

October 5, 2022

Ambassador Katherine Tai  
United States Trade Representative  
Office of the United States Trade Representative  
600 17<sup>th</sup> Street NW  
Washington, DC 20508

Dear Ambassador Tai:

We write to convey our steadfast opposition to the recent petition requesting that the Office of the U.S. Trade Representative (“USTR”) initiate a Section 301 investigation on fresh produce imports from Mexico. A Section 301 investigation would undermine our relationship with one of our largest agricultural trading partners and create a substantial risk of retaliatory actions, jeopardizing this critical market for U.S. agricultural exports. This will harm – not help – American farmers. While the intent of this petition 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, and create new barriers for U.S. agricultural trade that U.S. farmers, workers, and consumers simply cannot afford.

Food and agricultural production and manufacturing remain a key engine of the U.S. economy with exports serving as the bedrock of a successful food and agricultural sector. The U.S. Department of Agriculture (USDA) has determined that for every dollar generated by agricultural exports, an additional \$1.17 in business activity is created. In 2021, U.S. agricultural exports to Mexico grew to a record of \$25.5 billion, a 39-percent increase, making Mexico the second-largest export destination for U.S. agricultural products. The United States is Mexico’s top supplier of agricultural goods with a market share of nearly 70 percent.

While the petition asks only for “relief,” it is clear in context that the relief the petition seeks is tariffs on imports of produce from Mexico. This is little more than forum shopping -- prior U.S. government investigations have found that Mexican imports have not injured that segment of the U.S. industry, and that tariffs are therefore not justified. And to the extent Mexico’s actions are alleged to violate its trade obligations, trade agreement dispute resolution is the proper avenue, one that would not trigger Mexican retaliation.

Even the specter of new import restrictions on fresh produce from Mexico would further exacerbate economic uncertainty and, by driving prices even higher, reduce access to healthy domestic and imported fresh produce that American families expect year-round. That would harm both American farmers and American consumers.

Merely accepting the petition and starting a 301 investigation could open a Pandora’s box of Mexico opening its own investigation into U.S. exports from all over the United States. Be it the NAFTA Trucking case or the more recent Section 232 actions, the food and agriculture industries are well acquainted with retaliatory tariffs. Punitive measures levied against Mexico by the U.S. would likely lead to similar retaliation against our industries, which support more than 22 million

jobs and 20 percent of the U.S. economy. It would be devastating for U.S. exporters to risk losing access to this major agricultural export market at a time when the United States is already likely to run an agricultural trade deficit for the first time in nearly 60 years. We should be opening new markets to U.S. agricultural exports, not taking measures that will risk closing them.

Finally, the petition does not specify particular stakeholders or products that are allegedly disadvantaged nor does it specify how or what programs disadvantage U.S. produce. The petition does not acknowledge that recent investigations have found no basis for action, and most importantly, that retaliatory actions by Mexico would be damaging to U.S. food and agriculture exports. We urge USTR to reject this Section 301 petition and work instead to open new markets for U.S. agricultural exports in the Indo-Pacific, Taiwan, and elsewhere.

Sincerely,

American Feed Industry Association  
American Soybean Association  
Border Trade Alliance  
Corn Refiners Association  
Fresh Produce Association of the Americas  
Leather and Hide Council of America  
Meat Import Council of America  
National Association of Wheat Growers  
National Corn Growers Association  
National Milk Producers Federation  
National Oilseed Processors Association  
National Pork Producers Council  
National Restaurant Association  
National Retail Federation  
North American Export Grain Association  
North American Meat Institute  
North American Produce Coalition  
North American Renderers Association  
Retail Industry Leaders Association  
U.S. Apple Association  
U.S. Dairy Export Council  
U.S. Dry Bean Council  
U.S. Grains Council  
U.S. Wheat Associates  
WineAmerica

cc: Hon. Tom Vilsack, Secretary of Agriculture  
Hon. Gina Raimondo, Secretary of Commerce  
Hon. Dr. Janet Yellen, Secretary of the Treasury

Mr. Brian Deese, Director, Assistant to the President for Economic Policy and Director of  
the National Economic Council