

2016

annual report



Making Our Mark





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Letter from the Chairmen

Dear fellow members of MHAIA, APEAM and Avocados From Mexico:

We are all so fortunate to have the opportunity to grow, pack, and market one of the greatest fresh foods in the world. It is the long list of attributes of our incredible product that serves as the backdrop for the unprecedented marketing effort by your professional team at AFM. Topping that list are freshness, nutrition, delicious taste and extraordinary usage versatility.

Like any fresh produce category that increases in supply 25-30% year-over-year — two years in a row — supply and demand oscillation throughout the harvest period creates important value challenges to the supply chain. AFM's marketing team is in the business of creating sustainable demand to improve our stakeholders' value metrics over the long haul. As witnessed in summer of 2016, as volume growth curves level off, values have a tendency to return to more normal levels.

The collaboration between the Association of Growers and Packers in Mexico (APEAM A.C.) and the Mexican Hass Importers Association (MHAIA) that formed Avocados From Mexico just three short years ago has proven to be a remarkable success.

Over the past 12 months, AFM enjoyed many notable "firsts" as we continue to explore creative and exciting marketing channels to reach consumers in the United States:

- Marched down New York City's Fifth Avenue with AFM's Fresh Cafe float as part of the Macy's Thanksgiving Day Parade®.
- Lit up mobile screens and social media platforms across the country during the South By Southwest Conference in Austin, TX.
- Starred in a public service announcement alongside Elmo and Cookie Monster, the iconic characters of Sesame Street.
- Enjoyed unprecedented year-round popularity in the U.S. with branded in-store promotional bins during key periods, rising an astonishing 67% from last year.

By every key metric, 2015-16 was a banner year for AFM. The ensuing pages of your Annual Report will outline the details of our collective success, and bring to light the endeavors that have helped fuel market growth in the U.S.

A snapshot of selected accomplishments:

Fruit Labeling Program. In a logical effort which ties your multi-million dollar marketing campaign to the consumer we reinforced the AFM brand leadership at point-of-sale by launching a groundbreaking fruit labeling program that included Avocados From Mexico stickers on the fruit. To date nearly 1 billion stickered avocados have made it to the kitchen counter of households in the U.S. This could not have been accomplished without the commitment and loyalty of twelve participating packer-exporters.

“Big Game” Marketing Blitz. Building on the success of the inaugural campaign, we returned to the “Big Game” with an out-of-this-world integrated marketing blitz that pushed creative boundaries for the fresh produce category and drove home the importance of origin, freshness and year-round accessibility. The campaign generated more than 2.5 billion impressions, 70 percent growth compared to our inaugural campaign. According to marketing analyst Nielsen, AFM experienced a 21 percent uptick in momentum, and significant increases in awareness, purchase consideration and emotional connection.

Building a Lifestyle Brand. AFM launched a new digital hub, AvoLifestyle, based on the principle that a healthy lifestyle requires a balanced diet—and avocados can be a part of it. In conjunction with technology and nutrition expert partners, we now offer our fans nutritious meal plans focusing on optimal nutrition and health, for free!

Educating Hispanic Youth. Our innovative partnership with Young Minds Inspired (YMI) and PMA’s Sesame Street’s eat brighter™ platform was highlighted by an in-school avocado nutrition program starring Elmo. Aimed at reaching Hispanic Moms and Kids, branded bilingual materials delivered nutritional messages in 12,000 Hispanic schools in key markets including California, Texas and New York. Through this in-school strategy, we reached 350,000 Hispanic households with our Mi Avo Club promotion.

All this success has its challenges, but we are up to the task. As an industry, we are on the forefront of compliance with new FDA food safety regulations with 100 percent of our packing houses recently certified under required “Preventive Controls Qualified Individual” training, and we look forward to working with importers to secure the necessary Foreign Supplier Verification Program training as the curriculum is developed.

Our success is a result of the dedication, creativity and pride of your marketing team and our valued agency partners, and we are committed to continuing to build recognition of Avocados From Mexico and preference for the purchasing our great product all year long.

And there are even brighter skies ahead.

At retail, avocados continue to play a vital role within the produce department, representing three percent of department dollars, and ranking 14th in overall category dollar importance. It is the second best performing category in terms of dollar growth (+11.2%) behind bagged salads.

Within the \$761 billion U.S. foodservice industry, AFM represents 67 percent of the total share of fresh avocados entering the market. With a four percent year-over-year increase, the market for fresh avocados in U.S. foodservice continues to grow.

Our industry is also having a significant impact on the U.S. economy. In 2015, U.S. imports of Mexican avocados contributed 2.2 billion to the U.S. GDP, over 18,000 jobs and over 1.2 billion in labor income. Staggering numbers!

Your board of directors is extremely optimistic about our amazing product and the future of our brand. Looking forward, sustained consumption growth & brand-building remain key in our overall strategy as we continue to seek exciting ways to tell the “Always Fresh, Always Delicious and Always in Season” Avocados From Mexico story on the biggest, most popular and most influential platforms in the nation.

On behalf of the board of directors and the entire marketing team, thank you for your continued support and trust.

Sincerely,



**Mike Browne,
Chairman, AFM**



**Ricardo J. Vega L,
Chairman, MHAIA**

Lead in consumer brand preference

Avocados From Mexico differentiates from other options in the marketplace due to its year-round-availability which provides great tasting, highly nutritious and always fresh fruit.

A key element, too, is its authentic representation of the heritage of Mexico, the birthplace of the avocado tree and the only place on earth where nature and experience provide the ideal recipe for the perfect avocado.

These attributes comprise the essence of AFM, brought to life through the fun, engaging and authentic spirit of Mexicanity – colorful, fun, bold, and fresh – a nonstop celebration of family and friends. It is an open invitation to share laughter, experiences, and flavorful, vibrant foods; and embrace all the good times in every season of life.

This spirit transcends all AFM brand-building efforts as we focus activities to connect with our primary general market segments:

GOURMET EXPLORER:

Gourmet Explorers enjoy adding their own flair to recipes and do not mind spending time and money to serve unique, high-quality meals. They take pride in being great cooks, and enjoy learning about and preparing food from different cultures.

BALANCED BONDER:

Balanced Bonders appreciate how meals bring the family together and enjoy cooking, but are not willing to spend hours in the kitchen. They take short cuts in the kitchen when necessary, balancing their desire for healthy, pleasing meals with their busy lifestyle.

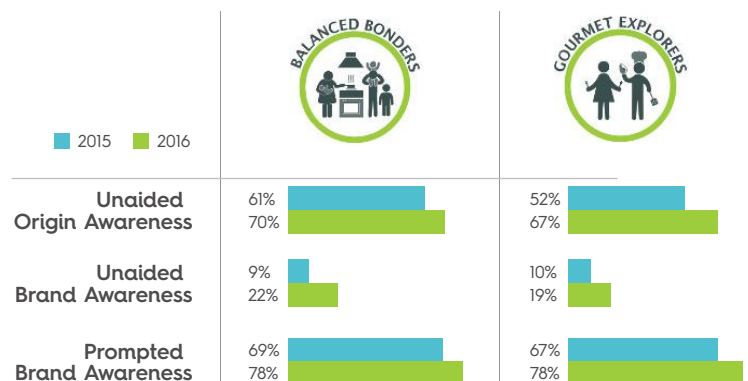
Media Overview

We launched a new creative campaign, “Always There,” to strengthen the focus on our primary messages; Always Fresh, Always Delicious and Always In Season. The campaign connects with our target in a number of ways:

ALWAYS Connects to and reinforces on the “always” language AFM already owns	ALWAYS IN SEASON Allows us to talk about our most differentiating key message in an accessible manner	HAS LEGS Makes sense and works for AFM across channels (PR, retail, advertising, food service etc.)
CONNECTS WELL TO FOOTBALL Guac is always there for the “Big Game”	CONNECTS WITH MAYA Reinforces for Maya that AFM is a reliable food solution that can flex for any occasion or moment at anytime	GOOD TIMES AFM is always there for meaningful moments, big or small

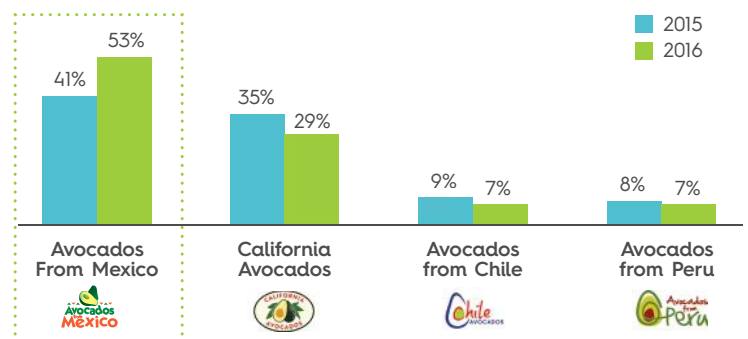
Our robust consumer advertising program helped the brand achieve significant growth in awareness, usage and preference and for the first time, significantly outpaced other origins.

Awareness has grown significantly across General Market priority segments

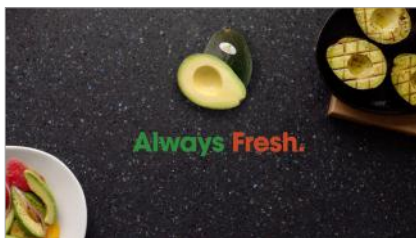


Hall & Partners. “Avocados From Mexico Brand & Ad Tracker General Market Unaided and Prompted Awareness Among All Respondents.” Last accessed September 8, 2016.

Preference for Avocados From Mexico has increased significantly since 2015



Hall & Partners. “Avocados From Mexico Brand & Ad Tracker General Market Brand Preference-Wave on Wave Comparison Among All Respondents.” Last accessed September 8, 2016.



TV

With the creation of five :30 ads and five :15 ads featuring stronger brand visuals, our TV campaign contributed to the brand's heightened awareness. Our strategic placements were featured across Good Morning America, CBS Sports Network, Food Network, Travel Channel, HGTV, Cooking Channel, ABC Family, Nick Jr and Sprout, and we are guaranteed to deliver 763.3 million impressions.

PRINT

AFM had a continuous presence across a variety of outlets which connected to our target's interests and passions – health, epicurean, and wellness/lifestyle. The ongoing presence in mainstream publications allowed us to stay relevant with consumers throughout the year while generating 99 million impressions for the brand. With our new creative campaign, we found headlines associated with taste and health garnered the highest recognition, which are top drivers to purchase.

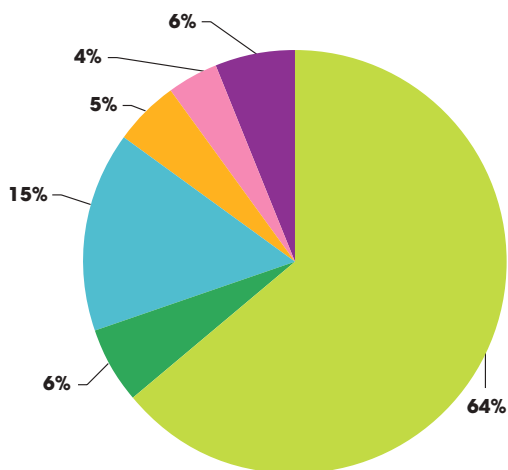


DIGITAL

AFM had a constant and diverse presence in the digital display space. Intended to be visible, relevant to the demo mindset and context for that consumer, our digital media program drove preference by featuring product key messages, high impact interactive recipe builders as well as many other inventive outreach methods. For the year, we delivered 730 million impressions and over 2.1 million visits to AFM digital properties.

GENERAL MARKET MEDIA MIX

- NATIONAL & CABLE BROADCAST
- NATIONAL PRINT
- ONLINE
- MOBILE
- PAID SEARCH
- PAID SOCIAL





Super Bowl

Building on the success of the inaugural Super Bowl campaign, Avocados From Mexico returned to the “Big Game” with an out-of-this-world experience that pushed creative boundaries for the fresh produce category and drove home the importance of origin, and year-round accessibility of Mexican avocados.

Our integrated “Big Game” campaign proved to be a strong platform in shifting AFM brand perceptions. According to Nielsen data, we experienced a 21% uptick in momentum, and a significant increase in awareness, purchase consideration and emotional connection. Nielsen also reported that our creative hit on a number of key Super Bowl best practices, including message simplicity, humor, and in-narrative product inclusion. The ad demonstrated strong breakthrough and exceptional branding, as defined by ad memorability and brand linkage, and the “Always in Season” message shined and drove audience appeal.

AvosInSpace – Took viewers through a hilarious, spaced out experience where aliens highlighted unique Earthly possessions that would amaze beings far and wide. These possessions, determined by the aliens themselves, showcased a number of pop-culture treasure troves, including the always in-season Avocados From Mexico.

Sparking Pre-Game Buzz – Leading up to the game, AFM virtually announced plans to send avocados to space for the whole universe to enjoy. A custom page was designed to track the journey, AvosInSpace.com, and fans were encouraged to engage with the brand using #AvosInSpace. When AFM announced the spaceship was missing, the brand called on fans to help locate the missing spaceship in exchange for a chance to win a trip to Mexico along with a range of other dynamic prizes.

Driving Mass Awareness – Our highly integrated approach featured public relations, online and social engagement. *Good Morning America* attended the filming of the Super Bowl ad and launched our ad days before Super Bowl. We also secured high profile earned media placements with *The New York Times*, *USA Today*, *CBS This Morning*, *CBS Evening News*, *Business Insider* and *Fast Company*.

Similar to last year’s campaign, our strategy was to drive awareness before the game with the :60 ad, and hold the :30 ad until the live broadcast. This approach proved highly successful, as we drove over 5 million views between Facebook and YouTube, a substantial increase compared to the 1.5 million views in 2015.

Our digital program included a Twitter party with Tim Tebow, and the reach was amplified exponentially by AFM’s 60,000 digital Brand Ambassadors, which allowed us to deliver a total of 290,308,707 social media impressions, 649,934 engagements, and got AFM trending as a top ten Twitter trend at a national level for over 80 minutes.

Game Day Engagement – AFM also hosted a 2-hour party with 200 mom bloggers with a “Big Game” pot luck theme. Bloggers promoted the virtual event and hashtag via Twitter and Facebook, delivering over 270 million impressions.

This extensive brand-building campaign generated more than 2.5 billion impressions, 70 percent growth compared to our inaugural campaign, and triple the estimates of our “what if” scenario, which assumes an investment equal to our full year media buy. Our digital campaign alone delivered more than 828 million social impressions from over 33K mentions of the campaign hashtag, breaking our

own record established the previous year. Our impressive earned media campaign doubled our impressions vs. the previous year (1.6 billion vs. 800 million), and the combined efforts of this integrated campaign totaled a highly efficient \$1.89 CPM.

AFM also racked up several accolades before, during and after the Big Game:

- **Maximized Exposure Prior to Kick Off.**

According to data science and media technology firm 4C, AFM earned the most free media exposure of any other Big Game advertiser leading up to the game, as its spot was rebroadcast more than 1,900 times across the country. Our media buying agency estimates the media equivalency of these pregame airings to be worth nearly \$500,000.

- **Solidified Status as a Digital MVP.**

Based on Merkle's Digital Bowl Report, AFM narrowly ranked as the No. 2 digital Super Bowl campaign, tying for first in paid search and finishing in the top ten in search engine optimization, display advertising and social media. The report stated AFM's campaign offered a "social first" experience and provided valuable information to users with consistent use of #AvosInSpace. Merkle also noted that AFM won premium ad placement during the game on high-traffic sites such as FoxSports.com

- **Drove Significant Social Engagement.**

#AvosInSpace dominated the social conversation leading to the Game, earning the most mentions on Twitter, and with it, a significant amount of "earned media". According to Brandwatch, the pre-game social media buzz was all about avocados, with 50 percent more hashtag mentions than the next closest Super Bowl advertiser. AFM was also the third most mentioned advertiser, based on data from Salesforce.

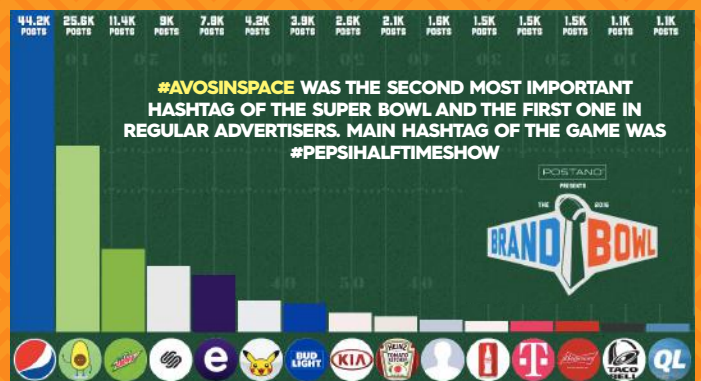
- **Critics Give AFM a Touchdown.** "Avos In Space" was voted a top ad by *Fast Company* and *The Washington Post*, and earned widespread acclaim from *Adweek*, *AdAge*, *The Chicago Tribune* and *Forbes*; while placing in the top 26 percent of the prominent *USA Today AdMeter*. The campaign also finished #11 in the new YouTube Ad Blitz.

- **Breakthrough Retail and Foodservice Promotions.**

Success was also seen in AFM's innovative retail promotions, Guac Nation and Fanwich, which helped drive historic volume (over 35,000 bin sell-in), and collaborations with The Cheesecake Factory, Chili's and Freebirds also contributed significant growth.

The screenshot shows the Adweek website with a headline: "THE BIG GAME 2016: These Brands Have Won the Most TV Exposure Heading Into Super Bowl Weekend". The sub-headline reads: "Avocados From Mexico, Hyundai snagging free airtime By Marty Swant". Below the headline is a video player showing a commercial with avocado characters. To the right, there's a "Marketing Land" sidebar with the text: "Super Bowl Social Buzz: #AvosInSpace Earning Most Mentions So Far On Twitter".

The graphic features the text "MERKLE'S 2016" and "Avocados from Mexico". Below it, it says "DIGITAL BOWL REPORT" and "Avocados from Mexico Scoring Breakdown". A badge indicates "Merkle Digital Bowl Report Rank #2". A quote states: "Avocados from Mexico narrowly came in second, tying for first in paid search and finishing in the top ten in SEO, display advertising, and social media."



The snippet shows the title "FAST COMPANY" and the article title "Amazon's Epic Party, Avocados In Space: Here Are The Top 5 Ads Of Super Bowl 50". Below the title is a row of five small images showing different Super Bowl commercials.

FRUIT LABELING PROGRAM

In an effort to drive mass awareness and maximize our multi-million dollar marketing campaign, Avocados From Mexico reinforced its brand leadership at point-of-sale through a groundbreaking new fruit labeling program. The ambitious nationwide endeavor placed Avocados From Mexico stickers on the fruit, allowing our wonderful product to bare the Avocados from Mexico name at retail for the first time ever. To date, nearly 1 billion stickers have made their way onto shelves and into households throughout the U.S. This priority program comprises a major component of our growth story, and could not have been accomplished without the commitment and loyalty of participating packer-exporters.



Macy's Thanksgiving Parade

Avocados From Mexico spiced up the 89th annual Macy's Thanksgiving Day Parade® with their inaugural appearance. AFM constructed a custom, life-sized Fresh Café to roll through the streets of NYC with rock sensation Daughtry in tow. The nationally televised parade hosted by Matt Lauer, Savannah Guthrie and Al Roker of NBC's *Today*, drew 22.3 million viewers and was an ideal moment to showcase the brand on a national stage.

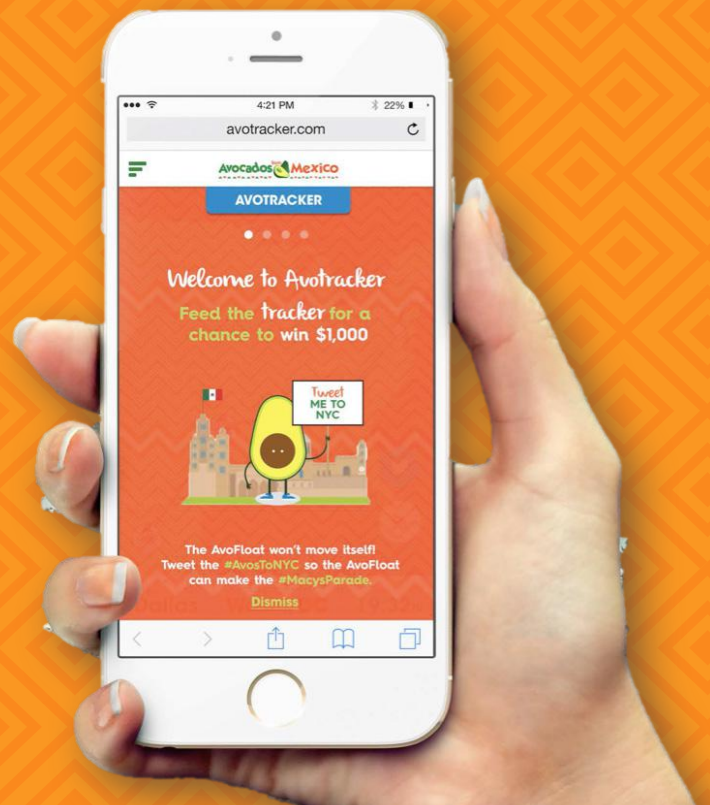
Millions Track the AvoFloat. In the week leading up the Macy's Thanksgiving Day Parade®, AFM leveraged the power of social media by enabling fans to help the AvoFloat make the same journey that Mexican avocados make all year-round, from Michoacán to NYC, in time for Thanksgiving Day.

The full experience, dubbed #AvosToNYC, lived on the AvoTracker.com landing page, and included:

- A map tracking the AvoFloat's journey to the Parade in real-time
- Encouragement and ability to Tweet from the website using the #AvosToNYC hashtag
- A series of 6 videos, one for each city in which the AvoFloat "virtually" stopped en route to NYC



Our digital campaign delivered 55.7 million impressions on Twitter alone, representing 53% share of the entire "Macy's Parade" conversation. AFM was second only to Macy's in driving branded conversations, reaching a total of 25.7 million consumers in only one week only on Twitter. AFM's social media presence out-paced the nearest competitor, KFC, by 43%.



CINCO DE MAYO

Avocados From Mexico crashed Cinco de Mayo with a variety of AVO-inspired activities to showcase how fresh avocados from Mexico are the perfect addition to any meal during this year's festivities. AFM partnered with prominent NYC food trucks, top-tier bloggers, social influencers and Instagrammers, all in an effort to dominate social conversation and encourage consumers to #GuacIt. For the first time, the brand also unveiled a :15 Cinco de Mayo inspired TV ad which ran in the days leading up to the holiday.

AFM kicked off the Cinco de Mayo celebration with a morning visit to Good Morning America, joined by three of New York City's most popular food trucks – Wafels & Dinges, Kimchi Taco Truck and CoolHaus – to participate in a four-minute live AFM inspired cook-off. The food trucks served their AVO-dish throughout NYC, while influencer partners including Mom it Forward and Social Toaster helped drive national awareness of #GuacIt.

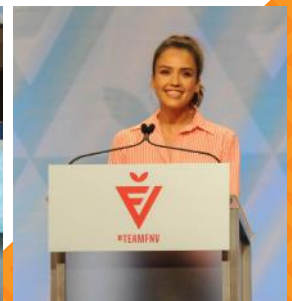
The #GuacIt hashtag lit up social media, becoming the largest branded Cinco de Mayo hashtag campaign, reaching 21 million consumers and achieving 309.6 million impressions across the campaign landing page, Twitter and Facebook. The Guacit.com landing page was visited by 211,019 unique users who wanted to participate in the Guac It! contest or view guacamole recipes. The campaign content on Facebook included a carousel that reached 255,000 fans and drove more than 10,500 clicks to the microsite. The Tabasco Guac It video alone reached 251,990 users and drove 42,621 video views, 1,049 reactions and 4,917 clicks to Guacit.com.



PARTNERSHIP FOR A HEALTHIER AMERICA

Avocados From Mexico is committed to advancing consumer education about the benefits of avocados and their importance in a nutritious diet. We continued our corporate responsibility partnership with FNV, a public health campaign promoting fruit and vegetable consumption using cool, modern marketing techniques. AFM participated in FNV Live, a unique event featuring musical performances, celebrity appearances and speculator stunts, to celebrate the awesomeness of fruits and veggies.

FNV Live was headlined by an appearance by First Lady of the United States, Michelle Obama, and also featured appearances by actresses Jessica Alba and Gabrielle Union, and social media superstars Hayes & Nash Grier, as well as musical performances from GRAMMY-winning singer Estelle, GRAMMY-winning singer, songwriter and author Ashanti, and actress and singer Jordin Sparks. AFM was on-hand sampling our delicious and nutritious fruit to celebrity attendees in the Official Avocados From Mexico FNV Live Green Room.



engaging with the Nueva Latina



Hispanics are among the strongest U.S. consumers of avocados – representing 40 percent of the avocado market. It is vital that Avocados from Mexico engages with this segment and reaches today's Nueva Latina to defend the volume of avocados in the U.S. as she controls the majority of household spending and drives her children's connection to their heritage. The Nueva Latina is important because she represents the new bicultural reality happening in the U.S. As she acculturates her consumption will decline. Being the heaviest purchaser of avocados, it is important this segment maintains their majority consumption pattern to help ensure the continued growth of the category.

Through AFM's own proprietary segmentation study, we identified two primary segments that reflects this bicultural Hispanic to help sustain her everyday use of avocados.

HERITAGE KEEPERS

This group retains Hispanic heritage with relative ease and little tension. Comfortable with their lives and cultural balance, they surround themselves with Hispanic language and culture and see no need to be more American.

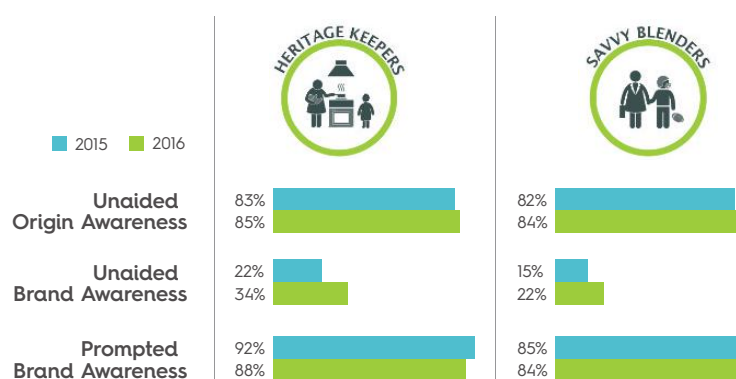
SAVVY BLENDEERS

Fully bilingual and bicultural, this group feels they benefit from the best of both cultures and are confident they can maintain their Hispanic cultural connections.

Media Overview

Our Hispanic advertising campaign continues to be the most effective channel to reach our priority segments, and AFM enjoys significant unaided awareness, significantly exceeding other avocado growing regions. With the help of integrated partnerships with Univision, Telemundo, Unimas, Estrella TV and Azteca TV, we reach our segments in top Hispanic avocado markets. From an online and mobile perspective, we advertised on Facebook and YouTube. The campaign resulted in over 253 million TV and digital impressions.

All priority segments are similarly aware of AFM. Heritage Keepers have the highest unaided awareness



Hall & Partners. "Avocados From Mexico Brand & Ad Tracker Hispanic Market Unaided and Prompted Awareness Among All Respondents." Last accessed September 8, 2016.

Vida Aguacate

Given the importance of connecting with the Nueva Latina, AFM created an online destination inspired by our Nueva Latina's passion for avocados called Vida Aguacate. It is also a unique platform that empowers and celebrates her life and provides her with content that not only can enhance her everyday life but allows her to connect with her kids through heritage.

Vida Aguacate accomplishes this in the community by currently featuring nutritious recipes, promotions/giveaways, healthy eating educational content for children and adults, along with lifestyle tips to ensure a positive mindset. It is also featured on Facebook which has over 420,000 fans. The overall objective of Vida Aguacate is to be the most active and engaged Nueva Latina community in the U.S.



AMERICAN YOUTH SOCCER ORGANIZATION

To reach Hispanic Moms and Kids on a grassroots level and educate them on healthy lifestyles and nutritious eating, AFM sponsored the American Youth Soccer Organization (AYSO) soccer clinic "El Mejor Partido" in California and Texas. Through key retail partnerships with HEB and Northgate, AFM launched soccer themed in-store activations encouraging the purchase of Avocados From Mexico. The retail campaign culminated with a youth soccer clinic and parents' nutrition workshop discussing the benefits of adding avocados to youth diets. Campaign highlights include:

- Sweepstakes provided opportunity for Moms to register their children for AFM/AYSO clinics
- In-store activation events – including avocado sampling, interactive soccer games, raffles and giveaways – at preferred retail locations (weekends) in California and Texas
- In-store activation resulted in product sell through rate 4x greater per hour



driving avo education

As a brand, our multi-faceted integrated marketing efforts have one singular goal: to develop and implement innovative marketing and trade initiatives that inspire people to buy more and eat more Mexican avocados. To achieve this objective, we emphasize five key messaging pillars of our fruit: Delicious Taste; Superior Freshness; Always Available; Good for you; and Mexican Authentic.

The versatility of our fruit provides many exciting marketing opportunities, but our own research consistently reveals that avocado education is a barrier within the category. AFM is committed to advancing consumer education about the benefits of avocados and their important role in a nutritious diet. As the category leader, it is incumbent upon AFM to reach out to consumers with this information in a variety of ways, and data shows discussing the health and wellness benefits of avocados is one of the top drivers of avocado education.

Avocados and Edu-tainment

Bolstered by research, AFM knew that most consumers aren't all that confident when it comes to going to a grocery store and purchasing avocados on their own. Depending on when and how you want to eat an avocado, you need to know when it is ripe. And once you peeled and de-pitted it, you will want to know how to preserve the unused part to avoid wasting it.

This insight led to a shift in our online strategy to emphasize a content marketing approach to deliver avocado "education" through information and stories that are interesting and wide ranging in topic matter. We enlisted cookbook author, teacher, foodie, and chef Pati Jinich, host of Pati's Mexican Table on PBS, to help bring this vision to life.

Knowing that Pati lives an extraordinary life traveling the globe, meeting dignitaries and other celebrities, and appearing on several national TV shows, AFM worked with Pati to tell and promote her exciting stories through recurring blogs and, while doing so, use these entertaining stories to work in educational avo tips to inspire customers to make their next meal extraordinary.

To further leverage Pati's profile, we created a series of 12 short-form education-focused videos conveying tips on how to select the perfect avocado, ripen an avocado, keep guacamole green, and more. These videos were constructed with the goal of being distributed in targeted areas online, and AFM promoted each of the stories via both AFM's and Pati's social media channels: Facebook, Twitter, Instagram and Pinterest.

AFM provided top short-lead food, nutrition, health and lifestyle editors with an immersive experience to drive avocado education and engaged PATi to help educate editors about versatile avocados. Editors were treated to custom recipes tied to winter/holiday season occasions curated by Pati to encourage short-lead coverage. The event prompted immediate social media buzz and media coverage in top publications, including *Dr. Oz The Good Life*, *Real Simple*, *Runner's World*, *Women's Health*, *Shape*, *Men's Fitness* and *Well+Good*.

Additionally, as a standard feature of our relationship with Pati, she continues to deliver unique recipe solutions and interesting recipe headnotes to engage our consumers in our "Good Food" communication approach.



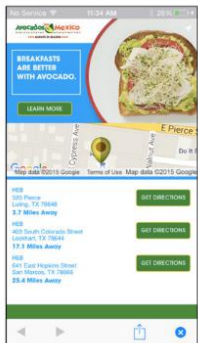
EDUCATION WITH THE VERVE

Reaching consumers in-store & at home. Avocados From Mexico partnered with Verve, a location-based mobile marketing platform, to launch a geo-targeted mobile campaign that increased household penetration and consumption, and helped AFM dominate digital conversations about nutrition, the nutritional benefits of avocados, and weight management when customers would be most receptive to messaging.

Leveraging an incredible mix of first- and third-party sales, location and consumer data, AFM geo-targeted avocado buying households in-store, and the immediate vicinities of top retailer partners Publix, Kroger, Safeway Albertson, and HEB Grocery. The eight-month campaign delivered 13.6 million hyper-targeted impressions that reached each user with a specific “education” message, according to the precise location and mindset of that user at the moment of receiving the message. Users inside the retailer were offered information about “how to pick avocados,” while users reached in their homes were offered details about “how to prepare avocados.” The highly focused strategy drove outstanding performance, as the Verve campaign was the second-most successful AFM digital media campaign in terms of user engagement.

Results:

- Astounding 51 percent increase foot traffic, and 38 percent rise in frequency for partner retailers
- More than 2 percent of users clicked through to the map showing their closest retailer location – exceeding the campaign’s stretch target goal by more than 75 percent
- Shoppers targeted in close proximity to top retailers followed turn-by-turn directions to Mexican avocados POS after being exposed to AFM creative messaging on their mobile device, in record numbers – exceeding Verve’s uppermost benchmark by nearly 90 percent
- The “How To Make Avocado Toast” video drove the strongest VCR (Video Completion Rate) of 65 percent, exceeding the campaign’s stretch goal by 30 percent
- All creative interactions performed 128 percent to 183 percent stronger than the mobile industry average CTR of 0.35 percent



AdvertisingAge
Avocados From Mexico Is Turning Guacamole Addiction Into Consumer Data
 Mobile Beacons and an Under Armour Partnership

Tap to Map engagements exceeded by over **75%**

+51% lifted store foot traffic
+38% visit frequency

RETAIL EDUCATION PROGRAM

AFM showcased its leadership by developing a variety of “How To” retail signage to educate consumers on picking, ripening, preserving and usage. These interactive signs were available to retailers and affixed to AFM displays or retail produce displays.

Key features include:

- Eye-catching and engaging interactive experiences
- Educates customers and inspires impulse purchases
- Versatile hanging design offers flexible in store fixture implementation

Through our association with the Produce Marketing Association, we leveraged assets from Sesame Street’s eat brighter!™ toolkit to develop branded bins featuring Sesame Street characters and AFM educational messaging.





AVOWELLNESS

AFM partnered with Sesame Street to help educate families about the health benefits of fresh avocados and the importance of maintaining a well-balanced diet. AFM enlisted Chef Pati Jinich to meet Sesame Street's Elmo, Cookie Monster and Rosita in the kitchen to share health benefits and fun facts about the avocado. From tickling Elmo's taste buds with avocado toast to satisfying Cookie Monster's cookie obsession with easy avo-substitutions, AFM launched a series of educational videos showing the green superfruit for what it is...versatile and ready for any diet! This engaging content was developed into a national public service announcement to promote the benefits of fresh avocados. The PSA campaign has been an overwhelming success, airing 18,497 times from Jan-June 2016, generating over 135 million impressions for a donated broadcast value of \$3,209,602! Our video series was also a hit online, generating over 6,505,959 total views and more than 17 million impressions.

MEDIUM	IMPRESSIONS	VEWS
Facebook	12,538,294	3,694,783
YouTube	3,507,923	1,202,082
Tubemogul	1,609,095	1,609,094
TOTAL	17,655,312	6,505,959

AvoWellness

A is for Avocado
The Nutritious and Delicious Fruit

According to the CDC, the vast majority of Americans do not meet the recommended intake of fruits and vegetables nor do many meet the requirements for consumption of essential nutrients. Additionally, CDC data suggests that many adults are consuming double their recommended sodium intake, posing serious health risks to many Americans.

In response to these findings, Avocados From Mexico, non-profit 501(c)3 organization and fresh avocado market leader, has partnered with Sesame Workshop, a not-for-profit 501(c)3 organization, to educate families about the health benefits of fresh avocados and the importance of maintaining a well-balanced diet.

Mexican avocados can be enjoyed year round, and they are the perfect addition to a nutritious lifestyle, containing good fats, low cholesterol, vitamins and more. Together, we hope to promote more nutritious lifestyles one avocado at a time.



AVO NUTRICIÓN

As part of our AFM/Sesame Street partnership, three custom Spanish language videos featuring brand ambassador, Maggie Jiménez, and iconic Sesame Street characters were developed, focusing on the nutritional benefits of avocados and also providing educational tips on how to select, ripen and preserve the fruit. These memorable videos served as a way for our Hispanic target to connect with her kids, and proved to be the most successful Hispanic-themed video content AFM has developed. This campaign delivered approximately 13 million impressions and over 3.7 million total views via Facebook and YouTube.

MEDIUM	IMPRESSIONS	VEWS
Facebook	10,471,282	2,578,955
YouTube	1,936,711	683,308
Tubemogul	454,703	454,703
TOTAL	12,862,696	3,716,966

Avo Nutrición

A es para Aguacate
La fruta Nutritiva y Deliciosa

De acuerdo con el CDC, la gran mayoría de los Norteamericanos no cumplen con el consumo de frutas y vegetales recomendada, así como tampoco cumplen con los requerimientos para el consumo de nutrientes esenciales. Adicionalmente, los datos de CDC sugieren que muchos adultos están consumiendo el doble del sodio recomendada, poniendo en serio riesgo su salud.

Como respuesta a estos hallazgos, la organización sin fines de lucro Aguacates de México - líder del mercado en aguacates, se asoció con Plaza Sésamo, la organización sin fines de lucro 501(c)3, para educar a las familias acerca de los beneficios de los aguacates para la salud, y la importancia de mantener una dieta balanceada.

Los Aguacates De México se pueden disfrutar todo el año, y son una adición perfecta para un estilo de vida nutritivo, con un contenido de grasas buenas, bajo colesterol, vitaminas y más. Juntos, esperamos promover un estilo de vida más nutritivo, un aguacate a la vez.

CULTIVATING THE AVOLIFESTYLE

AFM launched a new digital hub, Avolifestyle, based on the principle that implies that our society can leverage technology to improve awareness, education and adoption of health and optimal nutrition practices. A healthy lifestyle requires a balanced diet – and avocados can be a part of it. In conjunction with the technology platform, Evolution Nutrition, we offered consumers complementary nutritious meal plans focusing on the three principles for optimal nutrition and health:

Adequacy - Making sure you are getting essential nutrients to maintain health and replace what is lost on a daily or weekly basis.

Balance - Ensuring you are getting the right amount of essential nutrients and limiting the things that can have a negative effect on your health.

Calorie Control - Having the right amount of calories throughout the day to keep your system working effectively.

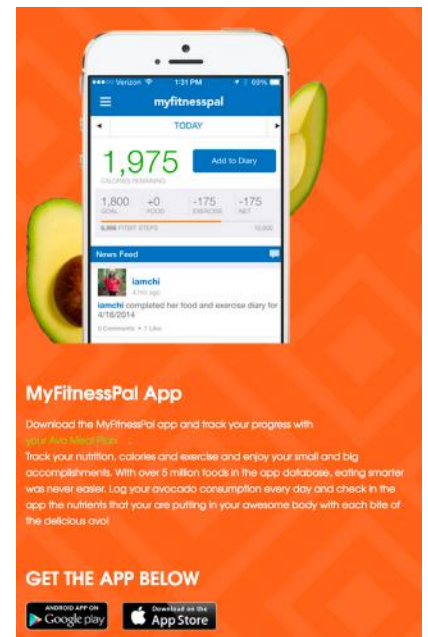
Avolifestyle represents the intersection of Nutrition and Behavior Change in the Digital Age.



UNDER ARMOUR: FITNESS & THE AVO LIFE

AFM partnered with the popular Under Armour app MyFitnessPal to launch a groundbreaking, first-to-market effort, The Avolifestyle Challenge by Avocados From Mexico. This exciting program was the first-of-its kind brand partnership for MyFitnessPal, one of the most popular health and fitness apps in the world. The app's database of more than six million foods makes it easy to track food intake and helps users determine the most nutritious foods, like avocados, to help meet dietary goals. Our partnership challenged app users to log 15 meals with one serving of avocados during December 2015, and show how they live the Avo Life.

AFM's supplementary partnership with Evolution Nutrition supplied all participants with a subscription to Mi Avo Plan – a customized meal plan developed by a certified nutritionist, starring Mexican avocados. Registrants also entered win a \$500 Under Armour gift card. The challenge garnered 5,000 registrants in its first four days, and reached 30,000 registrants by December 1, eventually peaking at more than 60,000 before the challenge's close.





reaching new audiences

Brand building continues to be a major component of our overall strategy, and we constantly seek new and exciting ways to communicate our “Always Delicious, Always Fresh, Always in Season” story. As category leader, AFM has a responsibility to reach consumers — especially younger generations — to educate them about the importance of fruits like avocados and their role in maintaining a nutritious diet. It’s also vital for our brand to tap into the latest trends and pop culture moments to ensure we stay relevant to our loyal customers, and introduce the brand to new fans through innovative executions.

SOUTH BY SOUTHWEST (SXSW)

AFM celebrated its year-round love of music with its first-ever appearance at SXSW, and in the process, dominated SXSW-related social buzz. SXSW was an ideal time for AFM to engage new audiences, and our participation continued the brand's commitment to reaching consumers in unexpected ways. AFM's attendance was focused on showcasing the always-in-season fruit, just like music is always in season.

According to data from the social media monitoring company Keyhole, AFM's #GuacNRoll activities generated over 32,000 social media posts, making it the most popular hashtag used during SXSW. Over 9,700 fans used #GuacNRoll during this SXSW music, resulting in over 200 million impressions, and nearly 60 percent of AFM's 56,000 total tweets included #SXSW, making AFM a significant factor in driving overall SXSW online conversation.

AFM launched GuacNMusic, a custom AFM radio station, in partnership with Slacker Radio, featuring a compilation of music and artists representing the "Mexicanity" synonymous with the brand. Listeners were able to customize the brand's AVO-tastic music according to their tastes, and throughout SXSW, users were invited to tweet audio files with their voice to become DJs of the station. Slacker then created individual channels within the station for each DJ, and gave them the opportunity to share those individual segments throughout their social networks.

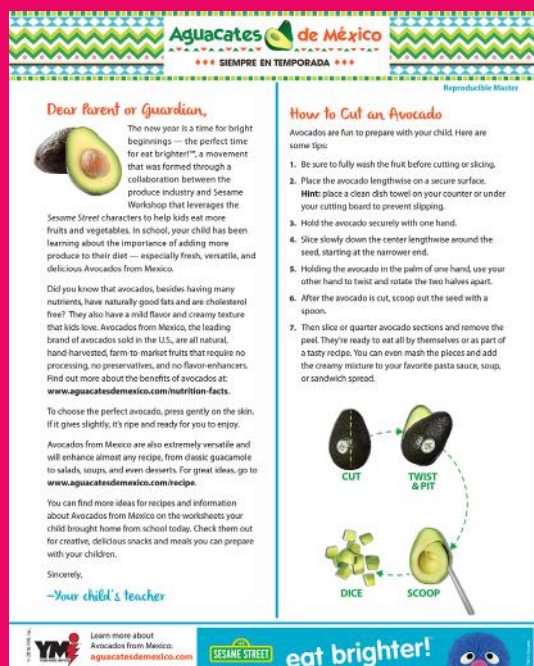
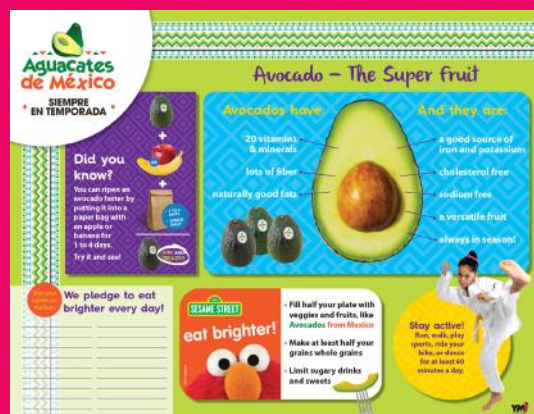
AFM also participated in Casa Mexico, an event featuring artists, keynote speakers and musicians aimed at highlighting a truly remarkable Mexican experience. Hosted at the Mexican American Cultural Center, AFM had a branded tent to interact with attendees, and positioned a guacamole food truck in front of the event for guests to enjoy.



AVOCADO YOUTH EDUCATION

Through a partnership with Young Minds Inspired (YMI) and PMA's Sesame Street's eat brighter!™ platform, AFM conducted an in-school outreach program focused on avocado nutrition which targeted Hispanic Moms and Kids and starred Elmo.

- Bilingual materials delivered AFM nutrition messages to parents, teachers and kids in 12,000 Hispanic schools in key markets including California, Texas and New York.
- Materials included poster guides and student activity sheets, bilingual parent letters and a teacher-focused AFM micro-site which discussed the campaign
- Through in-school distribution, we reached 350,000 Hispanic households with our Mi Avo Club promotion



Leading trade excellence for produce

As a category, avocados play a vital role within the produce department. According to IRI data, avocados represent three percent of department dollars, and ranking 14th in overall category dollar importance. It's the second best performing category in terms of dollar growth (+11.2%) behind bagged salads. AFM's retail marketing campaigns are designed to educate and engage targeted audiences on the many benefits of Avocados From Mexico through clever in-store promotions to help inspire them to purchase and enjoy our delicious fruit.

This year AFM was honored to be a recipient of the prestigious Progressive Grocer's 20th Category Captains Awards, which recognizes overall excellence in innovative, creative, profit-generating category management platforms – efforts that help move retailers achieve genuine shopper centricity by delivering solutions, not just products.

TRADE ADVERTISING AND PUBLIC RELATIONS

AFM has a continuous presence across a variety of priority trade publications, allowing us to communicate on key promotions and events, while maintaining excitement throughout the year.

Highlights include:

- AFM'S biggest emphasis in the trade was focused around promoting awareness of our participation in the Big Game. We announced it in the major trade publications with takeovers and significant presence in print and digital. In addition, AFM produced a Guac Nation video to promote our return to the "Big Game" with strategic placements on AndNowUKnow.com throughout the week leading up to Super Bowl.
- Produced annual print and digital ads that were placed in key outlets like *Grocery Headquarters*, *Progressive Grocer*, *The Packer*, *Produce Business*, *Produce Retailer*, *The Produce News*, *Supermarket News*, *AndNowYouKnow* and *SmartBrief* to drive awareness around our seven seasonal programs.
- Developed a 2016 calendar for 2015 December issue of *Progressive Grocer*, which was inserted inside the publication and delivered to over 22,000 recipients.
- Ensured a steady drumbeat of earned media coverage, with other 140 placements in key trade outlets throughout the year.

MUCHAS GRACIAS!

2015 CATEGORY CAPTAIN OF GROCER

Avocados From Mexico is honored to be recognized as a Category Captain for our innovative and strategic efforts driving growth within the avocado category. With the support of our retail partners, we are able to continue our success as the #1 selling avocado in the U.S. with more than 1.5 billion pounds of avocados being supplied. Avocados From Mexico is committed to providing the tools and resources necessary to address the consumer needs for our retail partners, while continuing to support and help grow their produce business.

Avocados From Mexico
Trade: AvocadosFromMexico.com

JANUARY 2016

Seasonal Programs: Guac Nation (1/4 - 1/10)

Game Day Guacamole

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
					Super Bowl's Day	

Trade: AvocadosFromMexico.com

Game Day Promotion Tip: Offer merchandise Avocados From Mexico with tomatoes, onions, jalenos, and limes to remind customers to purchase these to make their Game Day Guacamole!

DECEMBER 2016

Seasonal Programs: Season's Salads (11/20 - 12/1)

How To Slow Down Ripening: Place that fruit that has not been opened in the refrigerator to slow down the ripening process. Avocados that are placed in the refrigerator can be used within 2-3 days and should be checked daily to avoid over-ripening.

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY

Trade: AvocadosFromMexico.com

PMA FRESH SUMMIT CONFERENCE AND EXPO

Avocados From Mexico increased its presence at PMA 2015 with a high profile sponsorship to elevate the brand among priority retailers.

- Created a new 50'x40' AFM booth within the center of the show floor to offer an improved layout and flow, including a second floor seating area for meetings with key customers.
- Sponsored the Saturday General Session Breakfast where AFM was prominently featured on the menu to over 700 guests and also showcased a 2 minute video about the innovative ways it leads in the category.
- Secured a partnership with Produce for Better Health to reach onsite supermarket RDs, and AFM RD Barbara Ruhs represented to this influential audience.
- Hosted our first ever Brand Showcase to highlight AFM Seasonal and Merchandising programs. This invite-only event, held nearby at the College Football Hall of Fame, helped solidify retailer commitments.



Merchandising Innovation

AFM is committed to driving category growth through innovative solutions for optimized space management.

Permanent Racks – Bulk Solution

- Permanent displays are durable for long lasting life and arrive preassembled. “Flat-back” design of two racks/positioned back to back creates a double-sided display
- Eco Friendly Rack Design is made from 100 percent recyclable corrugated material. Two sided removable header easily switched out for new marketing. Taller bottom shelf for complementary items like chips, taco shells or beverages

Permanent Racks – Bag Solution

- Development of multi-tiered sizing program. Offers ease of execution, displays arrive per-assembled.



FLEX FUNDS SUPPORT AND KEY POWER ACCOUNT SUPPORT

AFM increased retail specific promotional activities in all markets with a specific focus on Tier 1 Power Accounts and Tier 2 Accounts. Activities were focused into four categories:

- **Loyalty Programs** – Our primary volume driver. They drive year-round loyalty and are the best vehicle during over projection sales periods. Redemption continues to increase and out rank other coupon items.
- **Advertising** – FSJ, in-store, Social Media. The #2 vehicle for sales promotions. They create brand awareness when logo is in use.
- **Demos** – Both with and without Seasonal Partners. Power accounts see lift during demos periods. Partners are looking for regional/ account specific programming, and demos align with their goals.
- **Contests** – volume & display. A popular approach to support “Seasonal” promotions.

RD PROGRAM

As Americans become more interested in the healthfulness of their food, grocery store chains are relying on retail dietitians to separate fact from fiction when it comes to nutrition trends and research. AFM is engaging and supporting these RDs by providing them with relevant content and materials that will help promote AFM programs in relation to trending nutritional topics.

With the help of AFM Ambassador, Barbara Ruhs, MS, RD, LDN, the brand is engaging RDs through:

- Nutrition Newsletters
- Dietitian’s Ads & Produce Picks
- In-Store Dietitian Demo-Sampling Programs
- Social Media & Digital Outreach
- Community Health Programs
- Culinary Programs



Avocados From Mexico
EAT ALWAYS IN SEASON

Boost Nutrition at Family Meals WITH AVOCADOS

Kick off Football Season: Celebrate National Guacamole Day on September 16th

You can celebrate the goodness of avocados any day of the year, but on September 16th, show your love for avocados by enjoying your favorite guacamole recipe as a tasty tailgate snack, party appetizer or as a nutrition-packed addition to breakfast, lunch or dinner. Taste and “being good for you” continue to be the top reasons why people buy avocados, so as Registered Dietitians, we’re relying on you to share your love and nutrition knowledge of avocados with your customers.

Need more inspiration? Click here to download “25 Reasons to Love Avocados.” Read below for more information on National Family Meals Month and for trending recipe ideas.

<p>National Family Meals Month</p> <p>It’s partnering with The Food Marketing Institute, Avocados from Mexico is helping to kick off September 2015 as National Family Meals Month* to raise awareness of the benefits of frequent family meals.</p> <p>#familyMealsMonth</p> <p>Learn More</p>	<p>Halloween Spooky Eggs</p> <p>Halloween is just around the corner, by these spooky and fun “spooky eyes” made with hard-boiled eggs stuffed with guacamole and topped with a thin olive slice for the eye. Choose hot sauce or ketchup to add drama to the eyes.</p> <p>Learn More</p>	<p>Grilled Fish Tacos</p> <p>Grilled Fish Tacos are a delicious meal solution to balance the intake of protein, fat and carbohydrates. A variety of fish work well in this recipe – from light and flaky white fish fillets, such as tilapia or cod or you can choose a more hearty, omega-3 rich choice, such as salmon or tuna.</p> <p>Learn More</p>
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Seasonal Programs and Partnerships

Shopper programs helped increase total volume with incremental display activity and build shopper engagement.



FIESTAS PATRIAS

Avocados From Mexico and Coca-Cola® encouraged consumers to share a guacamoment with their Fiestas Patrias campaign. With over 3,800 AFM bins and sparkling displays featuring POS and bundle offers in over 3,600 Hispanic and “cross-over” stores, the program was a perfect partnership.



TASTIEST TALGATE

Avocados From Mexico and Ro*Tel® joined forces for a national partnership in over 50 retail chains to get consumers excited for football season. The partnership proved highly successful with over 12,900k AFM bins and vinyl wraps, and over 4,000 co-branded displays. An online consumer sweepstakes drew over 13,000 entries, while 4 co-branded videos generated over 2.8 million views.



SEASON’S EATINGS

To coincide with the holiday season, Avocados From Mexico created a campaign offering consumers fresh ideas for holiday celebrations by incorporating Avocados From Mexico into festive menu options. Over 45 retail chains participated in the campaign, and AFM sold in over 9,600 bins, a 2% increase over initial projections. A corresponding consumer digital campaign included e-blasts, Facebook posts and combined to distribute over 30,000 coupons.

Seasonal Programs and Partnerships



GUAC NATION

AFM and Old El Paso™ partnered to provide unique, convenient and simple solutions for shoppers preparing for the “Big Game.” Guac Nation was developed to reinforce the strong correlation between eating guacamole while watching football while capitalizing on the incremental grocery shopping trips guests and hosts are making for their Big Game parties. Over 19,400 AFM molcajete inspired bins and large pallets were placed in over 55 retail chains. From a digital perspective, AFM’s integrated mobile Catalina program distributed over one million online coupons, and Facebook and Pinterest posts helped syndicate messaging.



FANWICH

Building on the success of last year, AFM formed strategic national partnerships with Health-full® and Bimbo® to kickoff Fanwich, providing nutritious and fresh new ideas to incorporate Avocados From Mexico on sandwiches. Featured on over 15,200 bins in over 50 retail chains, the program engaged social influencers such as *Fit Men Cook* and associated with Team FNV, our corporate responsibility platform, who helped inspire the consumers to make healthier eating habits. Followers were empowered to create their own sandwiches and post them on their social channels for a chance to win a variety of prizes, including a home fitness center worth \$10,000. Retailers who pre-ordered the Fanwich promotion materials were also awarded the opportunity to attend the “Big Game” in San Francisco. This promotion was also supported with our 2nd annual national display contest. Winners from Grocery Outlet were awarded the prize in 2015.



FIESTA DEL FUEGO

To commemorate Cinco de Mayo, AFM and Tabasco® spiced up Cinco by raising awareness of the great meals and snacks consumers could prepare featuring the two brands, generating almost 16,000 AFM bin placements. The program included a strong media plan, consumer sweepstakes, online coupons, a guac builder game with sharing capabilities and influencer engagement to syndicate our messaging.



GRILLS GONE LOCO

Heineken, Tecate and AFM partnered for The Grills Gone Loco, a campaign highlighting innovative ways consumers could enjoy Avocados From Mexico while they grill. With over 8,700 AFM bins, the program also included social and digital integration, in-store radio and grill giveaways in Hispanic markets.



67% INCREASE IN BINS VS. PREVIOUS YEAR.

	PRIOR YEAR	ACTUAL
Fiestas Patrias	1,100	3,800
Tastiest Tailgate	9,518	2,981
Season’s Eatings	0	9,600
Guac Nation	12,646	19,800
Fanwich	13,147	15,200
Fiesta Del Fuego	8,752	5,700
Grills Gone Loco	6,000	8,700
GRAND TOTALS	51,163	85,781

dominating foodservice

Within the \$761 billion U.S. foodservice industry, Avocados From Mexico represents 67 percent of the total share of fresh avocados entering the market in 2016, a four percent year-over-year increase. The market for fresh avocados in U.S. foodservice continues to grow, realizing a 94 percent increase in poundage between 2015 and 2016 driven by expanded usage in foodservice. AFM's foodservice marketing program continued its domination of foodservice through an aggressive print and digital media campaign, a series of branded LTOs, and innovative industry partnerships with a range of vendors and strategic partners, from schools and universities to leading industry associations. Thanks to this aggressive approach, foodservice operators understand that Avocados From Mexico supply versatility across the menu, help drive restaurant traffic, increase check averages, and most importantly are fresh year-round.

Foodservice Media Overview

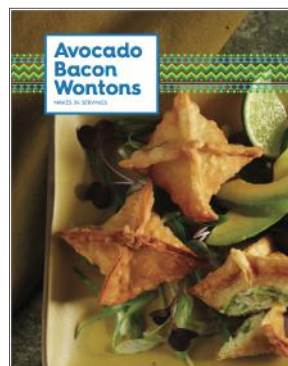
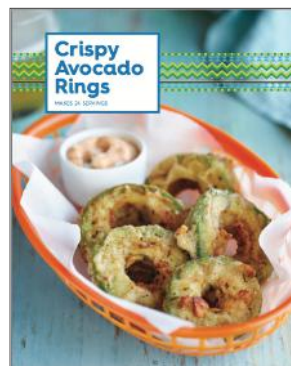
Building a Brand For All Seasons. AFM continued its formidable presence in foodservice print and media through our new “Four Seasons of Fresh” campaign, reinforcing to chefs and vendors our main benefit to the industry – year-round fresh availability. The yearlong initiative showcased AFM in hip, attention-grabbing ways that relate to each of the seasons, adding up to a surround-sound message reinforcing that Avocados From Mexico are always available, all year long.

Blanketing Print. AFM ads dominated the industry's leading publications: *Nation's Restaurant News*, *Restaurant Business*, *Plate*, and *Flavor & the Menu*. The campaign emphasized “Always In Season” messaging, including quarterly spreads to announce each of the four seasons and full-page placements with culinary inspiration in-between. The campaign spanned 7 different creative presentations, totaling 22 insertions and 31 million impressions.

Digital Advertising Blitz. Digital media featured trendy recipe ideas from leading chef tastemakers across the country. AFM curated, shared and amplified the ideas via its digital eco-system, including our website and social media channels.

CULINARY INNOVATION, IDEATION & INSPIRATION

Major buzz was created with the introduction of Avocado Rings, an innovative new technique that was highlighted in AFM print and digital materials, and the dedicated website AvocadoRings.com featuring inspiration, instruction and multimedia content. AFM worked with Chicago-based Culinary Sales Support Inc. (CSSI) on culinary innovation sessions and together developed 24 new recipes spanning AFM's four seasons of availability. We created and produced four seasonal brochures – Winter, Spring, Summer and Fall – that each highlighted unique seasonal recipes. Over 5,000 brochures were handed out at various industry events and shows.



FOODSERVICE EVENTS & SPONSORSHIPS

Strategic placement at key industry trade shows and events throughout the year propelled industry awareness and creative uses across all foodservice channels.

AFM exerted a strong presence at the Produce Marketing Association (PMA) Foodservice Conference & Expo, held July 24-26 in Monterey, California, through a range pre-show and on-site endeavors communicating “24/7/365 days a year,” “All Four Seasons,” and “Always Fresh” messages while also showing several recipe applications.

The event, which helps plan for change and sets the groundwork for strategies that could potentially grow business, is attended by more than 1,800 industry professionals including 500 buyers from across the supply chain all focusing on fresh produce in foodservice. The event offers an incomparable networking venue ideal for connecting with today’s decision-makers, as 75 percent of buyers who attend influence purchasing decisions in their companies.

- Pre-Show Eblast
- Pre-Show personalized e-mails and phone calls
- Showed the use of Avocados from Mexico in various applications: Summer Salad, Cravado Salad, Avocado Chocolate Truffle
- On-site Giveaways: Portable chargers and VIP Bluetooth Speaker

AFM took over the Golden Chain Winners Award Dinner at the 56th annual MUFSSO conference in Dallas September 21, as the evening’s sole sponsor. We served four appetizers during cocktail hour, a two-course meal during dinner, and two desserts at the dessert reception following the event, all of which were attended by 400 of the most influential restaurant operators in the nation.

AFM developed a full program to support its position as sole sponsor and reach attendees with AFM’s Year-Round messaging throughout the evening. Event elements included pre-event communications to attendees, a steady stream of awards given by AFM’s Mark Garcia, and ubiquitous recognition and thanks from event honorees and master of ceremonies. AFM’s on-site presence peaked with the showing of a dynamic video, as well as content and signage and giveaway items for 400+ attendees.

AFM continued its partnership and relationship with the Culinary Institute of America (CIA), the nation’s premier culinary school. Elements included exclusive research, avocado mastery and marketing efforts through and with the school, with an emphasis on the Worlds of Flavor International Conference and Festival (April 20-22, 2016), Legends of New York Dining (April 28) and the Menus of Change University Research Collaborative (June 15-17, 2016) event sponsorships.

Avocados From Mexico
AVOCADOS FROM MEXICO
THE AVOCADO IN SEASON™

WE'RE ON OUR WAY TO PMA!

Visit Avocados From Mexico at booth #119 during PMA, going on July 26th from 11:00am to 4:30pm. Meet Chef Mark Garcia and learn about our great partnership opportunities.

With year-round availability, you'll never have to worry about sourcing the best ingredient your recipe deserves.

CRAVADO SALAD **SUMMER SALAD** **AVOCADO CHOCOLATE TRUFFLES**

Come sample the variety of ways you can use avocados. Visit us from the show's start until 3:30pm to try our freshly prepared Summer Salad and our delicious Crab Salad served in a half avocado. We will be alternating the availability of these recipes throughout the day. We will also have our one of a kind Avocado Truffles available to sample. Be sure to stop by and get your chocolate fix before we run out!

SCHEDULE AN APPOINTMENT TODAY!

Avocado Chocolate Truffles
www.calmforchefs.com

Avocados From Mexico
AVOCADOS FROM MEXICO
THE AVOCADO IN SEASON™

SEE YOU AT MUFSO 2015

DELICIOUS 24/7/365

MUFSO

The 56th Annual MUFSO Conference is right around the corner and we look forward to seeing you! We are excited to enjoy all the conference has to offer and ask that you join Avocados From Mexico on September 21, 2016 for the MUFSO Industry Awards Gala and all seasons dinner. Our chefs will be preparing the Avocado Gratin, the famous Avocado Green Martini and much more. Our carefully crafted menu showcases the freshness, the flavor and 24/7 availability that Avocados From Mexico brings to any dish year-round!

CHEFSROLL.COM

Our continued partnership with ChefsRoll.com, a global culinary community of professional chefs, food authors and other industry professionals that supports members’ careers through personal brand marketing services, drove usage and guacamole innovation and expand our recipe database.

To participate in the Guac ‘n Roll competition, chef members were invited to create and submit recipes featuring Avocados From Mexico. The program garnered 163 unique entries and more than 5 million impressions, while delivering more than 100 new guac recipes to our consumer-facing “Guacapeda.”

Similarly, the Avocado Madness contest garnered 180 recipe submissions and more than 10.5 million impressions, including:

- 48 for sandwich/wrap category
- 32 for taco + guac category
- 16 for burger category
- 8 for appetizer category
- 4 for entree category

CHEF'S ROLL
PRESENTATION IS EVERYTHING

presents

AVOCADO MADNESS

#avocadomadness

Avocados From Mexico



BRANDED LTO'S

AFM secured and activated several LTO partnerships, spanning national in-house dining properties to national quick-service restaurants. We maximized many of these campaigns with dynamic digital activations, and restaurant chains are increasingly relying on AFM's digital know-how to take their local activations promoting AFM, to a national level, through innovative and disruptive tactics.

#GuacIt with Qdoba and Tabasco: AFM deployed one its strongest social takeovers during Cinco de Mayo, partnering with Tabasco and Qdoba, for a massive digital campaign. The activation included a geo-targeted mobile activation, dynamic music activation, social amplification and flavorful incentives to entice our audience. We reached consumers within 5 miles of a Qdoba location to drive visits during around Cinco de Mayo, and employed tap-to-map technology to make consumers aware of nearest location and convenient directions. We served consumers with ads to drive our free guacamole promotion, and leveraged our partnership with Live Stream Radio platform Slacker to create a customized "Guac Is Free" Radio Station, all to drive social buzz and store visits.

The combined effort delivered off-the-chart results:

- 21 million consumers reached
- Over 309 million impressions
- 298,260 visits to guacit.com



Freshly Sliced at Del Taco: With Del Taco, AFM was a featured item in 550 units from November 1 to December 31, 2015. Menu items featured Handcrafted Salads, upsold with new steak items and fresh avocado slices. The program featured in-store and online menu panels, a regional FSI, a staff incentive upsell program, e-blast to the chain's 500,000 subscribers, and social media integration. The program resulted in 10,500 average cases sold per month.

Guac To Go from Chili's: In partnership with Chili's, Avocados From Mexico starred in a unique consumer value proposition: buy any "to go" entrée and receive free guac, salsa and chips. More than 1,200 units participated in the promotion, which ran February 1-7, 2016 and included mobile ads, an email blast to the restaurant chain's 9 million subscribers, and paid social media components.

The program netted nearly 30,000 redemptions in the one-week period, with the social media messages earning more than 22,500 likes, shares

and comments. The mobile ad garnered 2.6 million impressions, with a click-through rate (CTR) of 66 percent – 1.5 times better than the industry average.

Big Game Taste with the Cheesecake Factory:

To elevate awareness for Avocados From Mexico leading into the “Big Game,” AFM became a staple of the Cheesecake Factory digital marketing across 176 locations January 15 - February 8, 2016, with the launch of a Super Bowl themed consumer promotion. Activated through a co-branded microsite, the campaign invited diners to take a quiz for the chance to win \$1,000 and eCards valued at \$50 each. To spread the word, AFM was featured in recipe suggestions on the site, as well as an email blast to the restaurant’s 1.2 million subscribers. Social media included co-branded posts as well as a Twitter Chat leading up to the big game.

The consumer sweepstakes garnered 57,975 entries, with the majority coming from the email blast – an incredible 44,000 of 650,000 subscribers clicked through to the contest microsite. The Twitter Chat earned 13 million impressions, 260 mentions and 137 retweets.

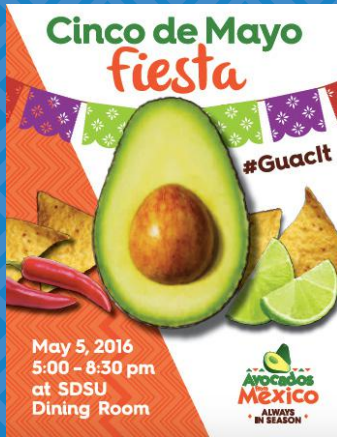
Freebird’s Goes Guac: AFM’s “Big Game” program with Freebird’s, January 26 – February 7, 2016, spanned 107 locations and featured an engaging mobile game supported by an email blast and social media ads. Consumers were rewarded for participating in the football and avocado-themed game by receiving a coupon to save \$1 off “To Go Guac.” The program yielded a .66 percent click-through rate (CTR), above the industry average of .40 percent.

Chipotle Guac Hunters: AFM became a featured item on the Chipotle menu in 1,766 units March 21-31, 2016 with the launch of “I Know That Guacamole Is Extra” campaign, inviting customers to play the “Guac Hunter” mobile online photo-hunt game to earn free guac mobile coupons.

The initiative was promoted through an email blast starring the AFM logo, social media integration, and a featured in-store menu panel specifically referencing Avocados From Mexico. The campaign issued more than 1.4 million coupons including 711,000 that were redeemed, and contributed to 12 percent database growth.

Power Protein for Potbelly: AFM were offered at 400 Potbelly sandwich shops between March and June 2016, encouraging customers to add avocados to sandwiches and try the new “Power Protein Salads” that include avocado. The offering was supported with digital and social media ad campaigns and website integration.





Avocado Nutrition

Make avocados a part of your healthy diet everyday!

There are so many reasons to choose Avocados From Mexico for countless uses, including:

- Naturally good fats
- Cholesterol free
- Low sodium
- 5g fiber, vitamins and potassium per 1/2 serving
- 10g fiber, potassium per 1/4 serving
- 20g fiber, potassium per 1/2 serving
- 40g fiber, potassium per 1/4 serving

Avocados can aid in a "Healthy Heart" by helping the body to better control the amount of cholesterol levels that can enter into the blood.



Do the avocado swap

Add fiber, phytonutrients, and nearly 20 vitamins and minerals to your diet by swapping out just a small amount of your diet for a small amount of avocado in ingredients. A small amount of avocado can be swapped for:

- Butter
- Cheese
- Mayonnaise
- Cheddar Cheese
- Sour Cream

NUTRITIONAL COMPARISON

Item	Calories	Total Fat (g)	Sodium (mg)	Fiber (g)	Protein (g)
Fresh Avocado (2 Tbsp. or 1/4 slice)	100	10	0	2	1
Butter (1 Tbsp.)	100	20	0	0	0
Cheese (1 Tbsp.)	100	10	100	0	2
Mayonnaise (1 Tbsp.)	100	20	0	0	0
Cheddar Cheese (1 oz. or 1 slice)	100	10	100	0	2
Sour Cream (1 Tbsp.)	100	10	0	0	0

Avocados From Mexico logo with 'ALWAYS IN SEASON'.

Avo 101

Do The Avocado Swap



MAKE AVOCADOS PART OF YOUR HEALTHY DIET DO THE AVOCADO SWAP!

Swap creamy, satiating and nutrient-dense avocados for:

- Butter
- Cheese
- Mayonnaise
- Cheddar Cheese
- Sour Cream

Q&A Avocados

WHAT ARE SOME GREAT WAYS TO ENJOY AVOCADOS?

- Avocado:** Eat it every meal throughout the day, including snack time.
- Breakfast:** Spread fresh avocado on a bagel or toast.
- Salad:** Add creamy sliced avocado to sandwiches, salads and dips.
- Smoothies:** Blend an avocado half stuffed with fruit, protein or high protein.
- Smoothies:** Incorporate avocado into dips, soups, pasta and grain bowls.

WHY CHOOSE AVOCADOS FROM MEXICO?

- One word: **Healthy!**
- Mexico's perfect soil, climate, sun and natural beauty that avocado knows no one else.
- Available **100% FROM MEXICO** Avocados From Mexico products, including our award-winning guacamole, are grown and processed in the heart of Mexico.

AvocadosFromMexico.com logo and 'ALWAYS IN SEASON'.



COLLEGES AND UNIVERSITIES

The New Minuteman Diet: AFM earned the status of star ingredient on the UMass Amherst Dining Services menu, emerging as a cornerstone of the school's regular menu cycle as well as the featured item of multi-day special events like Taste of UMass and its annual Chef Culinary Conference.

As America's largest and most awarded university dining program, UMass Amherst partnered with AFM to serve healthy, sustainable and delicious menu items all-day and year-round, featuring the product in dozens of new mainstays including: Avocado and Blueberry Muffins for breakfast, Avocado Grilled Cheese at lunch, and Avocado Mac and Cheese, during dinner and late-night dayparts.

On April 7, 2016, AFM served as the culinary theme of the UMass Dining Service's 20th annual Taste of UMass celebration, the nation's largest campus food showcase of the best culinary creations including contests, live entertainment, and cooking demonstrations emceed by *Food Network's*, Kevin Brauch. AFM was featured in a stand-alone recipe station at the event, which served the most popular dishes on campus.

AFM was also a formidable presence at the school's Menus of Change event, the gathering 300+ college and university chefs. AFM presented 2016-17 partnership opportunities to the attendees, and provided informational kits encompassing the 2016-17 Avo Tour, Concession Stand details, Avocado Nutritional Information, Avo Guac Carts and an ROI Case Study.

As a result of this partnership, AFM realized an increase of 105 percent (2,304 new cases) in sales to the university. The UMass dining commons enjoyed a 9.71 percent increase in foot traffic, with 90 percent of students expressing through a survey that they supported the school's use of Avocados From Mexico.

Celebrating Cinco with the Aztec Warriors: AFM helped San Diego State University celebrate Cinco de Mayo by hosting an on-campus guacamole bar that enticed students to enjoy fresh guacamole, and post the experience using #GuacIt and @AvocadosfromMexico on their social media channels. Students who posted about their experience earned branded tee-shirts, cinch sacks and collateral materials. The biggest fans, who lingered to enjoy their guac in a plush branded hangout area, were treated to mariachi music and photo props including sombreros and costume mustaches to inspire additional sharing on social media.

In the campus' main dining hall, students customized their guac with a selection of toppings: roasted pepita seeds, dried cranberries, cotija cheese, diced mango and serrano chiles. The student diners were also offered chips and carrot sticks, wood boats for sampling, and branded napkins.

The initiative netted 600 samples, 350 T-shirts, and 300 pieces of additional collateral (Avo 101 cards, guac recipe cards and cinch sacks). The brand reached an estimated 3,000 additional students and faculty who were exposed to the signage.

DSR EDUCATION

Driving Growth Through Sales Force Education: AFM created an innovative educational toolkit and training content series with Sysco, to communicate best practices for storage, handling and ripening that was distributed to Sysco's vast network of distributors and national customers. The videos, boasting creative titles like "Think Outside the Guac" and "The Avocado Journey," featured both Sysco employees and AFM's Chef Mark Garcia to garner widespread viewership and usage across Sysco. To support the content partnership, AFM also sponsored a sales contest among Sysco distributors, to help drive volume. The contest resulted in 14 percent growth during the promotional period as compared to the prior period. AFM sponsored several promotional events throughout the season. The "Southwest Hispanic Promotion" in October 2015 yielded an overall 35 percent increase in dollars and 52 percent in cases during the 4-week promotion, and the "Mid Mountain Cinco de Mayo Promotion" (April/May) created by the Western and Mountain divisions also resulted in 20 percent increases.

US Foods' Food Fanatics: Avocados From Mexico partnered with U.S. Foods, one of the USA's leading distributors with nearly \$19 billion in annual revenue, to educate operators on the benefits of fresh Avocados From Mexico and develop a training program to increase sales through education and motivation to promote more avocados. Our first program started in February with an ad in the company's Food Fanatics Magazine and continued through the "Win at Avocados" produce training program that further educates and incentivizes sales at a divisional level.

Baldor Specialty Foods: Avocados From Mexico partnered with Baldor, one of the largest Wholesale Distributors of fresh avocados in the New York region, on an integrated marketing plan. The program started with a full page ad in the Fall/Winter 2016 Baldor Magazine and dedicated blog post on baldorfood.com featuring educational content about year-round availability, sizing guide, recipe suggestions and size availabilities. The endeavor continued through retail merchandising efforts and culminated with an AFM-sponsored chef training at the "Baldor Bite" Trade show. 75 percent of Baldor's customers now carry fresh avocados, and the program yielded a 24 percent in volume throughout the programmed dates.

**WE'RE BACK!
FOR THE BIG GAME**

Give your customers the flavor they crave for the Big Game with Avocados From Mexico and Good Roots Produce!

Classic Guacamole

INGREDIENTS

- 2 large Avocados From Mexico
- 2 tsp. cilantro, finely chopped
- 2 tsp. yellow onion, finely chopped
- 2 tsp. jalapeno or Serrano chiles, seeds and membranes removed, minced
- 2 tsp. plum tomato (1 small tomato), core, seeded and finely chopped
- 2 tsp. lime juice, freshly squeezed
- 2 tsp. kosher or coarse salt, if desired
- Warm tortilla chips, for serving

PREPARATION

Wash together 1 tsp. of the cilantro, 1 tsp. of the onion, 1 tsp. of the chili and 1 tsp. of salt in the bottom of a mocolatte or medium-sized bowl.

Add the avocados and gently mash with a fork until chunky-smooth. Fold the remaining cilantro, onion and chili into the mixture.

Stir in the tomato and lime juice, adjust the seasoning, to taste and serve with a basket of warm, corn tortilla chips.

Tune In After Kickoff

AFM will be making its second appearance in the Big Game! Look for us in the first commercial after kickoff on February 7th, as we continue to highlight one of the many reasons to choose Avocados From Mexico. Trust AFM's experienced growers and Renhart's state-of-the-art packing, grading and transportation systems to deliver these fresh fruits right to your doorstep, even before kickoff!

Foodservice.AvocadosFromMexico.com

TRACKING THE MENU & THE MARKET

To better understand U.S. attitudes and behaviors toward fresh Avocados, AFM surveyed over 3,000 restaurant patrons who consume avocados or guacamole. The March 2016 study from Technomic was designed to determine how much foodservice guests are willing to pay for fresh avocados, at all levels of foodservice operations, and to develop specific foodservice guest insights around the usage of fresh avocados across multiple menu categories. Here are the findings:

- **Freshness matters.** 83 percent of guests want restaurants to add more fresh items to their menus, including more than half who said they would visit their favorite restaurant less if they found out the restaurant was using processed avocados.
- **Avocados are versatile.** Over 75 percent of guests like to use avocados in a variety of dishes, and the majority view guacamole and sliced avocados as two separate and unique ingredients, each appropriate for certain dishes.
- **Usage in breakfast is on the rise.** 51 percent of foodservice guests would buy a breakfast burrito, and 59 percent would buy a breakfast sandwich, if the items were offered with an avocado add-on or guacamole spread. These customers would be willing to pay up to \$1.62 more to add fresh avocado to their breakfast item.

Overall we found that avocados are increasingly popular in foodservice, with customers willing to pay an average of \$1.81 more for fresh avocados on their dishes.

Independent Auditor's Report

Board of Directors Mexican Hass Avocado Importers' Association

Report on Financial Statements

We have audited the accompanying consolidated financial statements of Mexican Hass Avocado Importers' Association (a nonprofit organization) and subsidiary, which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities and changes in net assets, and cash flows for the year then ended, and the related notes to the consolidated financial statements

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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 consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Mexican Hass Avocado Importers' Association and subsidiary as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required By Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated September 1, 2016 on our consideration of Mexican Hass Avocado Importers' Association'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Mexican Hass Avocado Importers' Association's internal control over financial reporting and compliance.

Gruber and Associates, Inc.

Newport Beach, CA

September 1, 2016

**MEXICAN HASS AVOCADO
IMPORTERS ASSOCIATION**

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**

JUNE 30, 2016

ASSETS

Cash and cash equivalents	\$16,424,331
Accounts receivable - assessments from HAB	2,381,767
Accounts receivable - contributions from APEAM	26,197
Accounts receivable - other	3,730
Refunds receivable	-
Prepaid expenses and deposits	242,219

Total current assets 19,078,244

Property and equipment	195,282
Less: accumulated depreciation	(71,925)

Net property and equipment 123,357

TOTAL ASSETS \$19,201,601

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable - trade	\$3,295,988
Credit payable - APEAM	283,884
Accrued liabilities	1,580,997
Income taxes payable	-
Deferred tax liability - current	-
Accrued salaries and vacation	104,592

Total current liabilities 5,265,461

Long-term liabilities:

Deferred tax liability - long-term	-
------------------------------------	---

TOTAL LIABILITIES 5,265,461

NET ASSETS

Unrestricted	-
Restricted	13,936,140

TOTAL NET ASSETS 13,936,140

TOTAL LIABILITIES AND NET ASSETS \$19,201,601

**MEXICAN HASS AVOCADO
IMPORTERS ASSOCIATION**

**CONSOLIDATED STATEMENT OF ACTIVITIES
AND CHANGES IN NET ASSETS**

FOR THE YEAR ENDED JUNE 30, 2016

	Unrestricted	Temporarily Restricted	Total
OPERATING REVENUE AND OTHER SUPPORT			
Assessments from HAB	\$-	40,229,258	40,229,258
Contributions from APEAM	1,584,874	16,401,495	17,986,369
Contributions from APEAM - market reports	-	260,819	260,819
Investment income	-	12,979	12,979
TOTAL OPERATING REVENUE AND OTHER SUPPORT	1,584,874	56,904,551	58,489,425
NET ASSETS RELEASED FROM RESTRICTIONS	53,199,342	(53,199,342)	-
TOTAL REVENUE	54,784,216	3,705,209	58,489,425
EXPENSES			
Program services:			
AMS direct marketing and promotional expenses:			
Consumer -ad, media, public relations, & other events	35,093,072	-	35,093,072
Retail and trade - seasonal programs, exhibits & other events	13,614,874	-	13,614,874
Total AMS direct marketing and promotional expenses:	48,707,946	-	48,707,946
AMS marketing and promotional administrative expenses:			
Consumer - salaries, benefits, travel, consulting	2,185,030	-	2,185,030
Retail and trade - salaries, benefits, travel, consulting	1,324,817	-	1,324,817
APEAM marketing - salaries, benefits, travel, consulting	261,263	-	261,263
Board of director meetings and related expenses	112,535	-	112,535
AMS program fees	129,438	-	129,438
Website fees	4,239	-	4,239
Consultant services fees and related travel	474,074	-	474,074
Total AMS marketing and promotional administrative expenses:	4,491,396	-	4,491,396
Total program services	53,199,342	-	53,199,342
Support services:			
Administrative salaries and benefits and related travel	518,596	-	518,596
Bank service charges and interest	10,375	-	10,375
Office expense, telephone, web, and small equipment	119,168	-	119,168
Accounting, legal, and other professional fees	577,526	-	577,526
Insurance - directors and officers	86,736	-	86,736
Postage, licenses, dues, and miscellaneous	23,232	-	23,232
Rent and utilities	108,032	-	108,032
Loss on disposal of assets	28	-	28
Board of director meetings, training, and related expenses	120,678	-	120,678
Income tax expense (benefit)	(24,843)	-	(24,843)
Depreciation	45,346	-	45,346
Total support services	1,584,874	-	1,584,874
TOTAL EXPENSES	54,784,216	-	54,784,216
CHANGE IN NET ASSETS	-	3,705,209	- 3,705,209
NET ASSETS - BEGINNING OF PERIOD	-	10,230,931	10,230,931
NET ASSETS - END OF PERIOD	\$-	13,936,140	13,936,140

**MEXICAN HASS AVOCADO
IMPORTERS ASSOCIATION**

**CONSOLIDATED STATEMENT OF CASH
FLOWS**

FOR THE YEAR ENDED JUNE 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in unrestricted net assets \$-

Change in temporarily restricted net assets 3,705,209

Total change in net assets 3,705,209

Adjustments to reconcile change in net assets to net cash provided by (used for) operating activities:

Depreciation 45,346

Deferred income taxes (21,500)

Loss on disposal of assets 28

(Increase) decrease in operating assets:

Accounts receivable - assessments from HAB 317,819

Accounts receivable - others 116,150

Accounts receivable - contributions from APEAM 23,477

Refunds receivable -

Prepaid expenses and deposits (194,383)

Increase (decrease) in operating liabilities:

Accounts payable - trade (798,653)

Credit payable - trade 229,244

Accrued liabilities 393,253

Income taxes payable (10,200)

Accrued vacation (66,539)

Total adjustments 34,042

NET CASH (USED) BY OPERATING ACTIVITIES 3,739,251

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets (41,591)

NET CASH USED BY INVESTING ACTIVITIES (41,591)

NET INCREASE IN CASH AND CASH EQUIVALENTS 3,697,660

CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD 12,726,671

CASH AND CASH EQUIVALENTS, END OF PERIOD \$16,424,331

Independent Auditors' Report On Supplementary Schedules

To the Board of Directors of Mexican Hass Avocado Importers Association

We have audited the consolidated financial statements of Mexican Hass Avocado Importers Association (a nonprofit organization) and subsidiary as of and for the year ended June 30, 2016, and have issued our report thereon dated September 1, 2016, which contained an unmodified opinion on those consolidated financial statements. Our audit was performed for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary schedules as listed in the table of contents are presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Gruber and Associates, Inc.

Newport Beach, CA

September 1, 2016

**MEXICAN HASS AVOCADO
IMPORTERS ASSOCIATION**

**COMBINING SCHEDULE OF
FINANCIAL POSITION**

JUNE 30, 2016

ASSETS

Current assets:

Cash and cash equivalents

Accounts receivable - assessments from HAB

Accounts receivable - intercompany

Accounts receivable - contributions from APEAM

Accounts receivable - other

Prepaid expenses and deposits

Total current assets

Property and equipment

Less: accumulated depreciation

Net property and equipment

TOTAL ASSETS

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable - trade

Accounts payable - intercompany

Credit payable - APEAM

Accrued liabilities

Accrued salaries and vacation

Total current liabilities

TOTAL LIABILITIES

NET ASSETS

Unrestricted

Restricted

TOTAL NET ASSETS

TOTAL LIABILITIES AND NET ASSETS

	MHAIA	AFM	Intercompany Eliminations	TOTAL
Cash and cash equivalents	\$11,637,936	4,786,395	-	16,424,331
Accounts receivable - assessments from HAB	2,381,767	-	-	2,381,767
Accounts receivable - intercompany	-	200,737	(200,737)	-
Accounts receivable - contributions from APEAM	26,197	-	-	26,197
Accounts receivable - other	-	3,730	-	3,730
Prepaid expenses and deposits	-	242,219	-	242,219
Total current assets	14,045,900	5,233,081	(200,737)	19,078,244
Property and equipment	9,736	185,546	-	195,282
Less: accumulated depreciation	(7,825)	(64,100)	-	(71,925)
Net property and equipment	1,911	121,446	-	123,357
TOTAL ASSETS	\$14,047,811	5,354,527	(200,737)	19,201,601
LIABILITIES AND NET ASSETS				
Current liabilities:				
Accounts payable - trade	\$-	3,295,988	-	3,295,988
Accounts payable - intercompany	200,737	-	(200,737)	-
Credit payable - APEAM	-	283,884	-	283,884
Accrued liabilities	21,370	1,559,627	-	1,580,997
Accrued salaries and vacation	-	104,592	-	104,592
Total current liabilities	222,107	5,244,091	(200,737)	5,265,461
TOTAL LIABILITIES	222,107	5,244,091	(200,737)	5,265,461
NET ASSETS				
Unrestricted	-	-	-	-
Restricted	13,825,704	110,436	-	13,936,140
TOTAL NET ASSETS	13,825,704	110,436	-	13,936,140
TOTAL LIABILITIES AND NET ASSETS	\$14,047,811	5,354,527	(200,737)	19,201,601

MEXICAN HASS AVOCADO IMPORTERS ASSOCIATION

COMBINING SCHEDULE OF ACTIVITIES AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2016

	MHAIA	AFM	Intercompany Eliminations	TOTAL
OPERATING REVENUE AND OTHER SUPPORT				
Assessments received from HAB	\$40,229,258	-	-	40,229,258
Contributions from APEAM	250,380	17,735,989	-	17,986,369
Contributions from APEAM - market reports	-	260,819	-	260,819
Contributions from MHAIA	-	35,972,736	(35,972,736)	-
Interest income	6,730	6,249	-	12,979
TOTAL OPERATING REVENUE AND OTHER SUPPORT	40,486,368	53,975,793	(35,972,736)	58,489,425
EXPENSES				
Program services:				
AMS direct marketing and promotional expenses:				
Consumer -ad, media, public relations, & other events	24,446,659	35,093,072	(24,446,659)	35,093,072
Retail and trade - seasonal programs, exhibits & other events	9,076,588	13,614,874	(9,076,588)	13,614,874
Total AMS direct marketing and promotional expenses:	33,523,247	48,707,946	(33,523,247)	48,707,946
AMS marketing and promotional administrative expenses:				
Consumer - salaries, benefits, travel, consulting	1,456,698	2,185,030	(1,456,698)	2,185,030
Retail and trade - salaries, benefits, travel, consulting	883,208	1,324,817	(883,208)	1,324,817
APEAM marketing - salaries, benefits, travel, consulting	-	261,263	-	261,263
Board of director meetings and related expenses	109,583	112,535	(109,583)	112,535
AMS program fees	129,438	-	-	129,438
Website fees	4,239	-	-	4,239
Consultant services fees and related travel	474,074	-	-	474,074
Total AMS marketing and promotional administrative expenses:	3,057,240	3,883,645	(2,449,489)	4,491,396
Total program services	36,580,487	52,591,591	(35,972,736)	53,199,342
Support services:				
Administrative salaries and benefits and related travel	-	518,596	-	518,596
Bank service charges and interest	4,819	5,556	-	10,375
Office expense, telephone, web, and small equipment	-	119,168	-	119,168
Accounting, legal, and other professional fees	221,173	356,353	-	577,526
Insurance - directors and officers	22,033	64,703	-	86,736
Postage, licenses, dues, and miscellaneous	334	22,898	-	23,232
Rent and utilities	-	108,032	-	108,032
Loss on disposal of assets	-	28	-	28
Board of director meetings, training, and related expenses	-	120,678	-	120,678
Income tax expense (benefit)	-	(24,843)	-	(24,843)
Depreciation	2,023	43,323	-	45,346
Total support services	250,382	1,334,492	-	1,584,874
TOTAL EXPENSES	36,830,869	53,926,083	(35,972,736)	54,784,216
CHANGE IN NET ASSETS	3,655,499	49,710	-	3,705,209
NET ASSETS - BEGINNING OF PERIOD	10,170,205	60,726	-	10,230,931
NET ASSETS - END OF PERIOD	\$13,825,704	110,436	-	13,936,140

COMBINING SCHEDULE OF PROPERTY AND EQUIPMENT

JUNE 30, 2016

PROPERTY AND EQUIPMENT:

	MHAIA	AFM	TOTAL
Leasehold improvements	\$-	79,751	79,751
Computer and accessories	8,017	55,910	63,927
Monitors	700	1,890	2,590
Printers	841	6,972	7,813
Camcorders	-	996	996
Projectors	-	2,525	2,525
Work stations and furniture	178	37,502	37,680
Total property and equipment	9,736	185,546	195,282
Less: accumulated depreciation	(7,825)	(64,100)	(71,925)
Net property and equipment	\$1,911	121,446	123,357

MEXICAN HASS AVOCADO IMPORTERS ASSOCIATION

BUDGET VS. ACTUAL SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

	JUL '15- JUN '16	BUDGET	\$ DIFFERENCE
OPERATING REVENUE AND OTHER SUPPORT			
Assessments received from HAB	\$40,229,258	35,703,236	4,526,022
Contributions from APEAM	250,380	287,513	(37,133)
Interest income	6,730	13,200	(6,470)
TOTAL OPERATING REVENUE AND OTHER SUPPORT	40,486,368	36,003,949	4,482,419
EXPENSES			
Program services:			
AMS direct marketing and promotional expenses:			
Consumer -ad, media, public relations, & other events	24,446,659	24,794,224	(347,565)
Retail and trade - seasonal programs, exhibits & other events	9,076,588	9,951,334	(874,746)
Reserve for business opportunities	-	700,000	(700,000)
Total AMS direct marketing and promotional expenses:	33,523,247	35,445,557	(1,922,310)
AMS marketing and promotional administrative expenses:			
Consumer - salaries, benefits, travel, consulting	1,456,698	1,454,242	2,456
Retail and trade - salaries, benefits, travel, consulting	883,208	891,206	(7,998)
Other Program Related Expenses	717,334	1,156,467	(439,133)
Total AMS marketing and promotional administrative expenses:	3,057,240	3,501,915	(444,675)
Total program services	36,580,487	38,947,472	(2,366,985)
Support services:			
Bank service charges and interest	4,819	6,900	(2,081)
Accounting, legal, and other professional fees	221,173	248,585	(27,412)
Insurance - directors and officers	22,033	30,000	(7,967)
Postage, licenses, dues, and miscellaneous	334	-	334
Depreciation	2,023	2,028	(5)
Total support services	250,382	287,513	(37,131)
TOTAL EXPENSES	36,830,869	39,234,985	(2,404,116)
CHANGE IN NET ASSETS	3,655,499	(3,231,036)	6,886,535
NET ASSETS - BEGINNING OF PERIOD	10,170,205	10,170,205	-
NET ASSETS - END OF PERIOD	\$13,825,704	6,939,169	6,886,535

**MEXICAN HASS AVOCADO
IMPORTERS ASSOCIATION**

**DETAIL SCHEDULE OF FINANCIAL POSITION
- CURRENT YEAR VS PRIOR YEAR - MHAIA**

JUNE 30, 2016 (EXCLUDES CONSOLIDATION ENTRIES)

	JUN 30, 16	JUN 30, 15	\$ DIFFERENCE
ASSETS			
Current Assets			
Checking/Savings			
1030 · Merrill Lynch Portfolio - 4041	\$1,544,281	1,544,136	145
1040 · Restricted CD - Sweepstakes	8,062	8,062	-
1050 · Citizens Bank - OPTG 4371	352	743,473	(743,121)
1055 · Citizens Bank - MMKT 4398	10,085,241	5,990,198	4,095,043
Total Checking/Savings	11,637,937	8,285,870	3,352,067
Accounts Receivable			
1200 · Accounts Receivable	2,407,964	2,749,260	(341,296)
Total Accounts Receivable	2,407,964	2,749,260	(341,296)
Total Current Assets	14,045,900	11,035,129	3,010,771
Fixed Assets			
1500 · Office Equipment	9,736	9,736	-
1599 · Accumulated Depreciation	(7,825)	(5,802)	(2,023)
Total Fixed Assets	1,911	3,934	(2,023)
TOTAL ASSETS	14,047,812	11,039,064	3,008,748
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 · Accounts Payable	-	12,431	(12,431)
2020 · Intercompany-Due to/from AFM	200,737	753,507	(552,770)
Total Accounts Payable	200,737	765,938	(565,201)
Other Current Liabilities			
2050 · Accrued Liabilities	21,370	102,921	(81,551)
Total Other Current Liabilities	21,370	102,921	(81,551)
Total Current Liabilities	222,107	868,859	(646,752)
Total Liabilities	222,107	868,859	(646,752)
Equity			
3010 · Retained Earnings	10,170,205	10,134,228	35,977
Net Income	3,655,499	35,977	3,619,522
Total Equity	13,825,705	10,170,205	3,655,499
TOTAL LIABILITIES & EQUITY	\$14,047,812	11,039,064	3,008,748

**MEXICAN HASS AVOCADO
IMPORTERS ASSOCIATION**

**DETAIL SCHEDULE OF CASH FLOWS -
MHAIA**

FOR THE YEAR ENDED JUNE 30, 2016

	JUL '15-JUN '16
OPERATING ACTIVITIES	
Net Income	\$3,655,499
7200 · Depreciation expense	2,023
Adjustments to reconcile Net Income to net cash provided by operations:	
1200 · Accounts Receivable	341,296
2010 · Accounts Payable	(12,431)
2020 · Intercompany-Due to/from AFM	(552,770)
2050 · Accrued Liabilities	(81,551)
Net cash provided by Operating Activities	3,352,067
INVESTING ACTIVITIES	
1500 · Office Equipment	-
Net cash provided by Investing Activities	-
Net cash increase for period	3,352,067
Cash at beginning of period	8,285,870
Cash at end of period	\$11,637,937

AVOCADOS FROM MEXICO

BUDGET VS. ACTUAL SCHEDULE

FOR THE YEAR ENDED JUNE 30, 2016

	JUL '15- JUN '16	BUDGET	\$ DIFFERENCE
OPERATING REVENUE AND OTHER SUPPORT			
Contributions from APEAM	\$17,735,989	18,652,488	(916,499)
Contributions from APEAM - market reports	260,819	243,118	17,701
Contributions from MHAIA	35,972,736	37,880,002	(1,907,266)
Interest income	6,249	10,800	(4,551)
TOTAL OPERATING REVENUE AND OTHER SUPPORT	53,975,793	56,786,408	(2,810,615)
EXPENSES			
Program services:			
AMS direct marketing and promotional expenses:			
Consumer -ad, media, public relations, & other events	35,093,072	35,485,000	(391,928)
Retail and trade - seasonal programs, exhibits & other events	13,614,874	14,927,000	(1,312,126)
Reserve for business opportunities	-	1,050,000	(1,050,000)
Total AMS direct marketing and promotional expenses:	48,707,946	51,462,000	(2,754,053)
AMS marketing and promotional administrative expenses:			
Consumer - salaries, benefits, travel, consulting	2,185,030	2,181,364	3,666
Retail and trade - salaries, benefits, travel, consulting	1,324,817	1,336,808	(11,991)
APEAM marketing - salaries, benefits, travel, consulting	261,263	243,117	18,146
Other Program Related Expenses	112,535	101,000	11,535
Total AMS marketing and promotional administrative expenses:	3,883,645	3,862,289	21,356
Total program services	52,591,591	55,324,289	(2,732,697)
Support services:			
Administrative salaries and benefits and related travel	518,596	613,319	(94,723)
Bank service charges and interest	5,556	4,200	-
Office expense, telephone, web, and small equipment	119,168	149,200	-
Accounting, legal, and other professional fees	356,353	324,400	-
Insurance - directors and officers	64,703	45,100	-
Postage, licenses, dues, and miscellaneous	22,898	36,000	-
Rent and utilities	108,032	122,500	-
Loss on disposal of assets	28	-	-
Board of director meetings, training, and related expenses	120,678	135,000	-
Income tax expense (benefit)	(24,843)	-	-
Depreciation	43,323	-	21,600
Total support services	1,334,492	1,451,319	(94,723)
TOTAL EXPENSES	53,926,083	56,775,608	(2,827,420)
CHANGE IN NET ASSETS	49,710	10,800	38,910
NET ASSETS - BEGINNING OF PERIOD	60,726	60,726	-
NET ASSETS - END OF PERIOD	\$110,436	71,526	38,910

AVOCADOS FROM MEXICO

DETAIL SCHEDULE OF FINANCIAL POSITION - AFM

JUNE 30, 2016 (EXCLUDES CONSOLIDATION ENTRIES)

	AFM COMBINED YEAR-TO-DATE
ASSETS	
Current Assets	
Bank Accounts	
1002 Citizens Checking-6080	78,400
1004 MM Citizens Bank-0324-APEAM	1,491,046
1005 MM Citizens Bank-0316-MHAIA	3,214,448
1007 Petty Cash-Mmolina	2,500
Total Bank Accounts	4,786,394
Accounts Receivable	
1215 Intercompany from AFM-MHAIA	200,737
Total Accounts Receivable	200,737
Other current assets	
1150 A/R - Other	3,730
Total Other current assets	3,730
Total Current Assets	4,990,862
Fixed Assets	
1500 Office Equipment	103,577
1505 LeaseHold Improvement	81,969
1510 Accumulated Depreciation	(64,100)
Total Fixed Assets	121,446
Other Assets	
1300 Rent-Security Deposits	13,647
1310 Prepaid Expenses	228,571
Total Other Assets	242,219
TOTAL ASSETS	5,354,526
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2100 Accounts Payable	3,295,987
Total Accounts Payable	3,295,987
Other Current Liabilities	
2200 Payroll Taxes Payable	4
2250 Accrued Expenses	1,558,264
2260 Accrued Salaries/Vacations	104,592
2310 Intercompany from AFM-APEAM	283,884
2450 401K Payable	1,358
Total Other Current Liabilities	1,948,102
Total Current Liabilities	5,244,090
Long-Term Liabilities	
Total Liabilities	5,244,090
Equity	
Retained Earnings	60,727
Net Income	49,710
Total Equity	110,437
TOTAL LIABILITIES AND EQUITY	\$5,354,526.25

AVOCADOS FROM MEXICO

DETAIL SCHEDULE OF CASH FLOWS - AFM

FOR THE YEAR ENDED JUNE 30, 2016

	JUL '15-JUN '16
OPERATING ACTIVITIES	
Net Income	\$49,710
72015 Depreciation Exp	43,323
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1100 Accounts Receivable	899,013
1150 A/R - Other	(850)
1200 Intercompany from MHAIA	(22,478)
1505 LeaseHold Improvement	(24,209)
1510 Accumulated Depreciation	-
1310 Prepaid Expenses	(208,052)
2100 Accounts Payable	(784,532)
2150 Income Taxes Payable	4,517
2200 Payroll Taxes Payable	4
2250 Accrued Expenses	473,441
2260 Accrued Salaries/Vacations	(66,538)
2310 Intercompany from AFM-APEAM	22,478
2450 401K Payable	1,358
2451 401K Loan Payable	-
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	294,151
Net cash provided by operating activities	387,184
INVESTING ACTIVITIES	
1500 Office Equipment	(19,599)
1505 LeaseHold Improvement	(21,992)
Net cash provided by investing activities	(41,591)
Net cash increase for period	345,593
Cash at beginning of period	4,440,801
Cash at end of period	\$4,786,394

