

December 9, 2020

The Honorable Robert Lighthizer
United States Trade Representative
600 17th Street NW
Washington, DC 20006

Dear Ambassador Lighthizer,

We write today to voice our strong concerns with the U.S. International Trade Commission's (ITC) Investigation No. TA-201-77 into imports of fresh, chilled, and frozen blueberries. The Office of the U.S. Trade Representative self-initiated this Section 201 case and has since requested the ITC begin Section 332 investigations of imported strawberries, bell peppers, squash, and cucumbers which could trigger expedited 201 cases. Section 201 safeguard actions, taken without a legitimate cause, against Mexico and Canada would not only undermine the recently enacted U.S.-Canada-Mexico Agreement (USMCA) but also invite retaliatory tariffs against U.S. agriculture and food exports to these critical markets. Additionally, this could set a precedent for Canada or Mexico to establish their own tariff policies simply because imports increased which would further undermine agricultural trade in North America and escalate retaliatory measures on all sides. As our industry continues to recover from COVID-19-related market shocks and supply chain disruptions the last thing we can afford at this point is additional uncertainty and higher tariffs.

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. With more than \$130 billion in annual agricultural exports, this means food and agricultural exports lead to an additional \$163 billion in economic activity. Food and agricultural exports are equally vital to job creation. The USDA has found that every \$1 billion in agricultural exports creates 7,500 full-time jobs throughout the U.S. economy. If food and agricultural exports are critically important to rural communities across the U.S., then trade with Mexico and Canada are crucial to the U.S. food and agricultural industries.

Accounting for nearly one-third of total U.S. food and agricultural exports, Canada and Mexico are the first and second largest export markets for U.S. agriculture. Our industries are beginning to realize the hard-fought gains of USMCA, and we fear U.S. safeguard actions against the exports of these two countries would undermine the benefits of this signature trade agreement. Be it the NAFTA Trucking case or the more recent Section 232 actions, the food and agriculture industries are well acquainted with Canadian and Mexican retaliatory tariffs. Punitive measures levied against our two largest trading partners 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.

We urge the Administration to focus on solutions for the domestic industry that abide by U.S. trade commitments and spare America's farmers, agricultural producers, food manufacturers, retailers, food industry workers, consumers and agribusinesses from deleterious trade-inflicted costs.

Sincerely,

Alpine Fresh
American Feed Industry Association
American Soybean Association
Animal Health Institute
Blueberry Coalition for Progress and Health
California Giant
Corn Refiners Association
CropLife America
Driscoll's
Fresh Produce Association of the Americas
Good Farms
Leather & Hide Council of America
National Association of Wheat Growers
National Corn Growers Association
National Grain and Feed Association
National Grocers Association
National Milk Producers Federation
National Pork Producers Council
National Retail Federation
National Turkey Federation
North American Export Grain Association
North American Meat Institute
North American Renderers Association
Reiter Affiliated Companies
The Hershey Company
USA Poultry & Egg Export Council
U.S. Apple Association
U.S. Dairy Export Council
U.S. Dry Bean Council
U.S. Grains Council
U.S. Soybean Export Council
U.S. Wheat Associates

CC: The Honorable Jason Kearns, Chair of the U.S. International Trade Commission; The Honorable Randolph Stayin, Vice Chair of the U.S. International Trade Commission; David Johanson, Commissioner, U.S. International Trade Commission; The Honorable Rhonda Schmidlein, Commissioner, U.S. International Trade Commission; The Honorable Amy Karpel, Commissioner, U.S. Trade Commissioner