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Date: November 26, 2025
To: Jason Cole, Chair, and the Board of the California Avocado Commission
From: Norm Kachuck, MD FAAN, for the American Avocado Farmers
Re: **Grievance submission IV concerning the CAC's actions in response to threats to the integrity and best practices in the avocado import pipeline to the U.S. market**

Chair Jason Cole and Members of the CAC Board:

As a longstanding Commission producer and member, I submit this formal GRIEVANCE to request immediate remedial action and transparency concerning material governance and actions per the California state laws and mandates under which the CAC operates. Over the last two years, these issues have been raised repeatedly by me in board meetings, and in correspondence with Jason Cole, Board Chair, and with my regional board representatives and concerned fellow growers through email, printed materials distributed at board meetings, and discussions.

Summary of problem

This Grievance is hereby submitted to the California Avocado Commission (CAC) for failure to fulfill its statutory and fiduciary duties to California growers by neglecting to investigate, condemn, or take remedial action regarding credible allegations and documented evidence that certain packers, handlers and importer associations engaged in the importation of avocados into the U.S. are implicated in:

1. Violations of sustainability and environmental protection pledges;
2. Questionable or opaque legal ownership and business practices;
3. Documented association or direct facilitation of organized crime, cartel violence, countenancing of corruption, drug trafficking and money laundering in producing regions;
4. Deliberate high-volume dumping of fruit into the U.S. market and other unfair trade practices that depress domestic prices; and
5. Related human rights and ethical business violations.

Despite repeated petitions, letters, and formal submissions to it over the last two years, the CAC Board has failed to:

1. Publicly condemn these practices; pursue, request, or permit an independent investigation that would corroborate and document these conditions affecting our industry;
2. Refer substantive evidence to appropriate law enforcement, trade, or regulatory agencies;

3. Call for a Hass Avocado Board referendum enabling U.S. industry members to weigh in on HAB performance, priorities, and importer-association relationships which have created the permissive trade environment bringing CONFLICT FRUIT into the U.S. market.

This inaction effectively places the interests of certain CAC directors and their aligned foreign associations above the economic and biosecurity interests of California producers, creating apparent conflicts of interest and undermining the Commission's legal mandate to protect and promote the California domestic avocado industry.

This dereliction has placed domestic California growers in imminent and sustained financial peril. It represents unmanaged conflicts of interest for CAC directors who may have financial interest in facilitating the prioritization of the import pipeline over domestic production. It also manifests in their ability to direct the use of Hass Avocado Board (HAB) marketing funds derived from producer assessments to pursue these purposes, despite allegations of the HAB's financial backers being complicit with the malfeasance associated with foreign industry interests.

U.S. companies tied to these channels face potential liability under the Foreign Corrupt Practices Act and RICO statutes. As public and investor scrutiny intensifies, importers must prepare for regulatory investigations and reputational damage. Under the DOJ's updated February 2025 guidance, purchases from orchards or intermediaries controlled by designated cartels may constitute material support to a Foreign Terrorist Organization (18 U.S.C. § 2339B). This means importers could now be in breach of U.S. counter-terrorism laws. Prior inconsequential, environmental, sourcing or trade issues could easily be escalated into potential criminal liability for aiding an FTO, placing our packer and handler community, who we depend on for marketing our fruit, at risk.

Basis and authority for immediate action by the CAC Board

- CAC has a statutory duty to represent and protect California producers and to act in the industry's economic and biological security interests.
- The CAC is to operate in a statutory framework with the federal Hass Avocado Board that requires transparency and provides for referenda and producer feedback concerning this relationship.
- The CAC has obligations to report credible criminal activity or trafficking.
- The CAC works in cooperation with USDA-APHIS on phytosanitary inspection issues.
- The CAC is tasked with the defense of the American avocado producer community in discovery and lobbying for enforcement of anti-dumping and unfair trade statutes and enforcement mechanisms at the federal level (U.S. Department of Commerce / U.S. Trade Representative) relevant to deliberate price suppression through imports.
- The CAC acts as a protector of the U.S. consumer from marketed avocados that fail to comply with sanitary, ethical, and sustainable industry practices.
- The CAC has the ability and duty to submit formal petitions to the USDA, relevant federal and state law enforcement, and trade authorities to examine trade dumping, criminal nexus, and biosecurity risks.
- The Bigger Sourcing Picture. The CAC has the duty and obligation under its bylaws to establish safe and equitable business and agricultural practices. It has failed to adequately ensure this to be the case with the import pipeline's inability to document the necessary compliance with the regulatory requirements that govern the state's food quality laws. Having the USDA inspectors only responsible for phytosanitary inspection neglects critically important factors that are to govern oversight of market -- the provenance of the fruit, and a U.S. government check-off list of deforestation risk, yes, but also every other aspect of ownership, labor contracting, industry

tithing by government and non-government entities, and community resource and security. The recent attempt by the Mexican government to police the exporting groves for deforestation, both directly and through contracts with third parties, makes no attempt to monitor where the fruit is actually coming from, the legal basis of the owner's capacity to align with ethical business practices, and the legitimacy of their survey instruments, inspectors, and report sourcing.

Implications and Recommended Actions for which the CAC Must Advocate and Lobby:

- 1. Supply Chain Due Diligence. Implement independent, third-party audits of sourcing zones and require full-chain traceability certifications.
- 2. Adopt frameworks aligned with the UN Guiding Principles on Business and Human Rights to verify that avocados are free from criminal interference.
- 3. Policy and Regulatory Response. Renegotiate bilateral phytosanitary and security protocols to exclude local actors compromised by organized crime, corruption, extortion, water and resource theft, assassinations of those opposed to cartel control, and oppression of the foreign growers.
- 4. Authorization and engagement in a discovery process to establish grounds and authority to enable the Commission to approve and received full reporting from a competent third party firm that can establish context and mechanism for justifications of targeted import restrictions or sanctions on imported produce lacking transparent, safe, sustainable, ethically sourced, cartel-free certification.

Operative timeline

- Immediate (within 7 days): publicly acknowledge receipt of this grievance, and appoint a special grievance committee per the procedure as codified in the bylaws.
- Short term (30 days): commission an independent, third-party fact-finding review (legal, forensic trade analysis, and supply-chain audit) with authority to subpoena CAC records relevant to HAB and importer-association interactions.
- Short term (30–60 days): disclose all CAC communications, meeting minutes, and financial ties with HAB and importer associations for the last 36 months.
- Medium term (60–120 days): refer substantiated findings to USDA-AMS, USDA-APHIS, U.S. Trade Representative, California Attorney General, and federal law enforcement as appropriate.
- Contingent governance action: suspend voting or decision privileges of any CAC board member who under existing CAC Bylaws has demonstrable conflicts of interest that may compromise their capacity for fulfillment of their mandated responsibilities pending formal review.
- Accountability: publish a remediation plan addressing biosecurity, market stabilization, and grower relief should dumping or criminal nexus be substantiated.
- Retain legal representation for the CAC to contribute to actions at the Federal level regarding the prosecution and enactment of trade actions based on these findings.

CLOSING

- The Board's willingness to act now will protect both the Commission's statutory mission and the practical interests of U.S. producers who fund and rely on the Commission. I appreciate the Board's prompt consideration and request that the Chair place this matter on the agenda of a convened meeting not later than 7 days from the date of this request.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read 'Norm Kachuck', with a stylized flourish at the end.

Norm Kachuck, MD FAAN
For the American Avocado Farmers

Attachments:

1. Issue One of my Demand Letter of September 7, 2025, with context and documentation to support the items noted in this grievance
2. Index of relevant published reporting and analyses
3. Translation of interview of Mexican Sec'y of Agriculture Mayorga Casteneda
4. Letter to the Board April 16, 2024