



No CAC Taxation without Grower Representation

The phrase “No Taxation without Representation,” echoing amongst the patriots of the Boston Tea Party, should resonate with California avocado growers. Growers are subject to mandatory assessments without true independent representation on the industry board.

For over a decade, the California Avocado Commission (CAC) records reveal that despite **spending more than \$100 million Dollars of grower assessments**, overall *average annual avocado crop prices have essentially remained flat, and in the last 5 years, prices have declined*. This statistic should prompt a critical *grower question*: have farm operating costs—such farm labor, water, insurance, and taxes—also remained flat?

The CAC has failed to address the **real industry problem** of *excessive and unregulated foreign imports*. Why? Because a **majority of the CAC Board** that has occupied producer seats also have direct and/or indirect ties to importers.

Lack of Production Cost Awareness

At a public meeting of growers, CAC staff were unable to provide basic information about avocado production costs across our five districts. This absence of data is significant—it suggests that sharing such information would reveal that *the CAC Board’s current policies are failing* the organization’s core mission: “**To Maximize Growers Returns.**”

Restoring Grower Voice

We have come to a critical point in our community’s history. The American agricultural industry is reeling from the current crises in governance and in trade, and California avocado farmers are particularly vulnerable to seeing our community decimated by the consequences of this on our markets, and if our ability to meet expenses and grow and sell our fruit can be maintained.

What we do to bring the California Avocado Commission’s goals and actions into congruity with its stated mission and mandate from the State of California depends on how we reform the ways we create representation of avocado growers on our board, and how we go forward in advocating the steps needed to resolve the current conditions that have paralyzed our capacity to do so.

It is essential for the California avocado grower community to reclaim a meaningful voice in deliberations that shape their industry and livelihoods. Only through reforms that prioritize fairness can growers retain a voice in decisions that profoundly affect their farm operations.

Advocacy for board representation must be paired with a commitment to transparency. A thorough review of current practices is necessary to illuminate areas in need of change and to build trust among stakeholders.

The growers are the CAC shareholders. As shareholders, growers have the right to question our CAC Board about how we are identified and counted as voters, as well as how the returns on grower assessments meet our needs. But, as we are all aware, we are not being asked the right questions, and when we speak out, our voices are not being heard.

[More specifics of the following are enumerated in copies of correspondence, and Demand Letters just submitted to the CAC Board, which are available on the AAF website, <https://americanavocados.org>]

Path Toward Integrity and Functionality

Decisive actions to realign the board's structure with the growers' interests are long overdue. By focusing on integrity and genuine functionality, the California Avocado Commission can return to its foundational purpose and meaningfully support those it was created to represent.

Grower Correspondence and CAC Board Response

On April 16, 2024, a letter from the law firm **Wiley Rein**, which specializes in trade law and represents American avocado farmers, was delivered to the CAC on our behalf. This correspondence provided historical context and legal opinions about the CAC Board's actions—and *inaction*—regarding concerns raised by the grower community.

The CAC Board's response was *silence, inaction, denial, and criticism of grower concerns without evidence*. As of this writing, **none** of the primary issues raised have been resolved.

Issue 1: Conflicts of Interest for Producer Board Seats

When the CAC was created, there were solely handlers and producers -- no importers per se, with no import market. In the years since then, with the dominance of our industry by imported fruit, there has been a near-complete lack of acknowledgement by board members of the possible conflicts of interest that their associations with the import pipeline may have had in undermining the need for advocacy in their decision-making on behalf of the California grower constituency.

Given these changes, the CAC must now take steps to mitigate conflicts of interest and protect its mission.

Issue 2: Eligibility for CAC Producer Board Seats

To move toward a more equitable division of by whom, and how, the CAC is governed, nominees for producer board seats are to be deemed eligible only if:

1. They are growers with NO material financial association of them or immediate family with entities or corporations, public or privately owned, that engage in avocado importation.
2. They are producers with documentable ownership of the groves which qualify them as such. CAC candidates who list themselves as "causing to grow" but do not own the groves and are not assessment-paying members should also be excluded.
3. To address these issues, the CAC should use board nomination disclosures and publicly available records to determine eligibility. All active CAC Board members will need to

have their eligibility re-established, so that if necessary they will need to resign their positions, and refrain from submitting nominations for re-election, and that the present and subsequent elections include only candidates qualified using these criteria.

Issue 3: Fair Elections and Audit Accountability

The 2024 CAC board election results, as reported by the CDFA, listed only 253 producer votes received across **five districts**:

- District 1: 38 District 2: 56 District 3: 54 District 4: 67 District 5: 38

Out of the 1,733 eligible voters (plus 19 board members) who reportedly received a voter outreach memo, this represents just **14% participation**. The CAC Board has not investigated the reasons for such low engagement among growers in this election or previous ones.

Call for Transparency and Accountability

In response to a public records request concerning the voting process, made on our behalf by Madison Spach, attorney with Frost Brown Todd Associates, CAC legal counsel Mr. George Soares stated on July 22, 2024, that the CAC does not conduct audits for this purpose and that all CAC voter records are subject to confidentiality. [See this correspondence on the AAF website].

However, having ballots and voter lists reviewed by an independent third party would not violate confidentiality if the auditor alone knows voter identities. The absence of such audits is *unacceptable for a public organization* and conflicts with transparency laws.

We believe that an independent election oversight group, such as <https://electionverification.org>, should oversee the 2025 election. As part of their customary review protocols, this will allow them to do the following, working with the CAC staff:

- a. determine the documentation of each voter's eligibility;
- b. The number of voters validated to have ballots sent to them, checking for redundancies in ownership of multiple groves by a single grower entity or other irregularities;
- c. The number of disqualified directory-identified members by both the CAC and the CDFA, and an enumeration of the reasons for disqualification;
- d. The number of ballots returned completed;
- e. The number of ballots returned as undeliverable;
- f. A separate attestation by the voters of record, live-signed, dated and returned, that they received the ballot, regardless of whether they choose to vote.

This should be seen as a reasonable use of our assessed funding of the CAC. .

Implementation of Eligibility Requirements

To ensure that only qualified growers occupy producer board seats, it is essential that the Board-sanctioned adoption of these requirements be in place prior to ballots being distributed for the CAC 2025 election cycle.

By establishing these standards ahead of the next election, the CAC can demonstrate its commitment to transparency and accountability in fulfillment of its mandate as our advocate.