



MEMORANDUM

DATE: October 31, 2019

TO: California Avocado Handlers, including Producers acting as Handlers

FROM: Monica Arnett, California Avocado Commission Vice President of Finance & Administration

SUBJECT: **2019-2020 CAC ASSESSMENT RATE**

Cc: Tom Bellamore, CAC President
Sam Santander, State Inspector/Enforcement

On October 9, 2019, the Board of Directors of the California Avocado Commission (CAC) voted to approve an assessment rate of 2.00% on all varieties of avocados produced in California. The effective date of this rate is November 1, 2019 continuing through October 31, 2020 on fruit received for handling during that time period.

As you are aware, each October the Commission is required by State law to:

“...establish the assessment for the following marketing season beginning November 1st and ending October 31st. In no event shall the assessment exceed 6½ percent of the gross dollar value of the year’s sales of avocados by all producers to handlers, or which are sold by handlers on behalf of producers.” California Avocado Commission Law § 67101.

Effective November 1, 2017, California avocado handlers, including producers acting as handlers, are required to remit payment of assessments in accordance with the recently amended California Avocado Commission (CAC) Law, which defines a “Producer” or “Grower” as follows:

“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.

Determination of each producer’s assessment exemption status is made solely by the Commission and in August 2019 notification of producer exemption determinations was provided to all handlers and producers on record.

With regard to the submission of CAC Assessment Reports, all handlers, including producers acting as handlers, must continue to report the volume and value of all fruit received for handling in a given month. The enclosed 2019-2020 CAC Assessment Report allows for the deduction of exempt fruit from total volume and value being reported, resulting in a net volume and value for which assessments shall be paid.



In the case of producers acting as handlers that have been identified as exempt from payment of the 2019-2020 CAC assessment, monthly CAC Assessment Reports must continue to be submitted, even if no CAC assessment payment is required to be made. As noted above, please report the total volume and value of all fruit received for handling, including the exempt volume and value, and remit payment of assessments due on the calculated net volume and value. If these calculations result in zero assessment dollars due, you are still required to indicate this on the CAC Assessment Report and submit to CAC.

CAC Assessment Reports, along with assessment funds due, must be submitted to the Commission by the last day of the month following the month in which avocados were received for handling (i.e. November 2019 fruit received must be reported by December 31, 2019). If assessments are sent via wire transfer to CAC, funds must be sent to CAC's account no later than the last business day of the month in which assessments are due, and the Assessment Report must be concurrently submitted to CAC via mail, email or fax by the last business day of the month in which assessments are due. If assessment funds (checks) and Assessment Reports are sent via U.S. mail or overnight courier, they must be postmarked by the last business day of the month in which assessments are due.

Assessments which are not paid by the last day of the month following the month in which avocados were received for handling are considered delinquent and a ten percent (10%) late payment charge will be added at that time. In addition, interest at the rate of 1.5% per month begins accruing on the first day after the assessment payment is delinquent.

CAC selects a certain number of first handlers to be audited for compliance with the CAC Assessment Policy (attached) every year.

If you have any questions concerning the assessment for the 2019-2020 crop year or the reporting and payment procedures, please send an email to accountspayable@avocado.org or call (800) 344-4333.