

Calavo Growers, Inc. (Nasdaq-GM: CVGW)

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or

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**CALAVO GROWERS, INC. ANNOUNCES NEW AGREEMENT TO  
MARKET AND DISTRIBUTE CALAVO-BRAND MUSHROOMS**

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**Notable Elements:**

- **Company Sees Fresh Mushroom Revenue Contribution of \$7.0-8.0 Million in Fiscal 2008;**
- **Underscores Active Pursuit of Focused Initiatives to Broaden Range of Product Offerings;**
- **Leverages Key Strengths in Fresh Produce Marketing, Processed Product Manufacturing; and**
- **Reinforces Commitment to the Brand by Seeking Highest-Quality Producers**

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SANTA PAULA, Calif. (Dec. 17, 2007)—Calavo Growers, Inc. (Nasdaq-GM: CVGW), the worldwide leader in the procurement and marketing of fresh and processed avocados and other perishable food, today announced it has reached an agreement with Farmers' Fresh Mushroom Inc. of Vancouver, British Columbia to market and distribute their produce, known for its outstanding quality, under the Calavo brand. Calavo will focus on service to the retail trade and food service operators on the Pacific Coast and adjacent states.

Lee E. Cole, Calavo's chairman, president and chief executive officer, commented: "Mushrooms are an excellent complementary product for us and fit perfectly with the profile of high-value, high-quality products with broad consumer appeal that we are adding to our portfolio. Initially, we will be focusing on the popular white button and cremini varieties, packaged and sliced, along with limited exotics."

According to the Calavo CEO, the company anticipates shipping approximately 7.5 million pounds of mushrooms in its fiscal year ending October 31, 2008, which should translate into a revenue contribution of approximately

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## **Calavo Growers Expands Into Branded Fresh Mushrooms/2-2-2**

\$7.0 to 8.0 million in the fiscal year. The agreement is thus expected to substantially expand Farmers' Fresh Mushroom Inc.'s sales. Previously, Farmers' Fresh focused primarily on Western Canada.

The U.S. Department of Agriculture reports that consumption of mushrooms has been on the rise in the United States over the past several decades, with per capita consumption quadrupling since 1965. "Consumers appreciate the mushroom's ability to add flavor, taste and texture to meals," Cole said. "Nutritional experts recognize that the umpteen fresh varieties are fat- and cholesterol-free, as well as chock full of essential amino acids, vitamins and minerals—including potassium and copper. And Calavo views mushrooms as another important driver in our diversified products revenue engine."

Cole continued: "This agreement represents another key step in our strategic initiative directed at growing our revenues by adding complimentary new products to our burgeoning array of high quality fresh produce offerings. This effort builds on the favorable consumer awareness, reputation for quality and category leadership that Calavo brand avocados have achieved over the years."

Calavo's drive toward becoming a larger, more diversified company began in 2003 via its acquisition of Maui Fresh International, a respected distributor of quality tropical- and specialty-produce items. The move broadened Calavo's product offerings beyond avocados and papayas, established the platform for its expansion into other commodity classifications, and built on outstanding distribution capabilities and grower relationships. Today's announcement is the most recent in a series of new product announcements.

In August, Calavo unveiled its plan to begin marketing Calavo-brand tomatoes. Just last month, the company announced the addition of the premium *Maui Gold*<sup>®</sup> pineapples to its fresh product family. With that move, coupled with Calavo's already-preeminent position distributing Hawaiian-grown papayas,

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## **Calavo Growers Expands Into Branded Fresh Mushrooms/3-3-3**

the company immediately became the leading marketer of fresh tropical produce from the 50<sup>th</sup> state. Cole emphasized that the hallmark of all these products, including the planned new offering of mushrooms, is “outstanding quality.”

“These diversification moves,” he stated, “are expected to be highly meaningful to Calavo’s financial results. While forecasting is always a challenge and subject to numerous caveats, the three new product offerings – Calavo-brand tomatoes, *Maui Gold*<sup>®</sup> pineapples and Calavo-brand mushrooms – are anticipated to contribute \$53 to \$63 million to revenues in our fiscal year ending October 31, 2008. Further, we expect these new products will be immediately accretive to earnings.”

The Calavo CEO concluded: “We see future, additional opportunities to expand both our fresh product and processed product manufacturing businesses and intend to proceed actively to explore growth opportunities that fit our stringent financial and operational criteria and which are aligned with our overriding commitment to quality. Let me add that while we are a conservative, risk-averse company, we are also fully dedicated to achieving further profitable growth and enhanced value for our shareholders.”

### **About Calavo**

Calavo Growers, Inc. is the worldwide leader in the procurement and marketing of fresh avocados and other perishable foods, as well as the manufacturing and distribution of processed avocado products. Founded in 1924, Calavo’s expertise in marketing and distributing avocados, processed avocados, and other perishable products enables it to serve food distributors, produce wholesalers, supermarkets and restaurants on a global basis.

### **Safe Harbor Statement**

This news release contains statements relating to future events and results of Calavo (including certain projections and business trends) that are “forward-

## **Calavo Growers Expands Into Branded Fresh Mushrooms/4-4-4**

looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Actual results and events may differ from those projected as a result of certain risks and uncertainties. These risks and uncertainties include but are not limited to: increased competition, conducting substantial amounts of business internationally, pricing pressures on agricultural products, adverse weather and growing conditions confronting avocado growers, new governmental regulations, as well as other risks and uncertainties detailed from time to time in the company’s Securities and Exchange Commission filings, including, without limitation, the company’s Report on Form 10-K for the year ended October 31, 2006. These forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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