



March 11, 2019

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

Dear Secretary Ross:

On behalf of the members of the Fresh Produce Association of the Americas, we as the FPAA board of directors are writing to express our disappointment and strong concerns over the pending termination of the existing Tomato Suspension Agreement.

This decision has an immediate bearing on the future of our businesses. Our sole purpose is to fulfill the needs of American consumers, who have voted with their pocketbooks and taste buds in favor of Mexican tomatoes.

The FPAA is an association of U.S. importers and allied companies involved in the importation and distribution of fresh produce, primarily from Mexico. Our members pride themselves on fulfilling consumer preferences for high quality, great tasting fresh fruits and vegetables. Our business provides jobs and economic impacts across the country. A recent study finds that Mexican tomato imports alone are responsible for over 33,000 U.S. jobs and support a supply chain that generates nearly \$3 billion in U.S. GDP. ¹

In the tomato suspension agreement case, our members are being besieged by a handful of wealthy Florida tomato grower/importers intent on reducing competition from their U.S. import competitors. In the meantime, this pursuit of a tomato cabal would needlessly raise prices on American families. The imposition of duties clearly would be designed to limit imports from Mexico. Even a 5% reduction in supplies of Mexican tomatoes would result in consumers paying up to 25 cents more per pound at supermarkets, or up to \$790 million more per year for tomatoes. ²

Our members are American entrepreneurs that seized upon the strength of innovation and found a path to future growth that created a strong

¹ <https://cals.arizona.edu/arec/publication/contribution-mexican-tomatoes>

² <https://cals.arizona.edu/arec/sites/cals.arizona.edu/arec/files/publications/Tomato%20Contribution%20Report%202018.pdf>



business foundation based on the ability to meet changing consumer preferences. Grow a better tasting tomato -- vine-ripened in a favorable climate with rich soil -- and people want to eat it! Because of our close relationships with U.S. supermarkets and restaurants, we know what American consumers want. We fill America's demand for vine-ripened tomatoes, tomatoes-on-the-vine, romas, cherry and grape tomatoes, organics and more. FPAA companies work with growers to find world-class technology, from improved high flavor varieties to protected agriculture and sophisticated packing and sorting equipment -- all to be more efficient in growing a better tomato and serving consumer preferences.

Meanwhile, Florida Tomato Exchange and its handful of large, wealthy growers blame Mexico for their change in production totals over the last 15 years, instead of pursuing innovations that would win consumer favor.

In any industry, the companies that thrive do so only by changing to meet consumer and market demands. Go back 20 years. Washington State Red Delicious apple growers felt the pangs of evolving consumer choice when preferences turned away. Instead of preventing the sale and distribution of their competitor's fruits, they ripped out trees and planted better tasting apples like Honeycrisp, Jazz, Envy, and more to keep from losing their consumers.

By their own choice, farmers from Florida continue to grow gassed-green tomatoes, an innovation from before World War II that now is decades behind newer production methods. Most of Florida's tomatoes are picked green, then artificially "de-greened" in gas rooms that have been injected with ethylene gas. These gassed tomatoes have less flavor than vine-ripened tomatoes grown in most other growing regions in and around the United States. Consumers can get better tomatoes from many places in the United States as well as Canada, Costa Rica, Puerto Rico and of course, Mexico.

Florida admits that growing tomatoes in Florida requires voluminous use of pesticides, fertilizers, costing exponential amounts of money and unnecessary harm to the environment, including the protected Everglades. For comparison's sake, it takes up to eight times as much chemicals to grow a tomato in humid Florida as it does in the arid Pacific Coast.³ A University of Florida study states that challenges to Florida farmers are many, including: development and urban sprawl, poor soils, low organic content in soil, poor fertility, competition, hurricanes, freezes, pests and disease. As a result of these pressures, the report concludes: "Florida is now primarily controlled by a relatively small number of large corporate agribusinesses that have the ability to spread risk between multiple production centers and the resources to endure the adversity of a poor market year or years."⁴

Yet, somehow, the handful of Florida growers that comprise the FTE contend that U.S. companies that import from Mexico are to blame for their problems. *It is ironic that the growers which grow the largest percentage of Florida tomatoes also own and finance some of the largest*

³ Eastbrook, Barry. P. 184 in *TomatoLand*. Andrews-McMeel Publishing, 3rd Edition, 2018.

⁴ <https://edis.ifas.ufl.edu/in733>



growing operations in Mexico. Please see the attached articles about FTE grower/importers, citing these companies' reliance on Mexican tomatoes.

The truth appears to be that leaders of the Florida Tomato Exchange are on a campaign to portray themselves as the victims to trade while leveraging U.S. trade law to corner the market and drive out competition.

There is a curious yet illustrative backstory, in which major Florida tomato packinghouses over the course of the past two decades amassed a national network of tomato re-packers, distributors and – yes – importers. With the network in place to control the middle market, all that is left is to control the levers of importation, which is precisely what the stated negotiating demands of the Florida Tomato Exchange would dictate.

For example, FTE's demand in the current Suspension Agreement Negotiations which would extend the minimum price of the agreement through numerous subsequent sales is designed to eliminate these FTE member's competition in terminal markets, as well as at the point of importation. However, such a requirement would also result in the ultimate buyer and consumer paying a high price for tomatoes. Not only is such a demand beyond Commerce's regulatory authority, it is potentially a violation of other laws which do not permit small groups of U.S. companies to set the price for an entire market, to the benefit of a small group of wealthy growers -- and to the detriment of American consumers.

It simply is not fair for Commerce to bow to pressure from these few FTE companies and hold hostage the renegotiation of the Tomato Suspension Agreement. This is especially unfair when you consider that a significant portion of these same companies are major growers, importers, purchasers and resellers of the very Mexican tomatoes they claim as the source of their demise.

For the good of all parties and American consumers, we urge the Department of Commerce to negotiate toward a revised Tomato Suspension Agreement. Thank you very much for your consideration.

Sincerely,

The FPAA Board of Directors



Additional Resources:

Sunripe Certified Brands Now 100% Covered by Eleven Rivers Growers Certification

“In line with the company’s mission to provide its customers with high-quality fresh produce supplies year-round, Sunripe Certified Brands has announced that Agroex, one of its growers, has been officially certified by Eleven Rivers Growers.

Agroex is one of the company’s key growers, according to a recent press release, and will now be 100 percent covered by the Eleven Rivers Growers program. This program and certification will now cover all vine ripe, round, and Roma tomatoes grown in Mexico and marketed by the Sunripe brand.”

Link: <https://www.andnowuknow.com/bloom/sunripe-certified-brands-now-100-covered-eleven-rivers-growers/laura-hillen/51168>

Procacci Brothers’ Frank Paone Discusses Santa Sweets’ Increasing Growth and Demand

“Santa Sweets has increased acreage for our signature Uglyripe Heirloom tomato across our farms domestically, and now in our indoor growing facilities in Mexico,” Frank says, explaining that the expansion is in an effort to better fill the current demand pipeline.

Link: <https://www.andnowuknow.com/whats-store/procacci-brothers-frank-paone-discusses-santa-sweets-increasing-growth-and/melissa-de-leon/48462>

J&J Family of Farms: The Family That Keeps on Farming

“This targeted grower spotlight has given J&J a historic legacy of being able to step from each milestone to the next with a variable amount of ease. Florida-bred, the company soon followed its founding by adding more states to its steadfast operations throughout the 90s; including the growing climates of Georgia and North Carolina. As the new millennium approached, the company expanded its footprint by global means, adding Honduras, Mexico, and the Dominican Republic to its belt.

Link: <https://www.thesnack.net/article/featured/j-j-family-of-farms-the-family-that-keeps-on-farming/417/vol-24-finding-the-sweet-spot/laura-hillen/00416>

San Antonio’s NatureSweet Tomatoes to Team with Florida-based Lipman Family Farms

NatureSweet, North America’s largest greenhouse grower, is known for its clear clamshell packs of bite-sized tomatoes with trademark names including Cherubs, Glorys and SunBursts as well as its sandwich- sized Jubilee and deeper colored Eclipses. It employs more than 9,000 people and has a network of production areas in Mexico and Arizona.

Link: <https://www.chron.com/business/article/San-Antonio-s-NatureSweet-tomatoes-to-team-with-13105480.php>