

August 31, 2017

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

Ambassador Robert Lighthizer
United State Trade Representative
600 17th Street, NW
Washington, D.C. 20508

The Honorable Sonny Perdue
Secretary of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

The Honorable Gary Cohn
Director, National Economic Council
1600 Pennsylvania Ave, NW
Washington, DC 20500

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

U.S. agriculture depends on a strong NAFTA, and we stand ready to work with the Administration as you modernize the agreement. We appreciate your pledge to “do no harm” to agriculture during the NAFTA renegotiation process, and particularly applaud the Administration’s goal to maintain duty-free access for agricultural goods among the NAFTA countries. We are concerned, however, that consistent, duty-free access for agricultural products to Mexico and Canada would be threatened if the United States introduces a provision to change trade remedy law by re-defining domestic industry on a seasonal/regional basis, making it easier for all three nations to impose anti-dumping duties on imports of many types of produce. Such a change in trade remedy law will not only set a precedent for NAFTA, it will be seized upon by trading partners across the globe to pursue the same or similar provisions in trade agreements to protect their seasonal/regional agricultural interests. We urge you not to introduce this provision.

While recent reports suggest that the United States intends to apply this provision to fruits and vegetables only, Mexico and Canada will likely use this provision to limit exports of a wide variety of agricultural exports from the United States, either by explicitly expanding the change in trade remedy procedures to apply to major U.S. exports, or by retaliating against our products when Mexican or Canadian fruit and vegetable exports are restricted by the imposition of anti-dumping duties by the United States.

Many of our associations and companies have been the target of anti-dumping actions in Mexico or Canada. In some cases, anti-dumping duties were applied, and our exports were impaired for years. In other cases, although Mexican producers petitioned their government to impose anti-dumping duties, the Mexican government 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 would be much more difficult for Mexico to show restraint. Once seasonal tariffs were put in place for tomatoes, for example, Mexico or Canada may initiate trade cases of their own on any of a wide range of U.S. agricultural products, beginning a tit-for-tat cycle that could broadly limit agricultural trade. At a time of low commodity prices in much of the United States, US agriculture can hardly afford to see a primary market disrupted.

The agriculture sector sees numerous opportunities to improve NAFTA, and to ensure that all three countries are adhering to the same standards, including improvements to sanitary and phytosanitary provisions, incorporating labor and environmental obligations in the agreement, and easing procedures at the border. We look forward to working with you to modernize NAFTA, but we don't want to put our exports at risk in the process.

Sincerely,

American Peanut Council
American Soybean Association
Corn Refiners Association
Meat Import Council of America, Inc.
National Association of Wheat Growers
National Cattleman's Beef Association
National Corn Growers Association
National Cotton Council of America
National Council of Farmer Cooperatives
National Oilseeds Processors Association
National Pork Producers Council
National Potato Council
National Turkey Federation
North American Export Grain Association
North American Meat Institute
Northwest Horticultural Council
Ocean Spray Cranberries
Pet Food Institute
U.S. Apple Association
U.S. Dry Bean Council
U.S. Grains Council
U.S. Hide, Skin and Leather Association
U.S. Meat Export Federation
U.S. Wheat Associates
USA Poultry & 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