Withdrawal from Tomato Suspension Agreement harms U.S. consumers, threatens national agriculture industry and poses a threat to the ratification of the USMCA

*BTA urges Commerce Department to continue negotiations with Mexico on revised Tomato Suspension Agreement*

**Background**

The U.S. Department of Commerce announced that the U.S. intends to withdraw from the 2013 Tomato Suspension Agreement on May 7, 2019, which will mark the end of a 90-day notification period.

The 2013 agreement entered into by importers and exporters of fresh tomatoes suspended the investigation of dumping of the product from Mexico. In January 2018 the two countries began negotiations on a new suspension agreement regarding tomato trade.

**An attempt by regional interests to erect new barriers to trade**

The reopening of the dumping investigation in the midst of an ongoing Tomato Suspension Agreement renegotiation runs counter to the spirit of free trade and threatens the U.S.-Mexico relationship with one of its leading trade partners.

The Department of Commerce appears to be responding to the parochial concerns of certain regional interests seeking to curb the import of fresh tomatoes from Mexico. Erecting new barriers to trade in fruits and vegetables risks negatively affecting American consumers, the United States agriculture industry, and could potentially impact the USMCA ratification process.

**Putting the U.S.-Mexico agricultural relationship at needless risk**

Maintaining a healthy bilateral trade relationship with Mexico is essential to the continued growth of the American economy, while ensuring consumer access to affordable fresh produce, especially in cold-weather months. A recent study finds that tomato imports alone are responsible for:

- over 30,000 U.S. jobs
- support a supply chain that generates nearly $3 billion in U.S. GDP.
- $4.8 billion in total economic activity, thanks to
  - Wholesalers;
  - Retailers;
  - Food service providers;
  - Shippers who route the product to Canada, and;
  - Downstream multiplier effects.

The U.S. is Mexico’s top agricultural trade partner, exporting $18 billion worth of products, which represents about 70 percent of Mexico’s agri-food imports.
Trade policy should meet needs of consumers and industry broadly, not parochial interests

The withdrawal from the Tomato Suspension Agreement appears to be an attempt to address unsubstantiated claims of unfair trade practices from a small group of regional produce interests who are seeking special treatment from the federal government at the expense of the rest of U.S. agribusiness.

Using the levers of government to erect new barriers to tomato trade with Mexico doesn’t just hurt business—it hurts consumers, who would pay more for the vine-ripened tomatoes they have come to prefer.

Negotiations over new Tomato Suspension Agreement should continue, focus on reducing trade barriers, reducing consumer costs

While the Border Trade Alliance opposes the Department of Commerce decision to withdraw from the 2013 Tomato Suspension Agreement, our organization believes that negotiations over a new agreement should continue, and should be centered on:

- Tearing down barriers to trade;
- Promoting a strengthened trading relationship with our neighbor Mexico; and
- That the conversation should consider the interests of American consumers, who deserve the ability to shop for quality, affordable produce throughout the year.