SUPERIOR COURT OF THE DISTRICT OF COLUMBIA CIVIL DIVISION

Organic Consumers Association, a non-profit corporation, 6771 South Silver Hill Drive, Finland, MN 55603,

2024-CAB-006328

Plaintiff,

COMPLAINT

v.

DEMAND FOR JURY TRIAL

Calavo Growers, Inc., 1141A Cummings Road, Santa Paula, CA 93060,

Defendant.

PREAMBLE

This is a nonprofit, public-interest action brought on behalf of District consumers alleging false and deceptive advertising in the sale of avocado products. Plaintiff Organic Consumers Association, acting pursuant to D.C. Code § 28-3905(k)(1)(D), brings the action against Defendant Calavo Growers, Inc. ("Calavo"). In order to generate sales, Calavo represents that its avocados are "sustainable," responsibly grown, and "better for the planet." These statements are not true because Calavo's sourcing practices contribute to deforestation, water scarcity, climate change, biodiversity and habitat loss, and other negative environmental consequences in the avocadogrowing region of Mexico. Calavo's avocados, therefore, are grown neither responsibly nor in a manner that ensures ecosystem health.

Organic Consumers Association ("OCA") requests no money damages but seeks declaratory and injunctive relief, aimed at putting an end to Calavo's false and deceptive advertising. OCA brings the action on behalf of the general public of the District of Columbia ("D.C."), and D.C. consumers. This is not a class action, and no class certification will be sought.

OCA alleges the following based upon personal knowledge, information and belief, and the investigation of its counsel.

INTRODUCTION

- 1. Consumers are increasingly concerned about the sustainability and environmental consequences of their food purchases.
- 2. Consumers are motivated to purchase produce marketed as "sustainable" due to growing awareness of the negative environmental consequences of the commercial agriculture industry. These negative environmental consequences include deforestation, water and air pollution, soil degradation, and habitat/biodiversity loss.
- 3. Many consumers seek to minimize their ecological footprint and prioritize supporting environmentally responsible farming methods for long-term ecological health. These values are thought to be promoted by products that are marketed to consumers as "sustainable" and/or responsibly grown, such as Calavo's avocados.
- 4. Consumers are often willing to pay more for products that align with their values, or to buy more of those products. Corporations that market these products, such as Calavo, are keenly aware of this consumer willingness.
- 5. For example, Calavo represents on its website that it has "sustainable practices" and that it "pursue[s] environmental responsibility... throughout [its] entire business," including commitment to "long-term ecological balance, environmental soundness, and social equity."
 - 6. Calavo also states that its products are "better for the planet."³

¹ Calavo, https://calavo.com/ (last visited Sept. 19, 2024).

² Sustainability, Calavo, https://calavo.com/sustainability/ (last visited Sept. 19, 2024).

³ *Id*.

- 7. Calavo's avocado sourcing practices, however, do not match these consumer-facing statements.
 - 8. Calavo is one of the leading producers and distributors of avocados globally.
- 9. The popularity of, and demand for, avocados in the United States has increased exponentially over the past few decades.⁴
- 10. The presence of avocados in United States supermarkets has tripled in the past twenty years, and avocados in the United States are now a \$3-billion-per-year industry.⁵
- 11. Mexican avocados make up 83-to-93% of avocados imported to the United States.⁶ All Mexican avocados sold in the United States are exported from two states, Michoacán and Jalisco.⁷
- 12. Michoacán is the only place on earth where avocado trees bloom four times a year, instead of just once. This occurs because of the state's rich volcanic soil and ideal elevation for growing.⁸
- 13. Unfortunately, due to a combination of factors, Michoacán and Jalisco have been decimated by uncontrolled deforestation, severe water shortages, and biodiversity and habitat loss, among other adverse environmental consequences. Those factors include rising international

⁴ Imports play dominant role as U.S. demand for avocados climbs, U.S. Dept. of Agric., (May 2, 2022) https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=103810.

⁵ Jorge Simancas, *Arson, logging and water theft: The avocado industry deforests Mexico*, El País (Nov. 29, 2023), https://english.elpais.com/international/2023-11-29/arson-logging-and-water-theft-the-avocado-industry-deforests-mexico.html.

⁶ Forests Falling Fast to Make Way for Mexican Avocado, Global Forest Watch (Mar. 20, 2019), https://www.globalforestwatch.org/blog/commodities/forests-falling-fast-to-make-way-for-mexican-avocado/?utm campaign=gfw&utm source=gfwblog&utm medium=hyperlink&utm term=jaliscoavocado.

⁷ Mark Stevenson, 2nd state in Mexico begins avocado exports to U.S. market, Associated Press (July 29, 2022), https://apnews.com/article/mexico-caribbean-global-trade-climate-and-environment-37ab9c9439de14d5393eb4dbf94f3d8b?utm source=copy&utm medium=share.

⁸ Cassandra Garrison, *Mexican Avocados Grown on Illegal Orchards Should Not Be Exported to U.S., Ambassador Says*, U.S. News & World Rep. (Feb. 26, 2024), https://www.usnews.com/news/world/articles/2024-02-26/mexican-avocados-grown-on-illegal-orchards-should-not-be-exported-to-u-s-ambassador-says.

demand for avocados, lax enforcement of environmental regulations, cartel and organized crime links to the Mexican avocado industry, and high profit margins for avocados exported to the United States. As reported, "the avocado trade has attracted crime groups that extort payments from producers and have acted as muscle for others by displacing people and deforesting the onceverdant countryside, according to 10 locals interviewed by Reuters in Michoacan."

- 14. Michoacán's Secretary of Environment, Alejandro Mendez, stated: "In Michoacán right now I think the most sensitive, serious environmental issue is the indiscriminate change of land use for avocado crops . . . , [which] puts at increasing risk our biodiversity, the provision of water, and the forests in this state." ¹⁰
- 15. Avocado trees consume four-to-five times more water than native fir and pine trees, jeopardizing water availability for the local communities in an already water-scarce region.¹¹
- 16. Water is often diverted from local rivers and streams in the area in order to irrigate avocado orchards. Water theft and uncontrolled use of water by the avocado industry wreak havoc on the local environment and population, as streams dry up and residents do not have enough water for human consumption.¹² Local and state officials have reported that Michoacan avocado producers "often resort to taking water from lakes or communal basins."¹³

⁹ Cassandra Garrison, *Avocado goldrush links US companies with Mexico's deforestation disaster*, Reuters (Aug. 6, 2024), https://www.reuters.com/investigations/avocado-goldrush-links-us-companies-with-mexicos-deforestation-disaster-2024-08-06/.

¹⁰ Canal 44, *Aguacate: negocio, ecocidio y crimen: Parte 1*, YouTube (Sept. 7, 2022), https://www.youtube.com/watch?v=PaaaJXAx6NQ.

Alberto Gómez-Tagle, et al., Hydrological impact of green hold (avocado culture) in central Mexico; rainfall partition and water use comparison with native forests, Universidad Michoacana de San Nicolás de Hidalgo (Nov.
2018),

https://www.researchgate.net/publication/329060308_Hydrological_impact_of_green_gold_avocado_culture_in_ce ntral_Mexico_rainfall_partition_and_water_use_comparison_with_native_forests/link/5bf3eddda6fdcc3a8de38777/download (Presentation at Joint Conference on Forests and Water).

¹² Euronews Green, *A serious risk': Mexican villagers take on cartel-backed avocado farms as water dries up*, Euronews (Apr. 24, 2024), https://www.euronews.com/green/2024/04/24/a-serious-risk-mexican-villagers-take-on-cartel-backed-avocado-farms-as-water-dries-up.

¹³ Garrison, *supra* note 9.

- 17. Just a few months ago it was reported that "[r]ivers and even whole lakes are disappearing in the once green and lush state of Michoacán," and that local residents have organized to "rip out illegal water pumps and breach unlicensed irrigation holding ponds" in a desperate attempt to restore water security to their community.¹⁴
- 18. Patzcuaro Lake in Michoacán has been reduced to approximately half its former size due to the drought, deforestation, sediment build-up and the increased water demands from avocado and berry growers in the region. Nearby Lake Cuitzeo, one of the largest freshwater lakes in Mexico, has nearly dried up.
- 19. Calavo promises consumers that its avocados are sustainably and responsibly grown and that "sustainability is embedded into all of [its] decision-making processes, whether they occur within our own packing, distribution and manufacturing operations or *extend to our individual growers and suppliers from whom we source*" (emphasis added).¹⁵
- 20. Despite these assurances, Mexican government shipping records show that during the years 2022 through the beginning of 2024 Calavo sourced over 800,000 kilograms of avocados (roughly 8 million avocados) from at least fifteen orchards operating on deforested land in Michoacán and Jalisco. Upon information and belief, based on satellite imagery, these orchards exist on land that previously contained mature, native forest.
- 21. Whether legal or illegal, the conversion of Michoacán and Jalisco's natural forests to avocado orchards releases greenhouse gases, reduces carbon storage, decreases biodiversity, and impedes the natural replenishment of local aquifers.

¹⁴ Armando Solís, *Angry farmers in a once-lush Mexican state target avocado orchards that suck up too much water*, Associated Press (Apr. 24, 2024), https://apnews.com/article/mexico-drought-avocados-dried-up-lakes-faaad63fdf0d3f3cba7b33fb0456c053.

¹⁵ Sustainability, supra note 2.

22. In February of this year, Ken Salazar, the United States ambassador to Mexico, expressed concern about the proliferation of avocado orchards on illegally deforested land during a visit to Michoacán. Salazar opined that Mexican avocado exporters "shouldn't have the opportunity to sell those avocados to the United States market."¹⁶

23. Consumers who wish to purchase sustainably and responsibly grown avocados rely on marketing and advertising to make purchasing decisions and to choose avocados that they believe align with their values.

24. Reasonable consumers in the District of Columbia do not expect avocados marketed as sustainably and responsibly grown to be grown on deforested land or to contribute to extreme water depletion and other negative environmental consequences.

25. This is a consumer-protection case concerning deceptive marketing representations about Calavo's avocados. The case is brought by Organic Consumers Association, a public-interest organization dedicated to consumer protection and education. OCA seeks no money damages. Acting on behalf of the general public of D.C. and D.C. consumers, OCA seeks an end to the deceptive marketing and advertising at issue, and a declaration that Calavo's conduct violates D.C.'s consumer protection law.

¹⁶ Garrison, *supra* note 9.

FACT ALLEGATIONS

I. Calavo Represents to Consumers That Its Products Are Sustainable and Responsibly Grown.

- 26. Calavo is a producer, distributor, and seller of avocados and is vertically integrated, meaning that "they or their subsidiaries own packinghouses in Mexico, export abroad, and control imports within the receiving country, before distributing to retailers."¹⁷
- 27. Calavo states on its consumer-facing website that it has "sustainable practices" and that it "pursue[s] environmental responsibility, social equity and sound governance throughout [its] entire business." ¹⁸
- 28. Examples of Calavo's representations about the sustainable and responsible production of its avocados (herein called the "Sustainability Representations") are seen in the images below:
 - a. Calavo states that it "pursue[s] environmental responsibility, social equity, and sound governance throughout [it's] entire business." ¹⁹

¹⁷ Unholy Guacamole: Deforestation, Water Capture, and Violence Behind Mexico's Avocado Exports to the U.S. and Other Major Markets, CLIMATE RTS. INT'L (Nov. 2023), https://cri.org/reports/unholy-guacamole/.

¹⁸ Calavo, supra note 1.

¹⁹ *Id*.



b. Calavo touts its "sustainability strategy" which "includes a commitment to long-term ecological balance, environmental soundness and social equity throughout [its] enterprise."²⁰ Calavo goes on to represent that "[s]ustainability is embedded into all of our decision-making processes, whether they occur within our own packing, distribution and manufacturing operations or extend to our individual growers and suppliers from whom we source."²¹

Sustainability

Calavo's sustainability strategy includes a commitment to long-term ecological balance, environmental soundness and social equity throughout our enterprise. Sustainability is embedded into all of our decision-making processes, whether they occur within our own packing, distribution and manufacturing operations or extend to our individual growers and suppliers from whom we source.

²⁰ Sustainability, supra note 2.

²¹ *Id*.

- c. In Calavo's 2022 sustainability report, it makes many representations about its fresh produce, specifically its avocados, being produced sustainably). As shown in the images below, Calavo claims that "avocado trees contribute to fighting climate change by capturing and storing CO2" and "improves soil health," while asserting that its operations "promote[] water efficiency" and "support[] strong farming communities."
- Capturing Carbon: Avocado trees contribute to fighting climate change by capturing and storing CO2 from the atmosphere and breathing-out oxygen. A mature avocado tree can absorb up to 48 pounds of CO2 per year.
- Building Soil Health: Avocado farmers practice no-till growing which stores and prevents the release of CO2,
 prevents soil erosion, and improves soil health. In addition, leaves from avocado trees are left in the groves where
 they create mulch which builds microbial activity and adds nutrients to the soil.
- Water Use and Efficiency: Modernized precision irrigation systems combined with the use of natural rainwater, on over 90% of the acreage growing avocados for U.S. consumption, promotes water efficiency. Regenerative practices, including no-till, improve water retention and infiltration.
- Higher Density Planting: New plantings in many growing regions put trees in closer proximity to each other
 to produce more fruit using less area. This practice also promotes using less resources on fewer acres driving
 the efficient use of all resources including water and fertilizer. This practice can also be beneficial in helping
 preserve the natural habitats of insects, animals, and plants.
- Supporting Strong Farming Communities: Family farms, in all growing regions, benefit the communities they operate in with job creation. This benefit occurs in many low-income and rural communities, in multiple countries.
- Renewable Energy: The industry is implementing and exploring opportunities to power irrigation and operations
 systems with solar following smart agricultural practices, in an effort to be more energy efficient, reduce greenhouse gas emissions and improve air quality.
 - d. Calavo additionally represents that its avocados are "better for the planet" as seen in the image below:²³

²² Calavo Growers, Inc.: 2022 Sustainability Report, Calavo (2022), at 9 https://calavo.com/wp-content/uploads/2024/02/CalavoESG2022 FIN SGL 2 91.pdf.

²³ Sustainability, supra note 2.



- e. In Calavo's 2022 sustainability report, Calavo describes its "sustainability framework," which includes "climate action, social responsibility, *sustainable agriculture*, and sound governance" (emphasis added).²⁴
- f. Calavo specifically states that it "seeks to minimize pollution to land, water and air because we understand that responsibly managing our waste streams is important to our business and to the communities in which we operate."²⁵
- g. In its "Environmental Policy Statement," Calavo states that it is "specifically committed to... The conservation of natural resources through careful planning and efficient use of water, energy and raw materials."²⁶

²⁴Calavo Growers, Inc.: 2022 Sustainability Report, supra note 22 at 4.

²⁵ *Id* at 13.

²⁶ Environmental Policy Statement, Calavo, https://ir.calavo.com/static-files/e9ce82eb-4dff-4a4b-9d0f-f0e07676e760 (last visited Sept. 20, 2024).

- h. In its "Sustainability Policy," Calavo claims "environmental and social expectations [extend] into our supply chain, where we buy from thousands of individual growers and food producers."²⁷
- i. Lastly, the company's "Supplier Code of Conduct," shown below, emphasizes that "Calavo expects its suppliers to minimize their operation's impact on the environment," listing specific issues that suppliers should be committed to, including, "the conservation of natural resources." ²⁸



6. ENVIRONMENTAL IMPACT

Calavo expects its suppliers to minimize their operation's impact on the environment. Suppliers should be specifically committed to:

- compliance with all applicable environmental regulations;
- preventing pollution whenever possible;
- the conservation of natural resources through careful planning and efficient use of water, energy, raw materials, and supplies;
- the minimization of waste through source reduction, reuse, recycling, and composting;
- the handling and disposing of waste through safe and environmentally sustainable methods;
- responsible handling of all chemicals and hazardous materials, including wastewater and solid water generated from operations, including ensuring proper handling and disposal using environmentally sound practices; in the event hazardous or polluting materials are discharged improperly, appropriate authorities will be notified, and immediate action taken to correct and remediate; and
- the prevention of pollution, including greenhouse gases, and unintended release of substances that may cause harm to air, water or land.
- 29. The foregoing statements made by Calavo in Paragraph 28(a) through (i) (the "Sustainability Representations") are intended to, and do, lead D.C. consumers to believe that Calavo's avocados are grown responsibly and sustainably, in a manner that is not harmful to the environment. In reality, Calavo sources its avocados from orchards installed on deforested land and uses practices that are environmentally destructive, specifically contributing to deforestation,

²⁷ *Id*.

²⁸ Calavo Growers, Inc. Supplier Code of Conduct, Calavo, https://ir.calavo.com/static-files/9e7500ad-5453-43d7-a6db-ddfb7ace6c10 (last visited Sept. 20, 2024).

climate change, natural habitat and biodiversity loss, and extreme water scarcity for local communities.

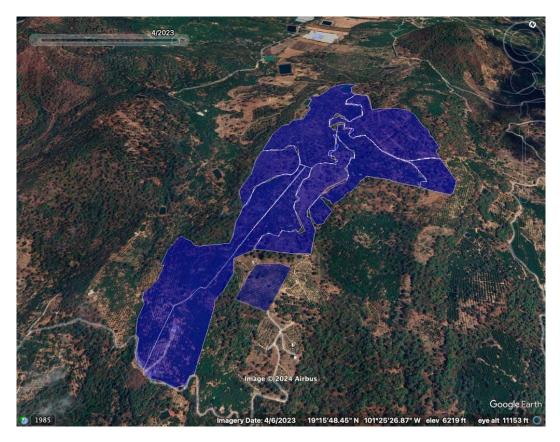
II. Calavo Avocados Are Not Sustainably Nor Responsibly Grown.

- 30. Contrary to Calavo's representations, its avocados are neither responsibly grown nor environmentally sustainable, as the sourcing and production of its avocados contribute to deforestation, water depletion, and other negative environmental consequences in Michoacán and Jalisco.
- 31. Contrary to Calavo's representations, the avocados it markets and distributes are not grown safely, fairly, and responsibly. Rather, Calavo's avocados are contributing to massive deforestation, water loss, and biodiversity loss throughout the avocado-growing region of Mexico.
 - A. Mexican Government Shipping Records and Maps of Avocado Orchards Certified to Export to the U.S. Cross-Referenced with Satellite Imagery Confirm that Calavo Has Sourced Avocados from Deforested Land.
- 32. Mexican government shipping records, cross-referenced with Mexican government maps of avocado orchards certified to export to the United States and with satellite imagery, confirm that Calavo sourced avocados from deforested orchards during the years 2022, 2023, and 2024, as explained in further detail below.
- 33. Based upon Mexican government shipping records, in 2022, Calavo sourced more than 700,000 kilograms of avocados (over 7 million avocados) from the nine orchards shaded in blue below, each of which was installed on deforested land, as confirmed by the Google Earth images below.²⁹

²⁹ Records of "harvest logs" ("bitacoras de cosecha") provided via Mexico's transparency law response from National Service of Health, Food Safety and Quality (SENASICA) to request number 330028323000180, June 27, 2023. The referenced numbers are taken from Mexican Government Shipping records with the following reference numbers, followed by the weights of shipments for each avocado orchard: The shipping records stated the following weights of shipments for each avocado orchard: HUE08160826643: 75,685; HUE08160825241: 425,371; HUE08160826641: 30,850; HUE08160825240: 62,890; HUE08160823052: 9,990; HUE08160826640: 26,180; HUE08160825239: 57,580; HUE08160826642: 15,415; HUE08160826621: 12,755 (on file with Plaintiff OCA).

34. The first image below from 2011 reveals nine orchards in the municipality of Tacámbaro, Michoacan covered in native forest, while the next image shows the same area in 2023, now deforested and replaced with avocado orchards.

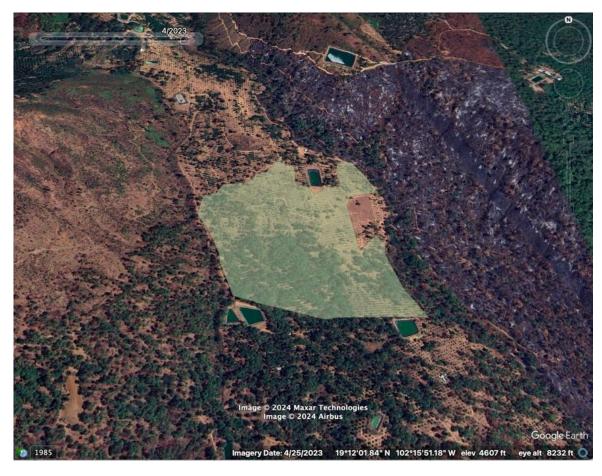




35. Additionally, Mexican government shipping records indicate that in 2022, Calavo sourced 29,460 kilograms of avocados from orchards currently existing on lands that were deforested.³⁰ The first image below from 2013 reveals orchards in the municipality of Apatzingán, Michoacan covered in native forest, while the next image shows the same area in 2023, now deforested and replaced with avocado orchards.

 $^{^{30}}$ HUE08160837637 supplied 29,460 kilograms of avocados to Calavo according to government shipment records.





36. Additionally, Mexican government shipping records reveal that Calavo sourced 24,665 kilograms of avocados from orchards shaded in blue that were installed on deforested lands, as shown in the Google Earth images below.³¹ The first image below from 2011 reveals orchards in the municipality of Morelia, Michoacan, covered in native forest, while the next image shows the same area in 2023, now deforested and replaced with avocado orchards.

 $^{^{31}}$ HUE08160530568, HUE08160530573, and HUE08160530574 supplied 24,665 kilograms of avocados to Calavo, according to government records.





37. In December of 2023, Calavo purchased at least 22,165 kilograms of avocados from the orchard currently existing on deforested land.³² The deforested land is shown below in 2015 and 2023.

 $^{^{\}rm 32}$ Mexican Government Shipping Records Reference Number HUE08161070410 (on file with Plaintiff OCA).

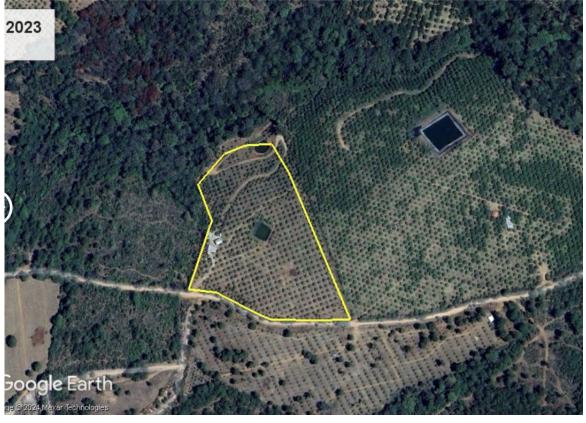




38. In 2023, Calavo purchased at least 15,385 kilograms of avocados from an orchard on the deforested land.³³ The images below show the deforested land in 2015 and 2023.

 $^{^{33}}$ Mexican Government Shipping Records Reference Number HUE08160794632 (on file with Plaintiff OCA).





39. In 2023 and 2024, Calavo purchased at least 15,795 kilograms of avocados from the orchard on the deforested land. The deforested land is shown below in 2015 and 2023.³⁴



 $^{^{\}rm 34}$ Mexican Government Shipping Records Reference Number HUE08160490979 (on file with Plaintiff OCA).



- 40. In November 2023, Calavo was informed about deforestation in its supply chain.³⁵ Since then, Calavo has nonetheless continued to ship from orchards on illegally deforested areas.
- 41. Reuters journalists recently visited two orchards located in illegally deforested land in the town of Madero in Michoacan.³⁶ On one of the orchards, farm machinery was observed to be digging a water reservoir.³⁷ Drone footage recorded by Reuters also captured earth movers hollowing the ground in Madero. ³⁸

³⁵ CRI Mexico Report, Unholy Guacamole, app. M, Climate Rights International, https://cri.org/reports/unholy-guacamole/ (last visited Oct. 4, 2024).

³⁶ Garrison, *supra* note 9.

³⁷ *Id*.

³⁸ *Id*.

- 42. Mexican law requires a federal permit to convert forests to agricultural uses. Government records indicate that no such permits have been issued in Michoacán for at least two decades; none were issued in Jalisco between 2011 and 2022; and just nine were issued in the state for avocado plantations between 2000 and 2010.³⁹ In this regard, the deforestation associated with Calavo's avocado sourcing, in addition to being unsustainable, appears to be illegal.
- 43. Forest clearing for avocado plantations has perpetuated deforestation of these important forests and threatened water supply across the state. A study published in the Journal of Environmental Management in 2020 indicated that avocado orchards accounted for about one-fifth of the deforestation in Michoacán and neighboring Jalisco between 2001 and 2017.⁴⁰
- 44. Calavo's Sustainability Representations are contrary to its practices, as its avocados are sourced from orchards that are growing avocados on deforested land.
 - B. Calavo's Sourcing of Avocados from Orchards on Deforested Land Exacerbates Water Scarcity.
- 45. Water depletion is endemic within the avocado industry, which uses 9.5 billion liters of water daily for production.⁴¹
- 46. Mexico already experiences high levels of water scarcity due to its natural climate, industry use, water-management practices, and other contributing factors.⁴² The avocado industry

Autorizaciones De Cambio De Uso Del Suelo En Terrenos Forestales 2003-2022 [Authorizations For Changes In Land Use On Forest Land 2003-2022], Secretaria De Medio Ambiente Y Recursos Naturales, Delegacion Federal En Michoacán [Sec'y of the Env't and Nat. Res., Fed. Delegation] https://www.gob.mx/tramites/ficha/solicitud-de-cambio-de-uso-de-suelo-en-terrenos-forestales/SEMARNAT237 (downloaded on May 1, 2024).

⁴⁰ Kimin Cho et al., Where does your guacamole come from? Detecting deforestation associated with the export of avocados from Mexico to the United States, 278 J. of Env't Mgmt. 111482 (2020) https://pubmed.ncbi.nlm.nih.gov/33126191/.

⁴¹ M.M. Mekonnen & A.Y. Hoekstra, *The Green, Blue and Grey Water Footprint of Crops and Derived Crop Products* (Volume 1: Main Report), UNESCO-IHE Inst. for Water Educ., at 20 (Dec. 2010) https://waterfootprint.org/resources/Report47-WaterFootprintCrops-Vol1.pdf.

⁴² Cody Copeland, *Mexico water crisis in spotlight on World Water Day*, Courthouse News Service (March 22, 2023), https://www.courthousenews.com/mexico-water-crisis-in-the-spotlight-on-world-water-day/.

exacerbates this existing water scarcity crisis and jeopardizes the use of the limited water available for local populations.

- 47. Virtually all of the avocado-producing areas of Michoacán, and most of the areas in Jalisco, overlap with watersheds or aquifers that the Mexican government has determined to have a "deficit" of water available—meaning that additional water extraction cannot be sustained.
- 48. Upon information and belief, Calavo sources avocados from orchards in areas that the Mexican government has determined to have a "deficit" of water available.
- 49. Under Mexican law, a government-issued license is required to use ground or surface water for most purposes, including for agricultural production.
- 50. Yet, unlicensed water use by many Michoacán and Jalisco avocado growers is widespread.⁴³
- 51. Furthermore, a recent study revealed that agro-industrial avocado production consumes up to 120% of the surface and groundwater volumes granted to agriculture use in years with dry conditions in Michoacán, which is "creating water stress and scarcity, and leading to water rights conflicts and social discomfort" for communities across the region.⁴⁴
- 52. Although Calavo states that it is "specifically committed to . . . efficient use of water," Calavo's sourcing of its avocados from deforested avocado orchards directly links Calavo's sourcing practices with increased water scarcity in the avocado-growing regions of Mexico. This is because native forests play a crucial role in allowing water to infiltrate the soil to replenish aquifers. While native forests "naturally act to retain water in the soil," agricultural

⁴³ Garrison, *supra* note 9.

⁴⁴Alberto F. Gómez-Tagle et al., *Blue and green water footprint of agro-industrial avocado production in Central Mexico*, 14 Sustainability 9664 (2022), https://doi.org/10.3390/su14159664.

⁴⁵ Environmental Policy Statement, supra note 26.

monocultures such as avocado production "usually result in lower soil water retention and increased runoff." 46

- 53. Researchers have found that pine trees native to avocado-growing regions of Mexico naturally filter water into the ground at least fourteen times more effectively than avocado trees. This is because branch pruning alters the way water moves down avocado trees, avocado trees are spaced further apart in orchards than native plants in a forest, and avocado tree roots tend to grow more horizontally than pine roots.⁴⁷
- 54. The *New York Times* recently reported that "clear-cutting for avocados, which require[s] vast amounts of water, has ignited another crisis [for communities in the avocadogrowing region of Mexico] by draining aquifers that are a lifeline for many farmers."⁴⁸
- 55. All Mexican avocados that are exported to the U.S. are grown in either Michoacán or Jalisco.
- 56. As these facts suggest, not only is Calavo sourcing one of the most water-intensive crops from an already water-deficient region, but it is also actively contributing to increased water scarcity by sourcing avocados from orchards installed on deforested land—all while marketing its products to D.C. consumers as sustainably and responsibly grown.

C. Calavo's Sourcing of Avocados from Orchards on Deforested Land Contributes to Climate Change and to Habitat and Biodiversity Loss.

57. Deforestation exacerbates the global climate crisis by disrupting the natural carbon cycle of native forests. Native forests act as crucial carbon sinks, absorbing large amounts of

⁴⁶ M. Bravo-Espinosa et al., *Effects of converting forest to avocado orchards on topsoil properties in the trans Mexican Volcanic System, Mexico*, 25 Land Degradation & Dev. 452–467 (2012), https://doi.org/10.1002/ldr.2163.

⁴⁷ Alberto Gómez-Tagle et al., *supra* note 11.

⁴⁸ Simon Romero & Emiliano Rodriguez Mega, *Americans Love Avocados. It's Killing Mexico's Forests*, N.Y. TIMES (Nov. 28, 2023), https://www.nytimes.com/2023/11/28/us/mexico-avocado-deforestation.html.

carbon dioxide from the atmosphere and storing it in their biomass and soil. When native forests are cleared or burned down, stored carbon is released back into the atmosphere as carbon dioxide, contributing to greenhouse gas emissions and global warming.

- 58. Recognizing the importance of preserving forests as vital carbon reservoirs and for their role in mitigating climate change, more than 140 governments around the world, including the United States and Mexico, have made climate commitments aimed at ending or significantly reducing deforestation by 2030.⁴⁹
- 59. The destruction and replacement of native forests in the avocado-growing regions of Mexico with avocado monocrop orchards reduces the capture and storage of atmospheric carbon. One scientific study found that the "need to minimize deforestation for avocado expansion is clear, as aboveground carbon storage in Michoacán's pine-oak forests is more than double that of avocado orchards."⁵⁰
- 60. Avocado trees sequester much less carbon than other local species, such as the native pine, which captures four times more carbon dioxide per hectare than avocado trees.⁵¹
- 61. Calavo's sourcing of avocados from orchards installed on deforested land is, therefore, directly linked to the release of harmful greenhouse gases into the atmosphere and decreased carbon capture, exacerbating the global climate crisis and contravening Calavo's representations to consumers.

⁴⁹ Glasgow Leaders' Declaration on Forests and Land Use, Nat'l Archives (Feb. 11, 2021), https://webarchive.nationalarchives.gov.uk/ukgwa/20230418175226/https://ukcop26.org/glasgow-leaders-declaration-on-forests-and-land-use/.

⁵⁰ Audrey Denvir, *Avocados Become a Global Commodity: Consequences for Landscapes and People*, at 92 (Aug. 2023) (Ph.D. dissertation, University of Texas at Austin) (on file with Plaintiff OCA).

⁵¹ Forests Falling Fast to Make Way for Mexican Avocado, supra note 6.

- 62. Michoacán's native forests are described as a "hotspot of pine and oak diversity"⁵² and are of conservation importance for the diversity of plant and animal life that they contain.
- 63. The Trans-Mexican Volcanic Belt Pine-Oak Forests ecoregion, which runs through Michoacán, includes white oak species and the family *Asteraceae* with 370 endemic species.⁵³
- 64. The prevalence of volcanic activity in this area has created myriad microhabitats with a wide variety of flora and fauna. The area is home to numerous animals including axolotls, the Mexican bearded lizard, several species of frogs, and other amphibians and reptiles.
- 65. The volcano rabbit and Mexican volcano mouse are examples of unique, endemic mammals that live in these native forests. In fact, 50% of Mexico's mammals can be found in the ecoregion.
- 66. Restricted range birds native to the Trans-Mexican Volcanic Belt Pine-Oak Forests ecoregion include the Sierra Madre sparrow and green-striped brush finch.
- 67. Michoacán is home to some of the most biologically important forests in Mexico,⁵⁴ such as the Monarch Butterfly Biosphere Reserve, where millions of endangered monarch butterflies travel to during their annual migration journey.⁵⁵ Colonies of monarch butterflies hibernate in these forests annually before migrating north.
- 68. The number of endangered monarch butterflies in Mexico dropped by 59% in the 2023-2024 season to the second-lowest level since record keeping began.⁵⁶

⁵² Audrey Denvir, *Avocado expansion and the threat of forest loss in Michoacán, Mexico under climate change scenarios*, 151 Applied Geography, at 2 (2023), https://doi.org/10.1016/j.apgeog.2022.102856.

Jan Schipper, *Trans-Mexican Volcanic Belt Pine-Oak Forests*, One Earth, https://www.oneearth.org/ecoregions/trans-mexican-volcanic-belt-pine-oak-forests/ (last visited Aug. 1, 2024).

⁵⁴ Denvir, *supra* note 53.

⁵⁵ Forests Falling Fast to Make Way for Mexican Avocado, supra note 6.

⁵⁶ Eastern migratory monarch butterfly populations decrease by 59% in 2024 grounds, World Wildlife Fund (Feb. 7, 2024) https://www.worldwildlife.org/stories/eastern-migratory-monarch-butterfly-populations-decrease-by-59-in-2024.

- 69. The monocrop avocado orchards that are replacing forests across Michoacán exacerbate water scarcity in the region, contribute to habitat and biodiversity loss, and contribute to climate change.
- 70. Therefore, Calavo's marketing—which suggests that its products are sustainable and responsibly grown—is false and misleading to D.C. consumers.
- 71. The loss of these incredibly diverse and ecologically important forests to avocado orchards has devastating effects on the biodiversity of the region as well as the local habitats for dozens of unique species, such as those mentioned above. ⁵⁷
- 72. Calavo's sourcing of avocados from orchards installed on deforested land in this region is directly linked to the rampant biodiversity and habitat loss occurring in Michoacán and Jalisco.
- 73. Calavo's Sustainability Representations are false and misleading to consumers because Calavo sells avocados harvested from deforested land. As explained herein, the sourcing of the avocados sold and distributed by Calavo contributes to deforestation, water scarcity, climate change, and biodiversity/habitat loss.

III. Calavo's Sustainability Representations Are Misleading to D.C. Consumers

- 74. Defendant's Sustainability Representations are false and misleading to D.C. consumers.
- 75. Consumers care deeply about environmentally conscious practices in supply chains.

⁵⁷ Audrey Denvir et al., *Ecological and Human Dimensions of Avocado Expansion in Mexico: Towards Supply-Chain Sustainability*, 51 Nat'l Library of Med. 152-166 (Mar. 18, 2021), https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8651965/.

- 76. A survey of 5,000 United States consumers showed that significant segments prioritize "more transparency from food producers and retailers" and "accountability and transparency through the entire food supply chain."58
- 77. A recent survey by Specright found that "more than half (58 percent) of consumers indicated they are willing to spend more money on products that are deemed sustainable or environmentally friendly."⁵⁹
- 78. Another survey concluded that 77% of consumers are concerned about sustainability specifically as it relates to "day-to-day decisions about food." 60
- 79. A recent study by NielsenIQ found that 78% of United States consumers say that a "sustainable" lifestyle is "important to them."
- 80. Deloitte's "Sustainable Consumer 2023" report states that "one in four consumers are prepared to pay more for sustainability."⁶²
- 81. The Federal Trade Commission ("FTC") has specifically acknowledged that "sustainable" claims are material to consumers.⁶³

⁵⁸ Consumer Survey Shows Changing Definition of Food Safety, Food Safety News (Feb. 4, 2016), https://www.foodsafetynews.com/2016/02/123246/.

⁵⁹ Survey Reveals Consumers Prioritize Purchasing Sustainable Products and Desire Greater Transparency from Companies on Sustainability Progress, PR Newswire (Nov. 15, 2023), https://www.prnewswire.com/news-releases/survey-reveals-consumers-prioritize-purchasing-sustainable-products-and-desire-greater-transparency-from-companies-on-sustainability-progress-301988839.html.

⁶⁰ Louise Berrebi et al., *Whetting Consumers' Appetite for Sustainable Foods*, BCG (May 30, 2023), https://www.bcg.com/publications/2023/whetting-consumers-appetite-for-sustainable-foods.

⁶¹ Consumers care about sustainability—and back it up with their wallets, McKinsey & Co. (Feb. 6, 2023), https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/consumers-care-about-sustainability-and-back-it-up-with-their-wallets#/.

⁶² What Consumers Care About When It Comes to Sustainability, Deloitte (Oct. 19, 2023), https://www2.deloitte.com/uk/en/pages/consumer-business/articles/sustainable-consumer-what-consumers-care-about.html.

⁶³ See FTC Green Guides, 16 C.F.R. § 260.4(b) (2014).

- 82. The FTC has determined that unqualified general environmental benefit claims such as "sustainable" are "likely [to] convey that the product . . . has specific and far-reaching environmental benefits and may convey that the item . . . has no negative environmental impact." The FTC has admonished companies not to use unqualified claims such as "sustainable" due to its determination that "it is highly unlikely that marketers can substantiate all reasonable interpretations of these claims."
- 83. Researchers have found that consumers seek out and are willing to pay significantly more for products labeled as "ecologically sustainable."⁶⁷
- 84. Calavo is aware that consumers are willing to pay more for sustainable and responsibly grown avocados, and deceptively tailors its marketing to take advantage of that willingness.

STATUTORY FRAMEWORK

- 85. This action is brought under the District of Columbia Consumer Protection Procedures Act ("CPPA"), D.C. Code § 28-3901, et seq.
 - 86. The CPPA makes it a violation for "any person" to, *inter alia*:

Represent that goods or services have a source, sponsorship, approval, certification, accessories, characteristics, ingredients, uses, benefits, or quantities that they do not have;

Represent that goods or services are of a particular standard, quality, grade, style, or model, if in fact they are of another;

Misrepresent as to a material fact which has a tendency to mislead;

Fail to state a material fact if such failure tends to mislead;

Press Release, FTC Sends Warning Letters to Companies Regarding Diamond Ad Disclosures, F.T.C. (Apr. 2, 2019), https://www.ftc.gov/news-events/press-releases/2019/03/ftc-sends-warning-letters-companies-regarding-diamond-ad.

⁶⁵ FTC Green Guides, *supra* note 64.

⁶⁶ *Id*.

⁶⁷ Loren McClenachan et al., *Fair trade fish: Consumer support for broader seafood sustainability*, 17 Fish and Fisheries 825–838, 825 (2016), https://doi.org/10.1111/faf.12148.

Use innuendo or ambiguity as to a material fact, which has a tendency to mislead;

Advertise or offer goods or services without the intent to sell them or without the intent to sell them as advertised or offered; or

Use deceptive representations or designations of geographic origin in connection with goods or services.

- D.C. Code §§ 28-3904(a), (d), (e), (f), (f-1), (h), (t).
- 87. A violation of the CPPA may occur regardless of "whether or not any consumer is in fact misled, deceived or damaged thereby." *Id.* § 28-3904.
- 88. The CPPA "establishes an enforceable right to truthful information from merchants about consumer goods and services that are or would be purchased, leased, or received in the District of Columbia." *Id.* § 28-3901(c).
 - 89. The CPPA "shall be construed and applied liberally to promote its purpose." *Id*.
- 90. Under the statute, a "merchant" is defined as "a person, whether organized or operating for profit or for a nonprofit purpose, who in the ordinary course of business does or would sell, lease (to), or transfer, either directly or indirectly, consumer goods or services, or a person who in the ordinary course of business does or would supply the goods or services which are or would be the subject matter of a trade practice" *Id.* § 28-3901(a)(3).
- 91. Because OCA is a public-interest organization, it is empowered under the CPPA to act on behalf of consumers, *i.e.*, the general public of the District of Columbia, so long as the organization has a "sufficient nexus to the interests involved of the consumer or class to adequately represent those interests." *Id.* § 28-3905(k)(1)(D)(ii). As set forth in this Complaint, *see infra* ¶¶ 106-112, Plaintiff OCA's mission is to advocate for and educate consumers on the health and environmental impact of their food choices, which it has long done within the District of Columbia,

and OCA has previously represented D.C. consumers in similar actions under the CPPA. OCA has a sufficient nexus to D.C. consumers to adequately represent their interests.

- 92. The CPPA is the nation's broadest consumer-protection statute, "applied liberally to promote its purpose." D.C. Code Section 28-3901(c).
- 93. OCA is a public interest organization statutorily empowered pursuant to D.C. Code Section 28-3905(k)(1)(D) to represent the interests of District of Columbia consumers.
- 94. The beneficiaries of this action are District of Columbia consumers, and the case concerns representations made in the District of Columbia, to residents of the District of Columbia, and with the intent that residents would act upon those representations and purchase products within the District of Columbia.
- 95. The District has a strong interest in protecting its consumers through enforcement of the CPPA.
- 96. The general public of the District has a corresponding interest in the vigorous enforcement of laws established to protect District consumers. OCA, who has agreed to represent the interest of those consumers, has an interest in vindicating its rights conferred by the CPPA and challenging misrepresentations made to those consumers.
- 97. OCA has an interest in prosecuting its case within the District, which is where the alleged injuries occurred and where the relevant products were advertised for purchase and/or purchased.
- 98. The rights conferred by the CPPA for the protection of District consumers are unique.

- 99. This is not a class action, or an action brought on behalf of a specific consumer, but an action brought by OCA for injunctive and declaratory relief on behalf of the general public, *i.e.*, D.C. consumers generally. No class certification will be requested.
- 100. This action does not seek money damages. Instead, OCA seeks to end the unlawful conduct directed at D.C. consumers. Remedies available under the CPPA include "[a]n injunction against the use of the unlawful trade practice" and "[a]ny other relief which the court determines proper." *Id.* §§ 28-3905(k)(2)(D), (F).
- 101. OCA also seeks declaratory relief in the form of an order holding Calavo's conduct to be unlawful under the CPPA.

PARTIES

- 102. Defendant Calavo is a California business corporation founded in 1982 and headquartered in Murrieta, California.
- 103. Calavo is an avocado producer, packer, importer, and distributor with offices and distribution centers across the United States, and with sourcing operations in Mexico, Colombia, Peru, and Chile.
- 104. Calavo distributes, or causes its avocados, to be distributed and sold within the District of Columbia.
- 105. Calavo's avocados are marketed and sold in the District at stores such as Aldi's, Target, and Trader Joe's.
- 106. Plaintiff OCA is a Section 501(c)(3) non-profit public-interest organization that deals with crucial issues of truth in advertising, accurate food labeling, food safety, children's health, corporate accountability, and environmental sustainability. *See* D.C. Code §§ 28-3901(14) and (15).

- 107. OCA formed in 1998 in the wake of backlash by consumers against the U.S. Department of Agriculture's proposed national regulations for organic food. In its public education, network-building, and mobilization activities, OCA works with a broad range of public-interest organizations to challenge industrial agriculture and corporate globalization and to inspire consumers to "Buy Local, Organic, and Fair Made."
- 108. OCA focuses on promoting the views and interests of consumers, including the United States' estimated 50 million organic and socially responsible consumers. OCA's media team provides background information, interviews, and story ideas to media producers and journalists on a regular basis. OCA represents and advances the rights and interests of consumers by educating consumers on food safety, industrial agriculture, genetic engineering, corporate accountability, and environmental sustainability issues. OCA uses funds it raises to protect the environment by promoting regenerative, organic, and/or sustainable agriculture.
- 109. As part of this work, OCA has engaged in efforts to educate consumers about the realities of where consumers' food actually comes from, and the implications of food production. OCA also uses its funds and member base to pressure food companies to adopt honest labeling practices to benefit consumers. OCA's website, publications, public education, research, network building, and mobilization activities provide an important service to consumers and community activists every month.
- 110. Specifically, OCA educates consumers on the issues of rampant deforestation, water theft, and cartel violence associated with the Mexican avocado industry via its "The Dark Side of Avocados" campaign. This campaign encourages consumers to get informed and to take action, and it provides links to relevant articles explaining the issues.⁶⁸ OCA further advises

⁶⁸ The Dark Side of Avocados, OCA, https://organicconsumers.org/campaigns/the-dark-side-of-avocados/ (last visited Sept. 20, 2024).

consumers to choose California-grown organic avocados or Mexican-grown organic and fair trade avocados and to avoid certain brands, including Calavo, that source from avocado orchards planted on deforested land.⁶⁹

- 111. OCA reaches out to its members through its newsletter, Organic Bytes. In June 2024, OCA highlighted the environmental and human rights issues surrounding Mexican avocados and encouraged its members to "[t]ell the rest of the avocado industry to . . . stop buying avocados grown on deforested land" by signing a petition.⁷⁰
- 112. Additionally, OCA has a sister non-profit organization, Vía Orgánica AC, that runs an organic farm, educational, and outreach center in Guanajuato, Mexico, that is dedicated to promoting the organic movement throughout Mexico.⁷¹

JURISDICTION

- 113. This Court has subject matter jurisdiction over this action pursuant to the District of Columbia Consumer Protection Procedures Act, D.C. Code § 28-3901 *et seq*.
- 114. Plaintiff OCA consents to this Court's jurisdiction over it by filing this Complaint.

 OCA seeks to represent consumers and the general public of the District of Columbia.
- 115. OCA has hundreds of thousands of supporters nationwide, including consumers in the District of Columbia, who seek to purchase food products that are better for public health, animals, and the environment.

⁶⁹ Alexis Baden-Mayer, *Why You Should Only Buy Organic & Fair Trade Avocados*, OCA (May 22, 2024), https://organicconsumers.org/why-you-should-only-buy-organic-fair-trade-avocados/.

⁷⁰ Organic Bytes Newsletter #851: Wholly Guacamole: Stop Deforestation!, OCA, https://organicconsumers.org/organic-bytes-newsletter-851-wholly-guacamole-stop-deforestation/ (last visited Sept. 20, 2024).

⁷¹ Nuestra Misión [Our Mission], Via Organica, https://viaorganica.org/quienes-somos/ (last visited Sept. 20, 2024).

116. This Court has personal jurisdiction over Calavo because Calavo has purposefully directed its conduct to the District and has availed itself of the benefits and protections of District of Columbia law. Calavo distributes its products at stores within D.C. such as Target, Aldi, and Trader Joe's, and its internet advertising is accessible in the District by District consumers. Calavo's avocados can be, and are, purchased in D.C. by D.C. consumers.

CAUSE OF ACTION

Violations of the District of Columbia Consumer Protection Procedures Act

- 117. OCA incorporates by reference all the allegations of the preceding paragraphs of this Complaint.
- 118. OCA is a public-interest organization that brings these claims on behalf of the general public of D.C. and D.C. consumers. *See* D.C. Code § 28-3905(k)(1)(D)(i).
- 119. Through § 28-3905(k)(1)(D)(i), the CPPA authorizes OCA to stand in the shoes of a consumer to seek relief from any violation of the CPPA.
- 120. Calavo is a "person" and a merchant that provides "goods" within the meaning of the CPPA. See id. § 28-3901(a)(1), (3), (7).
- 121. As set forth *supra* in Section I, Fact Allegations, Calavo has advertised and marketed the avocados with Sustainability Representations when, in fact, its avocados are produced through unsustainable and environmentally destructive practices that contribute to deforestation and water depletion. Calavo has violated the CPPA by representing that goods have a source, characteristics, or benefits that they do not have; representing that goods are of a particular standard or quality if in fact they are of another; misrepresenting as to a material fact which has a tendency to mislead; failing to state a material fact if such failure tends to mislead; using innuendo or ambiguity as to a material fact, which has a tendency to mislead; and advertising

or offering goods without the intent to sell them as advertised or offered. See id. §§ 28-3904(a), (d), (e), (f), (f-1), (h).

JURY TRIAL DEMAND

122. Plaintiff OCA hereby demands a trial by jury.

PRAYER FOR RELIEF

Wherefore, Plaintiff OCA prays for judgment against Calavo and requests the following relief:

- A. A declaration that Calavo's conduct is in violation of the CPPA;
- B. An order enjoining Calavo's conduct found to be in violation of the CPPA and requiring redress of consumer misunderstanding about the environmental harms associated with Calavo's sourcing practices; and
- C. An order granting Plaintiff costs and disbursements, including reasonable attorneys' fees and expert fees, and prejudgment interest at the maximum rate allowable by law.

Dated: October 4, 2024 Respectfully submitted,

RICHMAN LAW & POLICY

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