



TESTIMONY OF KEN MELBAN
CALIFORNIA AVOCADO COMMISSION
HEARING ON THE OPERATION OF USMCA

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I'm Ken Melban, President of the California Avocado Commission. I appreciate the opportunity to testify today to drive home two pressing import concerns threatening the viability of the California avocado industry.

The first relates to the potentially devastating phytosanitary risks posed by Mexican avocados under the current import protocol. For years, from 1997 to 2024, USDA's inspection rules governing Mexican avocados provided the safeguards needed to protect US production. The cornerstone of those safeguards, and what made them effective for 26 years, was the assurance that APHIS personnel would conduct both the orchard and packinghouse inspections in Mexico.

In early 2024, however, when cartel activity threatened APHIS personnel, the prior Administration replaced the APHIS inspectors with inspectors employed by Mexico. It opted to preserve ongoing trade but in doing so destroyed the paramount safeguards of the 1997 protocol, sharply increased the pest risks, and made the inspection system more susceptible to cartel activity.

As a sign of how deficient the system has become, when APHIS conducted the in-field inspections prior to 2024, pest interceptions in the packinghouses were rare; after the APHIS inspectors were withdrawn, over 150 pest interceptions were reported in just a four-month period.

This is a serious infestation risk waiting to happen, and when it does, it could financially break our industry. We are therefore asking for a two-part USMCA solution. First, the 1997 protocol, including all APHIS inspection requirements, should be fully reinstated and memorialized under USMCA. Second, the Mexican government, not our industry, should bear the responsibility for fixing the cartel concerns. If the Mexican government fails to ensure the safety and integrity of the process, US access should be shut down until those risks are adequately solved.

Let me turn now to our second, equally pressing concern – the risk that surging, low-priced imports will make our industry unsustainable. Here, too, the data tell the story.

As a new USDA report confirms, the Mexican industry's production levels and exports to the US have enjoyed explosive growth. Over a recent fourteen-year reference period, its production levels jumped by 134%; its exports levels to the US shot up by 312%.

The Mexican avocado industry is now by far the dominant player in the US marketplace, with volumes far exceeding US production. Peru is a far smaller player but a growing source of market disruption during our marketing season.

While imports thrive, the trendlines for our industry all point to decline. Over the past two decades, our grower ranks have shrunk by 55%. Our production levels have plunged by 46%. And despite significantly higher costs, our market price has progressively eroded. This past season, due to import pressures, our average grower price sank to \$1.08/lb. in August, a level no California grower can sustain for long.

Because foreign avocado production is in significant oversupply, and US consumption is flat, the downward trends in our industry have no chance of abating on their own. To ensure that our nation continues to feed itself with US-grown avocados, we are calling on the US Government to restore market equilibrium by imposing an effective TRQ arrangement on fresh avocado imports during the California industry's March-September marketing season.

The most effective approach would be TRQs imposed under Sec. 232 of the Trade Expansion Act so that all imports are covered. At a minimum, we ask the US Government to establish during the Joint Review a seasonal TRQ on Mexican avocados.

We look forward to working with the US Government to achieve these imperative phytosanitary and TRQ measures and thank the Administration for its strong commitment to sustaining America's food production.