

August 30, 2017

The Honorable Wilbur Ross  
Secretary of Commerce  
U.S. Department of Commerce  
1401 Constitution Avenue, NW  
Washington, D.C. 20230  
Ambassador Robert Lighthizer

The Honorable Sonny Perdue  
Secretary of Agriculture  
1400 Independence Avenue, SW  
Washington, D.C. 20250

United State Trade Representative  
600 17<sup>th</sup> Street, NW  
Washington, D.C. 20508

The Honorable Gary Cohn  
Director, National Economic Council  
Eisenhower Executive Office Building  
1600 Pennsylvania Ave, NW  
Washington, D.C. 20006

Dear Ambassador Lighthizer, Secretary Ross, Secretary Perdue and Mr Cohn,

As companies in the U.S. fruit and vegetable industry, with a combined annual revenue of over \$12 billion, we strongly support the modernization of NAFTA. Important topics like border crossing, harmonization of regulations, and the protection of intellectual property offer opportunities for real improvements in trade and the betterment of the U.S. agricultural sector. We also applaud the administration's goal to maintain duty free access for agricultural goods within the NAFTA countries, and believe this must be the guiding principal of the NAFTA negotiations. We write you today because this important goal could be undermined if the United States moves forward with its proposal to change the rules on perishable and seasonable commodities with regard to anti-dumping and countervailing duties. We urge you to reconsider this provision.

Our businesses provide fresh and nutritious food to consumers throughout the year, which demands that the location where our crops grow changes with the seasons. Typically, this means production in Mexico in the winter, moving to the United States and Canada as the weather warms. The consumer benefits from greater access to nutritious foods and U.S. growers benefit from increased demand for their products. We know from experience that being able to provide a consistent, high-quality supply of produce throughout the year creates more consistent demand for these items, boosting sales of domestically produced fruits and vegetables, as well as imports.

The seasonal anti-dumping provision threatens the success of cross-border fruit and vegetable trade. It seeks to game the rules, tweaking the representative period to claim that a foreign product was dumped. The result will be tariffs on fruits and vegetables, just what the administration wants to avoid.

What is more, this provision will be used against U.S. growers, who increasingly sell to export markets in Canada and Mexico. Since 1993 fruit and vegetable exports from the U.S. to Mexico and Canada have more than tripled representing \$7.2 billion. We jeopardize these gains by allowing Canada and Mexico to impose ruinous tariffs based on rules that use a small snapshot in time to create the false impression a commodity is "dumped" on other markets. In the hopes of protecting some growers, this provision will negatively affect a far larger population of growers, and all U.S. consumers.

We are also concerned that the impact of this provision will move far beyond produce. Over the past several years, Mexican producers have petitioned their government to impose anti-dumping duties on a wide variety of US exports, including pork, beef, apples, corn syrup, rice and poultry. The Mexican government has often prevented these petitions from moving forward. If, however, the United States were to begin imposing duties on Mexico's top agricultural exports to the United States, it is only logical to assume that it would be more difficult for Mexico to show restraint. At a time of low commodity prices in much of the United States, US agriculture can hardly afford to see a primary market disrupted.

We stand ready to assist the Administration in modernizing NAFTA, but cannot support provisions that would ignite trade disputes and inhibit trade. The use of seasonal dumping rules should be off the table.

Thank you for your consideration of this matter.

Sincerely,

Kevin Murphy, Driscoll's

Dave Brazleton, Fall Creek

Jamie Strachan, Growers Express

Steve Barnard, Mission Produce

Bruce Taylor, Taylor Farms

David Krause, Wonderful

Paul Mastronardi, Sunset Grown

Vic Smith, JV Smith Companies

Cc: Chairman Orrin Hatch  
Ranking Member Ron Wyden  
Chairman Kevin Brady  
Ranking Member Neal  
Chairman Pat Roberts  
Ranking Member Debbie Stabenow  
Chairman Mike Conaway  
Ranking Member Collin Peterson