



## MEMORANDUM

DATE: October 2, 2024  
TO: California Avocado Handlers  
FROM: Robert M. Rumph  
SUBJECT: Hass Avocado Board Assessment Information

### **Federal Assessment on Hass, Lamb Hass, and GEM Avocados - For November 1, 2024 through October 31, 2025**

The federal assessment rate of 2.5 cents per pound on imported and domestic Hass, Lamb Hass, Hass-like, and GEM avocados for November 1, 2024 through October 31, 2025 remains unchanged from the current HAB assessment of 2.5 cents per pound.

The HAB will send you a monthly Assessment Report to fill out that is to include all fruit received for handling in a given month (i.e. November 2024 Assessment Report must include all fruit received in November 2024). **This report, along with your assessment check, must be received by the HAB no later than the last business day of the following month (i.e. December 31, 2024).**

**As a reminder, section 1219.54(b)(3) of the Hass Avocado Promotion, Research, and Information Order (Order) states that the “handler shall maintain a separate record of domestic Hass avocados of each producer whose domestic Hass avocados are handled.” If you do not have such a procedure in place, then it is imperative that you develop one immediately. Records are to be maintained for at least two years beyond the current fiscal period.**

Handler records WILL BE AUDITED at year end to verify Hass avocados purchased from producers and that the federal HAB assessments were properly applied and remitted to HAB.

### **Clarification of the HAB Assessment Policy on Culls**

HAB would like to remind all Hass avocado handlers that an assessment of 2.5 cents per pound shall be collected from the producer and paid to HAB on ALL fresh Hass, Lamb Hass and GEM avocados handled in the United States. **According to the §1219.11 of the Order, to handle means to pack, process, transport, purchase, or in any other way to place or cause Hass avocados to which one has title or possession to be placed in the stream of commerce (SOLD).**

The Order does not define “culls” or grade standards on Hass avocados nor provide an exemption from the HAB assessment based on grade. In addition, the HAB assessment is based on volume and therefore is not affected by roadside value or covering the cost of handling. Therefore, any Hass avocados, including “cull” fruit placed into the stream of commerce (SOLD) must be assessed at 2.5 cents per pound and reported and paid to HAB.

### **Hass Avocado Board Organic Exemption**

HAB would also like to clarify the Organic Exemption policy. According to §1219.202 of the Order, to obtain an organic exemption, an eligible Hass avocado producer shall submit a request for exemption to the HAB on an Organic Exemption Request Form (Form AMS-15) at any time initially and annually thereafter on or before November 1 as long as the producer continues to be eligible for the exemption. To be eligible, a producer must operate under an approved organic system plan authorized under the USDA-AMS organic regulations (7 CFR Part 205) and maintain a valid organic certificate issued by an AMS accredited certifying agent, produce and/or import products eligible to be labeled “organic” or “100% organic” under the USDA organic regulations, and is subject to assessments under the research and promotion program for which the exemption is requested. The exemption will apply immediately, **following the issuance of the Certificate of Exemption from HAB**, which will specify the effective dates of the certificate.

### **Hass Avocado Board Export/Re-Export Exemption**

Under the Order any sale of Hass avocados for export from the U.S. is exempt from the federal assessment (7 C.F.R. §1219.55(a)). Of course, the state (California Avocado Commission) assessment must still be collected and remitted by all California handlers, even if fruit is exported.

**In order to clarify proper procedure, any handler who deducts re-exported avocado volume and takes the exemption from the assessment due the HAB, MUST return to the grower the HAB assessment funds deducted from the sales price paid to the grower. If you do not have such a procedure in place, then it is imperative that you develop one immediately. In addition, organic avocado re-exports do not qualify for exemption as the assessments are returned to the first handler importing the fruit.**

The Order also authorizes HAB to require reports on the disposition of exempt Hass avocados (7 C.F.R. §1219.55(b)). Consequently, handler records **WILL BE AUDITED** at year end to verify export volumes and that the federal assessments were properly returned to growers whose Hass avocados were exported.

### **Hass Avocado Board Re-Export Overpayment Credit Procedure**

A re-export overpayment occurs when an importer pays an assessment for fruit that is imported into the United States and is later re-exported and sold in a third country. Organic avocado re-exports do not qualify for exemption as the assessments are returned to the first handler importing the fruit.

It is important to note that documentation for a re-export overpayment must be received by HAB no later than 10 days after the end of the month the fruit entered the U.S.

### **HAB Avocado Purchases**

The HAB routinely purchases avocados for its Nutrition Research Programs. If your company would like to be considered as a vendor, please contact the HAB office at (949) 341-3250. **At the Board's request, vendor names and total invoice amounts paid will be made public in financial documents, such as the check register.**

*If you have any questions concerning HAB assessments or the reporting and payment procedures, please call Robert Rumph: (949) 341-3250 or email: [robert@hassavocadoboard.com](mailto:robert@hassavocadoboard.com).*