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February 22, 2024

To: California Avocado Commission (CAC) Board of Directors

Re: Public Comments Regarding Item 9 of CAC's February 22, 2024 Board Meeting Agenda: Request from Avocado Growers of California that "CAC petition USDA to organize a referendum for the Hass Avocado Board allowing all HAB assessment paying members to express their collective position."

We are writing to express concerns about the Avocado Growers of California's (AGC) misleading statements on its website and newsletters that a referendum is a way to "give growers an opportunity to express their collective positions and to review the organization's performance and priorities against its original charter's purpose."

Let us make it clear. The AGC is advocating for a reckless notion that could entirely wipe out the only program that safeguards how crucial resources are collected, distributed, and invested to build demand and bolster the value of Hass avocados sold in the United States.

California producers and importers favored the establishment of the Order by an overwhelming majority in its initial referendum. Since the program's inception in 2002, avocado consumption in the U.S. has increased by over 300 percent. Despite a surge in avocado supply from imports, annual returns to CA producers have increased. Today, the program is arguably one of the most successful demand-building programs for avocados worldwide. At the World Avocado Congress last April, Eric Imbert from CIRAD and publisher of FruitTrop magazine presented data illustrating Europe's challenges in demand building due to the absence of mandatory promotion programs like the one in the U.S.

Since 2002, \$917 million has been raised in assessments to fund programs that build demand. Of the \$917 million, nearly \$175 million have been paid by California producers and \$742 million by U.S. importers. In 2023 alone, California producers paid \$5.3 million in HAB assessments, and importers paid nearly \$66 million. By statute, the HAB Board has seven California producer seats and five U.S. importer seats, ensuring California producers control a program nearly entirely funded by U.S. imports.

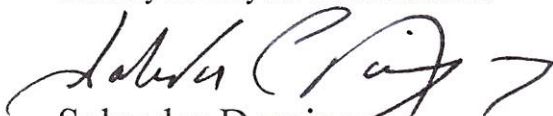
We want to caution that nowhere in the act does it say that a referendum is conducted for "collective positions" to be expressed or to "review the organization's performance and priorities against its original charter's purpose." Through public comment, nominations and board service, industry members can express their positions and ideas. A referendum is conducted explicitly to "ascertain whether eligible producers and importers favor suspension, termination, or continuance of the Order." In addition, in a referendum, each producer and importer is entitled to cast one vote regardless of their production or import volume.



California producers are the highest-cost producers of avocados sold in the U.S. The importation of avocados has surged under Democratic and Republican administrations. There needs to be recognition and education that imports are here to stay, and for as long as they are coming to our market, we need to protect the program that builds demand for all avocado supply year-round.

The AGC is pushing a reckless notion that could decimate the only program that generates mandatory revenue from U.S. imports to fund programs to increase demand against the influx of offshore supply. No California producer that hopes to survive in this business should want to open up the doors for future imports to come into our country without having to pay the HAB assessment, leaving the burden of raising demand entirely to California producers that pay the CAC assessment. Simply put California producers on the CAC or HAB should not petition the USDA to conduct a referendum on HAB.

Thank you for your consideration.



Salvador Dominguez

Ranchos Dominguez, Ventura County

IN SUPPORT OF THIS STATEMENT THE FOLLOWING CONCERNED AVOCADO GROWERS WOULD LIKE TO BE INCLUDED.

Rick Shade,
Gorden Kimball,
Link Leavens
Dan and Susan Pinkerton
Brice and Elain Bannatyne
Cathren Keeling
Scot Bauwens
Ben Lucy
Lisa Tate Soury
Helen McGrath
Mark Golden
CJ Shade
Margaret Kimball
Ben Van der Kar
Doug O Hará
Marquéis Vawter
Daniel Harte
Spencer Steed
William Bauer
Kimberlin Brown Pelzer
Chuck Bandy

