

Florida Tomato Committee manager Reggie Brown is hopeful the enforcement safeguards in a new Mexican pricing agreement will prevent dumping this season, but the "proof will be in the performance" as to whether the system works. 

A [deal was reached in March this year](#) between the U.S. Commerce Department, Mexican industry and the Mexican government to set new reference pricing for Mexico's tomato exports to its northern neighbor.

"The infrastructure to support that agreement was developed and put in place over the course of the remaining spring season and over the summer," Brown told www.freshfruitportal.com during the Produce Marketing Association's (PMA) Fresh Summit event in New Orleans.

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"As we start back into the Florida production cycle here in October going into next June, we anticipate based on what we understand that the commitments are being delivered.

"It will remain to be seen how well that agreement works as the agreement unfolds and those periods when the U.S. market were to reach or fall below the reference price in the agreement, as to whether there is in fact compliance by the Mexican industry with movement stopping from Mexico into the U.S."

Brown said that under previous deals, there was a certain volume of fruit that would go to marketers south of the border, that instead of being shipped by a signator to the agreement were sold by a second or third marketer.

"Those [second and third marketers], as I understand in the agreement, are now regulated and monitored just the same as the actual producer who is a signator to the agreement is, so it should eliminate or reduce that level of irritation that was in the old agreement

"The agreements that had been reached in the past had some enforcement challenges and the new agreement has the tool of the Perishable Agricultural Commodities Act, the PACA program at the U.S. Department of Agriculture as an enforcing arm in conjunction with the U.S. Commerce Department for violations of the agreement."

He said that under the old agreement, the domestic tomato industry was under severe pressure from the underselling of Mexican product in the U.S. at less than the cost of production, or in other words, dumping.

"Production costs had changed so significantly in 17 years and there had been very little if any change in the reference price over that period of time.

"When we were asked as a domestic industry to hold ourselves to determine if there was agreement among the domestic producers that wanted out of the old case, to find 90 plus percent of the domestic volume and get agreement among in less than 14 calendar days, indicated to me that the problem was serious, not only in Florida but all over the United States.

"It was that sense of urgency that drove us on last year in pursuing the case to the extent that we did."

He said the U.S. Commerce Department had not yet given a final ruling on U.S. tomato growers' request for a withdrawal of the existing suspension agreement, which prevents anti-dumping cases.

"It's still out there," he said.

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