower interests front of mind. In developing strategy, making decisions, taking action, and managing issues, our goal is to sustain our constituents' avocado farm businesses.

3. *The aftermath of fire near Goleta, CA.*

4. *With water supplies stretched, CAC negotiated a deal where growers could gain the same reliability in supply as the urban population in lieu of discount pricing.*

5. *The Production Research Committee works with researchers to identify tools that will solve production problems and boost production.*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SACRAMENTO
OAKLAND
WALNUT CREEK
LOS ANGELES
SAN MARCOS
SAN DIEGO

The Board of Directors of the California Avocado Commission

Independent Auditor's Report

We have audited the accompanying basic financial statements of the California Avocado Commission (Commission) as of and for the year ended October 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements as of October 31, 2007, were audited by Moreland and Associates, Inc. who merged with Macias Gini and O'Connell, LLP as of April 2, 2008, and whose report dated January 10, 2008, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the 2008 financial statements referred to above present fairly, in all material respects, the financial position of the California Avocado Commission as of October 31, 2008 and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2008 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis identified in the accompanying table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Commission. The budgetary comparison schedule and the combining statement identified in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Macias Gini & O'Connell LLP

Certified Public Accountants
Newport Beach, California
December 31, 2008

Introduction

Management's Discussion and Analysis (MD&A) provides an overview and analysis of the financial activities of the California Avocado Commission (Commission) for the fiscal year ended October 31, 2008. It has been prepared by management and is required supplementary information to the financial statements. Please read it in conjunction with the financial statements identified in the accompanying table of contents.

Financial Highlights

- The Commission's 2008 assets exceeded its liabilities as of October 31, 2008 by $3,607,995 (total net assets). This amount increased by $782,290 or 28% from the prior year amount of $2,825,705.
- Of total net assets at the end of 2008, net assets invested in capital assets, net of related debt, decreased $11,938 to $59,718 or 17% from the prior year amount of $71,656.
- Net assets restricted for marketing at the end of 2008 decreased $56,135 to $394,265 or 12% from the prior year amount of $450,400.
- Unrestricted net assets at the end of 2008 increased $850,363 to $3,154,012 or 37% from the prior year amount of $2,303,649. This amount makes up 87% of total net assets and may be used to meet ongoing obligations.
- The assets of the Commission exceeded its liabilities as of October 31, 2007 by $2,825,705 (net assets). Of this amount, $2,303,649 (unrestricted net assets) totaling over 81% may be used to meet ongoing obligations.
- The Commission's 2007 total net assets of $2,825,705 decreased by $2,585,071 from $5,410,776. Of this amount, net assets invested in capital assets, net of related debt, decreased $25,293 to $71,656. Net assets restricted for marketing decreased $2,527,698 to $450,400 and unrestricted net assets decreased $32,080 to $2,303,649.

Overview of the Basic Financial Statements

This MD&A is intended to serve as an introduction to the Commission's financial report. The Commission's financial report includes three basic financial statements: Statement of Net Assets; Statement of Revenues, Expenses and Changes in Net Assets; and Statement of Cash Flows. The Commission's basic financial statements include notes to the financial statements. Financial statements are designed to present a broad overview of the financial data for the Commission, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all assets and liabilities of the Commission, using the accrual basis of accounting, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of the current financial condition of the Commission. Assets and liabilities are generally measured using current values. One notable exception is capital assets, which are stated at historical cost less an allowance for depreciation.

The *Statement of Revenues, Expenses and Changes in Net Assets* presents information showing how the Commission's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

The *Statement of Cash Flows* presents changes in cash and cash equivalents resulting from operating, non-capital financing, capital financing and investing activities.

The notes to the financial statements provide additional information that is essential to a full understanding of the information provided in the financial statements.

Other Information

In addition to the required MD&A, the financial statements also present supplementary information on budgetary comparisons and a combining statement on restricted and unrestricted funds.

Financial Analysis

Comparative data for the year ended October 31, 2007 has been presented in the accompanying financial statements (including MD&A) to facilitate financial analysis for the current year ended October 31, 2008.

Statement of Net Assets

As noted earlier, net assets may serve over time as a useful indicator of the Commission's financial position. The largest portion (98.5%) of the Commission's assets in 2008 were current assets, consisting primarily of cash, investments, and accounts receivable, totaling $4,825,641; up $605,650 from the prior year amount of $4,219,991. This increase was mainly due to an increase in cash and cash equivalents due to additional assessment revenues generated from higher production and a higher crop price per pound from the prior year. Total current assets cover liabilities 3.7 times and indicate good liquidity.

In 2007, the largest portion (97.9%) of the Commission's assets were also current assets, consisting primarily of cash, investments, and accounts receivable, totaling $4,219,991; down $3,238,429 from 2006 amount of $7,458,420. This decrease was mainly due to a reduction in year end assessment receivables, due to low yields and a freeze that affected the industry's Hass crop. Total current assets cover liabilities 2.8 times and indicate good liquidity.

Liabilities totaled $1,288,658 for 2008, which decreased $198,198 from $1,486,856 from the 2007 year. The decrease is mainly due to fewer obligations owed to vendors. Liabilities were primarily accounts payable, accrued liabilities and deposits due which are considered current liabilities.

Liabilities totaled $1,486,856 for 2007, which decreased $697,380 from $2,184,236 from the 2006 year. The decrease is mainly due to fewer obligations owed to vendors. Liabilities were primarily accounts payable, accrued liabilities and deposits due which are considered current liabilities.

Net assets invested in capital assets, net of related debt, represent the Commission's capital assets net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. Net assets invested in capital assets (net of accumulated depreciation) totaled $59,718 at the end of 2008; a decrease of $11,938 from the prior year amount of $71,656 primarily due to the depreciation of capital assets. Net assets invested in capital assets make up 1.7% of total net assets.

At the end of 2007, net assets invested in capital assets (net of accumulated depreciation) totaled $71,656; a decrease of $25,293 from the 2006 year amount of $96,949 primarily due to the depreciation of capital assets. Net assets invested in capital assets make up 2.5% of total net assets at the end of 2007.

Restricted net assets for marketing activities are subject to imposed restrictions by federal statute governing their use. Restricted net assets totaled $394,265 at the end of 2008, a decrease of $56,135 from the prior year amount of $450,400, primarily due to less revenue from the 85% assessment rebate funds received from the Hass Avocado Board (HAB). Restricted net assets are 10.9% of total net assets and are subject to external restrictions on how they can be used. Restricted net assets at the end of 2007 totaled $450,400, a decrease of $2,527,698 from the 2006 year amount of $2,978,098.

Unrestricted net assets available for future activities at the end of 2008 totaled $3,154,012, an increase of $850,363 from the prior year amount of $2,303,649. Unrestricted net assets available for future activities total $2,303,649 at the end of 2007, a decrease of $32,080 from the 2006 year amount of $2,335,729.

Statement of Revenues, Expenses and Changes in Net Assets
Key highlights and financial analysis are as follows:

- Operating revenues of $16,037,685 in 2008 were $4,739,634 or 41.9% higher than the $11,298,051 received in 2007. The majority of the increase was from the value-based assessment revenue received from Commission growers due to an increase in crop volume and value over the prior year. Of the operating revenue, the largest portion $15,183,735 (94.7%) reflects assessment revenue. The remaining portion of $853,950 (5.3%) comes from administrative and marketing fees generated from the Hass Avocado Board.
- Operating revenues of $11,298,051 in 2007 were $9,092,513 or 44.6% lower than the $20,390,564 received in 2006. The majority of the decrease was from the volume-based assessment revenue received from the HAB due to a reduction in the Hass crop volume from historical high achieved in the prior year. Of the operating revenue, the largest portion $10,552,126 (93.4%) reflects assessment revenue. The remaining portion of $745,925 (6.6%) comes from administrative and marketing fees generated from the Hass Avocado Board.
- Operating expenses totaled $15,383,611 in 2008, which was an increase of $1,298,574 or 9.2% from the prior year amount of $14,085,037. This was primarily due to an increase in marketing and non-marketing activities during the fiscal year.
- Operating expenses totaled $14,085,037 in 2007, which was a decrease of $4,197,152 or 23.0% from the prior year amount of $18,282,189. This was primarily due to a reduction in marketing and administration activities in the second half of the fiscal year.
- At the end of the current 2008 fiscal year, the Commission reported ending net assets of $3,607,995, which was $782,290 above the 2007 year of $2,825,705. This was mainly due to an increase in assessment revenue received from the Commission assessment, resulting from higher production and a higher price in California Hass volume.
- At the end of the 2007 fiscal year, the Commission reported ending net assets of $2,825,705, which was $2,585,071 below the 2006 year of $5,410,776. This was mainly due to a decrease in assessment revenue received from the HAB, resulting from lower production in California Hass volume.

Capital Asset and Debt Administration

The Commission's investment in capital assets as of October 31, 2008, total $71,012, which is a decrease of $21,558 from the prior year amount of $92,570 (net of accumulated depreciation). The majority of the decrease represents depreciation on equipment used for program activities of the Commission.

The Commission's investment in capital assets as of October 31, 2007, total $92,570, which is a decrease of $44,022 from the prior year amount of $136,592 (net of accumulated depreciation). The majority of the decrease represents depreciation on equipment used for program activities of the Commission.

At the end of 2007, the Commission has long term debt for a copier and a mailing machine identified as capital leases with a combined balance outstanding of $20,914. In September 2008, the Commission traded in its mailing machine with a new one and recorded a new long term debt for the lease. This new lease solely constitutes the outstanding balance of the Commission's long term debt at the end of 2008, which stands at $11,294. Additional information can be found in Notes to the Financial Statements of this report.

Contacting the Commission's Financial Management

This financial report is designed to provide a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Valetta Weaver, Vice President Finance/Administration, California Avocado Commission, 38 Discovery #150, Irvine, California 92618-3105.

Statement of Net Assets

October 31, 2008 and 2007

	2008	2007
Current assets:		
Cash and cash equivalents	$ 4,107,204	$ 3,198,848
Assessments receivable	91,250	46,811
Other receivables	43,770	182,067
Prepaid expenses	39,498	40,665
Restricted:		
Cash and cash equivalents	140,913	515,547
Assessments receivable	403,006	236,053
Total current assets	4,825,641	4,219,991
Non-current assets:		
Capital assets:		
Being depreciated, net	71,012	92,570
Total assets	4,896,653	4,312,561
Current liabilities:		
Accounts payable and accrued liabilities	834,121	816,450
Accounts payable and accrued liabilities payable from restricted assets	149,653	301,199
Deposits	293,590	348,293
Non-current liabilities:		
Due within one year	3,552	19,697
Due in more than one year	7,742	1,217
Total liabilities	1,288,658	1,486,856
Net assets:		
Invested in capital assets, net of related debt	59,718	71,656
Restricted for marketing	394,265	450,400
Unrestricted	3,154,012	2,303,649
Total net assets	$ 3,607,995	$ 2,825,705

See Accompanying Notes to Financial Statements.

Statements of Revenues, Expenses and Changes in Net Assets

For the Years Ended October 31, 2008 and 2007

	2008	2007
Operating revenues:		
Assessment revenue	$ 15,183,735	$ 10,552,126
Administrative and marketing fees	853,950	745,925
Total operating revenues	16,037,685	11,298,051
Operating expenses:		
Marketing	10,470,094	9,205,138
Non-marketing programs	3,308,770	3,186,695
Administration	1,604,747	1,693,204
Total operating expenses	15,383,611	14,085,037
Operating income (loss)	654,074	(2,786,986)
Non-operating revenues:		
Investment and interest income	77,222	201,165
Other income	50,994	750
Total non-operating revenues	128,216	201,915
Change in net assets	782,290	(2,585,071)
Total net assets – beginning	2,825,705	5,410,776
Total net assets – ending	$ 3,607,995	$ 2,825,705

See Accompanying Notes to Financial Statements.

Statements of Cash Flows

For the Years Ended October 31, 2008 and 2007

	2008	2007
Cash flows from operating activities:		
Cash received from customers	$ 15,909,889	$ 13,349,969
Cash payments to suppliers for goods and services	(15,475,905)	(14,446,558)
Net cash provided by (used in) operating activities	433,984	(1,096,589)
Cash flows from non-capital financing activities:		
Grant revenue	43,734	750
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(7,282)	—
Sales of capital assets	7,260	—
Capital lease payments	(21,196)	(18,729)
Net cash used in capital and related financing activities	(21,218)	(18,729)
Cash flows from investing activities:		
Interest on investments	77,222	201,165
Net increase (decrease) in cash and cash equivalents	533,722	(913,403)
Cash and cash equivalents – beginning	3,714,395	4,627,798
Cash and cash equivalents – ending	$ 4,248,117	$ 3,714,395
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	$ 654,074	$ (2,786,986)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation expense	40,414	44,022
Change in assets and liabilities:		
(Increase) decrease in assessments receivable	(211,392)	2,247,256
(Increase) decrease in other receivables	138,298	48,984
(Increase) decrease in prepaids	1,167	28,785
Increase (decrease) in accounts payable and accrued liabilities	(133,875)	(434,328)
Increase (decrease) in deposits	(54,702)	(244,322)
Net cash provided by (used in) operating activities	$ 433,984	$ (1,096,589)
Non-cash capital and related financing activity:		
Acquired new capital lease	$ 11,577	

See Accompanying Notes to Financial Statements.

1. Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies followed by the California Avocado Commission (Commission):

A. Activities of the Commission

The California Avocado Commission is authorized under California law to carry on programs of advertising, promotion, marketing research, and production research relating to the sale of avocados. The Commission is authorized to levy an assessment against producers of avocados for purposes of carrying out its programs. The assessment for the year ended October 31, 2008 and 2007 was 2.62% and 2.15%, respectively, of the gross revenues paid to producers. The Commission also receives 85% of the assessments collected by the Federal Hass Avocado Board (HAB) on Hass avocados produced in California, which are restricted for use on marketing activities.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation Basis of Accounting

The Commission operates as an enterprise activity. An enterprise fund accounts for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the Board of Directors is that the costs (expenses, including depreciation) of providing services to the industry on a continuing basis be financed or recovered primarily through assessment revenues.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the basic financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Commission has elected not to follow subsequent private-sector guidance.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets, Liabilities, and Net Assets

1. *Cash Equivalents*
   For purposes of the statement of cash flows, the Commission considers cash and funds invested in money market mutual funds and the Local Agency Investment Fund of the State of California for both restricted and unrestricted funds to be cash equivalents. Additionally, investments with original maturities of three months or less at the time of purchase are considered cash equivalents.

2. *Investments*
   In accordance with Governmental Accounting Standards Board Statement No. 31, all investments are recorded at fair value which is the value at which a financial instrument could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale. Investments that are not traded on a market, such as investments in external pools, are valued based on the stated fair value as represented by the external pool. Restricted and unrestricted cash are pooled for investment purposes.

3. *Receivables*
   No allowance for uncollectible accounts has been provided. Management has evaluated the accounts and believes they are all collectible. Management evaluates all accounts receivable and if it is determined that they are uncollectible they are written off directly as a bad debt expense. There were no charges made to bad debt expense for the years ended October 31, 2008 and 2007.

4. *Capital Assets*
Capital assets consist of furniture, office equipment and leasehold improvements. The Commission capitalizes assets with values of at least $5,000 and useful lives of at least three years. Capital assets are valued at cost or estimated historical cost if actual historical cost is not available. Contributed assets are valued at fair market value on the date donated. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Capital assets are depreciated over their estimated useful lives using the straight line method.

5. *Budgetary Data*
Each year the Commission adopts a budget which provides for its general operations. Budgets are prepared on the accrual basis of accounting.

6. *Estimates*
The preparation of these financial statements requires management to make estimates and assumptions that affect certain amounts and disclosures.

7. *Restricted Assets*
These restricted assets are restricted HAB funds to be used for marketing related activity.

2. Detailed Notes on Enterprise Fund

A. Cash and Cash Equivalents

Cash and cash equivalents consisted of the following:

	2008	2007
Petty cash	$ 400	$ 400
Demand deposits	481,683	201,473
Investments	3,766,034	3,512,522
Total cash and investments	$ 4,248,117	$ 3,714,395

Investments Authorized by the California Government Code and the Commission's Investment Policy
The table below identifies the investment types that are authorized for California Avocado Commission. The table also identifies certain provisions of the Commission's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
State of California Bonds and Notes	3 years	None	None
U. S. Treasury Obligations	3 years	None	None
U. S. Agency Securities – Other	3 years	None	None
U.S. Agency Securities – Mortgage Backed	3 years	20%	None
Banker's Acceptances	180 days	25%	30%
Commercial Paper	15 days	30%	5%
Corporate Bonds and Notes	3 years	10%	None
Money Market Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None

Disclosures Relating to Interest Rate Risk
Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Commission manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the Commission's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Commission's investments by maturity:

Investment Type	Remaining Maturity 12 Months or Less 2008	2007
Local Agency Investment Fund	$ 3,610,759	$ 3,416,245
Money Market Funds	155,275	96,277
	$ 3,766,034	$ 3,512,522

Disclosures Relating to Credit Risk
Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF and the money market funds do not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk
The investment policy of the Commission contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk
Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Commission's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Commission deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool
The Commission is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Commission's investment in this pool is reported in the accompanying financial statements at amounts based upon the Commission's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF management has indicated that as of June 30, 2008 the amortized cost of the pool was $70,027,950,242 and the estimated fair value of the pool was $70,024,464,150. Included in the LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes, totaling $6,113,006,000 and asset backed securities totaling $4,188,272,000.

B. Capital Assets

Changes in capital assets were as follows:

	November 1, 2007	Additions	Deletions	October 31, 2008
Capital assets, being depreciated:				
Furniture	$ 90,480	$ —	$ —	$ 90,480
Office equipment	211,455	18,856	(89,575)	140,736
Leasehold improvements	22,042	—	—	22,042
Total capital assets, being depreciated	323,977	18,856	(89,575)	253,258
Less accumulated depreciation for:				
Furniture	31,231	17,188	—	48,419
Office equipment	184,989	20,267	(89,575)	115,681
Leasehold improvements	15,187	2,959	—	18,146
Total accumulated depreciation	231,407	40,414	(89,575)	182,246
Net capital assets	$ 92,570	$ (21,558)	$ —	$ 71,012

	November 1, 2006	Additions	Deletions	October 31, 2007
Capital assets, being depreciated:				
Furniture	$ 90,480	$ —	$ —	$ 90,480
Office equipment	218,915	—	(7,460)	211,455
Leasehold improvements	22,042	—	—	22,042
Total capital assets, being depreciated	331,437	—	(7,460)	323,977
Less accumulated depreciation for:				
Furniture	13,135	18,096	—	31,231
Office equipment	170,931	21,518	(7,460)	184,989
Leasehold improvements	10,779	4,408	—	15,187
Total accumulated depreciation	194,845	44,022	(7,460)	231,407
Net capital assets	$ 136,592	$ (44,022)	$ —	$ 92,570

C. Long-term Liabilities

	November 1, 2007	Additions	Deletions	October 31, 2008	Amount Due within One Year
Capital leases	$ 20,914	$ 11,577	$ 21,197	$ 11,294	$ 3,552

	November 1, 2006	Additions	Deletions	October 31, 2007	Amount Due within One Year
Capital leases	$ 39,643	$ —	$ 18,729	$ 20,914	$ 19,697

Capital Leases:
During the year ended October 31, 2008, the Commission entered into an agreement to lease a mailing system. This agreement is in substance a capital lease (lease-purchase) and is included as capital lease payable in the financial statements.

The annual requirements to amortize the capital lease obligations as of October 31, 2008 are as follows:

Year Ending October 31,	Principal	Interest
2009	$ 3,552	$ 852
2010	3,877	527
2011	3,865	172
Total	$ 11,294	$ 1,551

3. Other Information

A. Avocado Inspection Program

During February, 1986, the Commission contracted with the State Department of Food and Agriculture to administer the Avocado Inspection Program for the State of California. Since the Commission is in substance an agent for the State only cash, investments and related deposits are reported in the financial statements. As of October 31, 2008 and 2007, $275,590 and $330,293, respectively, was held by the Commission for the Avocado Inspection Program.

B. Line of Credit

On November 17, 2007 the Commission obtained a revolving line of credit from American Ag Credit, in the amount of $3,000,000 with a stated interest rate of 7.0%. The maturity date for the line of credit is November 1, 2008. The Commission did not utilize this line of credit during the year ended October 31, 2008.

C. Employee Retirement Plan

The Board of Directors of the California Avocado Commission implemented a Profit Sharing Plan (PSP) for eligible Commission employees, effective November 1, 2000. The Commission's payroll for the thirteen employees eligible to participate in the PSP for the Plan Year ended October 31, 2008, was $1,602,889. The total payroll for fiscal year ending October 31, 2008 was $2,142,182.

The Commission determines, in its discretion, the contribution which will be made to the PSP. With a few exceptions, each eligible employee received an allocation of 10% of compensation up to a maximum of $46,000 for the Plan Year ended October 31, 2008. To receive an allocation, each employee must meet a minimum service requirement of one year and must be credited with at least 1,000 hours of service.

Plan assets as of October 31, 2008 were $1,145,724 comprised of investments valued at market of $985,435 and $160,289 receivable from the Commission. The total contributions for the year ended October 31, 2008, were $160,289. Plan assets as of October 31, 2007 were $2,022,159 comprised of investments valued at market of $1,806,107 and $216,052 receivable from the Commission. The total contributions for the year ended October 31, 2007, were $216,052.

D. Operating Leases

The Commission rents its office space under a three-year lease ending July 31, 2011. During the years ended October 31, 2008 and 2007, the Commission has paid $267,179 and $246,043, respectively for the office rent.

Statement of Revenues, Expenses and Changes in Net Assets

Budgetary Comparison Schedule For the Fiscal Year Ended October 31, 2008
(with comparative actual for the year ended October 31, 2007)

	2008			
	Final Budget	Actual	Variance Positive (Negative)	2007 Actual
Revenues:				
Assessment revenue	$ 16,278,000	$ 15,183,735	$ (1,094,265)	$ 10,552,126
Administrative and marketing fees	854,000	853,950	(50)	745,925
Investment and interest income	100,000	77,222	(22,778)	201,165
Grant revenue	—	43,734	43,734	—
Other income	—	7,260	7,260	750
Total revenues	17,232,000	16,165,901	(1,066,099)	11,499,966
Expenses:				
Marketing:				
Consumer advertising	6,390,200	6,153,769	236,431	5,044,166
Merchandising/trade	2,400,000	2,125,954	274,046	2,059,012
Foodservice	800,000	723,337	76,663	775,424
Public relations	607,000	602,054	4,946	618,428
Nutrition	205,000	183,461	21,539	172,207
Internet marketing	682,000	681,519	481	535,901
Total marketing	11,084,200	10,470,094	614,106	9,205,138
Non-marketing programs:				
Industry affairs	2,363,900	2,165,330	198,570	2,132,338
Production research	1,019,400	981,646	37,754	865,315
Information systems	212,000	118,060	93,940	189,042
Grant expenses	—	43,734	(43,734)	—
Total non-marketing programs	3,595,300	3,308,770	286,530	3,186,695
Administration:				
Administration	1,872,000	1,560,380	311,620	1,639,281
Capital outlay — non-capitalized	46,000	3,953	42,047	9,901
Depreciation	65,000	40,414	24,586	44,022
Total administration	1,983,000	1,604,747	378,253	1,693,204
Total expenses	16,662,500	15,383,611	1,278,889	14,085,037
Change in net assets	569,500	782,290	212,790	(2,585,071)
Total net assets — beginning	2,825,705	2,825,705	—	5,410,776
Total net assets — ending	$ 3,395,205	$ 3,607,995	$ 212,790	$ 2,825,705

Combining Statement of Revenues, Expenses and Changes in Net Assets

For the Year Ended October 31, 2008

	Restricted	Unrestricted	Total
Operating revenues:			
Assessment revenue	$ 6,580,696	$ 8,603,039	$ 15,183,735
Administrative and marketing fees	—	853,950	853,950
Total operating revenues	6,580,696	9,456,989	16,037,685
Operating expenses:			
Marketing	6,609,076	3,861,018	10,470,094
Non-marketing programs	—	3,308,770	3,308,770
Administration	27,755	1,576,992	1,604,747
Total operating expenses	6,636,831	8,746,780	15,383,611
Operating income (loss)	(56,135)	710,209	654,074
Non-operating revenues:			
Investment and interest income	—	77,222	77,222
Other income	—	50,994	50,994
Total non-operating revenues	—	128,216	128,216
Changes in net assets	(56,135)	838,425	782,290
Total net assets – beginning	450,400	2,375,305	2,825,705
Total net assets – ending	$ 394,265	$ 3,213,730	$ 3,607,995

Industry Statistical Data

1998/99 – 2007/08

Year	Producing Acres	Volume (MM / Lbs.)	Crop Value ($)	Average: Price Per Pound (¢)	Average: Dollars Per Bearing Acre ($)	Average: Pounds Per Bearing Acre
98/99	59,385	271.5	328,745,982	121.09	5,536	4,572
99/00	58,987	321.1	339,443,632	105.71	5,755	5,444
00/01	58,601	422.3	314,919,286	74.57	5,374	7,206
01/02	58,227	399.7	357,785,350	89.51	6,145	6,865
02/03	59,326	335.2	363,104,986	108.32	6,121	5,650
03/04	60,566	431.8	379,846,520	87.97	6,272	7,129
04/05	61,712	300.4	275,034,420	91.55	4,457	4,868
05/06	62,093	600.9	341,175,673	56.78	5,495	9,677
06/07	64,999	259.3	244,911,167	94.45	3,768	3,989
07/08	65,497	328.8	327,141,689	99.50	4,995	5,020

Important:

- Acreage from 1998/99 to 2007/08 based on CAC's 1998, 2001 & 2005 aerial survey, attrition factors, and other sources such as county agricultural commissioner data.
- Industry statistic data from 1971/72 through 2007/08 are available on: *http://www.avocado.org/industry/commission/reports/industrydata*

Pounds & Dollars by Variety

November 2007 through October 2008

Month	Hass Pounds	Lamb Pounds	Others Pounds	Total Pounds	Hass Dollars	Lamb Dollars	Others Dollars	Total Dollars	Avg $/Lb
Nov 2007	18,351	0	147,473	165,824	14,840	0	49,713	64,553	0.389
Dec 2007	598,041	0	488,997	1,087,038	576,058	0	131,769	707,827	0.651
Jan 2008	7,485,223	0	564,760	8,049,983	6,700,106	0	149,170	6,849,276	0.851
1st Qtr	**8,101,615**	**0**	**1,201,230**	**9,302,845**	**7,291,004**	**0**	**330,652**	**7,621,656**	**0.819**
Feb 2008	11,741,046	2,823	539,826	12,283,695	10,279,729	834	119,501	10,400,064	0.847
Mar 2008	33,842,772	0	1,183,669	35,026,441	32,878,969	0	238,814	33,117,783	0.946
Apr 2008	47,222,434	1,027	727,292	47,950,753	43,083,155	1,271	235,100	43,319,526	0.903
2nd Qtr	**92,806,252**	**3,850**	**2,450,787**	**95,260,889**	**86,241,853**	**2,105**	**593,415**	**86,837,373**	**0.912**
1st Half	**100,907,867**	**3,850**	**3,652,017**	**104,563,734**	**93,532,857**	**2,105**	**924,067**	**94,459,029**	**0.903**
May 2008	44,196,460	143,373	494,320	44,834,153	38,809,349	164,684	160,623	39,134,656	0.873
Jun 2008	53,073,945	1,306,296	248,888	54,629,129	52,179,361	1,349,521	131,285	53,660,167	0.982
Jul 2008	57,789,704	3,029,741	357,857	61,177,302	61,631,214	3,137,715	185,675	64,954,604	1.062
3rd Qtr	**155,060,109**	**4,479,410**	**1,101,065**	**160,640,584**	**152,619,924**	**4,651,920**	**477,583**	**157,749,427**	**0.982**
Aug 2008	40,781,954	2,564,446	583,211	43,929,611	49,130,470	2,693,537	335,139	52,159,146	1.187
Sep 2008	15,829,253	771,177	519,522	17,119,952	19,007,688	801,954	335,169	20,144,811	1.177
Oct 2008	2,067,824	333,121	198,746	2,599,691	2,203,129	292,117	134,030	2,629,276	1.011
4th Qtr	**58,679,031**	**3,668,744**	**1,301,479**	**63,649,254**	**70,341,287**	**3,787,608**	**804,338**	**74,933,233**	**1.177**
2nd Half	**213,739,140**	**8,148,154**	**2,402,544**	**224,289,838**	**222,961,211**	**8,439,528**	**1,281,921**	**232,682,660**	**1.037**
Total	**314,647,007**	**8,152,004**	**6,054,561**	**328,853,572**	**316,494,068**	**8,441,633**	**2,205,988**	**327,141,689**	**0.995**
Y-T-D (%)	95.68%	2.48%	1.84%	100.00%	96.75%	2.58%	.67%	100.00%	
Y-T-D Avg $/Lb					1.006	1.036	0.364	0.995	

California Avocado Commission

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MISSION STATEMENT

To aid in maximizing grower returns by conducting advertising, promotion and public relations for California Avocados and engage in related industry activities that together help create a more profitable market environment.