



Commerce Department Sides With Florida Tomato Growers Over Mexico

By Michel Marizco
October 1, 2012

NAFTA Series
A look at the impact of NAFTA after 20 years.

TUCSON, Ariz. — The Department of Commerce says it may end an agreement that set prices for Mexican tomatoes imported into the United States. The government could impose tariffs on \$2.1 billion worth of tomatoes that come in every year from Mexico.

After three months of debate, the agency sided with Florida growers. Those growers say Mexico is undercutting their prices on tomatoes and hurting Florida's business. The Commerce Department declined to be interviewed but with this decision, the department gave itself about six months to investigate whether Mexican tomatoes are priced unfairly compared to Florida's tomatoes.

Mexico's ambassador has suggested the decision will spark a trade war.

Dan Ikenson is a trade analyst with the Cato Institute. He suspects the Commerce Department is simply endearing President Barack Obama to growers in the swing state of Florida.

"It's hard to conclude that politics isn't playing a role here, but the fact is, it's not unprecedented," Ikenson said.

In fact he says it happened recently in Ohio. When Obama stumped there last month, he announced a trade lawsuit against China over auto parts, an industry highly valued in Ohio.

Little of that is any comfort to Lance Jungemeyer. He's president of Fresh Produce Association in Nogales, Ariz., where a full third of imports are Mexican tomatoes.

"It's really a win-win for Florida," Jungemeyer said. "If they get this, they'll keep their competition away from the market, they can charge whatever price they want and that's really what they've sought all along is to corner the market."

If the 16-year-old tomato agreement is terminated, some port authority officials estimate 30,000 jobs related to the import in Arizona alone could be lost.