
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported): **September 4, 2003**

CALAVO GROWERS, INC.

(Exact Name of Registrant as Specified in Charter)

California	000-33385	33-0945304
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2530 Red Hill Avenue, Santa Ana, California 92705

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(949) 223-1111**

Not Applicable

(Former Name or Former Address, if Changed since Last Report)

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Item 5. Other Events

On September 4, 2003, we announced the signing of a letter of intent to acquire Maui Fresh International, Inc. for \$4.5 million in stock. The letter of intent is subject to the execution of a definitive agreement and the satisfaction of customary closing conditions. Additionally, Wolfgang Hombrecher has resigned as our Chief Financial Officer to pursue other business opportunities and will be succeeded by Maui Fresh's president and co-founder, Art Bruno. On September 4, 2003, we issued a press release in connection with the matters described in this paragraph. A copy of the press release is attached hereto as Exhibit 99.1.

Item 7. Financial Statements and Exhibits

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Exhibits
 - 99.1 Press Release dated September 4, 2003, of the Registrant.
 - 99.2 Press Release dated September 9, 2003, of the Registrant.

Item 12. Results of Operations and Financial Condition

On September 9, 2003, we issued a press release containing our financial results for the quarter and nine months ended July 31, 2003. A copy of our press release is attached hereto as Exhibit 99.2 and is incorporated by reference into this Item 12.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

September 11, 2003

Calavo Growers, Inc.

By: /s/ Lecil E. Cole

Lecil E. Cole
Chairman of the Board of Directors, Chief Executive Officer and President
(Principal Executive Officer)

Calavo Growers, Inc. Signs Letter of Intent to Acquire Maui Fresh International for \$4.5 Million in Stock

Thursday September 4, 9:01 am ET

SANTA ANA, Calif.—(BUSINESS WIRE)—Sept. 4, 2003—Calavo Growers, Inc. (Nasdaq:CVGW — News):

- Global avocado marketer will diversify through purchase of multi-line specialty produce distributor
 - Maui Fresh will retain name, operate as subsidiary;
 - Maui Fresh president, co-founder to become Calavo CFO;
 - Calavo to report fiscal third quarter results on Tuesday,

Calavo Growers, Inc. (Nasdaq: CVGW — News), a worldwide leader in packing and distributing fresh and processed avocados and other perishable food products, today announced the signing of a letter of intent to acquire closely held Maui Fresh International, Inc., a multi-product distributor of specialty produce, for \$4.5 million in stock. The letter of intent is subject to the execution of a definitive agreement and the satisfaction of customary closing conditions, the company stated.

Calavo also disclosed that its chief financial officer has resigned to pursue other business opportunities and will be succeeded by Maui Fresh's president and co-founder.

Maui Fresh — based currently in Anaheim, Calif. and with significant operations in Hawaii and Nogales, Ariz. — generated revenues of approximately \$20 million for the year ended December 31, 2002 from a diversified line of perishable specialty commodities, including tropical and exotic fruits, chilies and hothouse-grown items, as well as other conventional fruits and vegetables.

Under the terms of the transaction, which is expected to close on November 1, 2003, Maui Fresh will operate as a wholly owned subsidiary of Calavo and continue to market products under its own brand name, while tapping into the considerable financial and operating resources afforded by its new parent that are expected to provide an impetus for growth. Calavo indicated that in acquiring Maui Fresh, among other benefits, the company will gain an expanded footprint at the Los Angeles wholesale produce market.

Transaction Benefits

Calavo Chairman, President and Chief Executive Officer Lee E. Cole said that he expects the Maui Fresh purchase will be accretive to company earnings in fiscal 2004, which commences concurrently with the transaction's planned closing.

Cole stated, "This is a strategic acquisition that just makes sense on every level. Straight away, acquiring Maui Fresh represents an outstanding opportunity to immediately diversify our company's product offerings. Maui Fresh is a strong brand, its products enjoy excellent distribution and the company, like Calavo, has a fine reputation for quality. In the longer term, we believe that the enterprise — under Calavo ownership and drawing upon the larger company's resources, including our operating efficiencies and economies of scale — has considerable expansion potential that represents a future driver of revenue and profit growth.

"The transaction is complementary to our existing business segments and should serve as an indication that Calavo is executing on its established strategy. While 'synergies' is often an overused 'buzz' word in business, it most appropriately describes this deal's merits, through crossover opportunities between respective sales forces and in applying Calavo's packing expertise to increase efficiencies, to name just a few," Cole continued.

Cole added, "This is the first transaction undertaken by our company since becoming publicly traded in 2002, but it is a compelling validation for that decision. In listing our common stock on a major national market, we unlocked the value of our company's shares and created a currency to use for all-stock acquisitions like Maui Fresh without needing to leverage Calavo's very strong balance sheet."

Arthur Bruno, president and co-founder of Maui Fresh, commented: "Both companies stand to benefit from this combination. Calavo's size and grower base will enable Maui Fresh to increase its market concentration and product mix. As well, Calavo's financial resources, most notably its access to capital, will enable Maui Fresh to pursue additional farming opportunities to increase commodity volumes."

Bruno also said that, as part of the larger enterprise, Maui Fresh can draw upon Calavo's harvesting and packing know-how to improve quality, productivity and other efficiencies. "Moreover, Maui Fresh's continuously expanding line of Hispanic products stands to benefit significantly through the addition of Calavo avocados," he concluded.

CFO Transition

The company also disclosed that, in conjunction with the acquisition, Bruno will become Calavo's vice president, chief financial officer and corporate secretary, succeeding Wolfgang Hombrecher, who has resigned to pursue other business opportunities in the Orange County, Calif. area.

"For the past two years, Wolfgang Hombrecher has played a key role in Calavo's transformation from cooperative to publicly traded company, and culminating with his hands-on involvement in bringing the Maui Fresh acquisition to fruition," Cole stated. "He is an outstanding manager and financial executive and, on behalf of management and our board of directors, I thank him for his tireless work and wish him all success in his future endeavors."

Cole continued, "We are very fortunate, as well, to have Art Bruno available to step into these positions. His 15 years of background in the produce industry, including all aspects of operations, coupled with earlier career experience as a 'Big Eight' accountant, provide him with a strong foundation to lead Calavo's financial management and treasury functions. We welcome him aboard and, moving ahead, look forward to his contributions in advancing our business plan."

In addition to co-founding Maui Fresh, Bruno, age 52, is a certified public accountant licensed in California. He maintains memberships in both the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Fiscal Third Quarter Earnings Announcement

In concluding, Cole announced that Calavo expects to announce its third quarter fiscal 2003 operating results on Tuesday, Sept. 9, 2003 following the close of the stock markets.

About Maui Fresh

Maui Fresh International, Inc. is the owner of Maui Fresh International LLC, which distributes a multi-product line of specialty produce through grocery, food service and club-store channels. With predecessor companies dating back to 1988, Maui Fresh is based in Anaheim, Calif. and maintains significant operations in Hawaii and Nogales, Ariz. The company packs and distributes a diversified line comprised of more than 20 commodities, including tropical and exotic fruits, chilies and hothouse-grown items, as well as other conventional fruits and vegetables.

About Calavo

Calavo Growers, Inc. engages in the procurement and marketing of avocados and other perishable foods and the preparation and distribution of processed avocado products. Calavo's expertise in marketing and distributing avocados, processed avocados, and other perishable foods allows the company to deliver a wide array of fresh and processed food products to food distributors, produce wholesalers, supermarkets, and restaurants on a worldwide 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-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, 2002. 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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Calavo Growers, Inc. Posts Record Revenues and Profits in Its Third Fiscal Quarter

Tuesday September 9, 7:22 pm ET

SANTA ANA, Calif.—(BUSINESS WIRE)—Sept. 9, 2003—Calavo Growers, Inc. (Nasdaq:CVGW — News):

- Company continues to improve working capital and build balance sheet strength;
- Net cash provided by operating activities rises to \$10.4 million in first nine months, nearly double year-earlier total;
- Pending Maui Fresh acquisition expected to be catalyst for further profitable growth

Calavo Growers, Inc. (Nasdaq:CVGW — News) a worldwide leader in packing and distributing avocados, processed avocados and other perishable food products, announced today that third quarter sales advanced by \$4.9 million, or 6.5% to \$81.4 million from \$76.4 million one year ago, setting a new high for any quarter in company history.

For the three months ended July 31, 2003, gross margin improved 3.6% to \$9.2 million from the corresponding period of fiscal 2002. Net income for the quarter totaled a record \$3.2 million, up from the previous high of \$3.1 million registered in last year's third quarter. Earnings per basic and diluted share in the three months just concluded were \$0.25, versus \$0.26 in the year earlier quarter, reflecting approximately 9% more weighted average shares outstanding in fiscal 2003, in part due to the company's successful subscription rights offering completed in August 2002. Net earnings benefited from a lower normalized income tax rate of 41% in the current quarter versus 46% in the corresponding period of the prior year.

For the first nine months of fiscal 2003, sales totaled a record \$183.0 million, up \$4.7 million, or 2.6% from \$178.3 million in fiscal 2002. Gross margin of \$20.1 million slightly exceeded that of the previous year, while net income of \$5.5 million was slightly less than last year's \$5.7 million. Due to approximately 14% more weighted average shares outstanding in the current year, earnings per basic and diluted share for the first nine months of fiscal 2003 were \$0.42, which compares to \$0.50 one year earlier.

"Despite several challenges, Calavo recorded the best single quarter in company history in the three months ended July 31, 2003," commented Lee E. Cole, the company's chairman, president and chief executive officer. "We're effectively implementing our focused strategic agenda to drive future growth and profitability."

In that regard, he outlined the following key components:

- Continued dedication to expanding and serving Calavo's major California avocado market;
- Targeted investments to broaden the company's product and value-added service offerings;
- Operational restructuring to increase efficiency, enhance flexibility and reduce costs;
- Debt reduction to further strengthen an already robust balance sheet; and
- Compatible acquisitions that afford potential synergies and the prospect for profitable growth.

"With respect to the latter, we are certainly enthusiastic about the potential of our planned acquisition of Maui Fresh, announced last week and scheduled to close at or around fiscal year end," Cole said, noting the operation is expected to contribute to our growth in fiscal 2004.

"All three of our operating segments — California Avocados, International and Processed Products — posted third quarter sales increases and contributed to our record revenues," he continued. Although product volume was cyclically lower in the company's major California operation, Calavo benefited from "solid and satisfactory product prices." A growth driver in International was exceptionally strong demand for fruit from the Japanese marketplace, as sales to third-party customers leapt 42%.

Reviewing processed products, Cole pointed out that sales to third-party customer climbed 39% in the quarter, but said earnings in this segment were impacted by costs associated with Calavo's major restructuring program. "It is particularly noteworthy that

demand for our new refrigerated guacamole product treated with our ultra high-pressure production equipment has exceeded all of our expectations, with first year sales anticipated to contribute significantly to processed product revenues,” he added.

The company’s investments in new equipment to enhance product offerings, including the new processed guacamole of exceptional quality, and value-added services, such as bagging and the ProRipe™ program, to provide consumers with ready-to-eat fruit “are being amply validated with solid results,” according to the Calavo CEO.

Selling, general and administrative expenses rose \$0.7 million for the quarter due to several factors, including higher employee compensation and transportation costs. SG&A expenses as a percentage of revenue are expected to normalize by year-end at a level equivalent to the previous fiscal year.

According to Cole, Calavo’s balance sheet is “strong and clean.” Most recently, the company’s board of directors approved the retirement of \$2.8 million of its Industrial Development Revenue Bond, which was repaid on Sept. 2, 2003. As a result, long-term liabilities at July 31, 2003 were sharply reduced to \$580,000 from \$3.5 million at the close of fiscal 2002. In the first nine months of the fiscal year, the company’s operations, benefiting from aggressive sales of the processed products inventory and other changes in working capital, generated net cash of \$10.4 million, a 95% increase from fiscal 2002. At July 31, 2003, shareholders equity totaled \$38.6 million, a rise of 26% from the close of the previous fiscal year.

Planned Acquisition of Maui Fresh International, Inc.

As previously announced on September 4, 2003, Calavo Growers has signed a letter of intent for the \$4.5 million stock purchase of Maui Fresh International, Inc., a privately held company based in Anaheim, California. Maui Fresh is a profitable \$20 million company with a respected, quality brand and a wide range of commodity products “which greatly expands and complements Calavo’s own,” Cole said.

California Avocados

California avocado sales of \$67.9 million were \$1.1 million, or 1.6 percent above \$66.9 million in last year’s third fiscal quarter. Gross margins of \$7.8 million edged ahead of \$7.7 million a year ago. The increase in sales reflects a significant improvement in the company’s average selling prices, offset in part by the decrease in pounds of avocados delivered by growers as a result of the expected smaller overall harvest of the California crop for the 2002-03 season, and a shift in current-year volumes to areas where Calavo maintains a less commanding market share.

The company said it believes that average-selling prices benefited from increased demand resulting from Calavo’s focused, value-added marketing initiatives in bagging and ripening, as well as promotional programs established by the California Avocado Commission.

International Avocados and Perishable Food Products

Segment sales amounted to \$5.6 million, up from \$3.9 million a year ago. The 42% sales increase reflected a sharp rise in sales to the Japanese market of fruit sourced in Mexico. International Avocado and Perishable Food Products contributed gross margins of \$45,000 in the third quarter, historically a period when this business segment has been unable to generate positive gross margins.

Processed Products

Third-party processed sales advanced to \$8.8 million from \$6.2 million, a 39% improvement. However, gross margin decreased to \$1.4 million from \$1.7 million due primarily to seasonally higher cost of avocados used in the production process, as well as expenses related to the relocation of production from Santa Paula, California and Mexicali, Mexico to our newly acquired facility in Uruapan, Mexico.

Fourth Quarter Outlook

“We are enthusiastic about the outlook for Calavo’s business, as we gain momentum, broaden our product portfolio and opportunities, complete our major restructuring of processed product operations, and further implement our strategic plan,” Cole

said. He noted that the fourth quarter will continue to witness a lower volume of California avocado production offset by firm pricing. As well, international revenues will continue to be driven by sales of Mexican fruit into the high-demand Japanese market. In the U.S., packinghouse volume will benefit from the seasonal importation of Mexican fruit in the final weeks of the quarter. The company's restructuring program to consolidate processing operations in a new, expanded facility in Uruapan, Michoacan continues "on pace, with completion anticipated by the end of the calendar year," Cole stated.

Looking ahead to the coming fiscal year, Cole emphasized that the company's planned acquisition of Maui Fresh "promises to be immediately accretive" to earnings and has "the potential to be a driver of profitable growth in fiscal 2004."

About Calavo

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CALAVO GROWERS, INC.
CONSOLIDATED CONDENSED BALANCE SHEETS
(All amounts in thousands)

	July 31, 2003	October 31, 2002
(unaudited)		
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,758	\$ 921
Accounts receivable, net of allowance for doubtful accounts of \$44 (2003) and \$25 (2002)	27,896	17,907
Inventories, net	12,468	12,461
Prepaid expenses and other current assets	3,760	3,945
Short-term investments	2,223	—
Loans to growers	405	467
Advances to suppliers	3,148	2,535
Income taxes receivable	—	225
Deferred income taxes	1,252	1,252
Total current assets	55,910	39,713
Property, plant, and equipment, net	10,121	9,497
Investments held to maturity	—	1,979
Other assets	3,664	3,943
	\$69,695	\$55,132
Liabilities and shareholders' equity		
Current liabilities:		
Payable to growers	\$16,701	\$ 6,368
Trade accounts payable	2,077	1,708
Accrued expenses	7,437	7,015
Income taxes payable	1,445	—
Short-term borrowings	—	3,000
Dividend payable	—	2,567
Current portion of long-term obligations	2,826	222
Total current liabilities	30,486	20,880
Long-term liabilities:		
Long-term obligations, less current portion	64	3,180
Deferred income taxes	516	516
Total long-term liabilities	580	3,696
Commitments and contingencies		
Total shareholders' equity	38,629	30,556
	\$69,695	\$55,132

CALAVO GROWERS, INC.
CONSOLIDATED CONDENSED STATEMENTS OF INCOME (UNAUDITED)
(All amounts in thousands, except per share amounts)

	Three months ended July 31,		Nine months ended July 31,	
	2003	2002	2003	2002
Net sales	\$81,359	\$76,420	\$182,981	\$178,288
Cost of sales	72,118	67,498	162,846	158,646
Gross margin	9,241	8,922	20,135	19,642
Special charges	5	—	103	—
Selling, general and administrative	4,004	3,325	11,325	9,604
Operating income	5,232	5,597	8,707	10,038
Other expense (income), net	(294)	(184)	(615)	(337)
Income before provision for income taxes	5,526	5,781	9,322	10,375
Provision for income taxes	2,287	2,657	3,848	4,668
Net income	\$ 3,239	\$ 3,124	\$ 5,474	\$ 5,707
Net income per share:				
Basic	\$ 0.25	\$ 0.26	\$ 0.42	\$ 0.50
Diluted	\$ 0.25	\$ 0.26	\$ 0.42	\$ 0.50
Number of shares used in per share computation:				
Basic	12,930	11,836	12,905	11,312
Diluted	12,960	11,906	12,935	11,342

Contact:

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