SCALE DETECTIONS CONTINUE TO DECLINE
The California Department of Food and Agriculture (CDFA) reports a steady decline in the number of actionable scale detections on Mexican avocados entering California through CDFA border inspection stations. The decline corresponds with an overall drop in the number of shipments. During the last month, 2 shipments out of a total of 36 were found to contain actionable scale insects. This is down from 5 detections in April, when 97 trucks entered California via CDFA checkpoints. Between February 1 and May 31, the percent of shipments with actionable scale pests dropped from over 14.5% to about 5.6%. The decline is believed to be due to a variety of factors, including voluntary measures undertaken by the Mexican avocado industry to reduce the incidence of scale pests on fruit shipped to California.

SCIENCE PANEL REPORT DUE SOON
The Science Panel appointed to examine the risks presented by scale insects on commercially imported fruit met as scheduled in early May. Included among the panel members was Dr. Joseph Morse, Research Entomologist at the University of California-Riverside. According to Dr. Morse, there was general agreement among the panel members that the risk of establishment associated with armored scale insects on commercial fruit imports is low. Panel members discussed several scenarios that could lead to increased risk, however, such as inadvertent dispersal of “crawlers” (the mobile, larval stage of the insect) to suitable avocado hosts by packinghouse workers and the disposal of culled fruit in close proximity to avocado groves. The panel report, upon which CAC’s legal strategy hinges, is expected to be issued by mid to late-June.

SCALE IDENTIFICATION RESEARCH PROGRESSES
Work is progressing on the molecular identification of armored scale insects, a research project being conducted by the University of California with funding from the Commission. Researchers Drs. Joseph Morse and Richard Stouthamer have developed methods of collecting DNA from armored scale insects using a “salting out” technique. This technique also allows specimens to be preserved on microscope slides for later use by collaborating scale taxonomists at CDFA and USDA. The research team is in the process of comparing scales collected from Mexican avocados to species present in California and those for which genetic work has already been done. Twenty-eight specimens collected from Mexican avocados between February 1 and April 30 were found to be an undescribed species in the genus Abgrallaspis or Diaspidiotus. Based on the examination of DNA from some of these specimens and San Jose scale specimens collected from California, the researchers have concluded that the scale being found on Mexican avocados is not San Jose scale.

CAC ENGAGES IN SETTLEMENT TALKS WITH USDA
The Commission has engaged in settlement talks with top-ranking U.S. Department of Agriculture officials in an effort to further reduce the risks associated with armored scale insects on Mexican avocados. Although it is too early to predict the outcome of these discussions, CAC is cautiously optimistic since USDA appears willing to explore possible ways to move the issue toward resolution, thereby avoiding a costly and protracted legal battle over the science at issue in the dispute. In other developments, the U.S. District Court is considering a motion by Mexico’s Asociacion de Productores, Empacadores y Exportadores de Aguacate de Michoacan (APEAM) to intervene as a matter of right in the lawsuit. A ruling is expected soon.
MEXICAN AVOCADOS THROUGH CDFA BORDER STATIONS FEBRUARY - MAY 2007

Trend of Actionable Pests Related to Number of Total Shipments Over 120 Days Summed in 40 Day Increments

<table>
<thead>
<tr>
<th>Day Count</th>
<th>First 40</th>
<th>Second 40</th>
<th>Third 40</th>
<th>Total 120 Days</th>
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<td>Total Shipments</td>
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<td>55</td>
<td>360</td>
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<td>Actionable Pests</td>
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<td>10</td>
<td>3</td>
<td>35</td>
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</table>

TOM BELLAMORE
THURSDAY JUNE 7, 2007
SENIOR VICE PRESIDENT & CORPORATE COUNSEL

SOURCE: California Agriculture Commission