



# HASS AVOCADOS

## ABSTRACT 2009 Economic Evaluation

**Type:** HAB "Effectiveness" Review

**Purpose:**

*To evaluate the effectiveness of the Hass Avocado Board's marketing and promotions.*

*"The U.S. Department of Agriculture (USDA) requires periodic evaluation of the effectiveness of national promotion programs under its supervision. The Hass Avocado Board (HAB) has been directed by the Agricultural Marketing Service, USDA, to conduct an evaluation of programs undertaken during its initial five years of operation, from marketing years 2002-03 through 2006-07."*

**Key Benefits/Attributes:**

*This report provides the results of the USDA-mandated evaluation of HAB promotion programs.*

*The evaluation analyzes the impacts of these expenditures and the overall returns accruing to Hass avocado producers from all promotion programs.*

*This report covered:*

- *Avocado Promotion Programs*
- *Avocado Consumption in the U.S.*
- *Modeling the Annual Demand for Avocados*
- *Benefit-Cost Analysis*
- *Demand Analysis at the Retail Level*
- *Evaluation of the HAB's Network Marketing Center Program*
- *Data Collection Suggestion to Facilitate Future Evaluations*

**Results / Conclusion:**

*The Hass Avocado Board faced significant organizational and economic challenges during its first five years of operations.*

*It was able to meet these challenges by building on the longstanding programs of the California avocado industry, while planning and developing its own initiatives.*

*This resulted in a smooth transition of promotion programs funded and conducted by the California industry to programs funded by HAB and conducted by CAC, CAIA, HAB and MHAIA, while successfully growing the U.S demand for avocados.*

*A combination of effective promotion and information programs prevented a "feared collapse" of U.S. prices as imports soared.*



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*The 13.2 percent average annual growth in U.S. per capita avocado consumption during the 10-year period 1998 through 2007 with essentially constant producer prices is unprecedented for a U.S. tree crop.*

*Much of the credit must go to HAB promotion programs that have significantly increased the U.S. demand for avocados and have contributed to orderly marketing.*

*Producers have received an attractive return on their assessments for HAB programs, with the most conservative estimate indicating a benefit/cost ratio of 1.12 for promotion expenditures.*

*Information programs have helped reduce price variability and decrease retail margins with benefits flowing to producers and consumers.*

#### **Usage:**

*This report is informational, and would be as a basis for how the Hass Avocado Board will be evaluated and measured in the future.*

#### **Time Frame / Frequency:**

*2004-2009*

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