
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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): **August 31, 2006**

CALAVO GROWERS, INC.

(Exact Name of Registrant as Specified in Charter)

California

(State or Other
Jurisdiction of
Incorporation)

000-33385

(Commission File
Number)

33-0945304

(IRS Employer
Identification No.)

1141-A Cummings Road, Santa Paula, California 93060

(Address of Principal Executive Offices) (Zip Code)

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

Registrant's telephone number, including area code: **(805) 525-1245**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On August 31, 2006, Calavo Growers, Inc., a California corporation ("Calavo"), and Lecil E. Cole entered into a Cash Bonus Award Agreement (the "Agreement"). Mr. Cole is Calavo's Chairman of the Board, Chief Executive Officer and President.

As reported in a Current Report of Form 8-K that Calavo filed with the Securities and Exchange Commission on June 7, 2005, Calavo acquired 172,857 shares of the common stock of Limoneira Company, a Delaware corporation ("Limoneira"), and completed several other transactions that are described in the Current Report on Form 8-K, including (i) Limoneira's purchase of 1,000,000 shares of Calavo common stock, (ii) Calavo's lease from Limoneira of office space in Santa Paula, California, and (iii) the execution of an avocado marketing agreement between Calavo and Limoneira. Calavo's Board of Directors and Compensation Committee have determined that these transactions have benefited Calavo and that Mr. Cole was primarily responsible for the completion of the transactions.

Pursuant to the Agreement, and as a result of Mr. Cole's valuable contributions related to the Limoneira transactions described above, Calavo has agreed to pay five annual cash bonus payments to Mr. Cole, with each payment being equal to 738 multiplied by the average price of Limoneira's common stock at the time of the bonus payment. The first bonus, payable as promptly as practicable after August 31, 2006, equals \$140,220. Mr. Cole is entitled to receive subsequent annual bonus payments only if he is serving as Calavo's Chief Executive Officer at the time of each payment.

The preceding discussion is qualified by reference to the Agreement, which is filed as an exhibit to this Current Report on Form 8-K and is incorporated herein.

Item 9.01. Financial Statements and Exhibits.

10.1 Cash Bonus Award Agreement dated as of August 31, 2006 between Calavo Growers, Inc. and Lecil E. Cole.

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.

Calavo Growers, Inc.

August 31, 2006

By: /s/ Lecil E. Cole

Lecil E. Cole

Chairman of the Board of Directors, Chief Executive
Officer and President
(Principal Executive Officer)

CASH BONUS AWARD AGREEMENT

This Cash Bonus Award Agreement (the "Agreement") is entered into as of August 31, 2006 by and between Calavo Growers, Inc., a California corporation ("Calavo"), and Lecil E. Cole ("Cole").

RECITALS

A. On June 1, 2005, Calavo purchased 172,857 shares of the common stock of Limoneira Company, a Delaware corporation ("Limoneira"), for an aggregate purchase price of \$23,450,000, which equals \$135.66 per share. The current value of the Limoneira common stock as reported on the Pink Sheets is approximately \$190 per share.

B. On June 1, 2005, Calavo and Limoneira completed several other transactions, including (i) Limoneira's purchase of 1,000,000 shares of Calavo common stock, (ii) Calavo's lease from Limoneira of office space in Santa Paula, California, and (iii) the execution of an avocado marketing agreement between Calavo and Limoneira.

C. Cole is the Chairman of the Board, Chief Executive Officer and President of Calavo. Calavo's Board of Directors and Compensation Committee have determined that Cole was primarily responsible for the completion of the transactions described in Recitals A and B and that these transactions, particularly Calavo's purchase of 172,857 shares of Limoneira common stock, have benefited Calavo.

D. On August 24, 2006, Calavo's Compensation Committee and Board of Directors decided to reward Cole for his valuable contributions related to the Limoneira transactions by paying to him, over a four-year period, cash bonuses that are equivalent to the market value of 3,690 shares of Limoneira common stock, subject to the requirement that Cole must continue to serve as Calavo's Chief Executive Officer in order to obtain such bonuses.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, Calavo and Cole hereby agree as follows:

1. Cash Bonus Awards.

(a) As promptly as practicable after the date of this Agreement, Calavo shall pay to Cole a cash bonus in the pre-tax amount of \$140,220, which is equal to the last reported sales price of \$190 per share for Limoneira's common stock on the Pink Sheets on August 24, 2006, multiplied by 738.

(b) On August 24, 2007, and on each of the following three anniversaries of that date, Calavo shall pay to Cole an additional cash bonus in a pre-tax amount that is equal to (i) 738, multiplied by (ii) the trading volume weighted average last reported sales price of Limoneira's common stock for the immediately preceding thirty business days on the Pink Sheets (or on a national stock exchange, Nasdaq or the OTC Bulletin Board, if the common stock is traded on such other market at the time). If Limoneira's common stock is not traded on the Pink Sheets or another national market as of any applicable bonus payment date, Cole and

Calavo shall cooperate in good faith in determining the appropriate amount of the cash bonus to be paid to Cole based upon the fair market value of Limoneira's common stock. If any August 24 on which a bonus is payable to Cole is not a business day, Calavo shall make the bonus payment on the next business day.

(c) Cole shall not be entitled to receive any bonus from Calavo under this Agreement unless he is serving as the Chief Executive Officer of Calavo on the applicable date described in Section 1(b). For example, if Cole's service as Calavo's Chief Executive Officer terminates for any reason on June 15, 2007, he shall not be entitled to receive the bonus that is scheduled to be paid to him on August 24, 2007 or on any subsequent date.

2. Tax Withholding. At the time of each bonus payment under this Agreement, Calavo shall withhold all applicable amounts for federal, state and local taxes (including for FICA and Medicaid).

3. Cole's Representations. Cole understands that Calavo is not making any representations to him regarding the future value of the Limoneira common stock, and that this Agreement does not provide him with any right to continue serving as Calavo's Chief Executive Officer. Cole understands that Calavo is not making any representations to him regarding the amount of taxes that he will be obligated to pay as a result of his receipt of cash bonuses under this Agreement, and that he has been advised to consult with his accountant or other tax adviser regarding such tax consequences.

4. Complete Agreement. This Agreement constitutes the complete and exclusive agreement between Calavo and Cole with respect to the subject matter herein and replaces and supersedes any and all other prior written and oral agreements or statements by the parties relating to such subject matter. This Agreement may be amended or terminated only by a writing executed by both Calavo and Cole.

IN WITNESS WHEREOF, Calavo and Cole have executed and delivered this Agreement as of the day and year first written above.

CALAVO GROWERS, INC.

By: /s/ Arthur J. Bruno

Name: Arthur J. Bruno

Title: Chief Operating Officer

/s/ Lecil E. Cole

LECIL E. COLE