



FACT SHEET

Commerce Initials Draft Antidumping Suspension Agreement on Imports of Fresh Tomatoes from Mexico

- On February 2, 2013, the Department of Commerce (Commerce) announced that it initialed a draft agreement suspending the antidumping (AD) investigation of imports of fresh tomatoes from Mexico that had originally been initiated in 1996.
- The proposed agreement covers imports of all fresh or chilled tomatoes of Mexican origin, except tomatoes that are for processing. There have been three previous suspension agreements covering imports of fresh tomatoes from Mexico, signed in 1996, 2002 and 2008, respectively.
- Under U.S. AD law, the suspension agreement must prevent price undercutting and price suppression in the U.S. market and eliminate at least 85% of the dumping, thus providing the U.S. industry an opportunity to compete on a level playing field.
- The initialed agreement, in part, broadens coverage of Mexican tomato imports subject to the agreement and enhances enforcement on the Mexican side of the border through separate mechanisms put in place by the Government of Mexico, designed to ensure that signatories to the agreement constitute essentially all Mexican growers/exporters.
- The proposed agreement also strengthens enforcement on the U.S. side of the border by incorporating a reporting mechanism administered pursuant to the U.S. Department of Agriculture's Perishable Agricultural Commodities Act (PACA) fair trade regulations.
- The proposal accounts for changes that have occurred in the tomato industry since the signing of the original agreement and increases, from one to four, the number of tomato type categories with established reference prices to better reflect the realities of the current tomato market.
- In addition to the added reference price categories, the reference prices in the proposal have been raised to better reflect the realities of today's marketplace, and continue to account for a winter and a summer season.

SCOPE

- The merchandise subject to the suspended investigation is all fresh or chilled tomatoes (fresh tomatoes) which have Mexico as their origin, except for those tomatoes which are for processing. For purposes of this suspended investigation, processing is defined to include preserving by any commercial process, such as canning, dehydrating, drying, or the addition of chemical substances, or converting the tomato product into juices, sauces, or purees. Fresh tomatoes that are imported for cutting up, not further processing (e.g., tomatoes used in the preparation of fresh salsa or salad bars), are covered by this suspended investigation.
- Commercially grown tomatoes, both for the fresh market and for processing, are classified as *Lycopersicon esculentum*. Important commercial varieties of fresh tomatoes include common round,

cherry, grape, plum, greenhouse, and pear tomatoes, all of which are covered by this suspended investigation.

- Tomatoes imported from Mexico covered by this suspended investigation are classified under the following subheadings of the Harmonized Tariff Schedules of the United States (HTSUS), according to the season of importation: 0702 and 9906.07.01 through 9906.07.09. Although the HTSUS numbers are provided for convenience and customs purposes, the written description of the scope of this suspended investigation is dispositive.

NEXT STEPS

- Commerce has released the draft text of the initialed suspension agreement for comment, and comments are due February 11, 2013.
- Commerce will review comments in accordance with U.S. law, regulations and its international obligations, with the aim of developing a final agreement for signature by the parties to the proceeding.
- The effective date of any final agreement is projected to be March 4, 2013.

REFERENCE PRICES

TOMATO TYPE	PRICE/LB WINTER**	PRICE/LB SUMMER**
Open Field and Adapted Environment	\$ 0.3100	\$0.2458
Controlled Environment*	\$ 0.4100	\$0.3251
Specialty, Loose*	\$ 0.4500	\$0.3568
Specialty, Packed*	\$ 0.5900	\$0.4679

* Definitions of tomato type are included in the draft text of the agreement.

**The winter and summer reference prices for all tomatoes are presently \$0.2169/LB and \$0.1720/LB, respectively.