



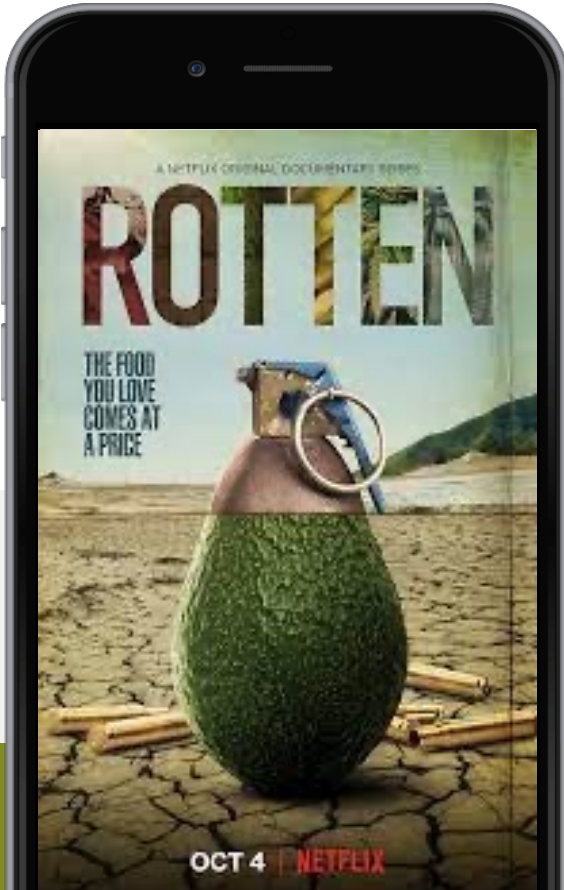
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The Avocado Sustainability Commitment. Healthy Food, Healthy People, Healthy Planet

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Avocado:

the 'green gold' causing environment havoc



The Impact of Avocados:

How Sustainable Is the Fruit?



Lean, Mean, but Not so Green:

How Avocados Impact the Environment



Avocados have a surprising environmental impact.

Here's everything you should know before stocking up on the trendy fruit.



Are Avocados Sustainable?



The avocado in your Super Bowl guacamole is bad for the environment.

You can make it better.



We Fear – How is this affecting us?



According to CNN, the wholesale price for a carton of avocados is down 67% since June 2022 alone and costs 35% less in a year-over-year comparison. Consumers doing a double-take on the produce aisle won't have to bypass the avocados for a while, as prices are expected to stay low into 2023. **Nov 3, 2022**



Avocados Plummet to Some of the Lowest Prices in 5 Years

A variety of unexpected factors have caused prices to drop drastically since June.



Avocados prices fall as other groceries keep rising

The overall cost of groceries is up to 13 percent compared to last year, but an oversupply of avocados led to a 2.6 percent decline in the price of the fruit in September. The decline follows two months of double-digit price increases.



Avocados Australia explores export markets as farmers brace for another oversupply 'avalanche'



Why our love for avocados is not sustainable



Why don't we tell "our sustainability story?"

Avocados are Tasty and Full of Health Benefits



Sustainability is a Strategic Priority for HAB

HAB Sustainability Guiding Value

We believe and support the concept that fulfilling the needs of today's society can be accomplished without compromising meeting those of future generations.

HAB Purpose

Hass avocados provide a unique, versatile, nutritious, and flavorful eating experience that contributes to human health, **the environment**, societal benefits, and economic prosperity.

HAB Mission

HAB strengthens the global avocado industry and its stakeholders in our collective efforts toward market development in the U.S. through leadership in nutrition, communications, business support tools and information, and **sustainability practices** throughout the supply chain.



The Avocado Sustainability Center (ASC)

Project Timeline



2020-21 In-depth consumer research on sustainability and avocados, in the U.S. market

- > Focus groups
- > Quantitative research
- > Sustainability concept and quantitative concept test



Task Force planning process to Develop the Avocado Sustainability Center – or the ASC and that work was completed in 2021

- > ASC vision, focus, competency areas, governance, structure
- > Desire to model the ASC on the Avocado Nutrition Center



Avocado Sustainability Advisory (ASA) formed in 2022, and new Chair appointed

- > Two HAB board members and two representatives from California, Colombia, Chile, Mexico, and Peru
- > Tasked with building the ASA strategic plan



The Avocado Sustainability Center (ASC) will become the premier provider of sustainability research, data and information for the Hass avocado industry and a trusted thought-leader in the field of sustainability and agriculture that will provide a better future for the industry

VISION STATEMENT

Guiding Principles

Embrace



1. Capturing industry accomplishments and strengths

2. Aligning efforts with consumer and customer priorities

3. Prioritizing efforts that have the greatest industry benefit

4. Transparency and collaboration

Avoid



1. Efforts that could divide the industry

2. Discussions on research that could be “weaponized” and used against other countries

3. Any efforts that could be interpreted as “Greenwashing”



Strategic Grounding Research Review



Consumers were the key



Research Methodology

2020-21 In-depth Consumer Research on Sustainability and Avocados in the U.S. Market

Focus Groups

- Three groups representing the West, Mid-West and East
- November/December 2020

Quantitative Max-Diff Research

- 1,400 medium, heavy and super-heavy Hass avocado purchasers
- Age 18+, 33% male, 67% female
- Must have purchased avocados in the last 12 months
- Understand awareness, knowledge, concern and priority re: Hass avocados
- February and March 2021

Sustainability Concept and Quantitative Concept Test

- 1,600 medium, heavy and super-heavy Hass avocado purchasers
- Research conducted in August 2021

Medium, Heavy and Super-Heavy Avocado Purchasers Are Aware and Care About Fresh Fruit and Vegetable Sustainability

Consumers responsible for **96%** of avocado purchases are aware, engaged and concerned about sustainability.

- > **Two-thirds** of avocado purchasers have some understanding of what sustainability in food means

- > **67%** of purchasers are “passionate” or “care very much” about sustainability

- > **14%** of total medium, heavy and super-heavy purchasers rated sustainability as their #1 priority

- > **Super-Heavy** avocado purchasers are more aware and care more about sustainability than heavy-purchasers

Hass Avocado Value Proposition is Very Strong Driven by Great Taste and Great Health Perceptions



fresh avocados
LOVE
ONE TODAY™
heart-healthy • good source of fiber

A position of strength for the industry as it explores issues surrounding sustainability.



Very compelling consumer value proposition which is consistently expressed in focus groups in emotive terms as

“DELICIOUSLY HEALTHY.”

Sustainability Issues Present Both Significant Upside and Downside Potential

UPSIDE POTENTIAL DRIVEN BY:

01

Powerful value proposition driven by great taste and great health

02

It would be hard to negatively impact sales and volume in the short term

03

Strong positive perceptions about avocados and sustainability

04

Little awareness and concern about negative avocado stories

05

Medium, heavy and super-heavy purchasers are aware and care about sustainability issues

06

Opportunity to strengthen the avocado sustainability story and give consumers another reason to “Love One Today”

Sustainability Issues Present Both Significant Upside and Downside Potential

DOWNSIDE POTENTIAL DRIVEN BY:

01

Medium, heavy and super-heavy purchasers are aware and care about sustainability issues

02

In the absence of a strong industry sustainability program (intention and action) negative stories could have impact over time

03

A small erosion in purchases by these user groups could have a large impact on sales and volume

04

14% of these user groups are especially motivated by sustainability messages

05

Failure to communicate effectively to this group could result in demand erosion over time



Important to build a compelling sustainability program to take advantage of the upside potential and protect against potential demand erosion.



Developing the Strategic Plan

Avocado Sustainability Advisory (ASA) Members

Hass Avocado Board

- Jamie Johnson (ASA Chairman)
- Raina Nelson

Colombia Avocado Board

- Jorge Enrique Restrepo
- Alejandro Zapata Arango

Peruvian Avocado Commission

- Jose Antonio Castro
- Bob Lucy

California Avocado Commission

- Ken Melban
- Connor Huser

Chilean Avocado Importers Association

- Jose Gabriel Correa
- Sebastian Bulnes

Mexican Hass Avocado Importers Association

- Ana Ambrosi
- Jaime Rivas

Sustainability Priority Research Areas

Across all geographies and respondents, three priority areas for research rose to the top that could benefit the entire industry:

01

Water use, efficiency and productivity

02

Avocado production and transport carbon footprint

03

Economic and social impact

ASA Considerations and Direction

01

Alignment and support for the three recommended priority research areas

- Water use, efficiency and productivity
- Avocado production carbon footprint
- Economic and social impact

02

ASA members are uncomfortable with collecting individual country data to ladder-up to industry data

- Concerned about the potential for negative comparisons across countries
- Desire to understand if there was another way to collect data that would alleviate this concern—A question for a professional researcher (e.g., research coordinating center)

03

All liked the approach of “leaning into the positive”

- Support for generating positive messages across the three legs of the sustainability stool:
 - Positive personal health impacts
 - Positive planet health impacts and positive societal impacts
- Put more energy into creating positive messages for each audience vs. trying to respond to negative challenges

ASA Considerations and Direction

04

Support for the aspirational approach of focusing on regeneration

- “Leave it better than you found it”

05

Agreement and commitment to not comparing avocados footprint, resource requirements and benefits to other commodities

- Focus on “telling our own story”

06

Appreciation for the complexity and long-term commitment of this work

- Water and carbon, in particular, will require a long-term investment to understand and quantify

07

All liked the approach of quantifying a nutritional /environmental ROI from the water used

- Nutrients
- Positive health benefits
- Positive planetary benefits
- Planetary societal benefits



Objectives and Strategies

Sustainability Objectives & Strategies

The Three pillars of the Avocado Sustainability Center are:



Research



Communication Resources



Industry Coordination



RESEARCH

OBJECTIVE 1:

Determine the optimal research approaches to undertake the three priority sustainability research areas.

Contract an appropriate consulting professional sustainability researcher to assess and recommend research approaches, methodologies, and budgets to address:

1. Water use, efficiency, and productivity
2. Avocado production and transportation carbon footprint
3. Economic and social industry impacts

OBJECTIVE 2:

Build a comprehensive archive of sustainability information & data

- Collect, organize, summarize, and archive existing avocado and relevant fresh fruit sustainability research, data, & information
- Create digital archive housed on the ASC website
- Share with ASA and HAB constituents

COMMUNICATION RESOURCES

OBJECTIVE 1:

Create sustainability copy points that are relevant, convincing, target-audience centric, and USDA approved for use by all industry stakeholders

Establish sustainability copy points that are generic for Hass avocados, that are not geography, company or brand specific

OBJECTIVE 2:

Develop measurement tools to track awareness, attitudes, and success toward specific goals and objectives

Conduct periodic surveys and consumer research and share results with ASA and stakeholders

INDUSTRY COORDINATION

OBJECTIVE 1:

Coordinate research, best practices, & innovation across the industry

- Research harmonization
- Industry innovation & best practices
- Consider a self- assessment tool that could be used to gather industry data – in all areas of inputs that could be consolidated and used in research efforts

OBJECTIVE 2:

Coordinate sustainability data and information (to and from the ASC)

- Collect, organize, summarize, and archive existing avocado and relevant fresh fruit sustainability research, data, & information
- Share this research, data and information with associations, marketers, importers, customers, and any industry stakeholders who desire access to drive sustainability knowledge & awareness



Communication Strategy and Messaging Approach

Three Impacts Driving the Hass Avocado Sustainability Approach and Narrative

- Positive personal health impacts 
- Positive planetary health impacts 
- Positive societal impacts 

Healthy Food,

Healthy People,

Healthy Planet

A Journey of Stewardship, Innovation and Productivity

What we've accomplished over the last 10 years:

01

- Industry growth, planting trees and orchards.
- Higher density plantings/productivity.
- Water efficiency and/technology across countries.
- Supported small family farms, worker safety and rural quality of life.

Where we are now:

02

- One of the most delicious and healthiest foods in the world.
- Naturally capturing and storing carbon.
- Water use efficiency and productivity.
- Improved soil health and regenerative practices: No till, mulch, etc.
- Good working conditions: fair, safe.
- Strong communities, raising people out of poverty.

Where we want to go:

03



Three pillars:

- Personal health (one of the healthiest foods in the world, impact on important health outcomes).
- Planetary health (carbon impact, efficient and productive use of water, regenerative: improving soil health).
- Societal health (Good for communities, workers, raising people out of poverty, providing safe, dignified work).



Good stewards for future generations: "Leave it Better Than We Found it".

- Focus on stewardship, productivity, efficiency, innovation, regeneration and worker safety.
- Research on carbon footprint, water efficiency, societal impacts to inform continual improvement and best practices.

Let's Get it Right





Thank You!



HASS AVOCADO
BOARD