



## **Border Trade Alliance urges administration to maintain 2019 Tomato Suspension Agreement**

***Exit would result in new duties, less consumer choice, higher prices, and fewer jobs***

### **Background**

The Department of Commerce and tomato growers in Mexico have worked together since 1996 to implement a Tomato Suspension Agreement (TSA) for Mexican tomatoes sold in the U.S., which is renegotiated and updated every five years. The agreements result in the U.S. government suspending any anti-dumping investigations against Mexican tomatoes.

The most recent agreement in 2019 has strong enforcement measures, mandatory quality inspections near the border for tomatoes, and higher reference prices than ever before for tomatoes. According to the Commerce Department, there have been no violations of the agreement.

### **Higher prices, less choice: Florida tomato growers seek to tilt the rules of free trade**

A small but vocal group of Florida tomato farmers is calling for the U.S. government to terminate the 2019 TSA. This would result in:

- **Duties** of almost 21% on imported Mexico tomatoes to be paid by U.S. importers and passed onto consumers, undermining the promise of USMCA.
- **Harm to U.S. companies and the estimated 49,000 full- and part-time U.S. jobs** that are supported by the import and marketing of fresh tomatoes from Mexico, with a total economic impact of an estimated \$7.54 billion from the import and sale of the product.<sup>1</sup>
- **Uncertainty in the marketplace.** Without a reference price for tomatoes, the market will have wider fluctuations and uncertainty.
- Amid already high inflation, **consumer prices for tomatoes would spike** and shoppers would experience shortages of the vine-ripened varieties they've come to expect.

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<sup>1</sup> <https://agecoext.tamu.edu/wp-content/uploads/2023/09/2023.05.Economic-Impact-Analysis-of-Mexican-Tomatoes-Imported-by-the-United-States.pdf>

## **2019 TSA is not the source of Florida's challenges**

Florida growers' frustrations with the Tomato Suspension Agreement are misplaced. University of Florida research has found that growers face challenges from<sup>2</sup>:

- Extreme pressure from hurricanes and freezes.
- Hostile soil and pest conditions.
- Serious labor shortages exacerbated by new Florida laws driving away agriculture workers in the state.
- Reliance on less-desirable tomato varieties that have fallen out of consumer favor.
- Consumers prefer Mexican greenhouse-grown, vine-ripened varieties that are less susceptible to pest and weather damage. Tomatoes from Florida are picked green from the field and ripened artificially with ethylene gas.

### **Maintain the Tomato Suspension Agreement, resist protectionism**

Despite the claims from Florida, this issue is not about unfair trade practices; it's about certain interests seeking new rules tilted in their favor.

The Border Trade Alliance urges the administration to maintain the 2019 Tomato Suspension Agreement, promote a strengthened trading relationship with our neighbor Mexico and, amid already high food prices, consider the interests of American consumers, who deserve the ability to shop for quality, affordable produce throughout the year.

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<sup>2</sup> <https://edis.ifas.ufl.edu/publication/IN733>