July 6, 2026

Ms. Jennifer Thornton
General Counsel
Office of the United States Trade Representative
600 17th Street, NW
Washington, DC 20508

**RE: Written Comments Concerning Proposed Action in Sec. 301 Investigations of Various Economies Related to the Failure to Impose and Effectively Enforce a Prohibition on the Importation of Goods Produced with Forced Labor; Docket Number USTR-2026-0265**

Dear Ms. Thornton:

These written comments are being submitted by the California Avocado Commission ("CAC") in response to the *Federal Register* notice of June 5, 2026, requesting public comments on the proposed actions to be taken in the Sec. 301 investigations related to the failure of sixty economies to impose and effectively enforce a prohibition on the importation of goods produced with forced labor (hereinafter "these investigations") (91 FR 34172; USTR 2026-0265).

CAC was established in 1978 to enhance the sale of California avocados through advertising, promotions, public relations, and industry relations. It represents the State of California's approximately 3000 avocado growers and serves as the official information source for the California avocado industry. Approximately 90-95% of US avocado production is located in California, virtually all of which is sold in the US market.

For the reasons explained more fully below, CAC is urgently asking that all avocados imported under HS 0804.40.00 from Mexico, Peru, Colombia, the Dominican Republic, Chile, and Guatemala be subjected to the Sec. 301 responsive measures imposed pursuant to these investigations.

## I. Avocados from Mexico should be Treated as USMCA Non-Compliant and Subjected to the Sec. 301 Responsive Measures Imposed Pursuant to these Investigations

In CAC's submissions and testimony during the public consultation period conducted by Office of the United States Trade Representative ("USTR") regarding the USMCA Joint Review, and in CAC's engagement with USTR since then, CAC has called for a tariff rate quota (TRQ) on avocado imports from Mexico during California's marketing season (March-September). Its submissions and testimony explain in detail why harmful import surges of Mexican avocados, cartel activity in the producing regions of Mexico, compromised phytosanitary inspections in Mexico, and other concerns regarding the Mexican avocado industry are putting the California avocado industry and our national interests at risk. Because these prior CAC comments are also directly relevant to the issue of why Mexican avocados should be considered USMCA non-compliant and subjected to the Sec. 301 measures imposed pursuant to these investigations, CAC hereby incorporates its previously docketed materials into this submission (*see*, CAC submissions, Nov. 3, 2025, USTR-2025-0004 and USTR-2025-0005, and hearing transcript).

Below we briefly reiterate the points made in our prior submissions and note other reasons why the responsive measures imposed in these investigations should fully apply to avocado imports from Mexico.

***Growing import harm to the California industry***

As confirmed by USDA data, during the 14-year period from 2007-2009 to 2021-2023, US imports of low-priced Mexican avocados increased over 300%. The Mexican industry's unfairly low wage rates and poor regulatory framework have enabled and propelled that considerable US market growth.

Mexican avocados today represent about 90% of total US avocado imports. Its shipments are roughly seven times the volume of total California avocado production.

While the Mexican industry has enjoyed strong growth in the US market, the California industry, by contrast, has suffered a sharp decline. Over the past two decades, despite the rise in US avocado consumption over much of that period, the California industry's production levels and the number of growers producing avocados in California have plunged by roughly 50% or more.

Moreover, despite significantly higher production costs, the California industry's market price has progressively eroded, largely the result of surging volumes from Mexico during the California industry's marketing season. That price erosion has greatly accelerated since 2025 and is now an urgent industry problem.

To illustrate the frequency of these surges, in the last months of the California industry's 2025 season, Mexico shipped unusually large volumes into the US market, causing the California grower price to collapse to $1.08/lb., a price level well below the California industry's costs of production. A few months thereafter, in the opening months of the California industry's 2026 marketing season, the Mexican industry surged even larger volumes into the US market, this time causing the California grower price to drop to a level 50% below the price received during the same months of 2025, which no grower can sustain for long.

Because avocados are in significant oversupply in Mexico and other foreign producing countries, and US avocado consumption has essentially been flat for the past five years, if these increasingly frequent, price-disruptive surges from Mexico are allowed to continue, much of the California industry will be forced to exit the sector.

Should USTR decide to allow continued zero-duty access for Mexican avocados in these investigations, the Mexican industry is highly likely to read this as permission to continue surging volumes into the US market without regard to the harm being caused to our domestic production. In the event that scenario is allowed to occur, California production is certain to suffer further contractions. American consumers in turn will have no choice but to become more reliant on offshore avocados, thereby undermining America First principles and driving up the growing US-Mexico agricultural trade deficit, which the Administration is correctly endeavoring to reduce.

To prevent these adverse trade outcomes, responsive border measures on Mexican avocados are imperative.

***Cartel activity in Mexico's avocado-producing regions***

On his first day back in office, President Trump issued Executive Order 14157 declaring the cartels in Mexico and elsewhere to be a threat to the nation, designating those cartels to be Foreign Terrorist Organizations, and instructing the Executive Branch to pursue a policy that ensures the total elimination of cartel activity in the United States.

Mexico's avocado shipments are produced in Michoacán and Jalisco where, as widely reported, the cartel extorts growers, controls portions of the supply chain, and uses violence and intimidation to maintain control and exploit Mexico's multi-billion-dollar avocado industry.

Among numerous other forms of illegality and violence throughout Mexico's avocado supply chain, cartel activity in the avocado producing regions has led to severe disruptions in USDA's oversight of Mexican avocado production. In early 2024, when the cartel threatened USDA personnel, the prior administration replaced USDA inspectors in the Mexican orchards with inspectors employed by Mexico, which undermined an essential feature of USDA's 1997 protocol for ensuring phytosanitary security and made the system more susceptible to cartel threats. USDA's oversight today continues to be limited by ongoing cartel threats and violence.

The weakened inspection system has caused pest interceptions in the packinghouses to skyrocket. If the growing pest risks lead to an infestation of invasive pests in California, the California avocado industry could be destroyed.

Consistent with Executive Order 14157, CAC believes that if the Government of Mexico is unable or unwilling to provide the necessary security to ensure the safety of USDA inspectors, the appropriate response is to suspend the importation of Mexican avocados until the cartel risks are resolved. The solution is not to continue authorizing entry for Mexican avocados under a diminished phytosanitary system and duty-free treatment.

***Illegal deforestation in Mexico's avocado sector***

In the pending Sec. 301 proceedings regarding certain policies and practices in Brazil, USTR recently determined that Brazil's illegal deforestation practices are actionable under Sec. 301 and justify responsive US tariffs. Among other findings, USTR determined that due to Brazil's failure to effectively enforce its environmental laws, illegal deforestation in Brazil has –

- contributed to money laundering and corruption in the agricultural sectors produced on Brazil's deforested land; and
- made it easier and less expensive to produce agricultural products on the deforested land, thereby lowering prices for these Brazilian agricultural products and creating unfair competition for US production.

Those USTR findings are no less applicable to the widespread, illegal deforestation in Mexico's avocado-producing regions. Mexico for years has failed to enforce its environmental laws by allowing its avocado industry to illegally convert tens of thousands of acres of forests into avocado orchards. As widely reported, these extensive illegal conversions to avocado orchards in Mexico are largely the result of cartel activity.

In addition to creating severe environmental harm, the illegal deforestation in Mexico has led to lower production costs and excess production capacity in the Mexican avocado sector, which excess production is now being surged into the US market with growing frequency. The unfair prices and volumes attributable to deforestation have significantly compounded the unfair competition Mexican avocados are inflicting on the California industry.

Despite a recent initiative by The Association of Avocado Exporting Producers and Packers of Mexico (APEAM) to create a deforestation "certification" for Mexican avocados exported to the United States, numerous members of Congress and environmental groups remain concerned that APEAM's new certification initiative will simply paper over Mexico's longstanding failure to enforce its environmental laws while allowing Mexican avocado producers to secure export eligibility.

Given the extensive illegal deforestation undertaken in Mexico to expand its avocado production, and the reported cartel links to that deforestation, in order to stay consistent with USTR's Sec. 301 Brazil findings and Executive Order 14157, avocados from Mexico should not be permitted to escape Sec. 301 measures in these investigations.

In short, in the case of Mexican avocados, USTR has a compelling economic, legal, and policy justification to remove Mexican avocados from the USMCA-compliance exclusion in these investigations and subject them to Sec. 301 responsive measures.

CAC continues to believe that a seasonal TRQ is the appropriate and necessary measure to manage avocados from Mexico. Nevertheless, if USTR determines that its responsive Sec. 301 measures will only take the form of tariffs, the tariff rate designated for goods from Mexico should apply to Mexican avocados at least during the California industry's March-September marketing season.

## II. Avocados from Countries Other than Mexico – including Peru, Colombia, the Dominican Republic, Chile, and Guatemala – should be Removed from the Proposed Tariff Exclusions List and Subjected to the Sec. 301 Responsive Measures Imposed Pursuant to these Investigations

Although Mexico is by far the dominant avocado supplier to the US market, avocados from other offshore origins have increasingly contributed to the US market disruptions and price declines caused by import surges.

Between 2023 and 2025, low-priced avocados from Peru, Colombia, the Dominican Republic, and Chile increased by 55%. As with the Mexican industry, low wage rates, a poor regulatory framework, and other low costs in these supplying countries have fueled their growth in the US market.

To cite one recent example of the compounded market pressures created by these other supplying countries, in the last months of the California industry's 2025 marketing season when the Mexican industry was already surging volumes into the US market, Peru's avocado shippers jumped into the US market with sizeable additional volumes. Those additional volumes further glutted the US market and further depressed the price received by California growers.

Although Guatemala has yet to export meaningful volumes to the US market, USDA in 2024 authorized entry for Guatemalan avocados under a systems approach. With the Guatemalan industry now rapidly scaling its production, packing, and export capacity, avocados from Guatemala are anticipated in the US market in the near term.

As explained above, the California industry is in no position to absorb additional disruption from low-priced imports and further price erosion from any offshore origin. To uphold America First principles and help deter further increases in the United States' large agricultural trade deficit, avocados from Peru, Columbia, the Dominican Republic, Chile, and Guatemala should face
the same baseline Sec. 301 tariffs that most goods imported into the United States will face. CAC therefore urges USTR to remove from its Annex A tariff exclusions list fresh avocados (HS 0804.40.00) or, at a minimum, annotate Annex A to only exclude imports under HS 0804.40.00 during the months of October through February when California avocados are not in the market.

For the foregoing reasons, CAC and the 3,000 growers it represents respectfully call on USTR to modify its proposed responsive measures in these investigations to align with the CAC's requests above.

We thank the Administration for its strong commitment to sustaining America's food production and look forward to working closely with USTR to bring import relief to the California avocado industry.

Respectfully submitted,

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