

Kachuck Enterprises

12631 Addison St.
Valley Village, CA 91607

Main: 818-753-9639
Cell: 323-217-2125
Email: kachuckent@gmail.com



Date: September 7, 2025

To: Board of the California Avocado Commission
From: The American Avocado Farmers
In re: Discovery and correction of trade imbalances and associated violations of trade agreements, created by those with control of the American avocado market via the import pipeline.

CAC Board members:

In the early 1990's, the California Avocado Commission (CAC) decided to make substantial investments in avocado nutritional research, which essentially revealed the avocado to be a *super food* high in vitamins and antioxidants. Strict import restrictions were in place, prohibiting foreign avocados from entering the U.S. market, due to the significant risk of introducing serious exotic pests from abroad. At that time, California farms provided 100% of the avocado supply nationwide.

Shifting Production and Its Consequences

During this same period, globalists came into power. A transition of manufacturing and food production was promoted from within the United States to foreign countries. This was largely driven by global decision-makers seeking lower labor costs, reduced environmental oversight, and fewer safety regulations. These shifts prioritized immediate economic gains but overlooked the long-term implications for national sovereignty and food security. As a result, critical resources came under the control of foreign-owned companies and governments, raising concerns about the essential supply chains for the United States.

Lifting Import Restrictions-Exotic Pest Risks and USDA Inspections

Around the mid-1990s, pressure was placed on the United States to lift the ban on foreign avocados, particularly from Mexico. The introduction of foreign avocados into the US was predicated on the argument that the danger posed by exotic pests was overstated, and that USDA phytosanitary inspections would be capable of keeping such threats in check. In response to pest risks, the USDA maintained that phytosanitary inspections would be robust enough to protect domestic avocado crops. This assurance was critical in shaping the legislative foundation concerning the safety of avocado imports.

Creation and Promises of the Hass Avocado Board

To further address domestic industry concerns, the Hass Avocado Board (HAB) was established. The Board was presented as a safeguard, its primary mandate being to oversee and preserve the interest of US domestic avocado industry and its growers. The creation of this Board was an integral element of the strategy for a balanced avocado import and export trade policy.

Examining Trade Policy Fallacies

Fallacy #1: Reliability of USDA Inspections for Exotic Pest Prevention

Prior to allowing foreign avocado imports, California avocado farms had not encountered exotic pests such as the *Persea* mite or avocado thrip which are indigenous to Mexico. The introduction of these pests onto US farms demonstrates the difficulties in reliably detecting or eliminating microscopic exotic threats. Infestations by these organisms can severely impact crop production, quality, and often necessitate costly control measures. The belief that the present process of USDA inspections can effectively protect domestic avocado farms from the threat of exotic pest infestations is unsupported.

Fallacy #2: Exotic Pest Risks in Foreign Countries

Can claims that the threat from exotic pests originating in foreign countries is minimal or exaggerated be supported by evidence? No. A common procedure for USDA inspections involves randomly cutting open avocados from vast shipments. However, given the sheer volume—now billions of pounds annually—it is highly impractical to use this technique without validation of the sampling process from grove to border truckload. This approach highlights that protection gained from the current inspection protocols is unrealistic.



Fallacy #3: HAB's Function in Safeguarding Domestic Interests

The original legislative intent for HAB was to serve as a domestic safeguard for US avocado producers by managing a fair and balanced approach between imports and exports. Reality has diverged significantly from these original assurances. Mexican avocado imports into the U.S. have surpassed **2 billion pounds annually**. Despite this influx, USDA statistics reveal that U.S. avocado exports to Mexico remain at zero. This stark imbalance calls into question the HAB's effectiveness as a protective mechanism for domestic growers.

HAB has NEVER facilitated a referendum of its service to the American avocado farm industry, and in blocking such communication with its ostensible community, has done a profound disservice to them, as well to the USDA, and to the American consumer. The CAC Board, when asked to advocate for a referendum, voted it down, and instead sent a congratulatory letter to the HAB on its successes in growing the industry.

Fallacy #4: No Environmental Consequences due to U.S. Avocado Trade Policy

CAC data confirms California's avocado-producing acreage has diminished by approximately 40,000 acres, representing a drop of nearly 50%, since the introduction of foreign avocado imports into the US market. The Mexican industry's growth in capacity has been at enormous environmental cost: the 2023 CRI reports documents that around 70,000 acres of ancestral forests in Mexico have been lost due to planting illegal avocado farms, which contravenes official Mexican government policy, USMCA agreements on sustainable agriculture practices, and human rights violation. These illegal actions occurred despite supposed oversight by USDA inspectors.

Mexican federal law strictly prohibits converting forested lands to agriculture without authorization, yet nearly all avocado-driven deforestation in Michoacán and Jalisco over the last twenty years has violated this statute. *In many cases, orchards established on illegally cleared land supply major U.S. retailers, highlighting gaps in corporate due diligence protocols and enforcement.* This unlawful expansion also encroaches on protected areas like the Monarch Butterfly Biosphere Reserve, undermining critical habitat for endangered species.

Metric	Value
Daily forest clearance rate	>10 football fields per day
Primary states affected	Michoacán and Jalisco
Share of U.S. avocado imports from Mexico	~90%
Legal compliance of recent deforestation	Virtually zero authorization for new orchards

The persistent deforestation depletes aquifers, intensifies drought risks, and exacerbates landslides and biodiversity loss by replacing diverse woodlands with monocultures. Indigenous and rural communities have borne the brunt of this boom—suffering water shortages, intimidation, and violence when they resist unlawful land seizures. Finally, consumer awareness campaigns in the U.S. are increasingly spotlighting the bloody “conflict avocado” narrative, applying market pressure for truly sustainable sourcing.

Fallacy #5- Mexican Organized Crime Cartels are not involved.

Substantial evidence from former Mexican governmental officials along with investigative reports and eyewitness accounts document evidence that Mexican Cartels deeply embedded in the Mexican avocado industry are using it to launder profits from narcotics trafficked into the U.S. This further undermines the integrity and security of the US avocado supply chain. [See Appendix 2]

Impact of Trade Policy on the U.S. Avocado Industry

All these converging factors—*reduction in domestic production and food security, pest risks, environmental degradation, trade imbalances, and cartel influence*—have fundamentally altered the landscape of the U.S. avocado trade policy. It is imperative for U.S. policy changes to prevent further losses of the 2,000+ US avocado farms.

Policy Recommendations

In a recent meeting with members of the USDA APHIS leadership, American avocado growers posed this central question: Should the USDA continue to permit an existing trade policy that allows unlimited and unregulated foreign avocado imports into the U.S. that provides financial support to foreign cartels, wreaks havoc on important global natural environmental resources, and enables further devastation of the US avocado industry which is predominantly made up of small U.S. family farms? They deferred their response until they could review the material with their superiors.

Implications and Recommended Actions for the CAC to Advocate and Lobby for:

1. Legal and Compliance Risks. 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 today could easily be escalated into potential criminal liability for aiding an FTO.

2. Supply Chain Due Diligence. Implement independent, third-party audits of sourcing zones and require full-chain traceability certifications.

3. Adopt frameworks aligned with the UN Guiding Principles on Business and Human Rights to verify that avocados are free from criminal interference.

4. Policy and Regulatory Response. Renegotiate bilateral phytosanitary and security protocols to exclude local actors compromised by cartels.

5. The Bigger Sourcing Picture. Having the USDA inspectors only responsible for phytosanitary inspection removes our other principal issue: 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 titling 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 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.

Here are our key recommendations. Their primary purpose is to provide a more sustainable U.S. avocado industry and trade policy. While there would be legitimate grounds given the magnitude of the evidence to re-establish a full embargo of Mexican avocados imports, what is proposed is a practical compromise, which would re-address the confirmed pest risks and massive trade imbalance. **In the context of the resulting trade imbalances created by these conditions, we must consider targeted import restrictions or sanctions on produce without transparent, cartel-free certification.**

First: *The USDA should re-institute and restrict the import of Mexican avocados to the US northeast market which was consistent with its original legislation.*

a) Subject to future independent U.S. phytosanitary inspections that the avocado stem weevil and other exotic pests are no longer a threat; and

b) Verifiable evidence that the provenance of any exportable fruit is documented and verified by U.S. inspectors from tree to border as per the noted criteria above.

c) When Mexican illegal avocado orchards in the deforested areas have been removed and re-vegetated, the USDA could consider recapitulating the way this was handled at the outset of the opening of the U.S. market, expanding the foreign avocado imports into the U.S. east of the Mississippi.

Second: As to other foreign avocado producers, those imports from those foreign producers should be limited to the U.S. northeast as well. The USDA needs to hire qualified US inspectors to perform a full unrestricted phytosanitary risk assessment in these countries, including cadmium levels above generally accepted thresholds. Said phytosanitary assessment shall be subject to peer review. As part of this

overview, U.S. agency experts shall also confirm whether or not other adverse environmental impacts exist as well. Assuming comprehensive phytosanitary studies can confirm no further risk, and environmental reports show no significant adverse environmental impacts, the USDA can consider the expansion of U.S. avocado imports from those foreign producers in a similar way, to include markets east of the Mississippi.

Third: The legislation governing the US Hass Avocado Board (HAB) shall be modified. The primary role of for HAB should either be eliminated or changed. HAB shall have the overview to ensure foreign imports continue to prevent US exotic pest risks, meet US environmental standards, and report on avocado imports/exports volumes necessary to achieve fair and balanced trade. Amongst the changes, *the voting majority of the HAB Board shall consist of exclusively of US avocado growers* who have no business, employment, investment, or family relationships with US or foreign packers/importers. There will be two (2) non-voting HAB Board positions reserved for packer/importers.

Conclusion:

It should be clear from this prima facie evidence that the original legislative policies' intent to achieve a fair and sustainable U.S. avocado import/export balance to preserve the US domestic avocado industry have been unsuccessful. Reform is absolutely necessary.

A closer examination of the key recommendations should provide a workable template to address the overall problems. Using the prior U.S. trade model, foreign avocado imports would be limited to the northeast market which would serve to initially limit the exotic pest risks, the current excessive avocado volume, further incentivize foreign producers to comply with environmental standards, help preserve and expand a U.S. domestic avocado industry, and keep the U.S. government's promises to promote and protect the U.S. farming community – including the > 2,000 family-owned avocado groves.

Given the significant issues identified—from domestic production decline to environmental harm, trade imbalances, and the influence of organized crime—it is essential that decisive action be taken. The U.S. will need to initiate new Congressional agricultural hearings with consideration given to reinstating the previous U.S. embargo on foreign avocado imports until these trade issues are effectively resolved.

The Board should take up this critical problem facing our community with the appointment of a committee tasked with creating a CAC consensus report on the issues involved, and their impacts on the CAC membership. There should emerge from their work a plan of advocacy, lobbying and influence on our political institutions overseeing international trade and agriculture to seek solutions that will benefit the American avocado industry and the American consumers.

Thank you for your commitment and contributions to our work together.

Yours truly,

A handwritten signature in dark ink, appearing to read "Norman J. Kachuck". The signature is fluid and cursive, with a prominent initial "N" and a long, sweeping underline.

Norman J Kachuck, MD FAAN, for the American Avocado Farmers