



## **FACT SHEET**

### **Commerce Signs Antidumping Suspension Agreement on Imports of Fresh Tomatoes from Mexico**

- On March 4, 2013, the Department of Commerce (Commerce) entered into a new agreement with Mexican tomato growers and exporters suspending the antidumping duty (AD) investigation of imports of fresh tomatoes from Mexico.
- The agreement, which suspends the 1996 antidumping investigation, covers imports of all fresh or chilled tomatoes of Mexican origin, except tomatoes that are for processing. There have been three previous agreements suspending the 1996 investigation, 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 percent of the dumping, thus providing the U.S. industry an opportunity to compete on a level playing field.
- The agreement anticipates broader coverage of Mexican tomato imports subject to the agreement and enhanced enforcement in Mexico as a result of separate mechanisms put in place by the Government of Mexico. These mechanisms are designed to ensure that essentially all Mexican growers/exporters are signatories to the agreement.
- The agreement also strengthens enforcement by incorporating a reporting mechanism administered pursuant to the U.S. Department of Agriculture's Perishable Agricultural Commodities Act (PACA) fair trade regulations.
- The agreement 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 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 agreement have been updated to better reflect the realities of today's marketplace, and continue to account for a winter and a summer season.
- Commerce considered comments submitted by interested parties in accordance with U.S. law, regulations and its international obligations, to develop the final agreement for signature.
- The effective date of the new agreement is March 4, 2013.

## 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 subheading of the Harmonized Tariff Schedules of the United States (HTSUS), according to the season of importation: 0702. Although the HTSUS numbers are provided for convenience and customs purposes, the written description of the scope of this suspended investigation is dispositive.

## REFERENCE PRICES

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

\* Definitions of tomato categories are included in the text of the agreement.

\*\*For comparison purposes, the winter and summer reference prices for all tomatoes in the 2008 suspension agreement were \$0.2169/LB and \$0.1720/LB, respectively.