

## **An uneasy tomato truce between Florida and Mexico is coming to a bitter end**

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Florida tomato growers have no shortage of challenges these days. Development is encroaching on the best farmland. There are issues of climate change and access to fresh water; pest problems and soil problems; heat and humidity; and the threat of hurricanes. Labor costs are high.

But according to growers, the biggest challenge isn't in Florida at all.

It's what the Florida Tomato Exchange, a trade organization, alleges is an effort by Mexican growers to dump artificially low-priced tomatoes on the U.S. market. That, they claim, is undermining American farms.

The exchange made the case in front of the U.S. Trade Commission on Thursday, arguing that the Department of Commerce should terminate a 22-year-old agreement that had attempted to maintain the peace between Florida and Mexican tomato growers.

The pact, known as the Tomato Suspension Agreement, halts anti-dumping investigations by Commerce and requires tomato growers in both countries to agree to a minimum price for imports. This floor price has been renegotiated several times, but the exchange filed the action in November after concluding they could not come to another agreement that would work for both sides.

Mexican growers deny there has been dumping. Rather, they say Florida hasn't remained competitive in producing quality tomatoes at an affordable price. In the increasingly cutthroat fresh produce industry, only those companies that produce efficiently and consistently succeed.

"The Mexicans would like to make this into a taste test, or who has the better natural environment for growing tomatoes. Those are applicable for a broader debate, but a dumping case is very specific," says Michael Schadler, executive vice president of the Florida Tomato Exchange. "You can go into the marketplace and see prices that are at dumping value. "

Robert LaRussa, a lawyer representing the Mexican growers, says the Florida growers are asking the Mexicans to jump through too many hoops. He says the Florida growers are demanding not only that the Mexicans adhere to a floor price upon first domestic sale, but also in every subsequent sale. He says this is nearly impossible to track and unfairly penalizes Mexican growers (tomatoes, an ephemeral product, are worth less as they get squishy and closer to marinara-ville). The exchange filed the request to terminate in November because the Mexican growers refused to extend the agreement to downstream sales unless someone could establish that it was legal.

If the Florida growers prevail in their efforts, it could be a boon to the domestic market by raising prices on Mexican tomatoes by 17 percent. Some of those costs, however, would be passed on to consumers, and Mexico could consider new agricultural tariffs of its own.

The fight is central to preserving the Florida tomato industry, which has shrunk sharply over the past 20 years, one of several key agricultural industries to have seen steep declines — citrus being the biggest example.

Mexican growers say that their Florida counterparts are using this moment of anti-Mexican, anti-NAFTA sentiment to snatch back market share.

The exchange contends that because of loopholes and an agreement structure hard to enforce, U.S. tomato production declined by 34 percent, from 4.4 billion pounds to 2.9 billion pounds between 2002 and 2017. Mexican tomato imports to the United States skyrocketed 125 percent, from 1.6 billion pounds to 3.6 billion pounds during that same period.

The exchange says hundreds of U.S. tomato growers have been forced out of business as a result of what they perceive to be a violation of fair-trade practices. But there are reasons Florida tomato growers are the biggest losers in the face of Mexico's gains.

Historically, Florida has had a market advantage by producing certain crops — tomatoes, blueberries, strawberries — during the winter. In recent years, its winter dominance has been challenged by Mexico and other countries.

This is partly why California, which also grows lots of tomatoes, has not entered the fray. California's season for fresh tomatoes is during the summer and, perhaps more importantly, California's focus is on canning. The state produces 95 percent of the country's canned tomatoes — with a sizable amount exported to Mexico.

“Fresh and canned tomatoes are apples and oranges,” says Bruce Rominger, a grower for Pacific Coast Producers, a canned-tomato company in California. “Florida competes more directly with Mexico.”

Rominger says Florida may be at a disadvantage because of climate problems, but that labor cost is the chief reason Florida tomato farmers have become less competitive.

The North American Free Trade Agreement has seen successful U.S. exports to Mexico of agricultural products with less-intensive field work demands, such as mechanized row crops like corn, soy and wheat, as well as dairy, pork and beef. But there has been a rise of imports to the United States of higher-field-work products like fresh fruits and vegetables.

“The NAFTA deal has winners and losers,” Rominger said. “We sell a lot of corn to Mexico. But there are going to be losers, and people in high-labor businesses have a tougher time competing with Mexico.”

Over the past couple of decades, he's seen melons, asparagus, strawberries and other fruits and vegetables that are picked by hand moving out of the San Joaquin Valley in California and into Baja.

"I don't know if consumers know that their produce is being picked by people earning \$10 per day," he said.

Despite the fact that both products are picked by hand, often by Mexicans, Mexican tomatoes and Florida tomatoes may be apples and oranges, too.

Schadler explained that Florida tomatoes are generally grown in open fields; Mexican growers have invested in greenhouses, which have advantages. Eighty-five percent of Florida's fresh tomatoes are harvested firm and green, transported, reddened with ethylene gas, and sold to food services where machine sliceability is advantageous (think the perfect thin rounds of tomato on every hamburger). Mexican tomatoes go to the retail market because they are harvested ripe and are unblemished by the elements.

Even with a fatter slice of the tomato pie taken by Mexico, fresh tomatoes are big business. A recent Department of Agriculture study says per-capita fresh tomato consumption was 12 pounds in the early 1980s but had topped 20 pounds by 2017.

The source of the increased enthusiasm, according to the USDA? Emerging production technology and growing imports, often of greenhouse-grown specialty tomatoes — heirlooms and cherries and grape tomatoes — from Mexico.

*CORRECTION: An earlier version of this story incorrectly stated that Bruce Rominger was with Pacific Coast Producers. Rominger supplies tomatoes to the company, but does not work directly for it.*