

By Ken Melban
Vice President of Industry Affairs & Operations



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Politics of Trade

With the 2024 U.S. presidential election in full stride, the political winds are raging. Although it may be hard to recognize the influence politics has on U.S. trade decisions affecting California avocado growers, the impact is real. As Billy Graham said, “I’ve never seen the wind. I see the effects of the wind, but I’ve never seen the wind.”

During the last few months, we have seen reports of deforestation and criminal activity involving imports of avocados which help supply U.S. avocado demand. To be clear, the California Avocado Commission unequivocally opposes both. Understandably, calls have come from some California growers asking CAC to publicly call on the U.S. government to address this situation. CAC takes these calls for action seriously and in doing so is guided by the following: 1) CAC’s statutory role; 2) possible courses of action; 3) potential for success; 4) unintended consequences; and 5) resources.

When the U.S. enters into trade agreements, political factors are often in play behind the scenes. For example, CAC recently submitted comments on the United States Department of Agriculture’s Animal & Plant Health Inspection Services (APHIS) draft “Pest Risk Analysis for the Importation of

Fresh Hass Avocado From Guatemala Into the United States and its Associated Risk Management Document.”

When a foreign country requests access to the U.S. market for avocados (or any commodity), access is granted only after a thorough phytosanitary review has occurred identifying any potential invasive pest and/or disease and establishing appropriate mitigation measures. Through an agreed-upon systems approach these mitigation measures are included in an Operational Work Plan between the U.S. and the respective country.

Here’s how the U.S. presidential election affects the Guatemala request to access our country. Guatemala has one of the largest inflows of undocumented immigrants and the U.S. is committed to aid this impoverished country. In March 2024, Vice President Kamala Harris announced the “New Initiatives to Strengthen the U.S.-Guatemala Relationship and Address the Root Causes of Migration from Guatemala.” One of these new initiatives is “The Enhancing the Agriculture Sector: Through extensive support from the United States government, more than 35,000 Guatemalan farmers have utilized innovative technologies to increase production and income on more than 33,000 acres

of farmland, creating greater income security and resilience to shocks, including environmental shocks.”

So, on the one hand, the U.S. government (USDA APHIS) is responsible to protect American farmers from the introduction of invasive pests. On the other hand, the U.S. government is committed to supporting farmers in Guatemala, which will likely result in those Guatemalan avocado growers competing directly against U.S. avocado growers in our markets! Tough to reconcile.

As to the deforestation and criminal activity concerns, both governments are aware of the reporting we have seen, yet neither government has taken substantive action to correct the situation. CAC has had conversations with USDA on these matters and been told that modifying the OWP is on the table relating to deforestation. A positive outcome if it occurs. However, CAC also has been informed by USDA that if the OWP is opened, there may be other changes which may not result in a positive outcome (more detail below). This is the law of unintended consequences, and one which CAC remains very mindful of when considering strategies to benefit California avocado growers.

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Commission representatives discuss the threat of invasive pests with California State Senator Caroline Menjivar.

CAC Calls on USDA to Maintain Current Inspections in Mexico

On June 26, 2024, CAC issued a press release calling for USDA to maintain direct responsibility for the inspection and certification of all Hass avocados grown in Michoacán and Jalisco for export to the United States.

Under the current OWP, inspections are conducted by Mexican citizens employed by USDA APHIS. The purpose of the OWP is to ensure that invasive pests do not invade the U.S. and devastate domestic avocado production. CAC firmly maintains that this direct inspection oversight is an essential component of the OWP and should not be changed.

CAC's release was prompted by two communications. First, a senior USDA official informed CAC that the State Department, specifically the U.S. Embassy in Mexico City, was recommending revising the current U.S./Mexico OWP by transferring inspection responsibilities from USDA to the Mexican government. CAC was told this recommendation was a result of the February 2022 security incident where a USDA inspector was threatened.

The second communication was an inquiry from a *New York Times* reporter. He attended a press conference

of U.S. and Mexico officials regarding USDA's June 17, 2024, suspension of avocado and mango export inspections in Mexico due to security concerns. According to the reporter, "officials [Mexico and U.S.] said that they would progressively start replacing APHIS inspectors with Mexican inspectors to avoid stopping exports whenever there's a security concern." CAC confirmed through other sources that those comments were made.

Although USDA has not officially proposed any modification of the OWP, CAC is taking no chances and proactively stated our adamant opposition to any consideration of such a change. In part, I was quoted in CAC's release saying: "As reports of corruption and violence in Mexico continue, including regions authorized for avocado exports to the U.S., it's unimaginable the U.S. government would consider abdicating inspection responsibilities to Mexico," and that "U.S. farmers will not be protected under such a program, one intended and designed specifically to protect U.S. farmers' economic interests."

CAC will continue to monitor these trade situations. If it appears a proposed change may be forthcoming, CAC will aggressively engage and ask that industry members submit comments as well. Stay tuned. 🥑



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