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H.C.R. No. 108

HOUSE CONCURRENT RESOLUTION

1 WHEREAS, The State of Texas and Mexico have greatly benefited
2 from their strong economic relationship and long history of
3 bilateral trade; and

4 WHEREAS, Fresh tomatoes imported from Mexico contribute more
5 than \$7.5 billion to the U.S. economy and support nearly 50,000
6 jobs; more than half of the imported tomatoes enter through ports in
7 Pharr and Laredo, with an estimated value of nearly \$1.5 billion;
8 and

9 WHEREAS, The Suspension Agreement on Fresh Tomatoes from
10 Mexico, or the Tomato Suspension Agreement, is the result of a
11 collaborative effort involving the U.S. Department of Commerce and
12 nearly 700 producers and exporters of fresh tomatoes grown in
13 Mexico; the agreement first became effective on November 1, 1996,
14 and its most recent update went into effect on September 19, 2019;
15 and

16 WHEREAS, Under the Tomato Suspension Agreement, signatory
17 producers and exporters must sell Mexican tomatoes at or above a
18 specific reference price to eliminate the injurious effects of
19 exports of fresh tomatoes to the United States; the agreement has
20 helped to bring stability to the tomato market while complying with
21 U.S. trade laws, and it has established strong enforcement and
22 monitoring mechanisms; in addition, the agreement ensures that U.S.
23 consumers have access to a wide selection of fresh tomatoes
24 year-round; and

1 WHEREAS, The termination of the Tomato Suspension Agreement
2 would subject U.S. companies to a 17.09 percent tariff on each
3 shipment of tomatoes imported from Mexico, resulting in severe
4 economic harm to numerous businesses and communities in Texas; the
5 estimated potential loss to the state's economy is more than
6 \$4.5 billion and 32,000 jobs; the vast majority of produce
7 warehouses in the Rio Grande Valley would see immediate and severe
8 reductions in their business, and many would face the threat of
9 closure; moreover, high duties on tomatoes would negatively impact
10 consumers by inflating prices and limiting the supply of
11 vine-ripened and specialty tomatoes, which are predominantly
12 imported by Texas companies; and

13 WHEREAS, Countless businesses, residents, workers, and
14 citizens of Texas have benefited from the Tomato Suspension
15 Agreement, and its continuation is vital to the economy of the Lone
16 Star State; now, therefore, be it

17 RESOLVED, That the 89th Legislature of the State of Texas
18 hereby respectfully urge the U.S. Department of Commerce to
19 maintain the Tomato Suspension Agreement; and, be it further

20 RESOLVED, That the Texas secretary of state forward an
21 official copy of this resolution to the U.S. Secretary of Commerce.