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Budget, Redistricting, USMCA TRQ and USDA Mexico Inspections

Commission Increases 2026 Retail Marketing Budget

With the California avocado season underway, pricing is hovering around \$1.00 per pound and offshore volumes are tracking nearly 20% ahead of last year. A difficult market to enter.

In response, the Commission Board, in March, approved reallocating \$850,000 from consumer marketing into retail marketing. In addition, another \$450,000 from reserves has been approved resulting in \$1.3M of additional funding directly to retail marketing. This strategic adjustment, intended to strengthen the Commission's retail marketing effectiveness, brings the total retail marketing budget to \$4,084,500.

As one of the Commission's retail marketing directors commented, "This move signals to retailers (and packers) that the Commission is here to play ball." And we are.

The Commission's team has been very engaged with key retailers and the packers to develop partnerships that provide value for all. A key discussion point for every one of these meetings is the need for California growers to make a profit. With California averaging around 10% of the total U.S. supply our ability to demand a set price is limited. The reality is offshore volumes place downward pressure on California pricing.

This is the arena we are fighting in, and part of this fight is to protect our current West Coast market. While current pricing will not sustain many growers year after year, based on the California average price for the last five years of \$1.38 per pound history suggests at some point stronger pricing will return. When prices do rebound, it will be critically important that we have maintained and strengthened our

partnerships with retailers whose past performances have supported California grower returns.

USMCA Joint Review – Tariff Rate Quota

As previously reported, the United States-Mexico-Canada Agreement "Joint Review" is underway to determine if improvements are needed and whether USMCA should be extended beyond its termination date in 2036. In November 2025 the Commission submitted written comments requesting a seasonal tariff rate quota (TRQ) on Mexican avocados for the months of March through September to help curb the surging low-priced avocado import volumes from Mexico. In December 2025 I testified at the United States Trade Representative's Joint Review hearing in Washington, D.C. to reinforce the industry's urgent need for the TRQ and a Congressional letter was sent to USTR supporting our TRQ request.

Commission Chair Rachael Laenen and I traveled to Washington, D.C. in March 2026 and met with senior USTR officials concerning the Commission's TRQ request. In our meeting with USTR they requested additional data on volumes and pricing, and meetings also were held with members of Congress. It is clear from our discussions

	2025-26 BUDGET		2025-26 AMEND #1	
		%		%
Consumer Marketing	\$4,597,600	33.9%	\$3,805,500	27.1%
Trade Marketing - Retail	\$2,817,400	20.8%	\$4,084,500	29.1%
Trade Marketing - Foodservice	\$650,000	4.8%	\$650,000	4.6%
Marketing Activities Support & Personnel	\$935,000	6.9%	\$905,000	6.4%
Subtotal Marketing Programs	\$9,000,000	66.3%	\$9,445,000	67.2%
Industry Affairs & Production Research	\$2,342,205	17.3%	\$2,368,238	16.9%
Grant Programs	\$200,000	1.5%	\$210,000	1.5%
Operations	\$2,027,829	14.9%	\$2,027,829	14.4%
Subtotal Non-Marketing Programs	\$4,570,034	33.7%	\$4,606,067	32.8%
Total Expenditures	\$13,570,034		\$14,051,067	
Total Revenues	\$10,194,813		\$10,204,813	
Excess Of Revenues Over (Under) Expenditures	(\$3,375,221)	-33.1%	(\$3,846,254)	-37.7%

that the Joint Review negotiations are an extremely sensitive and complicated balance of interests. To best position the California avocado industry to receive the much-needed border relief, it is critical the Commission serve as the one coordinated, unified voice for the industry focused on achieving an effective seasonal TRQ.

The Joint Review is an untested process and the Administration expects it to continue beyond July 1, 2026.

USDA Mexico Inspections

In fall of 2025 the United States Department of Agriculture created an audit team in Mexico to conduct field audits of certified groves and agreed to provide quarterly reports on inspection activities and outcomes.

The 2026 first quarter report was received and reported the following information.

Currently four experienced avocado program employees are assigned to the audit team. USDA’s Animal Plant Health and Inspection Services is working with the State Department to hire additional audit team members (in progress) and is working to increase orchard audits in the second quarter and beyond. Audits will continue to be limited until additional staff are hired and onboard.

When pests are detected, the

originating orchard is suspended from the program pending recertification inspection and approval during the next certification cycle. In the first quarter of 2026, APHIS audited 18 orchards associated with packing house detections, of which six resulted in additional positive pest detections in the orchards.

During these audits APHIS reviewed an average of 55% of the trees in each orchard. APHIS directly inspected 38,749 trees and found 202 to be infested with a total of 265 stem weevil specimens.

Additionally, the audit team performed paper audits of more than 5,800 harvest actions from over 2,000 orchards. Through data analysis, the team successfully identified and acted on at-risk orchards and shipments.

In November 2025 the Commission submitted written comments under the USMCA Joint Review requesting the Mexican inspection program be made a permanent part of the USMCA.

Commission Redistricting

The Commission is required by law to conduct a Redistricting process every five years that establishes no fewer than three and no more than five districts. Each district must represent approximately the same percentage of avocado production. In February 2026 the Redistricting Committee

unanimously recommended four districts, and in March the Board approved the recommendation by a required two-thirds majority.

The four districts will become effective November 1, 2026. All member and alternate seats will be up for election in September 2026.

Industry Composition

After the Board’s decision on Redistricting, it was requested that the Commission’s minimum production threshold be reviewed. Under Commission law, “Producer” or “grower” means any person who is engaged within this state in the business of producing, or causing to be produced, avocados for market. “Producer” or “grower” does not include any person who has an average annual production of less than 10,000 pounds of avocados in the three preceding marketing years. (Amended by Stats. 2016, Ch. 451, Sec. 4. Effective January 1, 2017)

The following table shows industry data including grower production volumes. If the Board decides to revisit the definition of “Producer” this data will play an integral part of the deliberation and their decision. Please connect with your Commission representatives and share your viewpoint on the current “Producer” definition. 🍷

2025 Lbs.	# of Growers	% of Growers	Total Lbs.	Avg. Lb. / Grower	% of Lbs.
>1,000,000	68	2.31%	133,372,914	1,961,366	40.43%
100,000-1,000,000	490	16.62%	147,000,262	300,001	44.56%
75,000-100,000	119	4.04%	10,272,433	86,323	3.11%
50,000-75,000	197	6.68%	12,001,840	60,923	3.64%
25,000-50,000	379	12.85%	13,667,837	36,063	4.14%
<25,000	1,696	57.51%	13,592,536	8,014	4.12%
Total	2,949	100%	329,907,822		100.00%

2025 Lbs.	# of Growers	% of Growers	Total Lbs.	Avg. Lb. / Grower	% of Lbs.
>100,000	558	19%	280,373,176	502,461	85%
<100,000	2,391	81%	49,534,646	20,717	15%