

August 15, 2018

The Honorable Robert Lighthizer
U.S. Trade Representative
600 17th St, NW
Washington, DC 20508

The Honorable Wilbur Ross
Secretary of Commerce
1401 Constitution Ave, NW
Washington, DC 20230

The Honorable Sonny Perdue
Secretary of Agriculture
1400 Independence Ave, NW
Washington, DC 20250

Mr. Larry Kudlow
Director, National Economic Council
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Ambassador Lighthizer, Secretary Ross, Secretary Perdue and Mr. Kudlow:

We write today in support of your efforts to swiftly conclude NAFTA negotiations and restore certainty to the North American market, which is essential to the success of U.S. agriculture and retailers. We remain concerned, however, that the result of these negotiations could create new barriers for U.S. agricultural trade that we simply cannot afford. Specifically, we write to reiterate our opposition to the inclusion of the seasonal produce provision, which would not only impede trade in U.S. produce, but create the risk of retaliatory action against a broad swath of U.S. agricultural products.

Re-defining domestic industry on a regional or seasonal basis for trade remedy proceedings would threaten North American trade in fresh produce, a key source of income for U.S. produce growers and a bountiful supply of nutritious food for families throughout the country. While the intent of this provision may be to protect certain U.S. growers from Mexican imports, it will only raise prices on the fresh produce American families expect year-round. Once established, this new rule will make it easier for Mexico and Canada to impose anti-dumping duties on imports of produce from the United States as well. Further, we remain concerned that this provision would create a blueprint for future negotiations, leading other trading partners to adopt similar measures to protect their produce industry at the expense of the United States.

Inclusion of the seasonal produce provision would seriously erode support for NAFTA in Mexico by targeting the Mexican agricultural sector that has invested the most in the NAFTA relationship. If a new NAFTA diminishes the opportunity for Mexico's agricultural producers to benefit from the Agreement, our Mexican partners will have little incentive to maintain the smooth flow of U.S. products to Mexico. Mexico is a top customer for a wide variety of U.S. agriculture products, including beef, pork, poultry, wheat, rice, dairy and corn. Many of our associations and companies know from experience how damaging anti-dumping actions in Mexico or Canada can be, and the recent application of retaliatory tariffs on a wide variety of U.S. agricultural products clearly demonstrates how tempting it could be for Mexico and Canada to broadly apply trade restrictions to U.S. agriculture in response to U.S. anti-dumping actions.

The Administration has made clear that its guiding principle for agriculture in NAFTA is to "do no harm," but the uncertainty created by the negotiating process has already begun to erode U.S. market share in Mexico. At the end of the day, U.S. agriculture needs a modernized NAFTA that will solidify our relationship with our North American neighbors, not create further uncertainty when so many other

export markets are being tested. We urge you to withdraw the seasonal produce provision and quickly conclude a NAFTA that will broadly benefit U.S. agriculture and retailers.

Sincerely,

American Peanut Council
American Soybean Association
Corn Refiners Association
Food Marketing Institute
Fresh Produce Association of the Americas
National Association of Wheat Growers
National Corn Growers Association
National Cotton Council
National Council of Chain Restaurants
National Council of Farmer Cooperatives
National Grocers Association
National Oilseed Processors Association
National Pork Producers Council
National Restaurant Association
National Retail Federation
National Turkey Federation
North American Export Grain Association
North American Meat Institute
Pet Food Institute
Produce Coalition for NAFTA
Retail Industry Leaders Association
U.S. Dry Bean Council
U.S. Grains Council
U.S. Hide, Skin and Leather Association
U.S. Wheat Associates
USA Poultry and Egg Export Council
USA Rice Federation
WineAmerica – The National Association of American Wineries

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
Ambassador Gregg Doud
Under Secretary Ted McKinney