

Limoneira on Feb. 2 terminated its long-standing Avocado Marketing Agreement, dated 2003, with Calavo Growers.

Limoneira is terminating the agreements to pursue opportunities with other packing and marketing companies, it said. The company will not be subject to any early termination penalties.

Historically, the Limoneira provided a majority of its avocado production to Calavo. Calavo would then pack, sell, and distribute the avocados under Calavo's own brands to its customers primarily in the U.S. and Canada.

Under the Agreements, Calavo paid Limoneira quarterly for their avocados marketed through Calavo. Calavo also paid Limoneira a "haul credit."

Until March 2020, Limoneira owned shares of Calavo common stock and received dividend income on this investment.

In addition, Calavo owns common stock of Limoneira while it pays dividends on such common stock to Calavo. Limoneira also leases office space to Calavo. These relationships between the Company and Calavo will continue following termination of the Agreements.