

November 21, 2019

The Honorable Robert Lighthizer
U.S. Trade Representative
600 17th St, NW
Washington, DC 20508

Dear Ambassador Lighthizer:

The undersigned entities strongly encourage you and the Administration to continue working towards a 'phase one' agreement with China in the coming weeks. Given the vast array of difficult issues and reforms that must be addressed with China, we especially appreciate the importance the President and your agency has placed on achieving significant trade wins for American farmers. We also appreciate the efforts to support farmers through the USDA trade mitigation programs, while acknowledging that restoring foreign markets will truly make them 'whole' again. As you press forward to secure a deal with China for U.S. agriculture, we urge you and your negotiators to secure tangible benefits for American specialty crop farmers. In this current international trade climate, regaining or developing markets remains a top priority for fresh fruit, vegetable, and tree nut growers.

It is no secret that China is a highly desirable market for the U.S. agricultural industry. We firmly believe that a strong U.S.-China agricultural agreement must include benefits for *all* sectors of U.S. agriculture. As such, we request in the strongest possible terms that USTR and the Administration secure from these negotiations the immediate removal of China's retaliatory tariffs on specialty crops. The most immediate and urgent need of the industry is to have the excessive tariffs lifted, allowing high value specialty crops to move freely back into China and take back lost shelf space from foreign competitors. For most varieties of fresh fruit and tree nut commodities, China has been a top export destination where American-grown product is highly valued. Unfortunately, the ever-increasing retaliatory tariffs have drastically pushed up rates - some as high as 89% - costing farmers hundreds of millions in lost sales and decreased exports. Moreover, the lack of export movement forces more product to stay in the United States, inflating domestic supply and hurting prices at home. The specialty crop industry's losses must not be overlooked in these negotiations. The most immediate and impactful relief for specialty crop growers would be seeing the costly retaliatory tariffs lifted and resuming trade as quickly as possible; any early harvest deal that does not also include this sector is wholly unacceptable.

We reiterate the importance of securing a phase one deal as soon as possible that addresses the tariffs. We also write to highlight two other areas that future negotiations with China should address. The first is the reduction or elimination of *pre-retaliatory* tariff levels. USTR has made it a top priority to secure free and fair trade, including targeting high tariffs that remain in place around the world. Even prior to the imposition of Chinese retaliatory tariffs, many U.S. specialty crop commodities already faced most favored nation (MFN) rates of up to 30%; securing reductions would be a boon for American competitiveness. The second is addressing China's often abusive usage of sanitary-phytosanitary (SPS) standards. China must adhere to its WTO commitments; the continued use of SPS and other burdensome non-tariff barriers (NTBs) have the result of certain specialty crop commodities being blocked from its markets. For such commodities, improvements to the technical regime, as well as resolutions to longstanding issues, will be needed to secure enhanced access into China. Looking ahead, we look forward to working with USTR to address these matters and reach agreement with its counterparts on new standards or processes that ensure fair access for American products.

We take pride that American fruits, vegetables, and tree nuts are regarded as some of the finest in the world. In highly important markets like China, regaining lost market share now and securing new opportunities in the near future for the nation's fresh produce industry would indeed be a monumental trade win for American farmers. We stand ready to discuss these matters further with you and your team. Thank you for your relentless work and attention to the trade needs of the nation's specialty crop growers.

Sincerely,

Almond Alliance of California

American Pistachio Growers

California Avocado Commission

California Citrus Mutual

California Farm Bureau Federation

California Fig Advisory Board

California Fresh Fruit Association

California Prune Board

California Table Grape Commission

California Walnut Commission

Sun-Maid Growers of California

National Pecan Federation

Northwest Horticultural Council

U.S. Apple Association

Western Growers Association

CC:

The Honorable Ted McKinney, U.S. Department of Agriculture

The Honorable Gregg Doud, U.S. Trade Representative

Chairman Richard Neal, U.S. House Committee on Ways and Means

Ranking Member Kevin Brady, U.S. House Committee on Ways and Means

Chairman Collin Peterson, U.S. House Committee on Agriculture

Ranking Member K. Michael Conaway, U.S. House Committee on Agriculture