BEFORE THE UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. TPA-105-003

United States-Mexico-Canada Agreement Likely Impact on the US Economy and on Specific Industry Sectors

PRE-HEARING BRIEF OF THE FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES

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On behalf of

Florida Department of Agriculture and Consumer Services
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October 29, 2018

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The Florida Department of Agriculture and Consumer Services hereby submits its pre-hearing brief in connection with Investigation No. TPA-105-003 being undertaken by the US International Trade Commission (Commission) pursuant to section 105(c) of the Bipartisan Congressional Trade Priorities and Accountability Act of 2015 (the TPA Act). This pre-hearing submission will address the likely impact of the United States-Mexico-Canada Agreement (USMCA) on Florida Agriculture, with a focus on Florida's produce industry.

As Florida's Commissioner of Agriculture and Consumer Services, I represent the Florida agriculture industry which generates more than $120 billion in total economic impact, supports more than 1.5 million jobs in Florida, and produces more than 300 agricultural commodities. As an industry that depends on fair trade agreements, the livelihood of Florida's farmers and ranchers will be directly impacted by the proposed United States-Mexico-Canada Agreement.

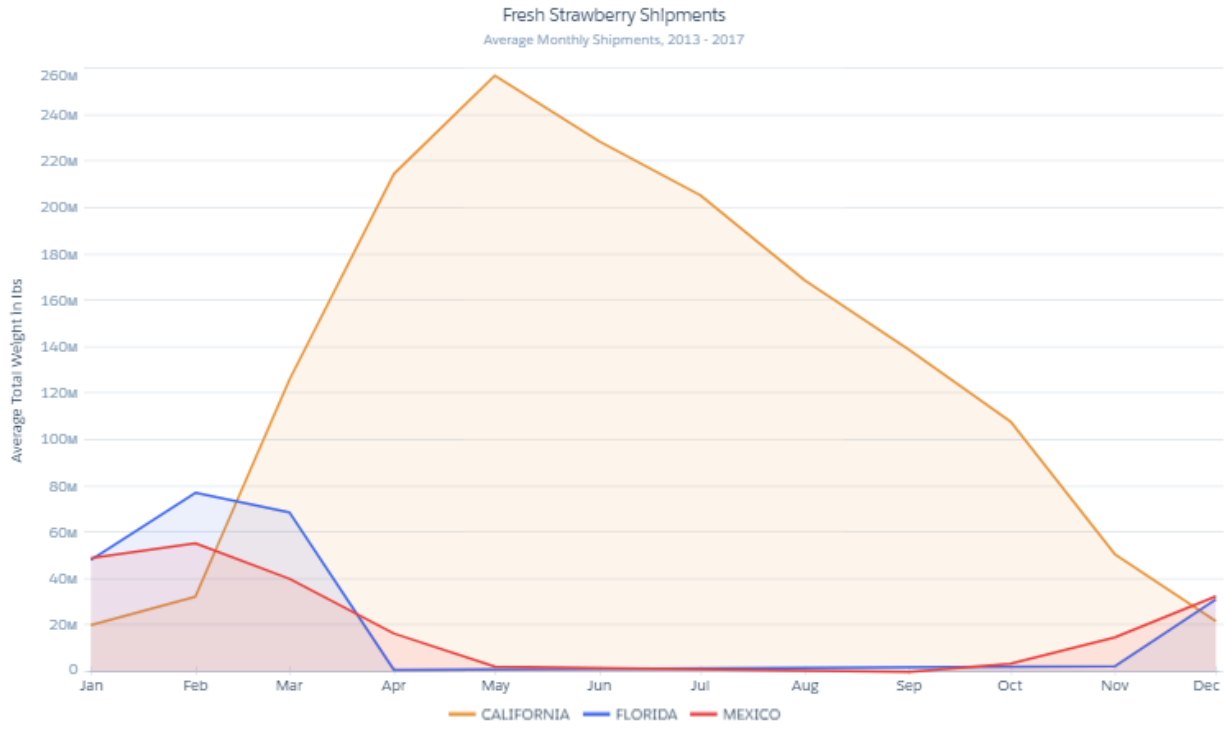
Florida's unique climate and fertile growing regions mean we are the sole U.S. producer of many fruits and vegetables during the winter months before most domestic producers begin their harvests. Conversely, Florida and Mexico produce many of the same agricultural products during the winter months of the year and have overlapping harvests of other commodities in other seasons. Hence, imports of agricultural products from Mexico have a disproportionately negative impact on Florida's producers.

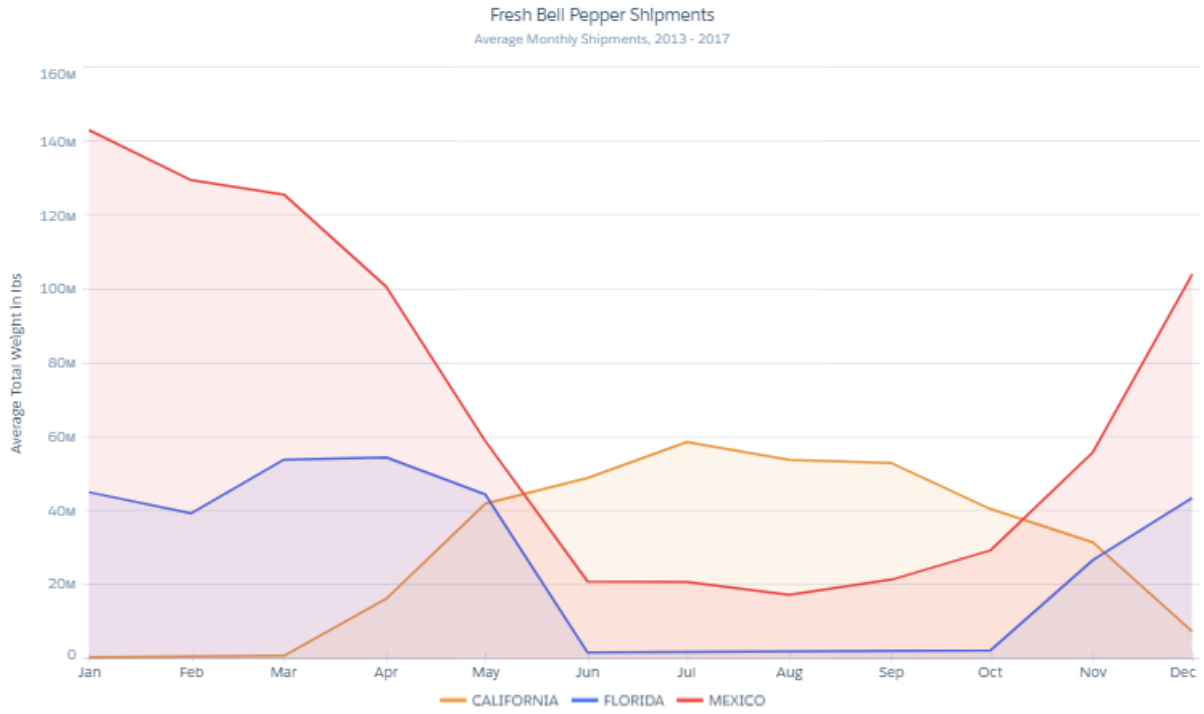
Since the turn of the millennium, imports of many agricultural products from Mexico have increased dramatically, proving particularly injurious to Florida Agriculture's specialty crop sector. I believe that many of these commodities are unfairly subsidized and are pouring into the U.S. market in high volumes at prices significantly below the cost of production, resulting in negative repercussions on U.S. producers and causing disproportionate economic injury to Florida's specialty crop industry.

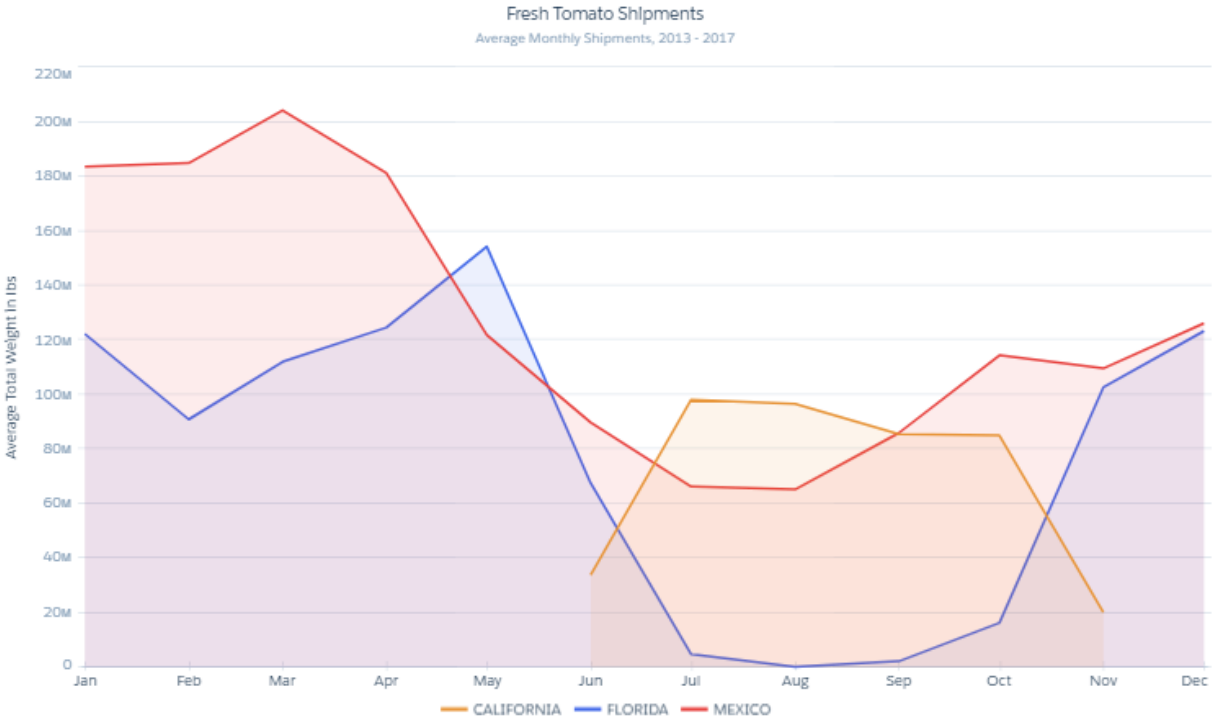
Florida exports over $4 billion worth of products to over 170 countries and territories around the world each year. No other site in the Western Hemisphere can match Florida's unique combination of strategic geographic location, state of the art infrastructure, multilingual workforce and concentration of corporate and financial resources. With 15 seaports and Miami recognized as the "trade and logistics hub of the Americas," I am keenly aware of the benefits of trade and strongly support the principles of free and fair trade. I believe that Florida produces the highest quality agricultural commodities in the world and can successfully compete in a global market on a level playing field. Unfortunately, the trade environment created under NAFTA, and the trade environment that will be created under USMCA is anything but a fair and level playing field for Florida's producers.

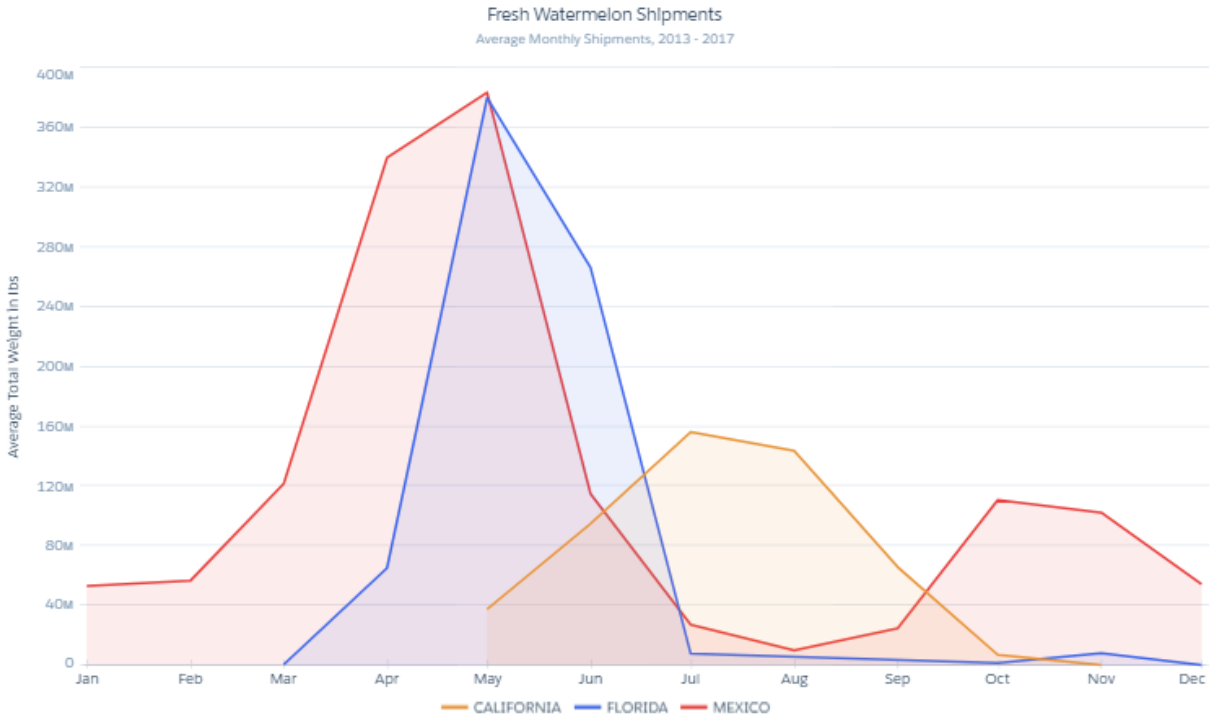
I am disappointed that this new agreement has no new protections for Florida fruit and vegetable producers, who for too long have suffered from Mexico's unfair trade practices, and despite our best efforts. Our department, Florida's Congressional delegation and industry groups have fought hard to protect our specialty crop industry since the inception of NAFTA, and we will continue to do so as this new agreement moves forward.

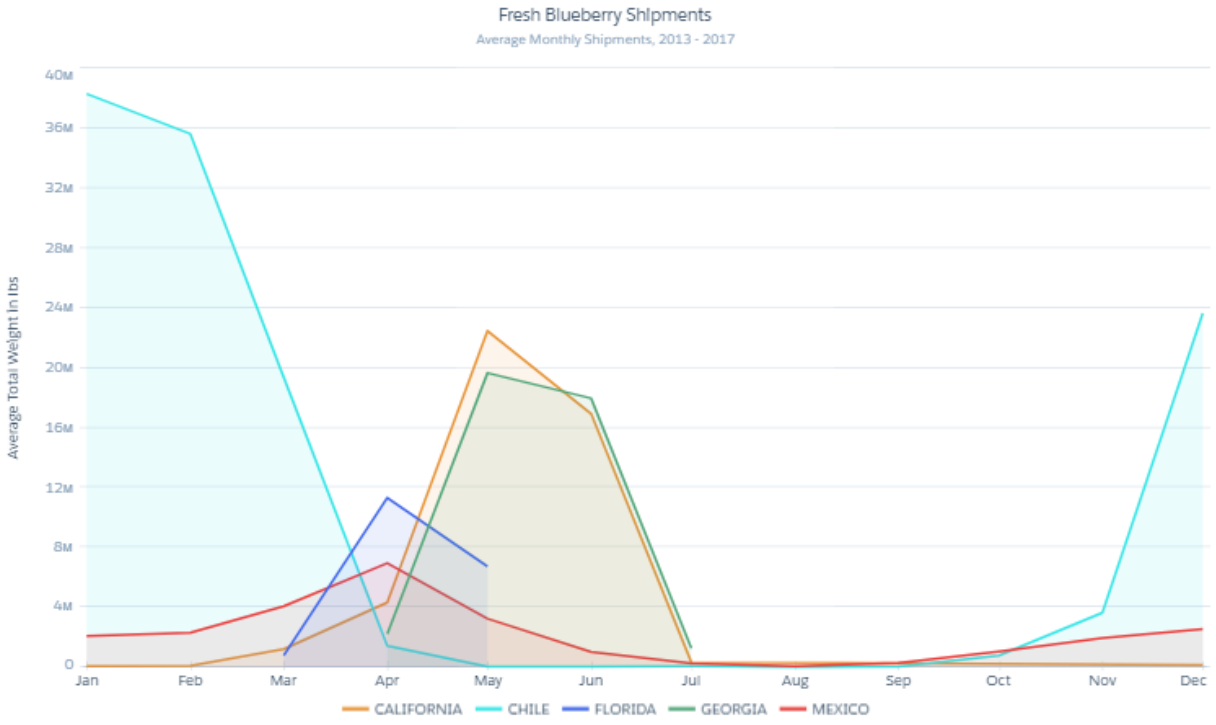
THE COMPETITIVE ENVIRONMENT; AN ANALYTICS EXAMINATION OF WHERE THE WEIGHT OF MEXICAN COMPETITION FALLS AS IT RELATES TO FLORIDA PRODUCTION

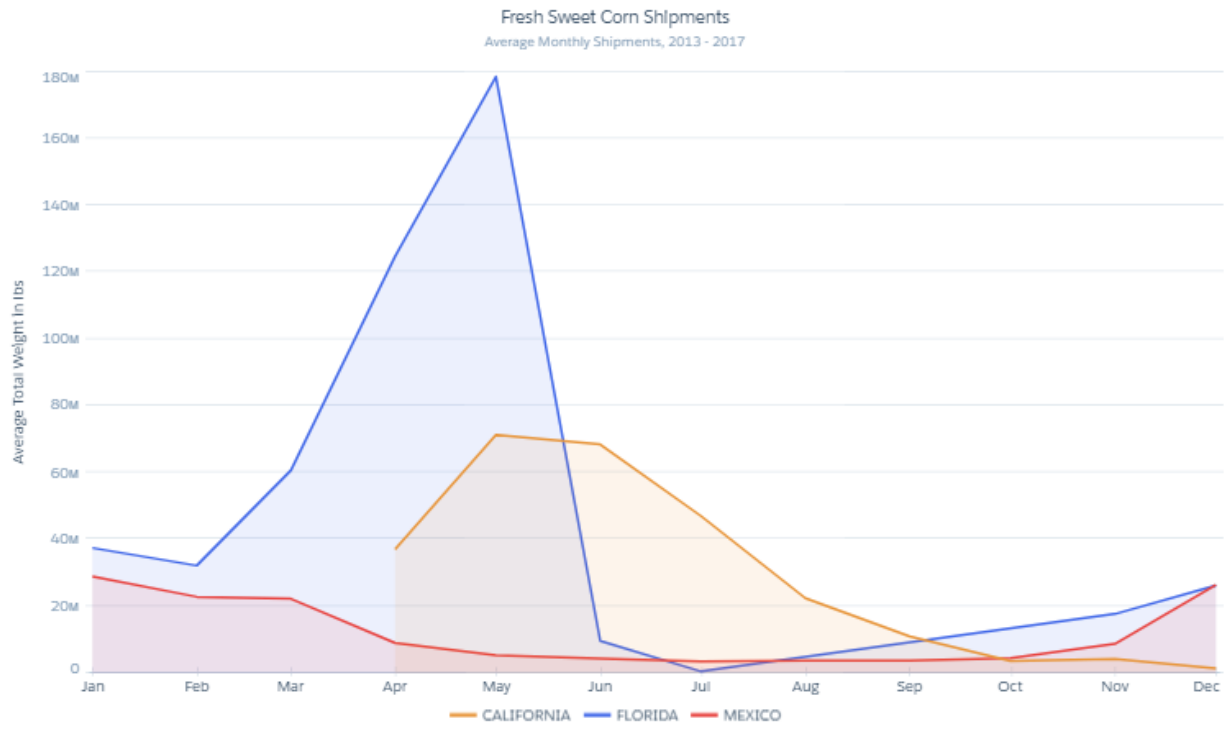





Fresh Tomato Shipments
Average Monthly Shipments, 2013 - 2017
Average Total Weight in lbs
220M
200M
180M
160M
140M
120M
100M
80M
60M
40M
20M
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
CALIFORNIA
FLORIDA
MEXICO

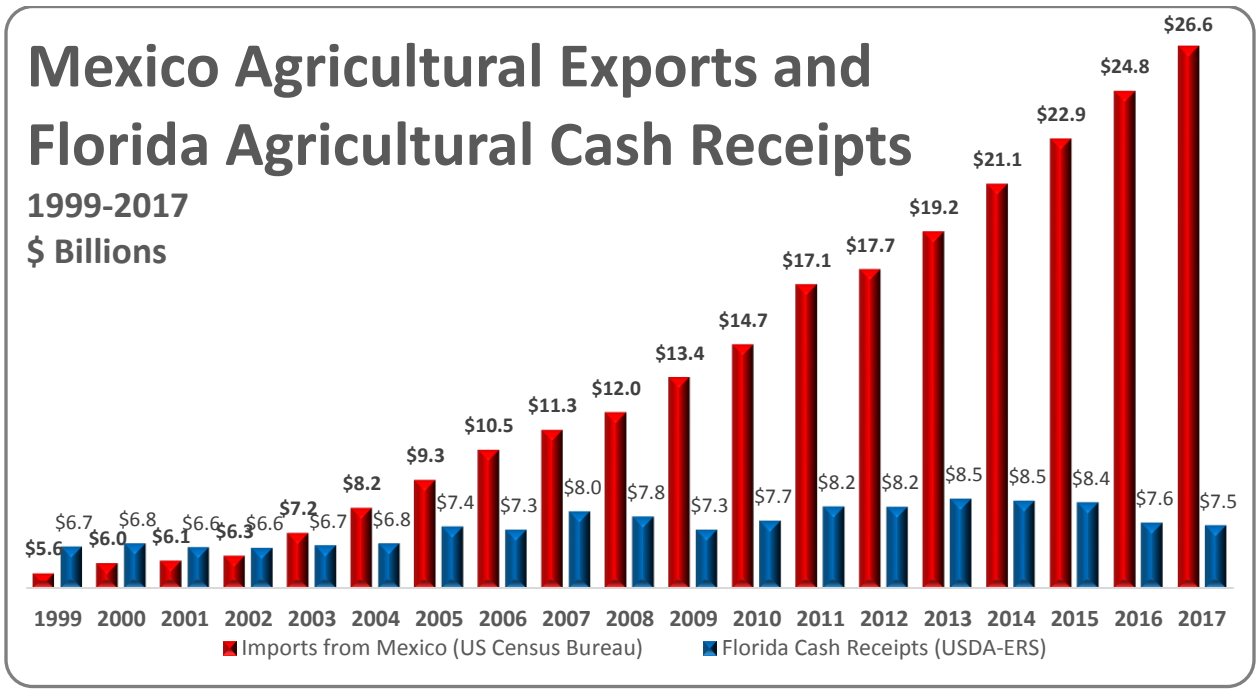

Fresh Watermelon Shipments
Average Monthly Shipments, 2013 - 2017
Average Total Weight in lbs
400M
360M
320M
280M
240M
200M
160M
120M
80M
40M
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
CALIFORNIA
FLORIDA
MEXICO


Fresh Blueberry Shipments
Average Monthly Shipments, 2013 - 2017
Average Total Weight In lbs
40M
36M
32M
28M
24M
20M
16M
12M
8M
4M
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
CALIFORNIA
CHILE
FLORIDA
GEORGIA
MEXICO


Fresh Sweet Corn Shipments
Average Monthly Shipments, 2013 - 2017
Average Total Weight In lbs
180M
160M
140M
120M
100M
80M
60M
40M
20M
0
Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec
CALIFORNIA
FLORIDA
MEXICO

Mexico's Agricultural Export Expansion to the U.S.

Throughout the duration of NAFTA, economic efficiencies as well as significant differences in labor costs between the U.S., Florida and Mexico have played a major role in shifting production towards Mexican agricultural producers. This has amounted to an unprecedented expansion of Mexican ag-exports entering the U.S. and competing directly with our farm sectors, food security and the future stability of agricultural operations. This shift of over $21billion to Mexico is the equivalent of losing 351,000 jobs in the U.S. based upon approximately a loss of 16.7 jobs per million dollars (UF-Implan average).

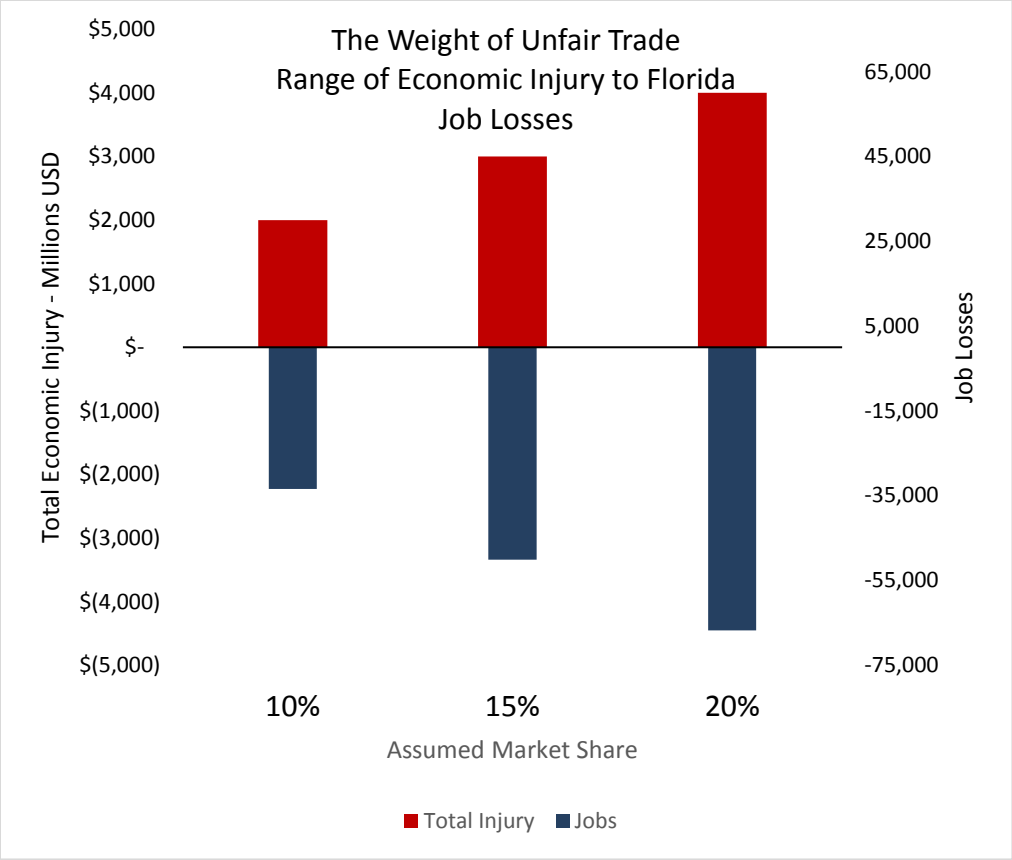


1999:	Five years after the signing of NAFTA, Florida total agricultural production value was 20% higher than the ag-exports to the U.S. from Mexico.
2004:	Five years later, Mexican ag-exports to the U.S. were 20% higher than the ag-production value of the State of Florida and Florida's ag-sector appears suppressed.
2014:	A decade later, Mexican ag-exports to the U.S. were 157% higher than the ag-production value of the State of Florida, which advanced by 25%.
2017:	Agricultural imports from Mexico continue to grow at a rate of about $2 billion per year.
$21.1 billion:	Monetary production shift to Mexican from 2000 to 2017 from ag-exports with an expansion of the difference between FL Total Ag and MX exports of $19.1Bn.

Florida's estimated employment losses to our agricultural sector

A substantial portion of Florida and Mexico's ag-production and exports is categorized as specialty crops; berries, fruits, vegetables and citrus as well as other items. Conservatively, a proportion, ranging from 10-20%, of the $19.1 billion gap between Florida ag-production value and Mexico's current ag-export position, is the estimate of the amount of additional production Florida could have expanded by with a fairer trade agreement. This amounts to a loss of agricultural cash receipts of between $2-4 billion annually to Florida.

10-20%:	Conservative range of the percentage of lost sales from the $19.1 billion gap between Mexico's ag-exports to the U.S. and Florida's current ag-cash receipts.
$2-4Bn:	Annual loss of Florida cash receipts to multiple agricultural sectors producing an assortment of specialty crops throughout the state.
33-67k:	Annual range of the total jobs losses in Florida ag based upon direct, indirect, and induced employment injuries from the loss of unrealized agricultural sales.
$3.4-6.8Bn:	Annual total economic effects injury to Florida's economy based upon direct, indirect, and induced impacts from the loss of unrealized agricultural sales.


The Weight of Unfair Trade
Range of Economic Injury to Florida
Job Losses
Total Economic Injury - Millions USD
$5,000
$4,000
$3,000
$2,000
$1,000
$-
$(1,000)
$(2,000)
$(3,000)
$(4,000)
$(5,000)
65,000
45,000
25,000
5,000
-15,000
-35,000
-55,000
-75,000
Job Losses
10%
15%
20%
Assumed Market Share
Total Injury
Jobs

Florida's estimated loss agricultural sales and associated indirect tax revenue losses

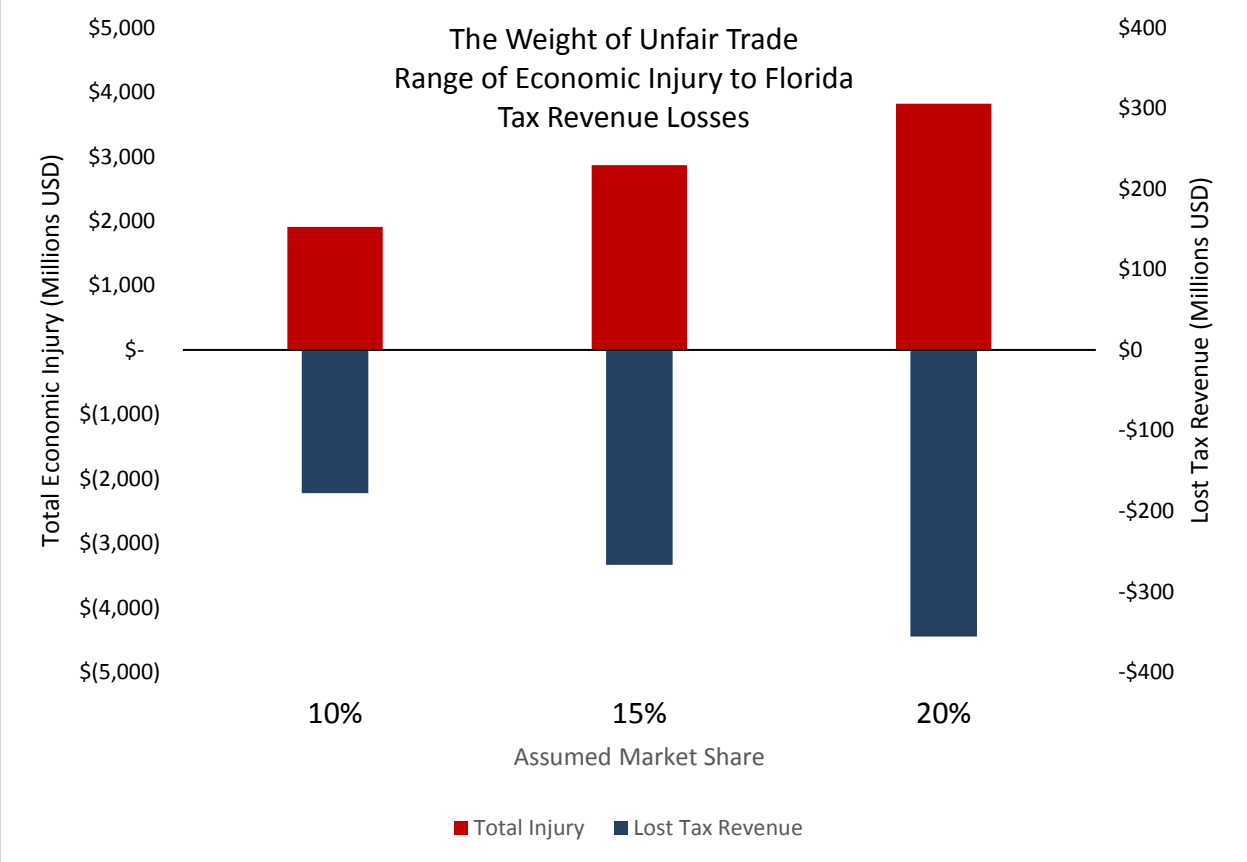
A secondary injury occurs to Florida's state, county, and local governments as millions of dollars are lost from the sales revenues in the form of unrealized indirect tax revenues. Most of these injuries will be focused in 20 or so of the state's 67 counties, however, literally every county has some amount of specialty crop production. This amounts to a loss of agricultural indirect tax revenue receipts of between $186-372 million annually to Florida.

10-20%: Conservative range of the percentage of lost indirect sales revenues from the $1-3 billion which would have naturally evolved as part of the total annual Florida agricultural cash receipts.

$2-4Bn: Annual loss of Florida cash receipts to multiple agricultural sectors in 20 or more counties which produce an assortment of specialty crops throughout the state.

$186-372Mn: Annual range of the total indirect tax revenue losses in Florida ag based upon injuries from the loss of unrealized agricultural sales.

20-67: Twenty or more of Florida's 67 counties would suffer millions of dollars in lost indirect tax revenues annually from the loss of unrealized agricultural sales as well as the benefits of strengthening their agricultural economic bases



Florida's estimated lost farming acreage

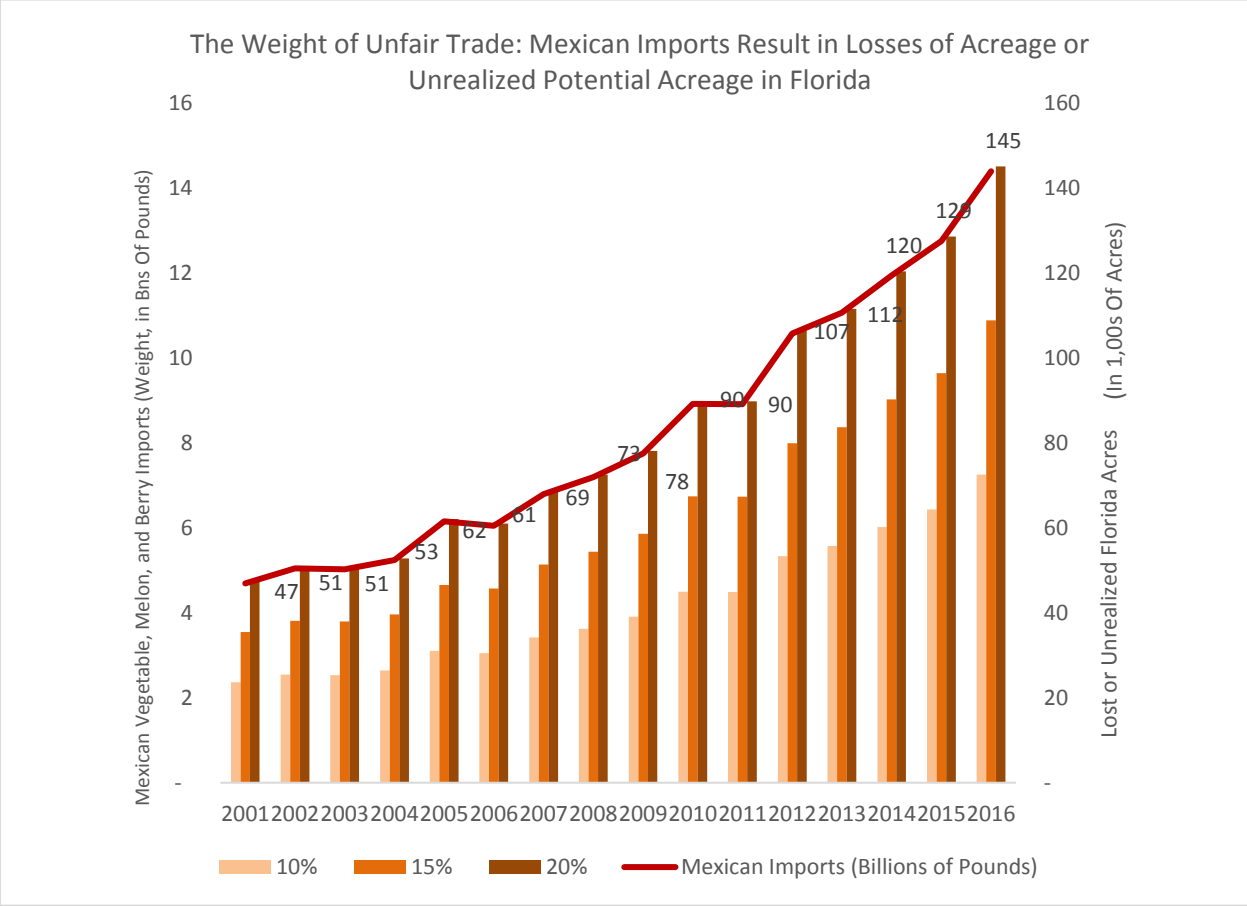
A long term and potentially irreversible loss and injury occurs to Florida's state, county, and local governments over time as agricultural land that could have been retained, developed, or added to the existing agricultural sector is lost. These injuries occur from the artificial underutilization of farming acreage that Florida farmers would have naturally engaged in adding as specialty product demand increased. Of the 9.4 million agricultural acres throughout Florida between 75,000-145,000 extra acres would be required to meet the 10-20% demand.

10-20%: Conservative range of the percentage of lost indirect sales revenues from the $1-3 billion which would have naturally evolved as part of the total annual Florida agricultural cash receipts.

$1-3Bn: Annual loss of Florida cash receipts to multiple agricultural sectors in 20 or more counties which produce an assortment of specialty crops throughout the state.

75-145k: Range of required Florida acreage needed to produce the weight of between 10-20% of the total exports from Mexico, for a variety of specialty crops.

250+: Hundreds of Florida farms would need to add acres to meet this demand or be joined by new farming operations to the state's current 47,100.



Florida's Estimated Comparative Cost of Production Disparity with Mexico

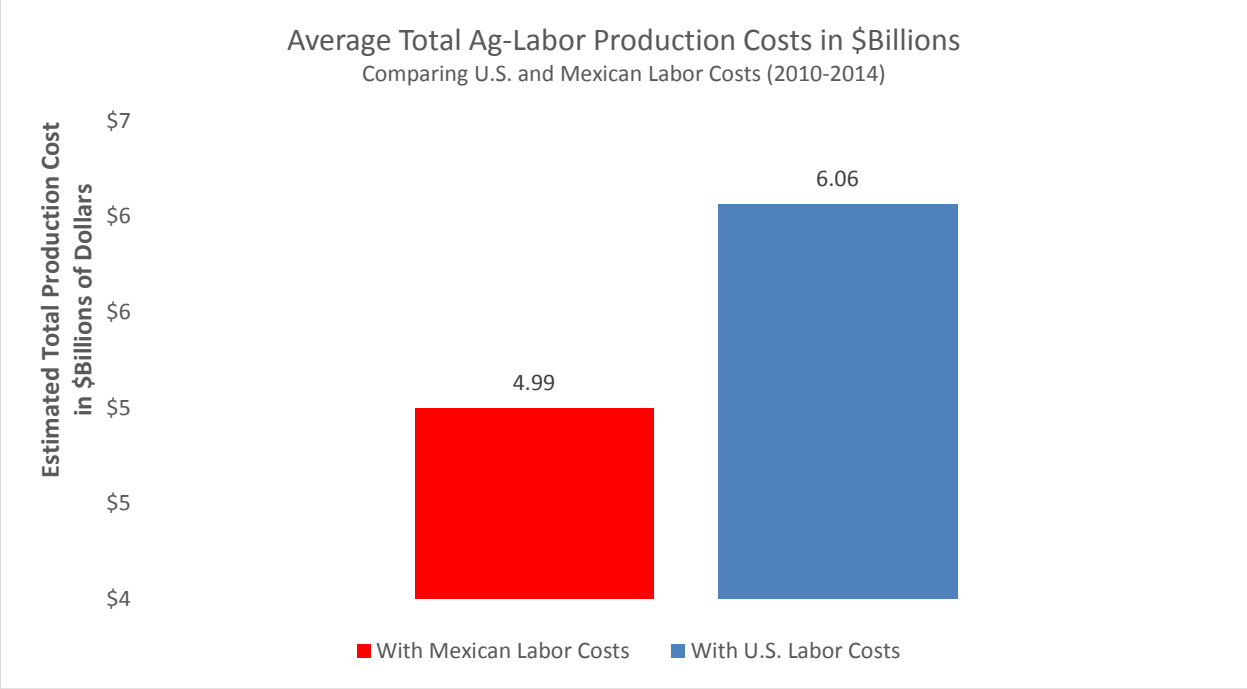
Florida and Mexico's agricultural producers face many mirror-like costs as they complete the cycle of prepping-planting-harvesting-shipping a wide variety of commodities. Labor cost differentials are significant and represent a compounded advantage for Mexican producers as each phase of production is completed. After nearly a quarter century after implementation of NAFTA, this apparent advantage is not representative of economic efficiencies, but of continued economic exploitation of laborers.

40%: Mexican farm laborers are paid about 40% of what Florida farm laborers are paid for similar work. http://www.dof.gob.mx/nota_detalle.php?codigo=5466000&fecha=19/12/2016 http://www.wageindicator.org/main/salary/minimum-wage/mexico

18-22%: Bureau of Strategic Development (FDACS) estimates that Florida's total cost of production is between 18-22% higher, minimally than Mexico's, much of this is directly attributed to labor costs.

23: Years of wage disparities, diminished since the signing of NAFTA in 1994, remain as a serious disadvantage to Florida producers. Mexican government estimates may be high and continued publications on the treatment of Mexican workers may also be an issue. https://news.vice.com/article/mexico-agrees-to-pay-farmworkers-wages-after-two-month-strike-in-san-quintin

$1Bn+ Average estimated annual Mexican wage advantage, which provides them with significant latitude to moderate their prices and overcome other cost fluctuations.



An Example of Florida's Market Share and Competitive Challenges

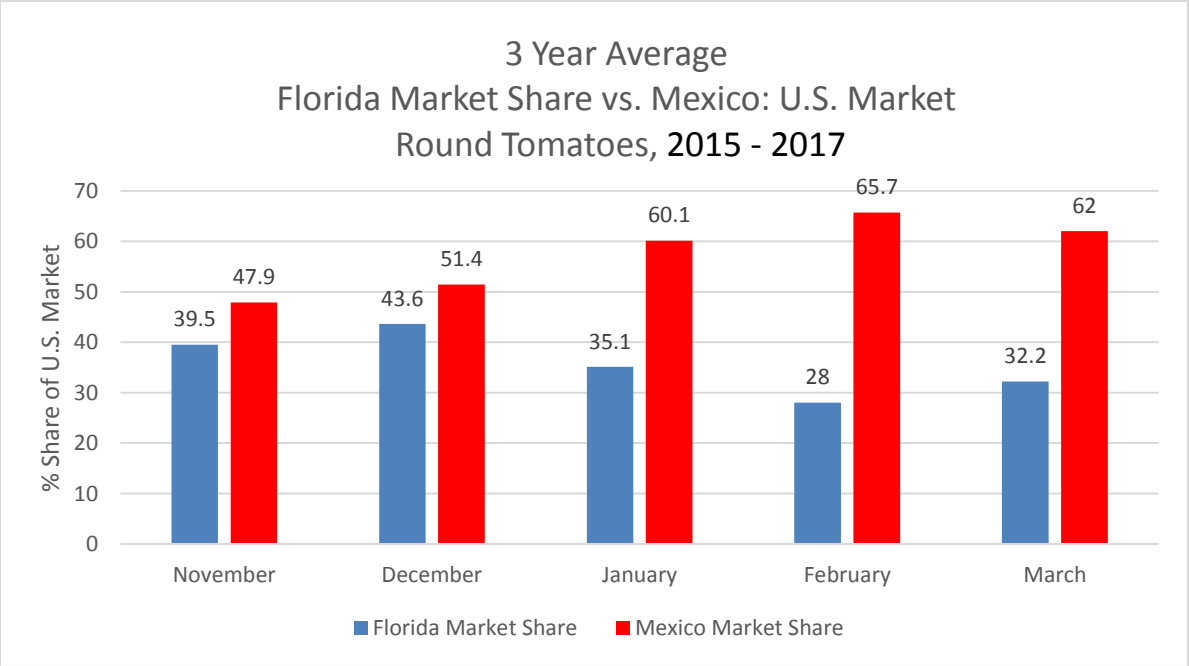
On average, Florida provides between 20-30% of an assortment of domestically produced specialty commodities from November through March. Florida has significant production in other months, with different varieties of commodities. However, scrutinizing individual commodities often reveals just two major, dominant suppliers of the U.S. fresh market; Florida and Mexico. Florida often stands alone as our nation's primary domestic producer, facing all international competition.

89-95%: Percent of combined market share held between Florida and Mexico of fresh round tomatoes from Nov-Mar. Similar positions exist for many other important commodities in the state, including: bell peppers, cherry tomatoes, cucumbers, eggplant and sweet corn.

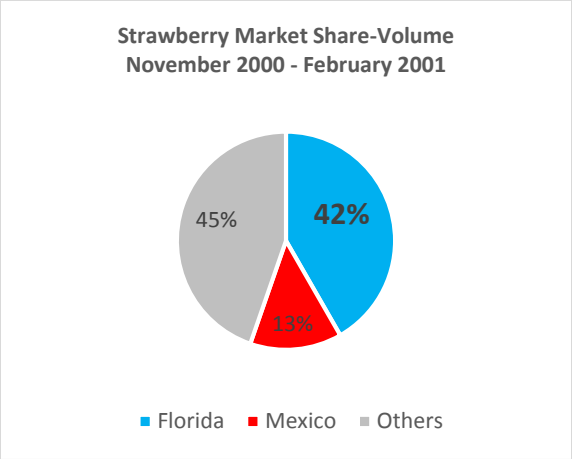
87-92%: Percent of domestically produced fresh round tomatoes that Florida grows from the months of November – May annually. The state continues producing in lower levels during all but August.

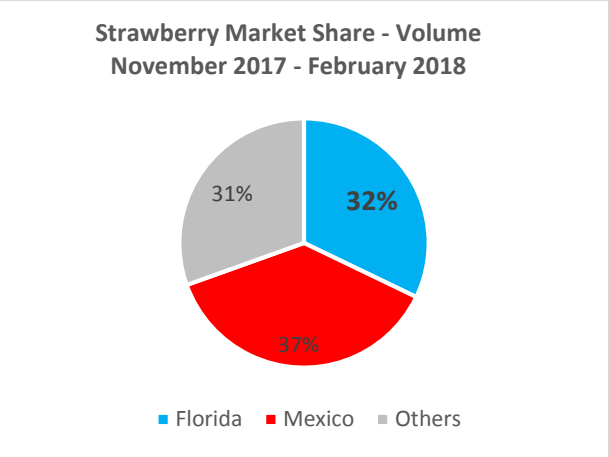
25-50: Cents per case farmers may or may not receive on a range of products which can make the difference between failure, struggling and a successful year.

$2Bn+ Value of Florida specialty crops annually. This also represents the upper range of how much additional sales potential exists for the state when fair trade is established.

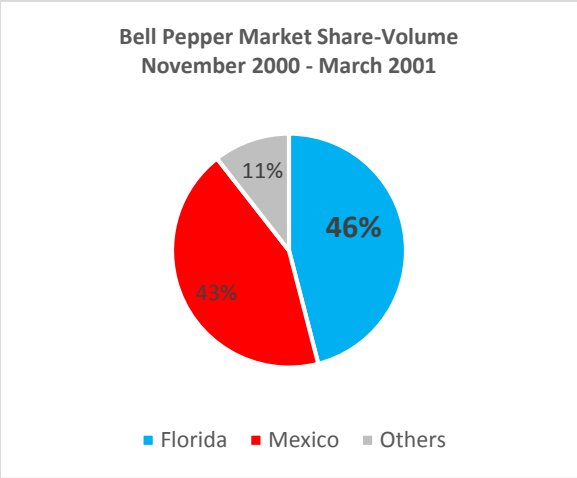


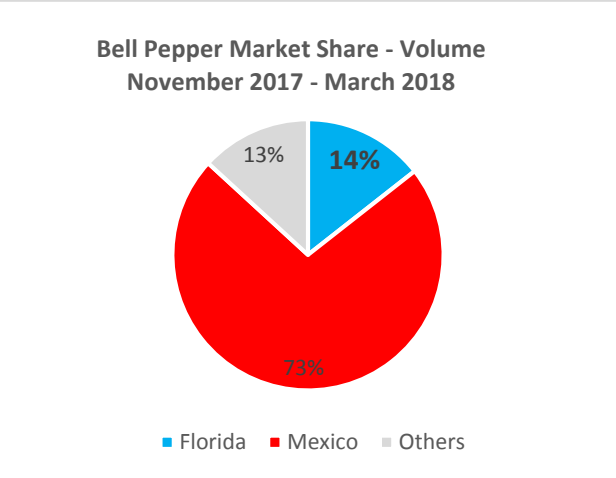
Changing Market Share for Florida Farmers' in the U.S.; 2000 v 2017 (Volume)



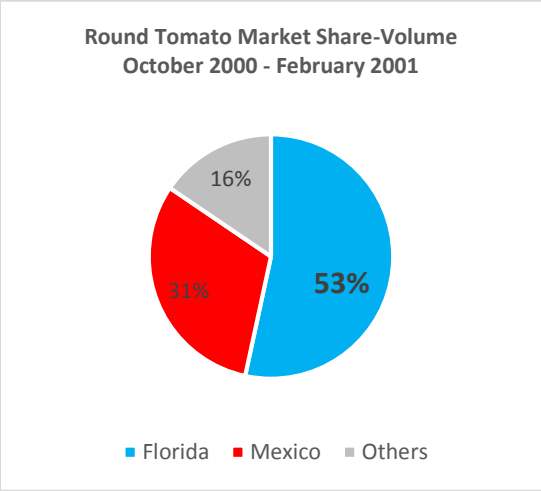


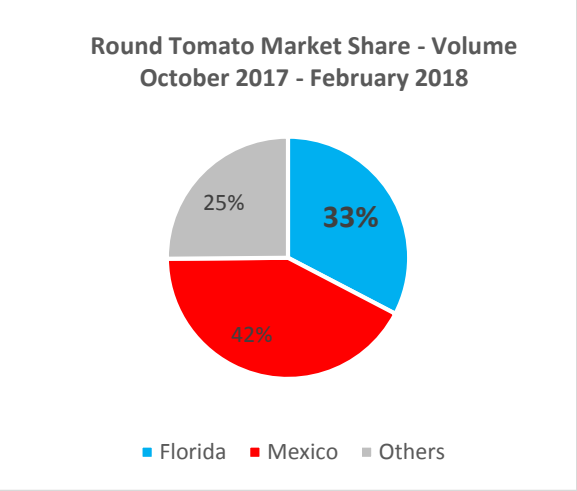
Note (Grey) "Others" is primarily California production that appears to be shifting to Mexico.

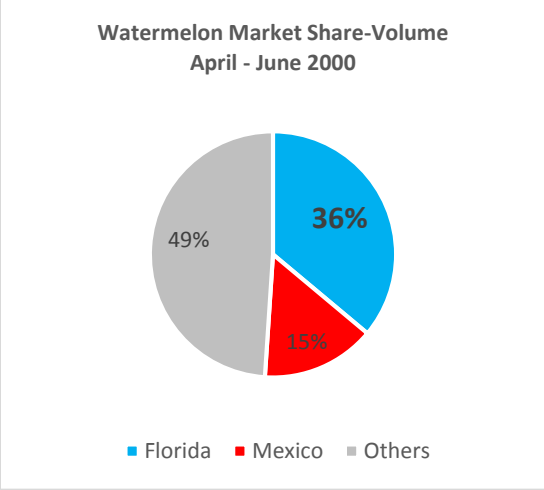


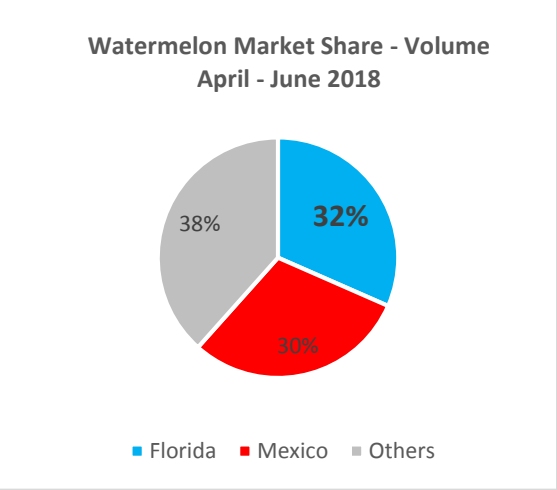


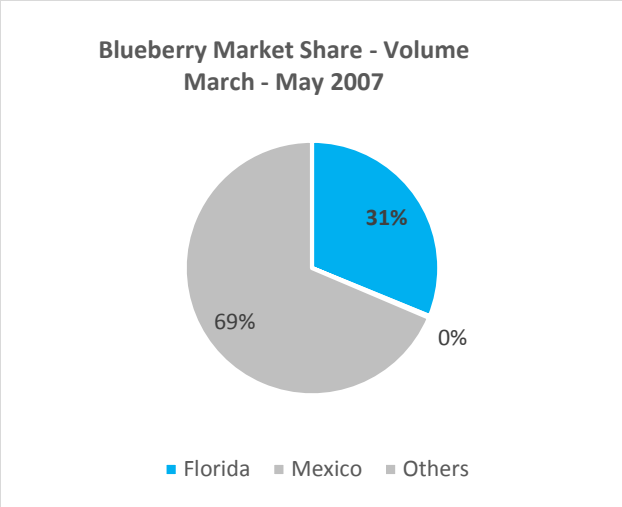
Changing Market Share for Florida Farmers in the U.S.

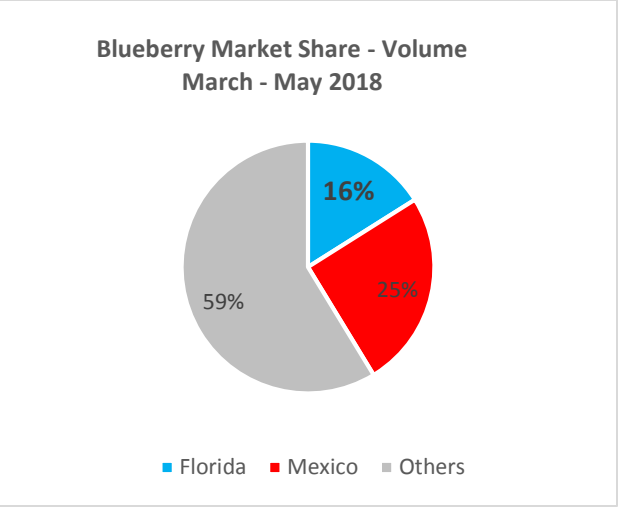


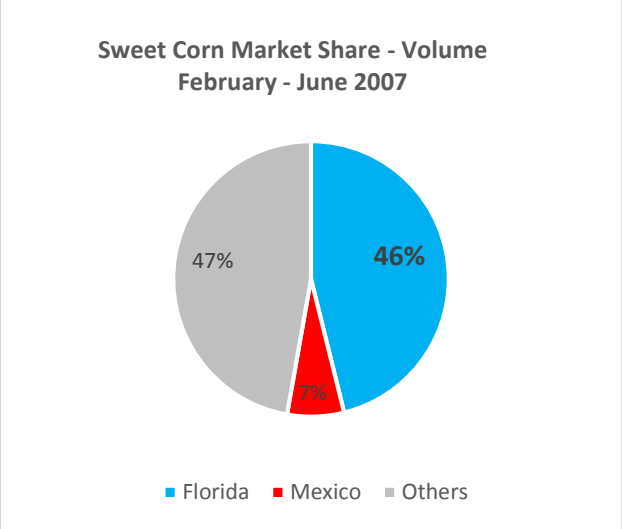


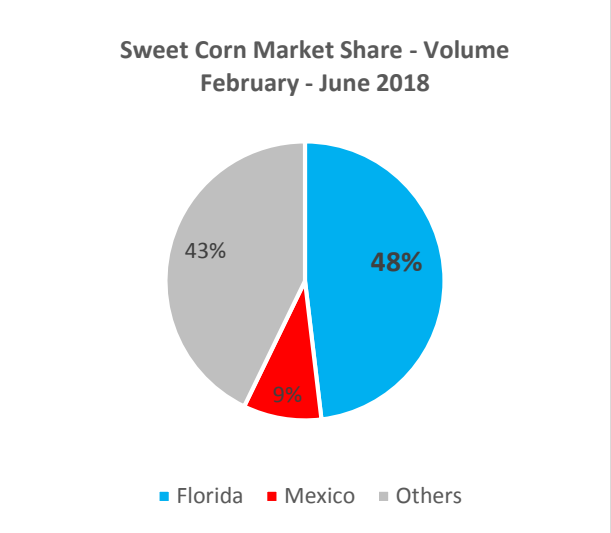





Blueberry Market Share - Volume
March - May 2007
31%
69%
0%
Florida
Mexico
Others


Blueberry Market Share - Volume
March - May 2018
16%
25%
59%
Florida
Mexico
Others


Sweet Corn Market Share - Volume
February - June 2007
46%
47%
7%
Florida
Mexico
Others

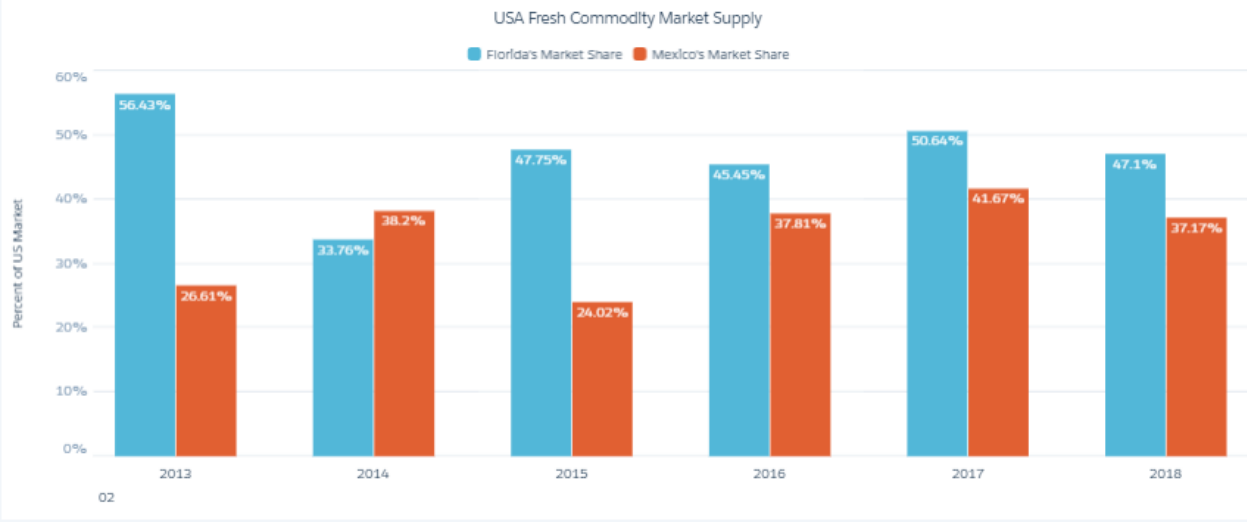

Sweet Corn Market Share - Volume
February - June 2018
48%
43%
9%
Florida
Mexico
Others

DEEPER ANALYSIS OF SIX FLORIDA COMMODIITES

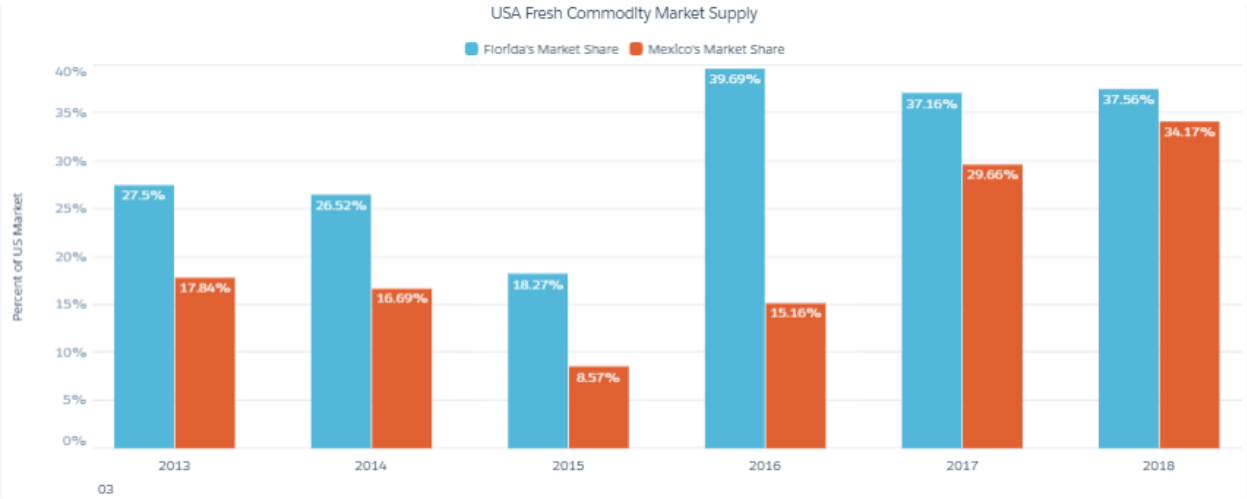
A Deeper Examination: STRAWBERRY Analytics/Market Share Shifts

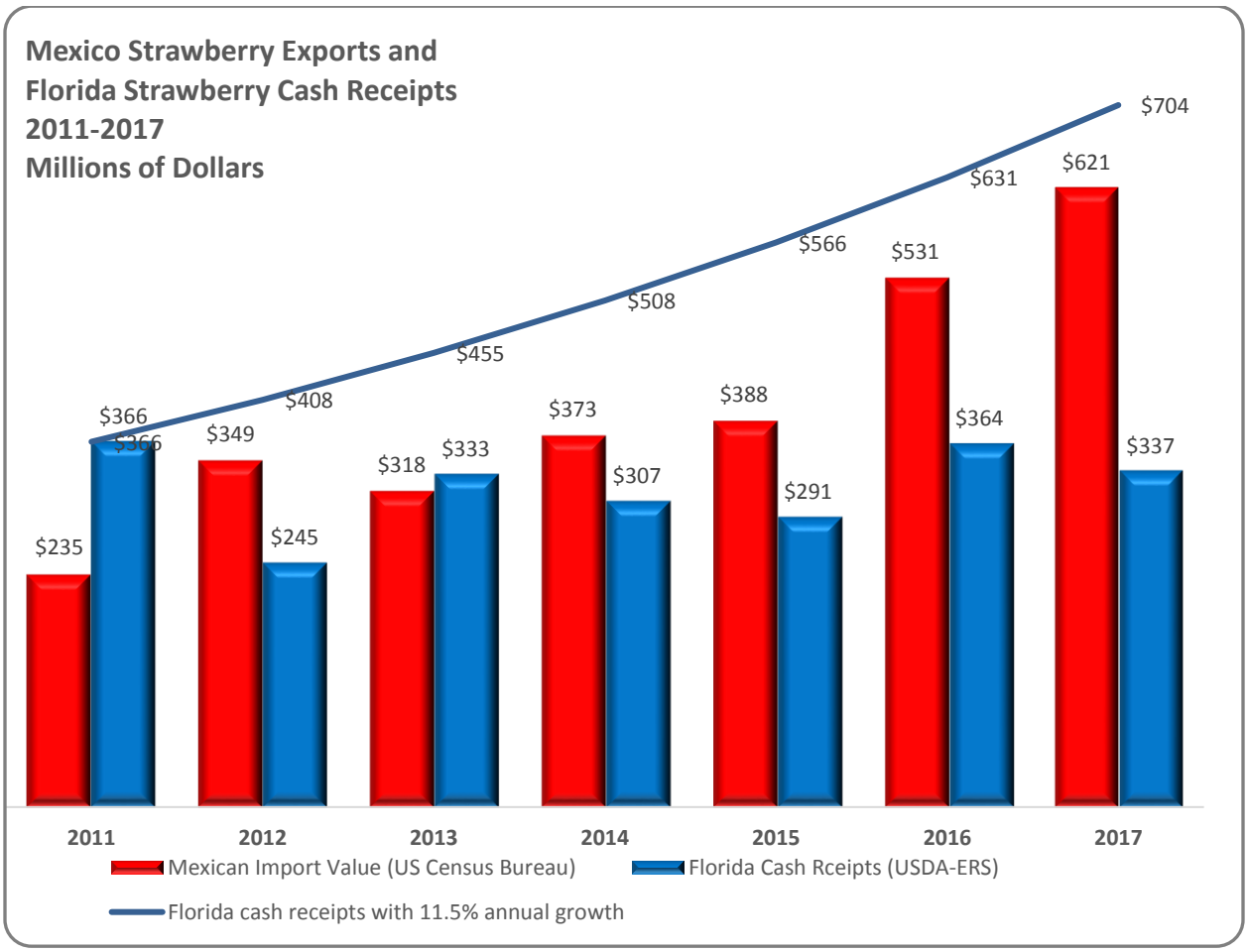
Examining the fresh strawberry market's competitive environment provides insight into how price and supply are used aggressively—leveraged in the marketplace by Mexico. From late November through February, Florida and Mexico provide 80% of the U.S. supply of strawberries, nearly 30 million cartons. Oversupplying the market with low priced product (MX $6-13) depresses Florida's price position and reduces per pound prices by 20-35%.

Strawberry Market Share: February 2013 - 2018



Strawberry Market Share: March 2013 - 2018





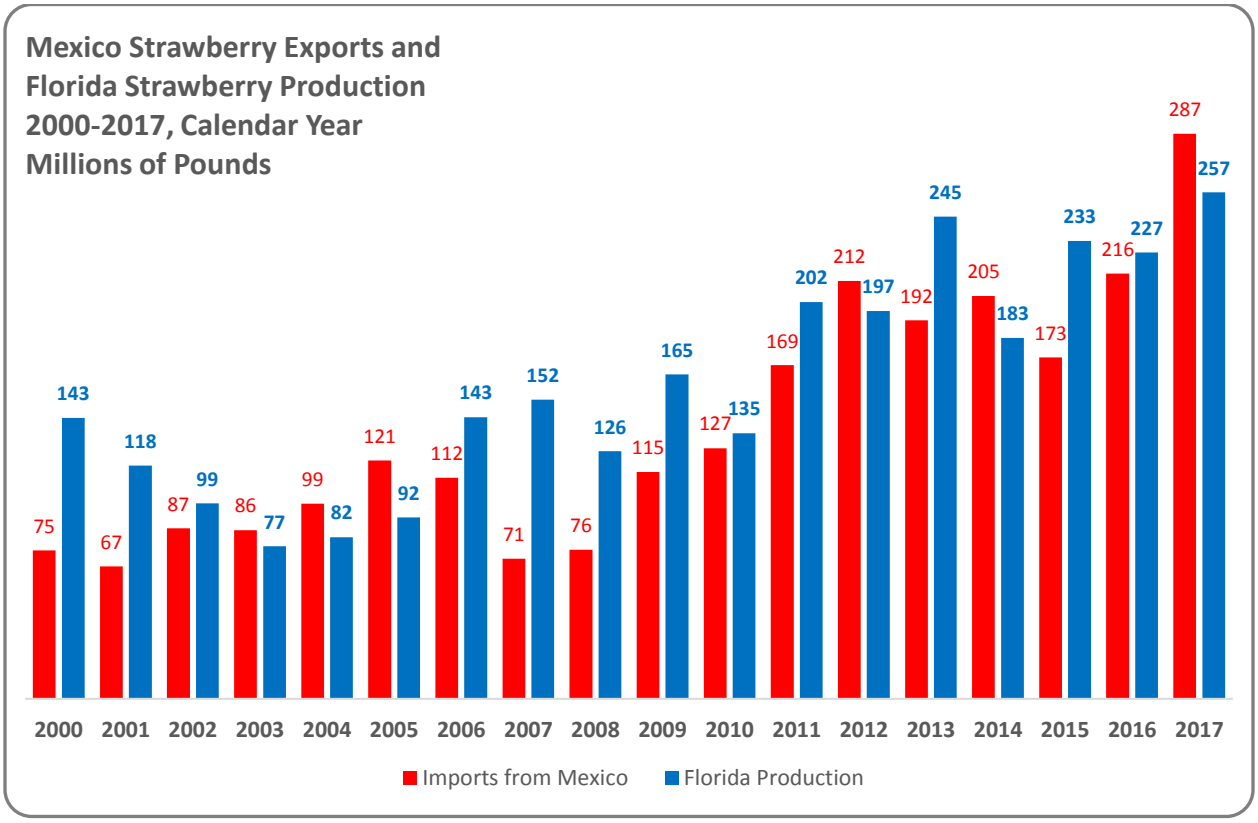
The economic injury to Florida, is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

- The value of Mexican imports to the U.S. grew 23% per year on average between 2011 and 2017 or 165% from 2011 to 2017.
    - Average sales (2011-2017) annually of $402 million.
- Florida's average year-on-year growth during the same period was -1% and ended down -8% comparing 2011 to 2017.
    - Average cash receipts (2011-2017) annually of $320 million.
- $704 million; cash receipts in 2017 of Florida strawberries, if half the growth rate (11.5% average annual) experienced by Mexico is applied to Florida's strawberry, if fairer trade practices had been negotiated.

Historical supply of Florida production and Mexican strawberry exports to the U.S.

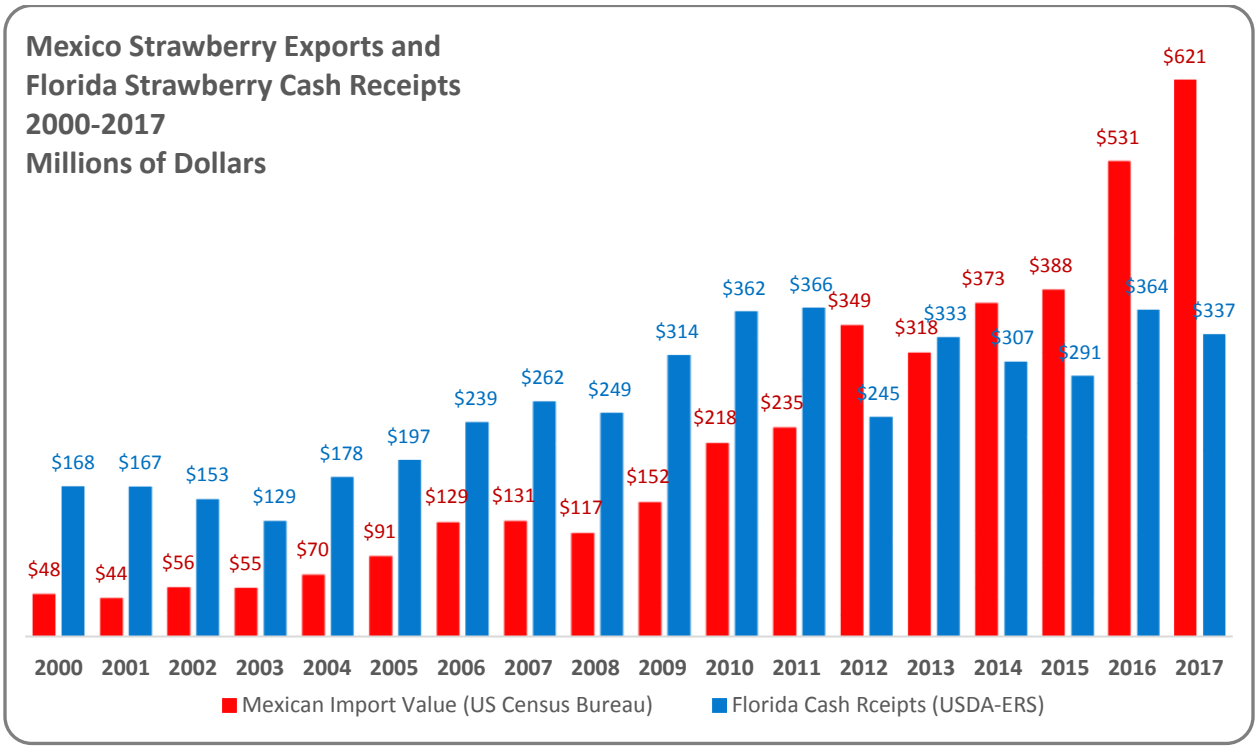
Mexican exports remained between 60-100 million pounds from 2000-2005 then more product began flowing to the eastern U.S. beginning in 2006. By 2010, a new trend was emerging with significantly more Mexican product being shipped eastward across the U.S. Comparing the relative supply positions of Florida and Mexico; in 2000 (FL=66% v. MX=34%) and Mexico shipped 30 million pounds more in 2017 than did Florida. Total demand for the product expanded as well.

280%	Expansion of Mexican product from 2000 to 2017
214 million	Mexican average number of pounds exported from 2012-2017
80%	Expansion of Florida product from 2000 to 2017
223 million	Florida average number of pounds produced from 2012-2017



Historical value of Florida production and Mexican strawberry exports to the U.S.

1194%	Expansion of the value of Mexican product from 2000 to 2017
$430 million	Mexican average value exported from 2012-2017
101%	Expansion of the value of Florida product from 2000 to 2017
$313 million	Florida average production value from 2012-2017



Pricing strategy and relative high-low ranges of Florida, California, and Mexico

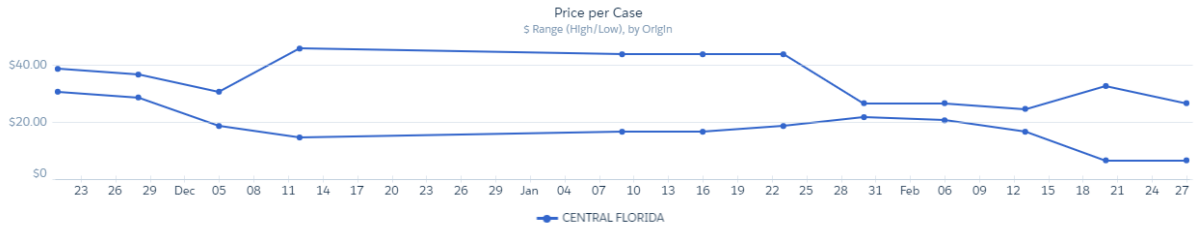


Figure 1a: Strawberry case price range, 2015-2016 season, Florida product only.

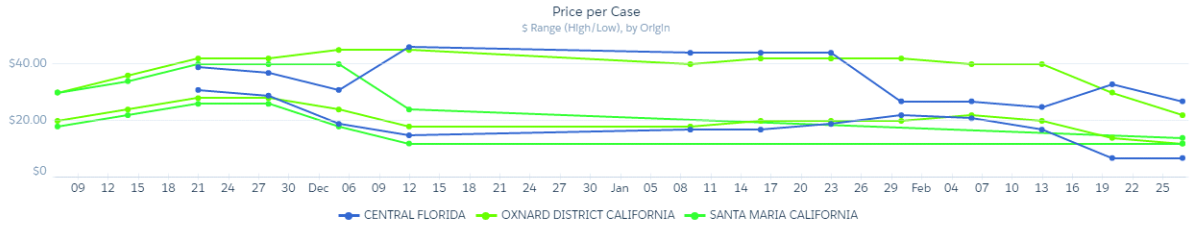


Figure 1b: 2015-2016 season, Florida prices compared with product from California; the two states exhibit similar ranges.

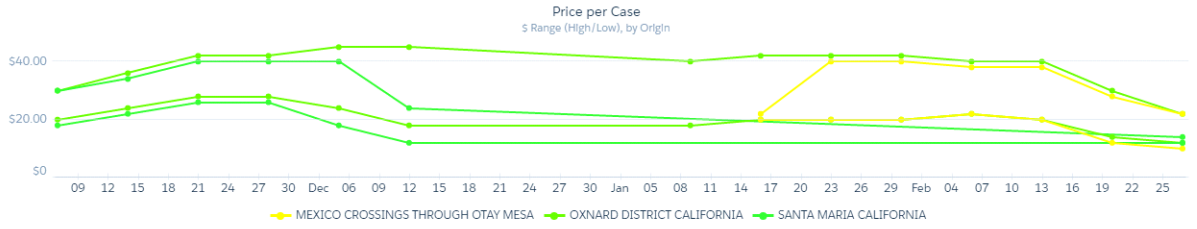


Figure 1c: California prices compared with prices of Mexican product entering California; Mexico and California prices closely mirror each other; this is not indicative of a competitively fluid market.

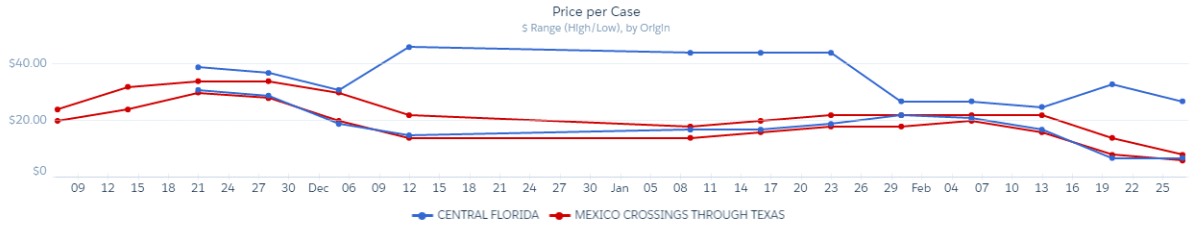


Figure 1d: Florida prices compared with Mexican imports to the eastern U.S.; Mexican prices have a much narrower price range, are consistently skewed toward the lower pricing range of Florida and the product must be shipped further across the U.S. These distances range from: 600 miles to New Orleans, 900 St. Louis, 1200 to Orlando and Chicago and 1700 to New York.

The same type of pricing strategy appears to be utilized in the following year.

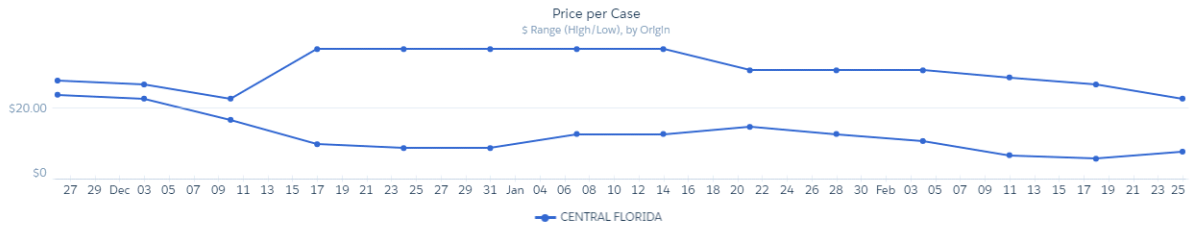


Figure 1: Strawberry case price range, 2016-17 season, Florida product only.

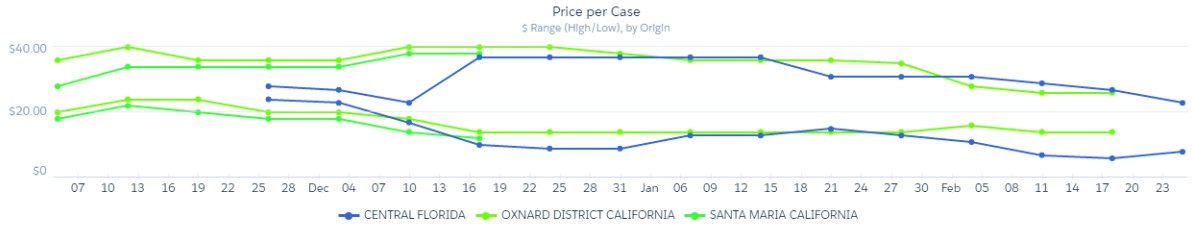


Figure 2: Florida price range, as above, compared with California product.

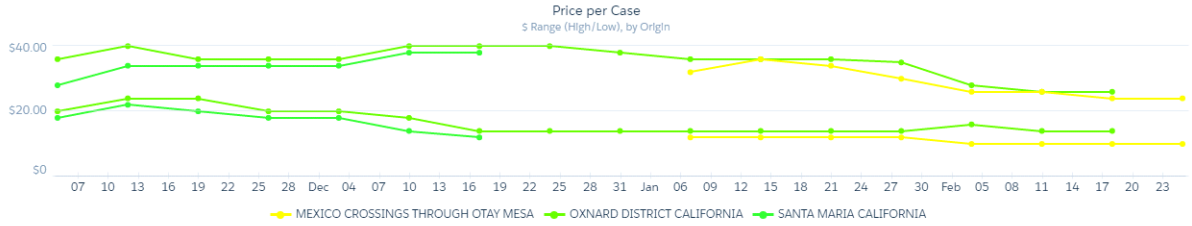


Figure 3: California product compared with Mexican imports entering California.

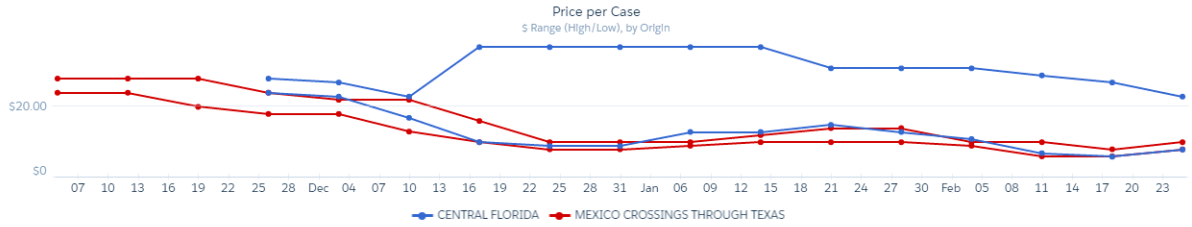
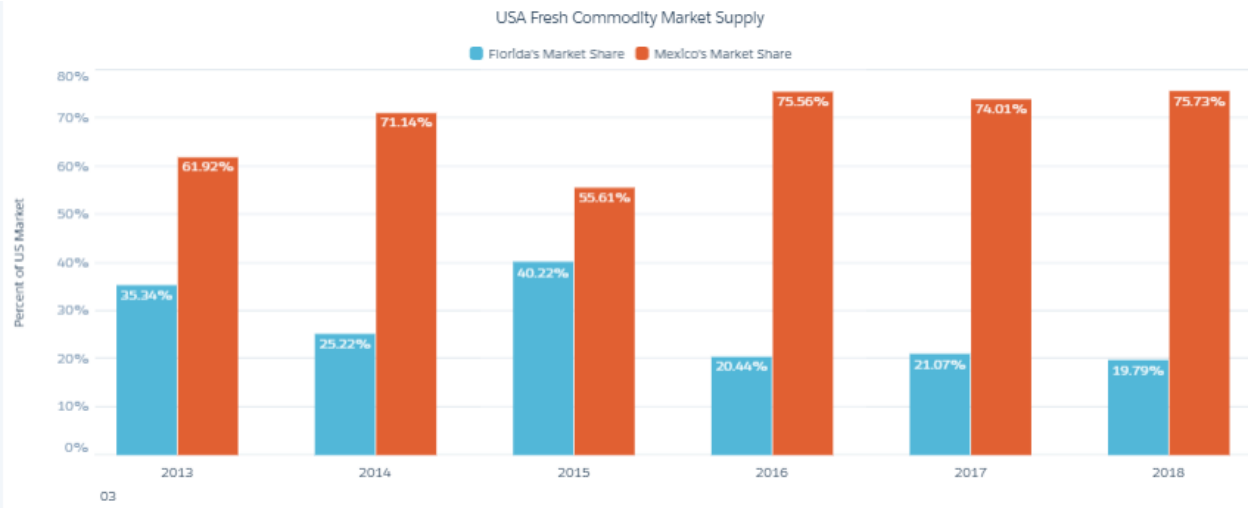


Figure 4: Florida prices compared with Mexican imports to eastern U.S.

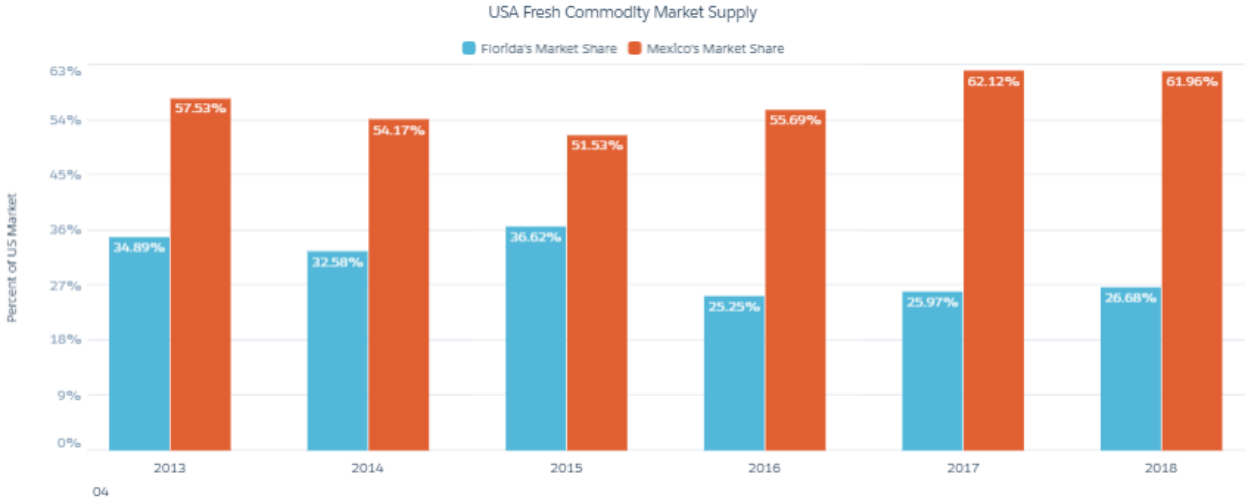
A Deeper Examination: BELL PEPPER Analytics/Market Share Shifts

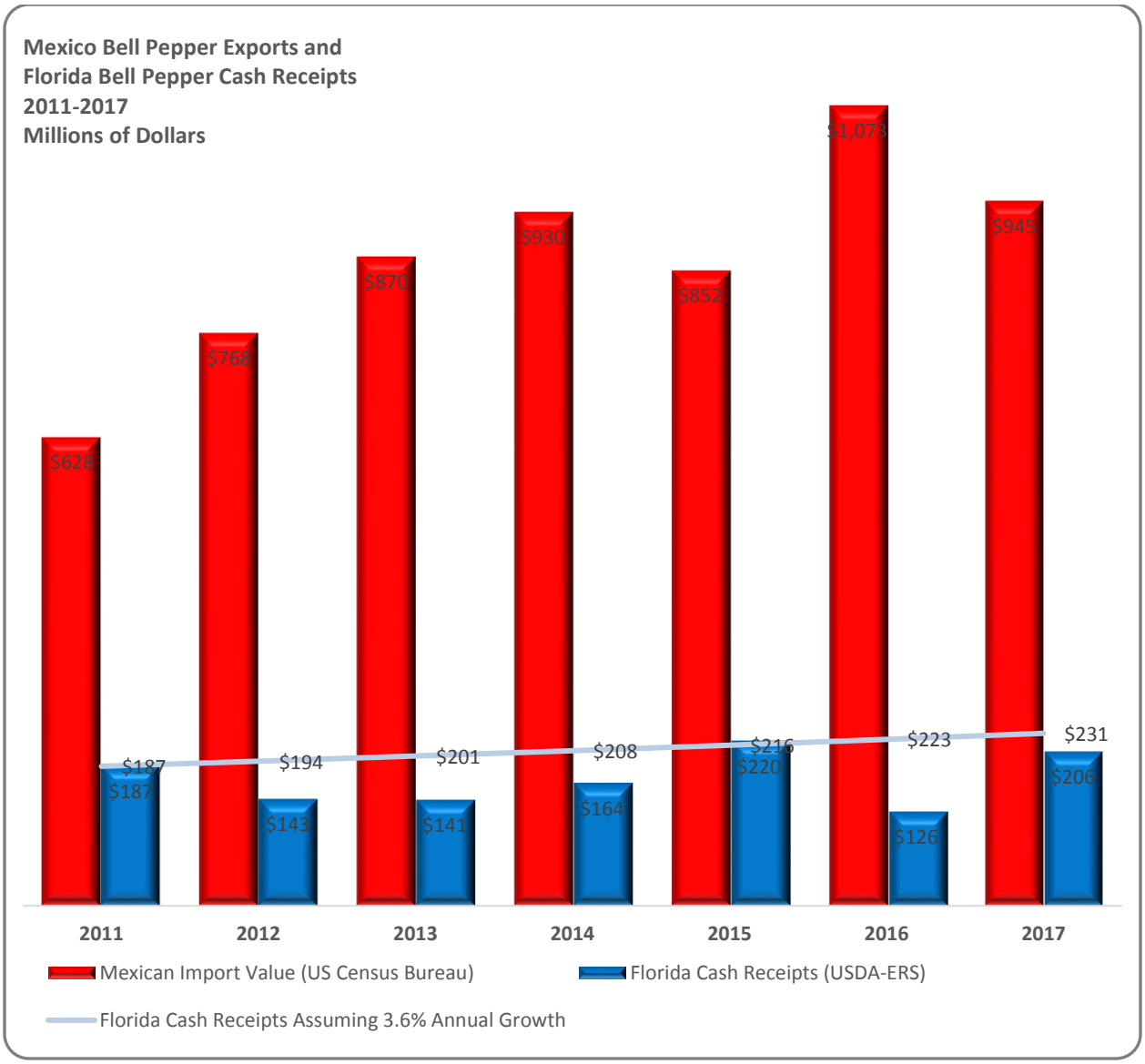
Examining the fresh bell pepper market competitive environment provides insight into how price and supply are used aggressively—leveraged in the marketplace by Mexico. From late November through March, Florida and Mexico provide 88% of the U.S. supply of bell peppers, nearly 25 million cartons. Oversupplying the market with lower priced product (MX $4-7) depresses Florida's price position and reduces per pound prices by 20-35%.

Bell Pepper Market Share: March 2013-2018



Bell Pepper Market Share: April 2013-2018





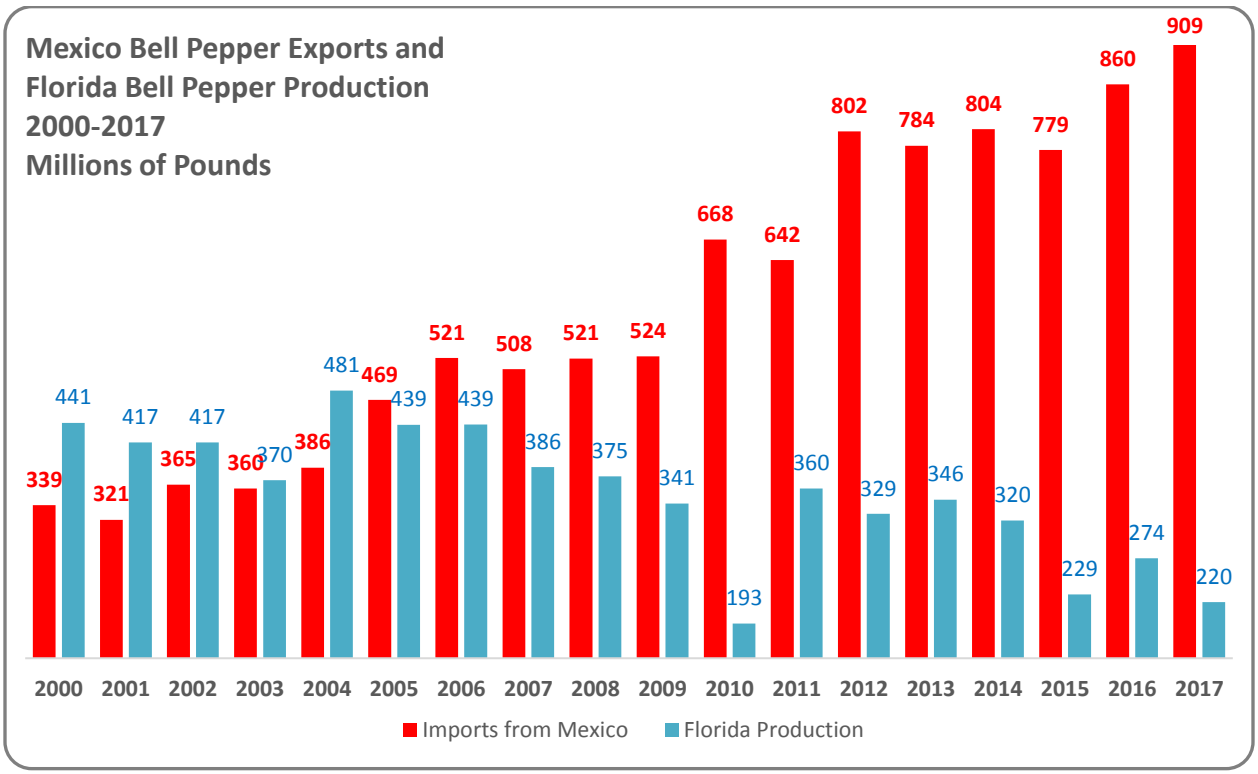
The economic injury to Florida, is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

- The value of Mexican imports to the U.S. grew 7.2% per year on average between 2011 and 2017. The 2017 value of production was 50% above 2011 production.
    - Average sales (2011-2017) annually of $866 million.
- Florida's average year-on-year growth during the same period was 1.5%, with 2017 production at 10% above 2011 production.
    - Average cash receipts (2011-2017) annually of $169 million.
- $231 million: cash receipts in 2017 of bell peppers, if half the growth rate (25%) experienced by Mexico is applied to Florida's strawberry, if fairer trade practices had been negotiated.

Historical supply of Florida production and Mexican bell pepper exports to the U.S.

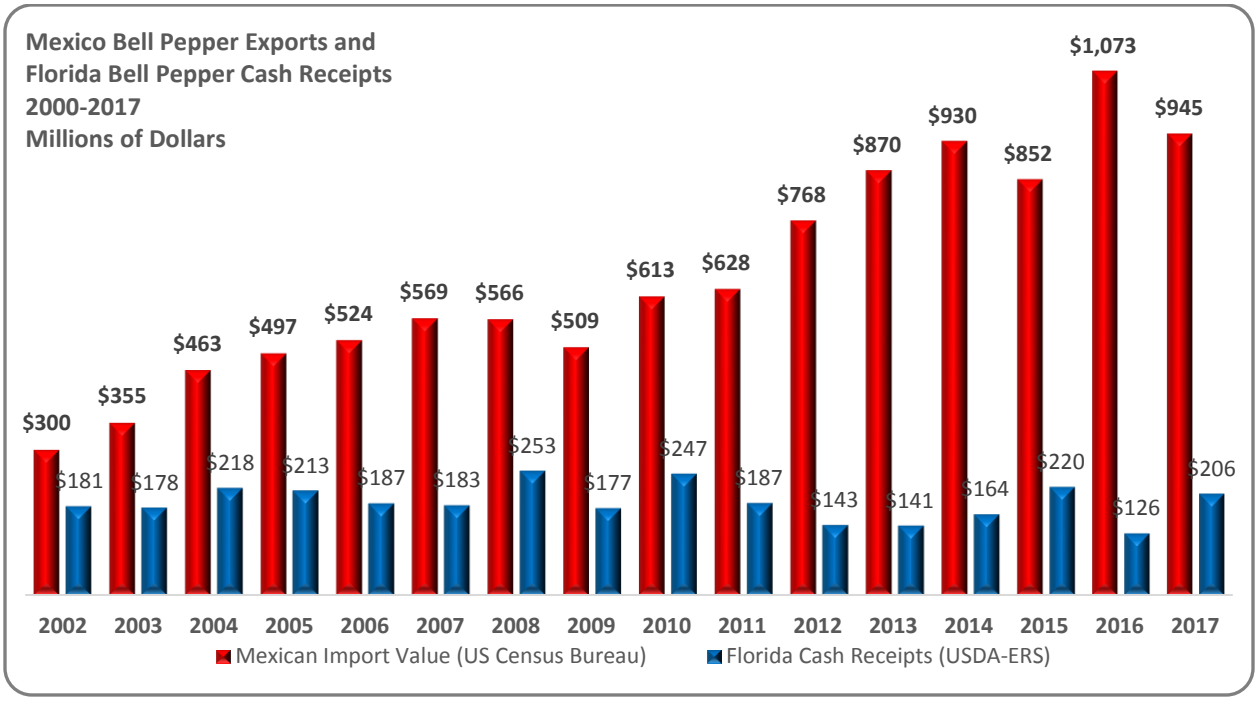
Mexican exports remained between 300-400 million pounds from 2000-2004, more product began flowing into the US. beginning in 2006 (surpassing 500 million pounds) and continued to expand exceeding 600 million pounds by 2010. For each additional 50 million pounds, about 1,000 supermarkets could be supplied for a year, or some 6,000 stores by 2016. Comparing the relative supply positions of Florida and Mexico; in 2000 (FL=46% v. MX=43%) and they are significantly reversed by 2017 (MX=73%; FL 14%). Total demand for the product expanded as well.

168%	Expansion of Mexican product from 2000 to 2017
823 million	Mexican average number of pounds exported from 2012-2017
-50%	Decline of Florida product from 2000 to 2017
286 million	Florida average number of pounds produced from 2012-2017



Historical value of Florida production and Mexican bell pepper exports to the U.S.

215%	Expansion of the value of Mexican product from 2000 to 2017
$906Mn	Mexican average value exported from 2012-2017
14%	Expansion of the value of Florida product from 2000 to 2017
$167Mn	Florida average production value from 2012-2017



Pricing Strategies

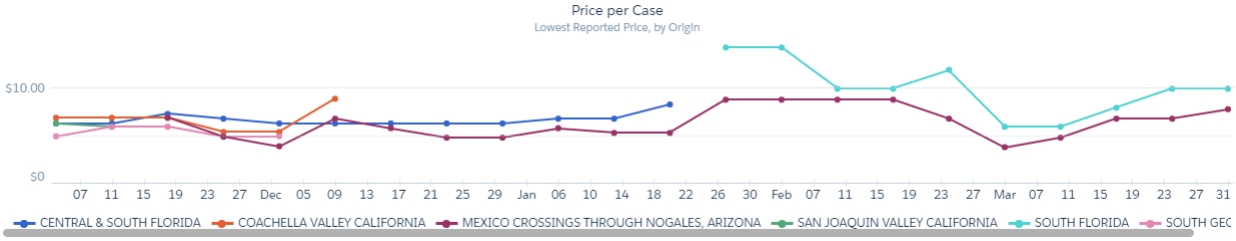


Figure 1: Lowest reported bell pepper prices, 2006-2007 season for the November - March production window. This is the first year, Mexican bell peppers surpass 500 million pounds, and Florida stagnates and begins a steady decline.

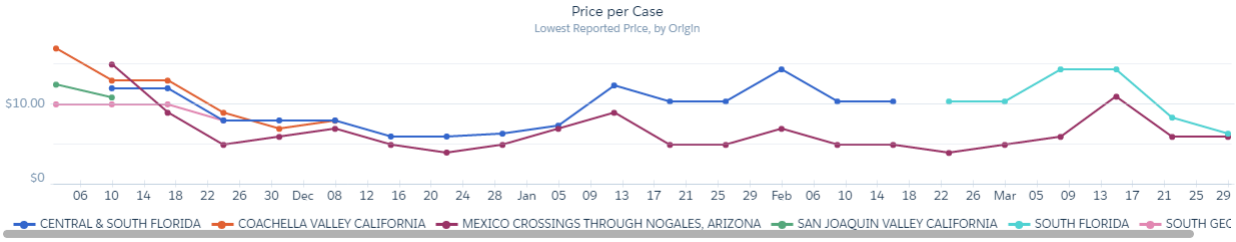


Figure 2: Lowest reported bell pepper prices, November 2007-March 2008. Mexico continues to supply 508-524 million pounds from 2006-2009; sufficient to meet the needs of approximately 615 U.S. super markets.

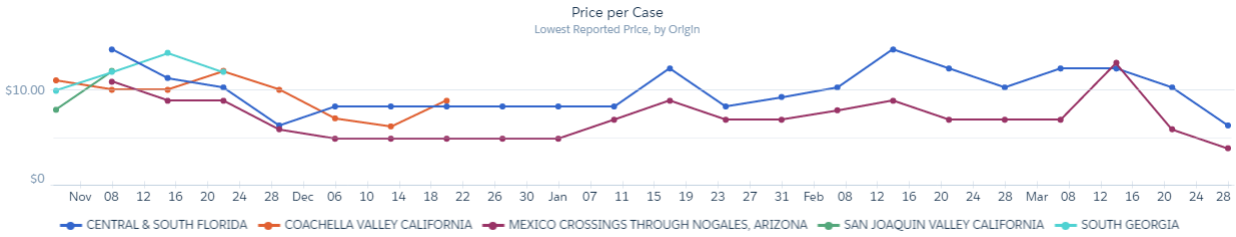


Figure 3: Lowest reported prices, November 2008-March 2009.

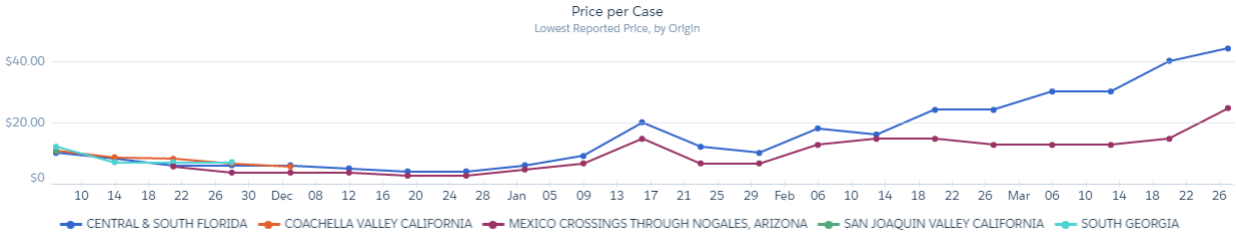
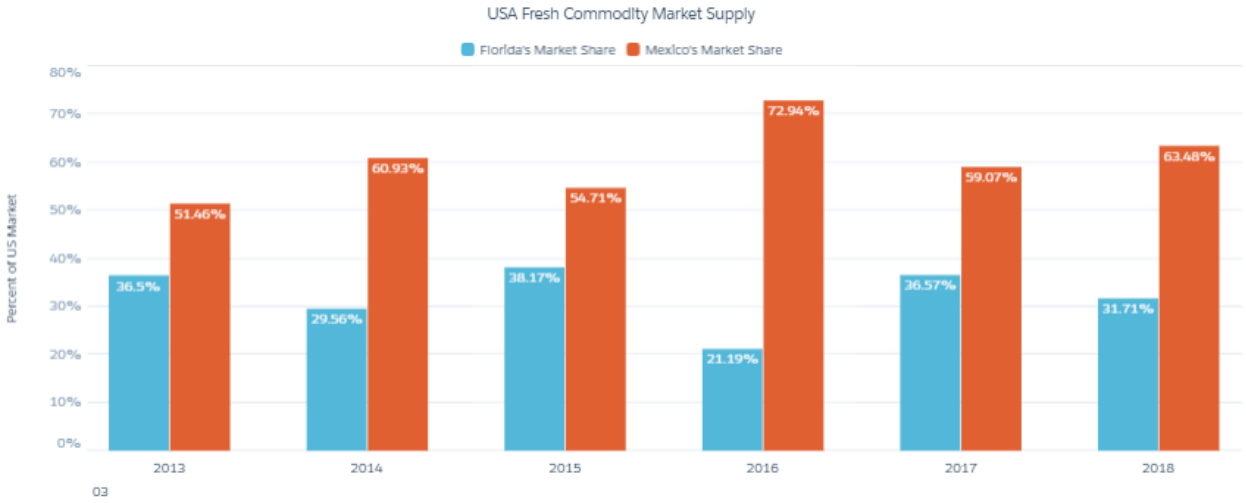


Figure 4: Lowest reported prices, November 2009-March 2010. This is the first year, Mexican bell peppers surpass 600 million pounds, and Florida continues to have production declines.

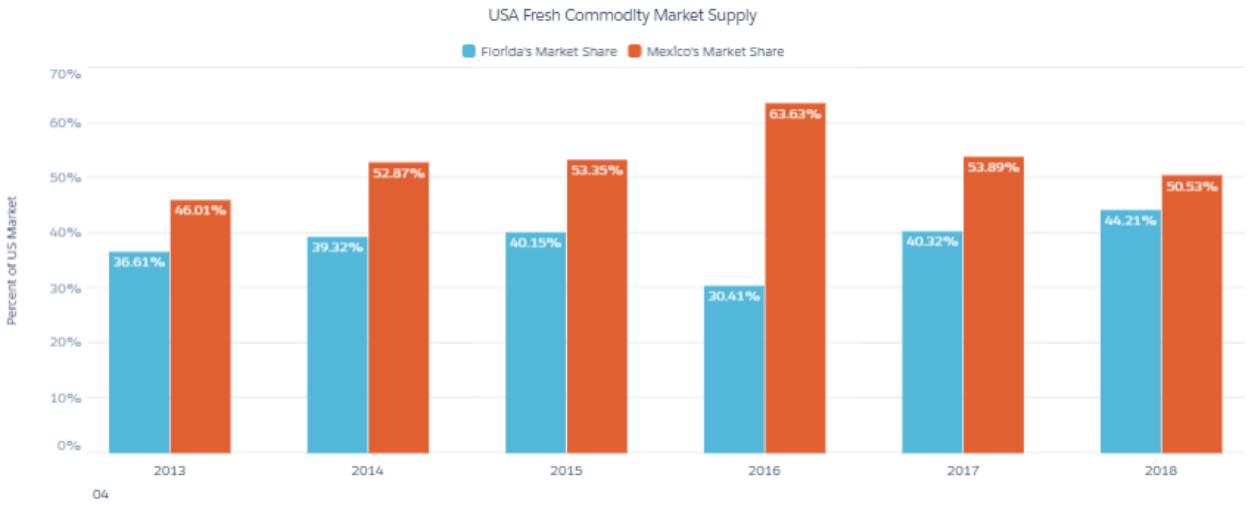
A Deeper Examination: TOMATO Analytics/Market Share Shifts

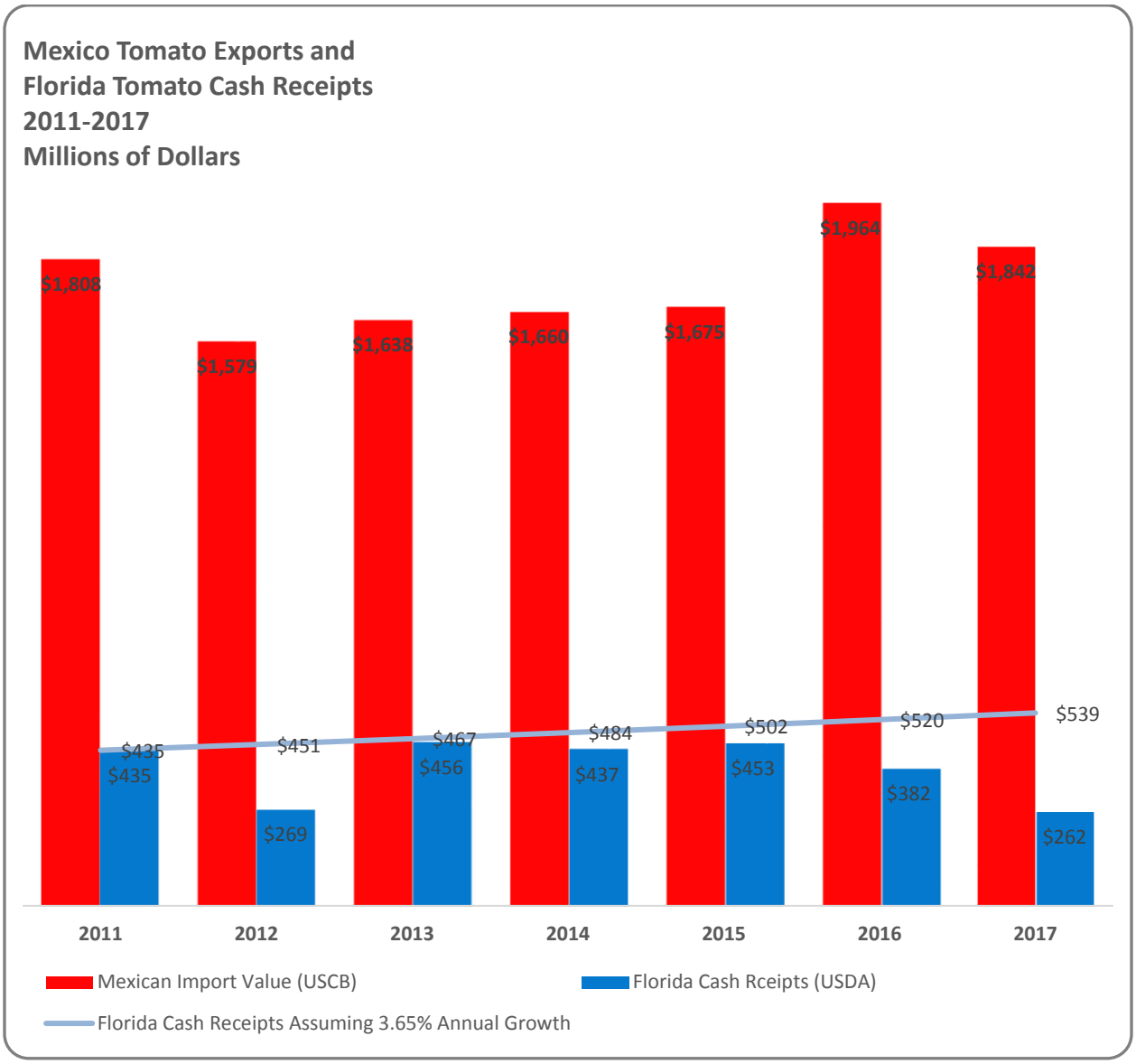
Examining the fresh tomato (rounds) market competitive environment provides insight into how price and supply are used aggressively—leveraged in the marketplace by Mexico. Price has been mitigated to an extent by actions taken by the Florida Tomato Association. From late November through March, Florida and Mexico provide 91% of the U.S. supply of tomato (rounds), nearly 50 million cartons.

Tomato Market Share: March 2013 – 2018



Tomato Market Share: April 2013 – 2018





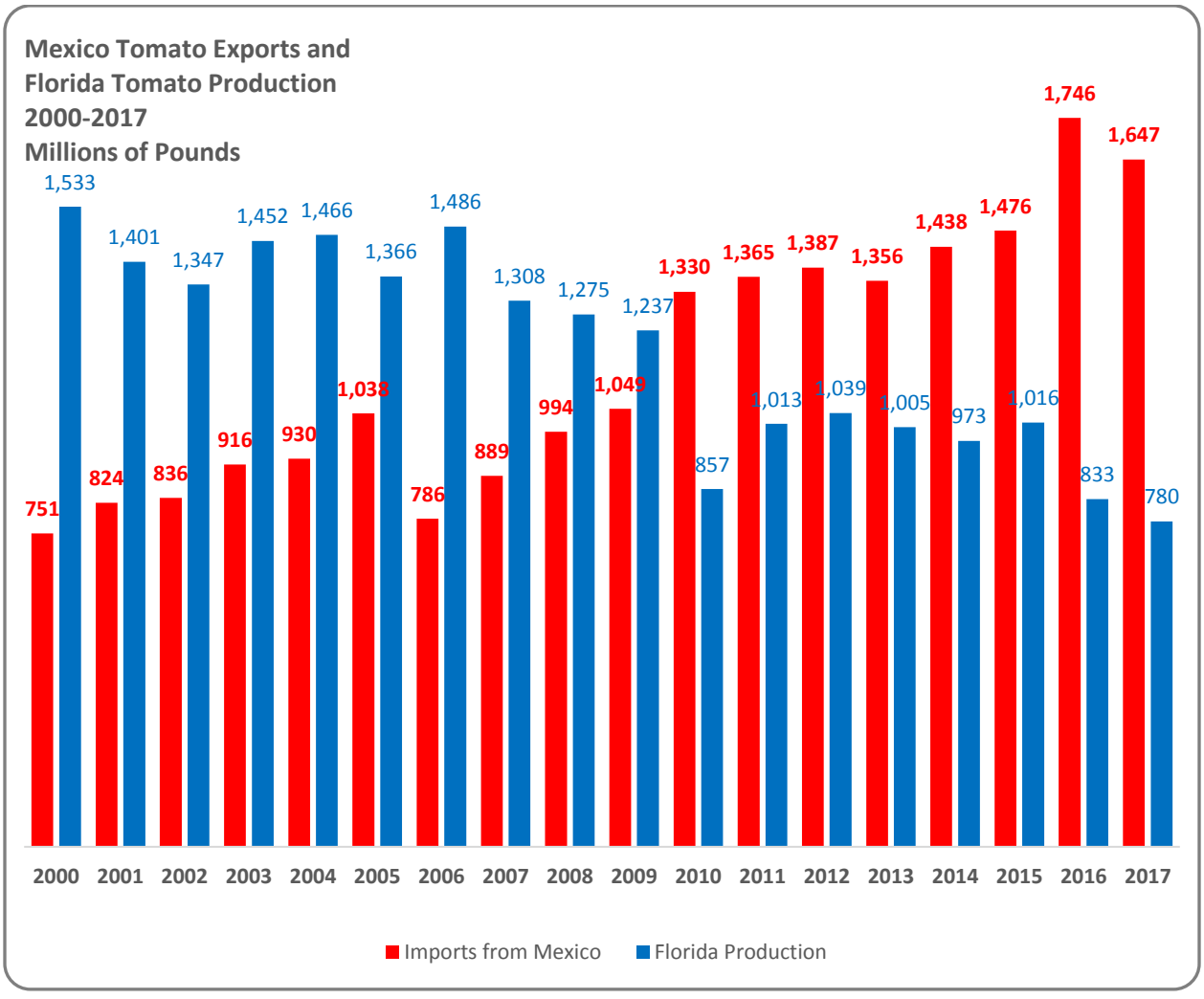
The economic injury to Florida, is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

- The value of Mexican imports to the U.S. increased 234% from 2006 to 2017, an average annual growth rate of 7.3%.
    - MX average sales (2011-2017) annually of $1.738 billion.
- Florida's tomato sales declined by 40% during the same period.
    - FL average cash receipts (2011-2017) annually of $384 million.
- $539 million; cash receipts in 2017 of Florida tomatoes, if half the growth rate (3.65%) experienced by Mexico is applied to Florida's production, if fairer trade practices had been negotiated.

Historical supply of Florida production and Mexican tomato exports to the U.S.

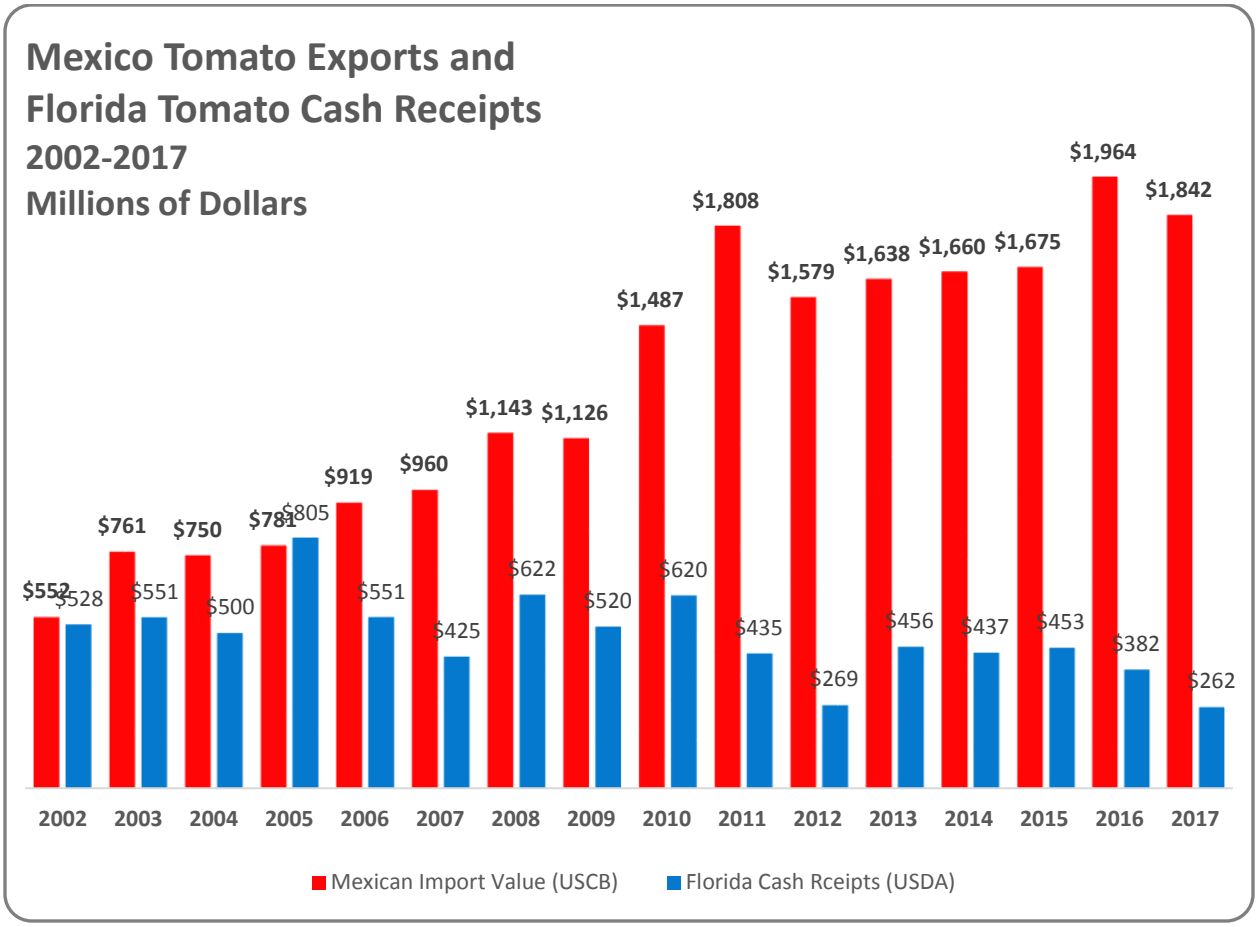
Mexican exports remained on a steady course of expansion for much of the period between 2000-2016 and first exceeded Florida in 2010, which was also a year that a freeze curtailed significant production in Florida. Comparing the relative supply positions of Florida and Mexico; in 2000 (FL=67% v. MX=33%) and they are nearly perfectly reversed by 2017 (MX=68%; FL 32%). Total demand for the product expanded as well.

97%	Expansion of Mexican product from 2002 to 2017
1.51 billion	Mexican average number of pounds exported from 2012-2017
-43%	Decline of Florida product from 2002 to 2017
940 million	Florida average number of pounds produced from 2012-2017



Historical value of Florida production and Mexican tomato (rounds) exports to the U.S.

233%	Expansion of the value of Mexican product from 2002 to 2017
$1.726 billion	Mexican average value exported from 2012-2017
51%	Decrease in the value of Florida product from 2002 to 2017
$376 million	Florida average production value from 2012-2017



Pricing Strategies

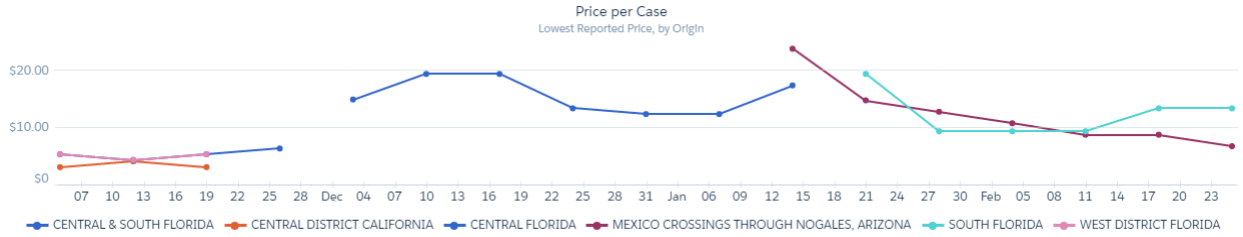


Figure 1: Lowest reported case prices for tomatoes, November 2005 – February 2006 for all recorded suppliers. The graph above shows only prices for 25lb cartons, the most common package shipped by Florida growers during the winter months.

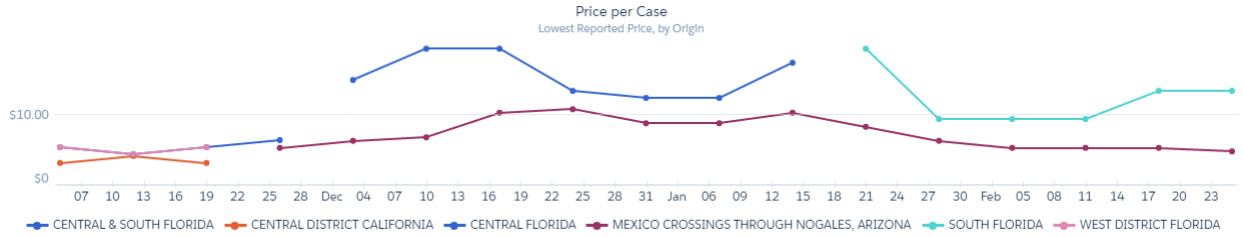


Figure 2: As above, but incorporating 1-layer flats, which weigh 15 lb. At a constant price per pound, case prices for this package size should be approximately 60% of the 25lb case price. For this season, Nogales product sold for about the same price per pound as Florida product.

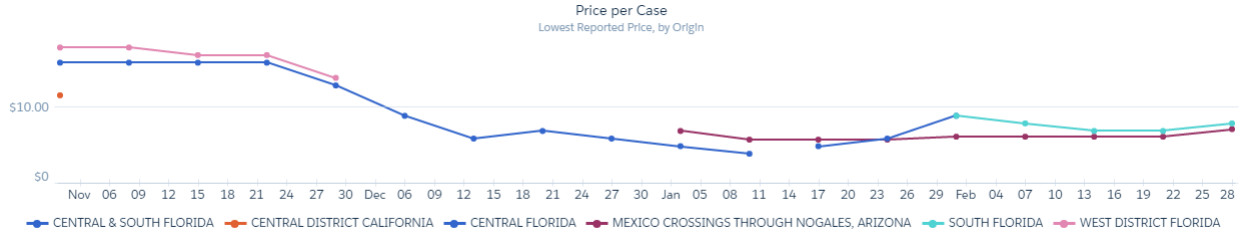


Figure 3: This chart shows lowest reported case prices from November 2008 through February 2009, for 25 lb cartons only. Prices appear similar.

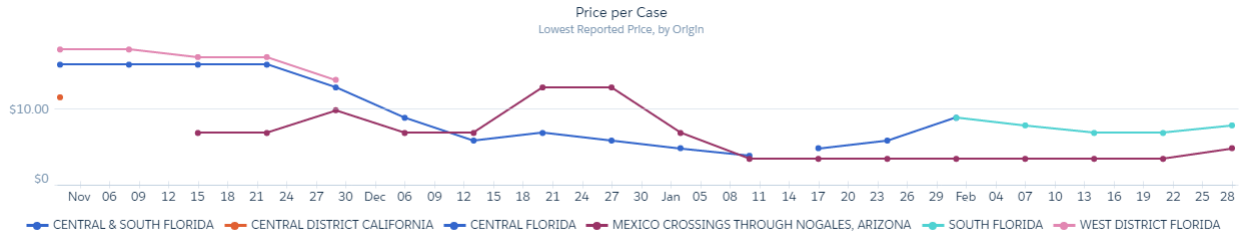


Figure 4: When 15-lb flats are added to the above chart, prices of product from Nogales appear to exceed those of Florida product, which may be the result of the suspension agreement negotiated by US tomato growers.

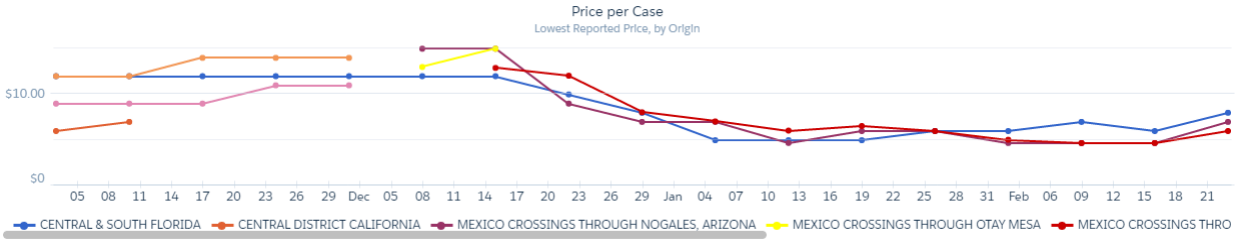


Figure 5: The same pattern appears to hold in the November 2012 - February 2013 window. Florida product is almost exclusively packaged in 25lb cartons, and Mexican product in a mix of 25lb cartons and 20lb 2-layer flats, indicating a higher per-pound price for Mexican product.

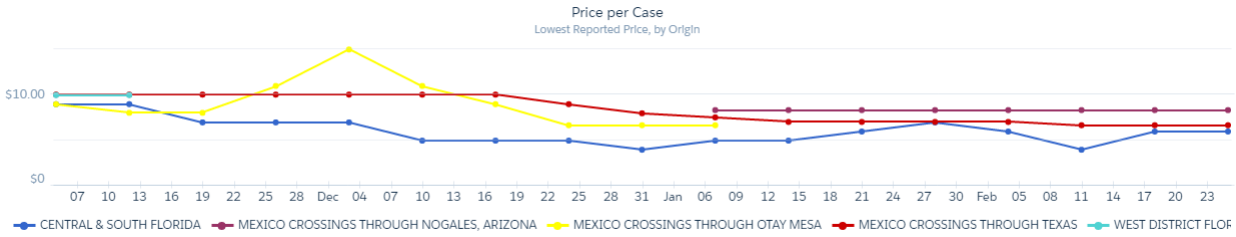
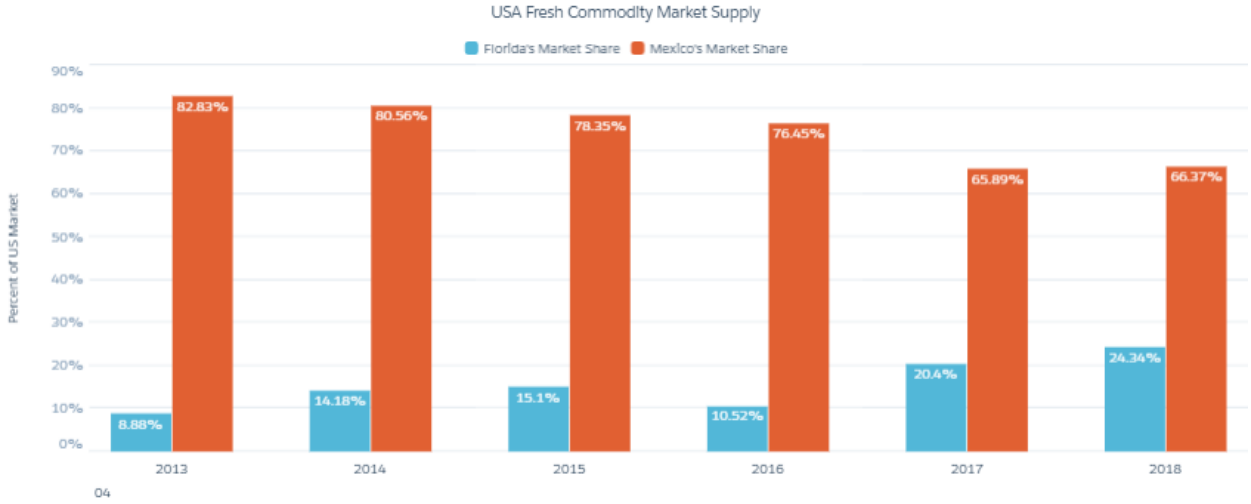


Figure 6: Lowest reported case prices for all producers, including 20-lb flats and 25lb cartons. Again, Florida product is almost exclusively in 25lb cartons with Mexican product divided between flats and cartons. Mexican prices remain higher than those for Florida product. The damage experience by tomato growers since the execution of the suspension agreement appears not to have been caused directly by price, but rather by an intense surge in volume.

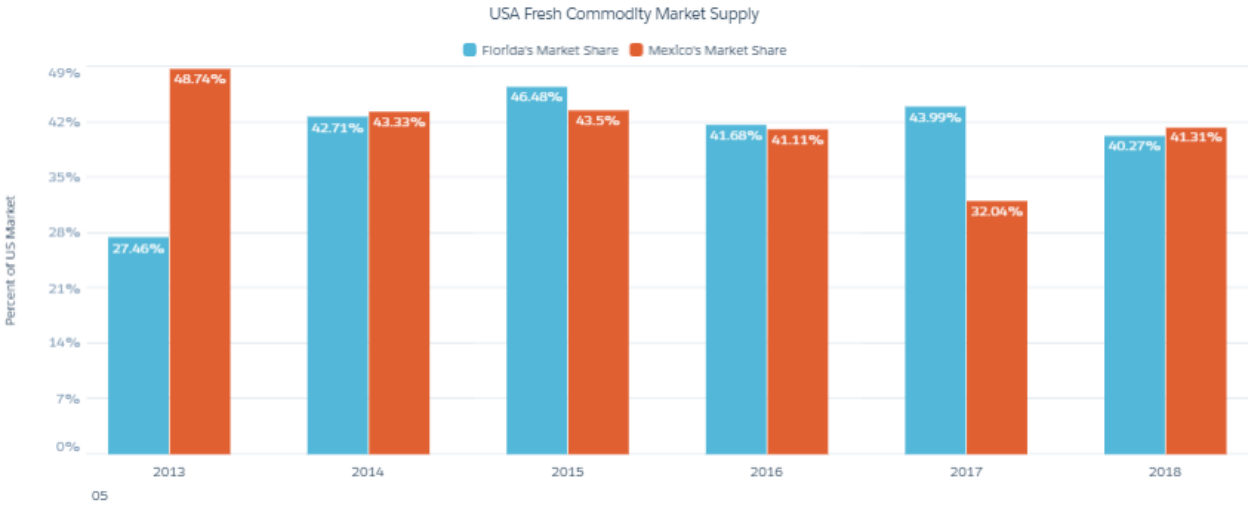
A Deeper Examination: WATERMELON Analytics/Market Share Shifts

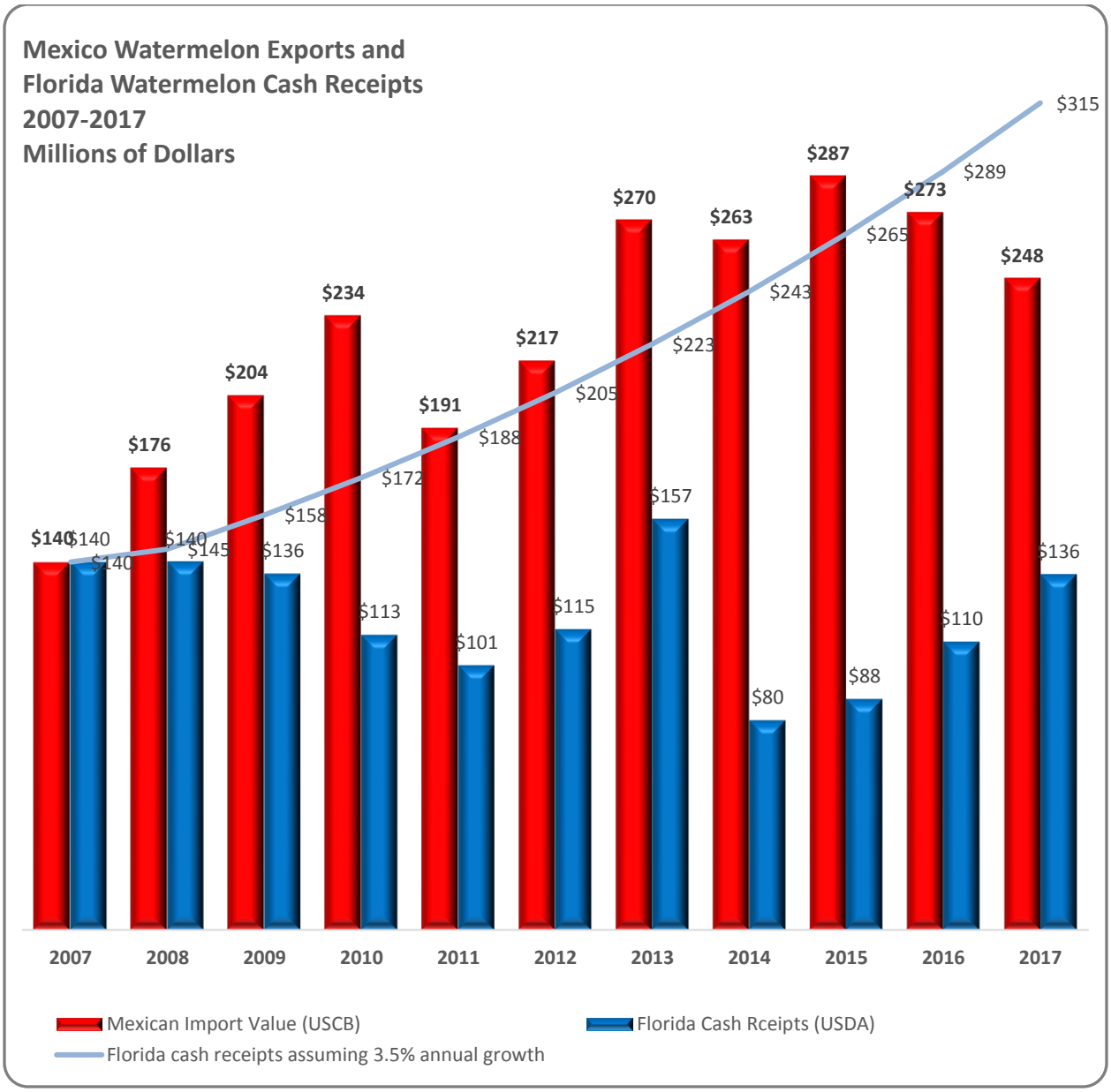
Examining the fresh watermelon market competitive environment provides insight into how price and supply are used aggressively—leveraged in the marketplace by Mexico. From April -June, Florida and Mexico provides 60% of the U.S. supply of watermelons, over 1.4 million 1000-lb bins. Lowest reported price for Florida product averaged $108 per bin between 2012 and 2016. Average lowest Mexican price over the same period was $48 per bin.

Watermelon Market Share: April 2013-2018



Watermelon Market Share: May 2013-2018





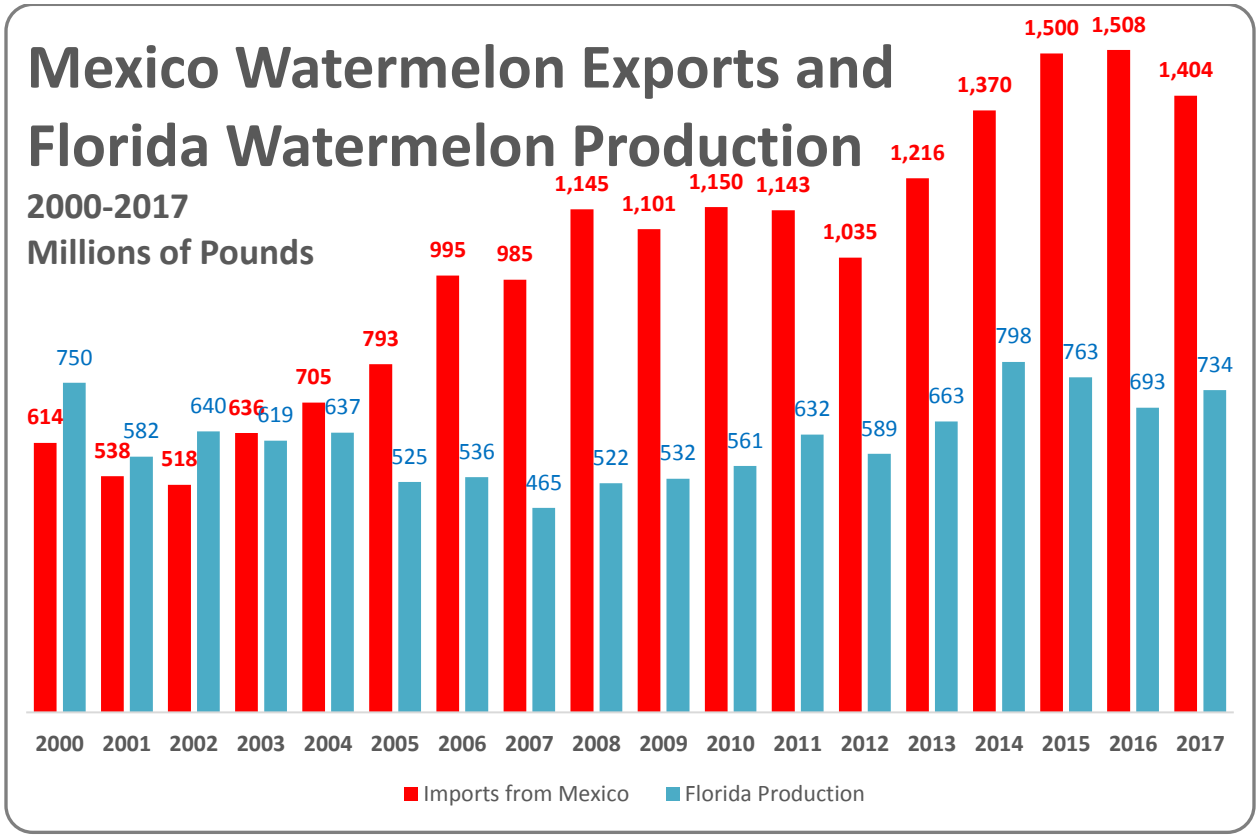
The economic injury to Florida, is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

- The value of Mexican imports to the U.S. grew 77% from 2007 to 2017. Annual growth averaged 7%.
    - MX average sales (2012-2017) annually of $227 million.
- Florida's watermelon sales declined by 4% during the same period.
    - FL average cash receipts (2012-2017) annually of $119 million.
- $315 million; cash receipts in 2017 of Florida watermelons, if half the average annual growth rate (3.5%) experienced by Mexico is applied to Florida's watermelon, if fairer trade practices had been negotiated.

Historical supply of Florida production and Mexican watermelon exports to the U.S.

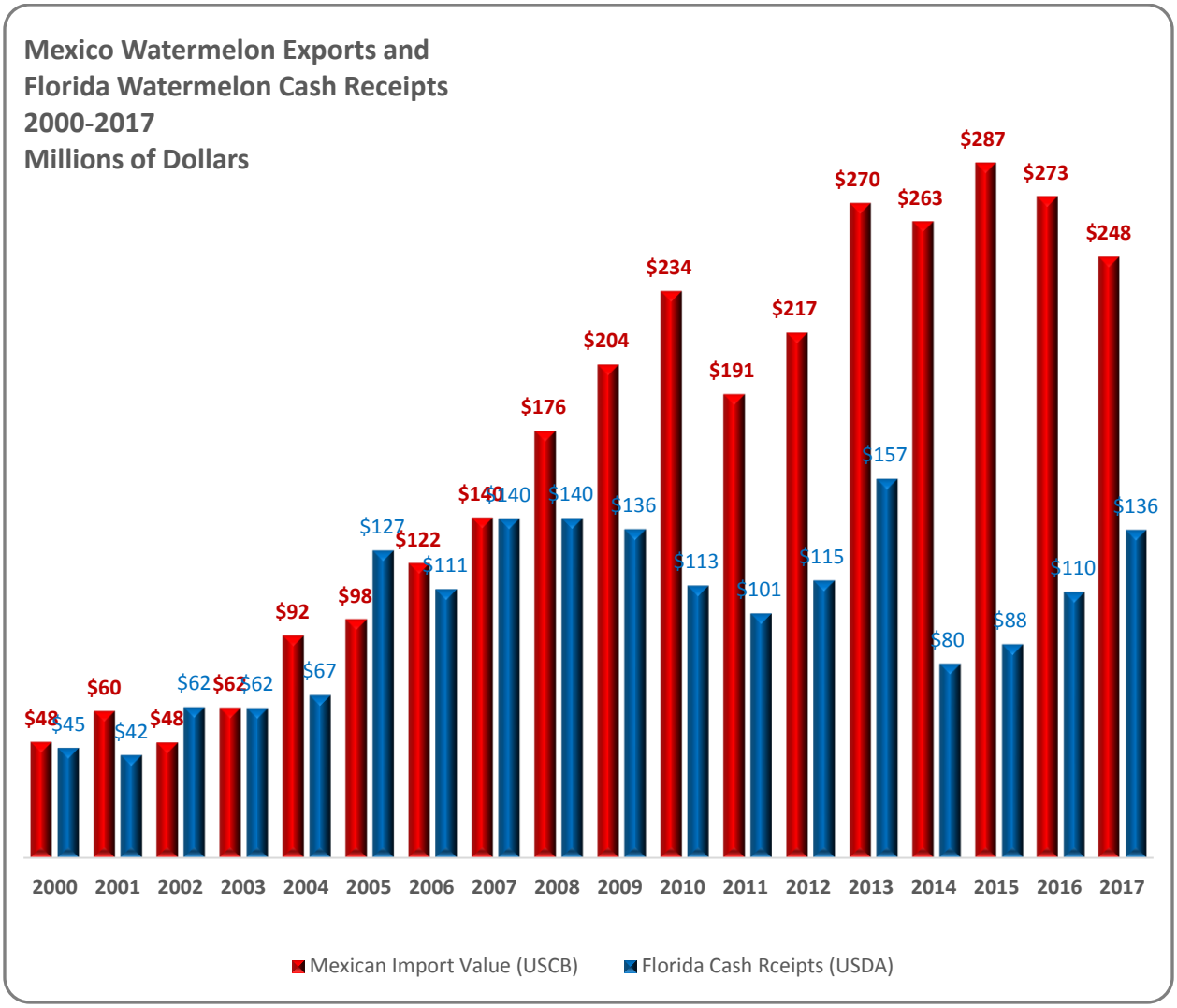
Mexican exports remained between 500-800 million pounds from 2000-2005, more product began flowing into the US. beginning in 2006 (edging towards 1 billion pounds) and continued to expand to 1.5 billion pounds by 2015. Comparing the relative supply positions of Florida and Mexico; in 2000 (FL=55% v. MX=45%) and they are significantly reversed by 2016 (MX=66%; FL 34%). Total demand for the product expanded as well.

128%	Expansion of Mexican product from 2000 to 2017
1.34 billion	Mexican average number of pounds exported from 2012-2017
-2.2%	Decline of Florida product from 2000 to 2017
706 million	Florida average number of pounds produced from 2012-2017



Historical value of Florida production and Mexican watermelon exports to the U.S.

420%	Expansion of the value of Mexican product from 2000 to 2017
$260 million	Mexican average value exported from 2012-2017
198%	Expansion of the value of Florida product from 2000 to 2017
$114 million	Florida average production value from 2012-2017



Pricing Strategies

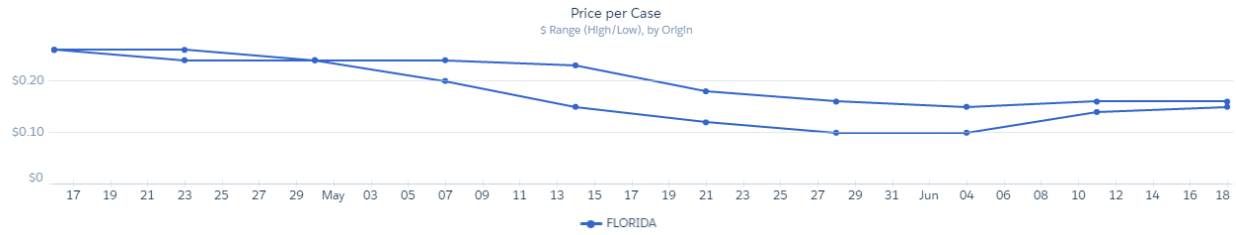


Figure 7: Watermelon pricing (per lb) for 24-inch bins. Highest and lowest reported prices, Florida product only, April – June 2016. "Bins" are 4 foot by foot pallets with cardboard siding, holding approximately 50 melons each. These are used during high demand and supply periods throughout the U.S.

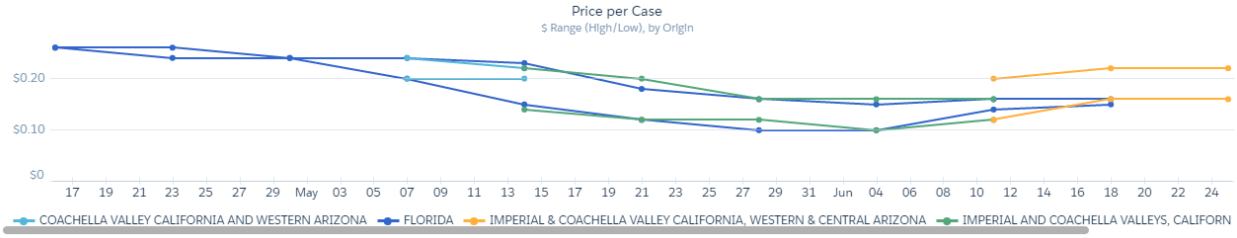


Figure 8: Florida and California prices compared; 24-inch bins, April - June 2016. Pricing appears to be closely mirrored in the respective U.S. producing areas.

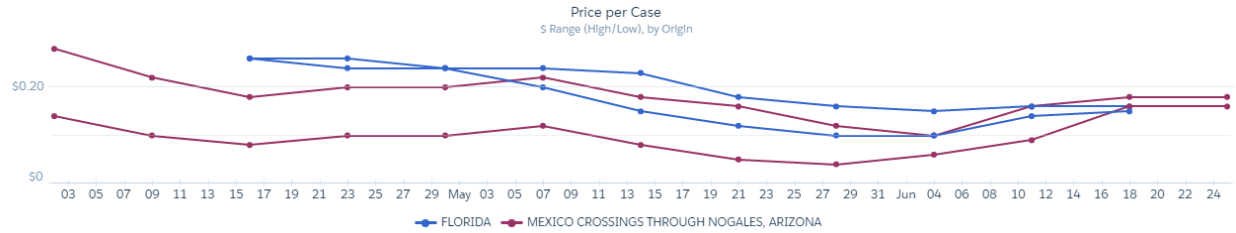


Figure 9: Florida prices compared to product imported through Nogales, AZ, April - June 2016. Mexican pricing maintains a position considerably under those in Florida, even though the product is being shipped between 600-1900 miles across the U.S.

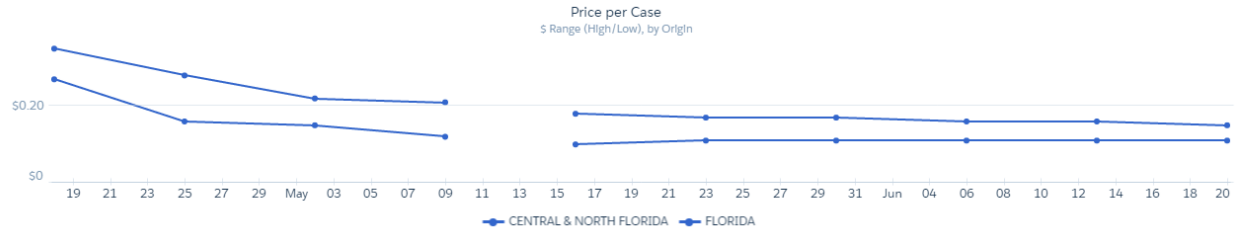


Figure 10: Price per pound, 24-inch bins, Florida product only, April - June 2015

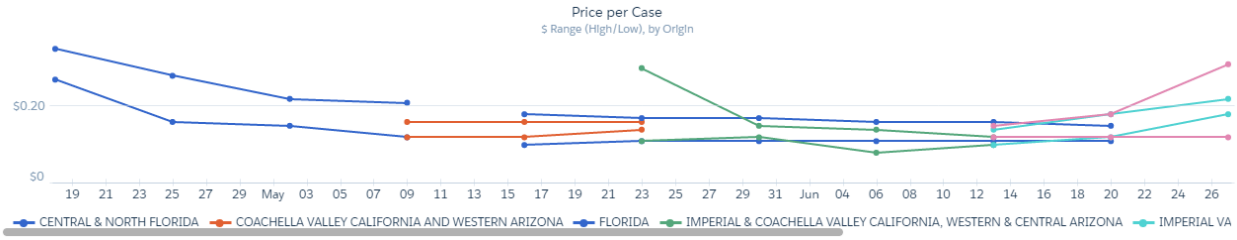


Figure 11: Florida prices compared with California, April - June 2015.

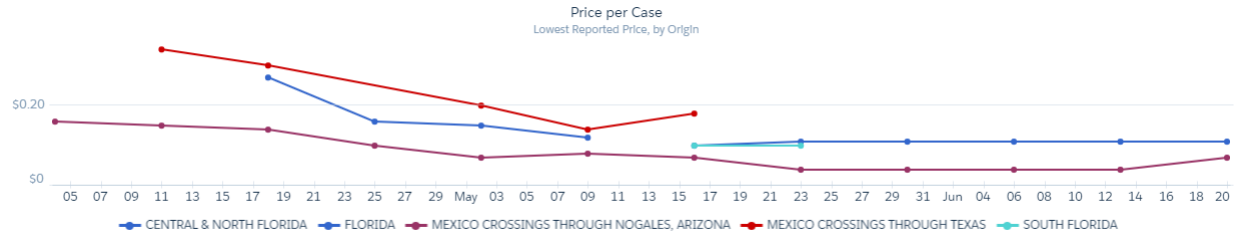
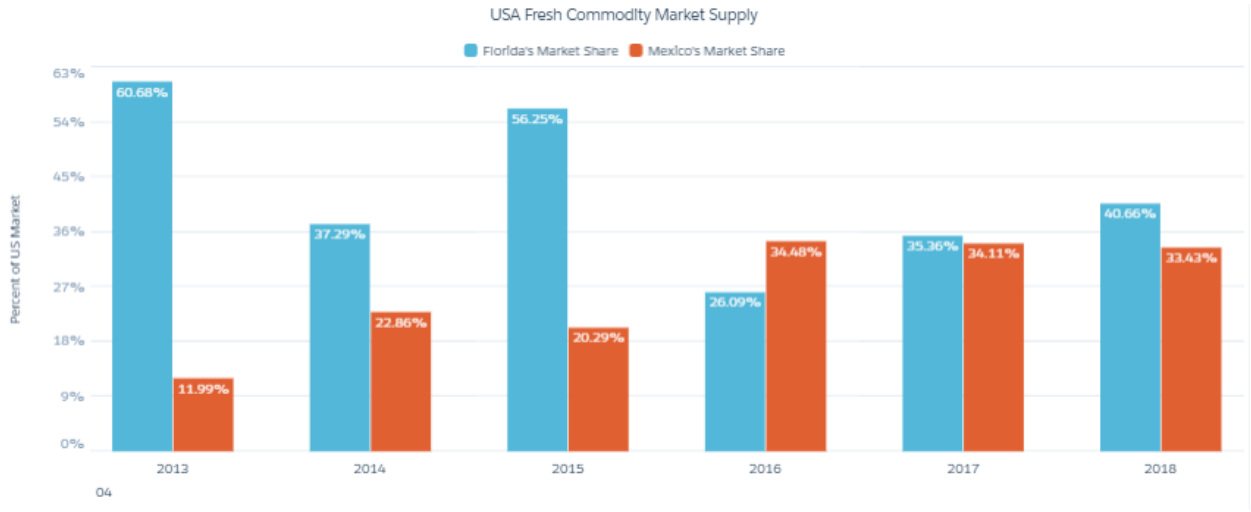


Figure 12: Florida prices compared with product from Mexico, April - June 2015.

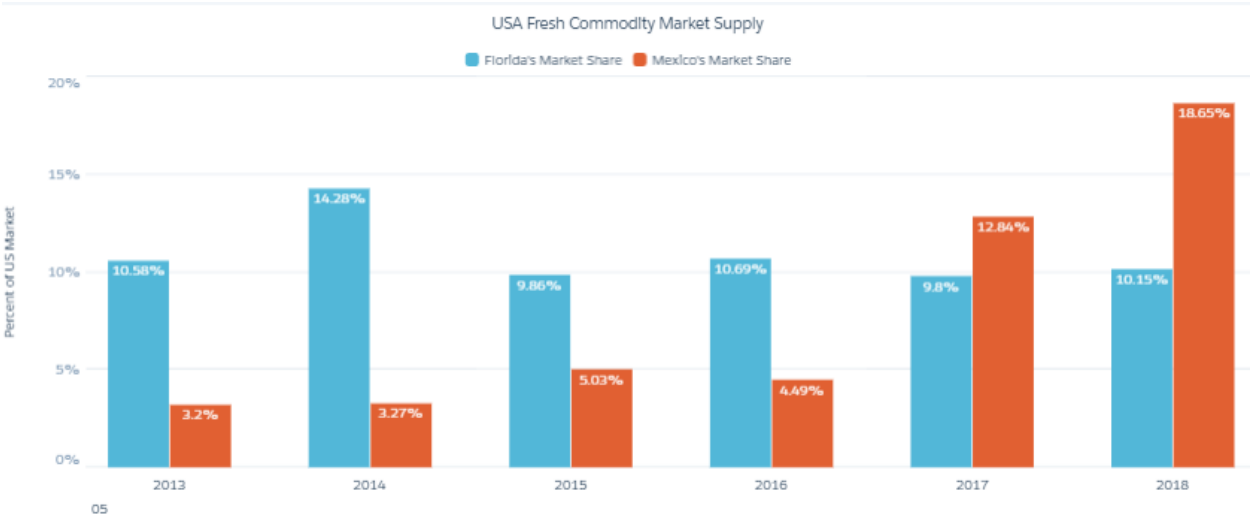
A Deeper Examination: BLUEBERRY Analytics/Market Share Shifts

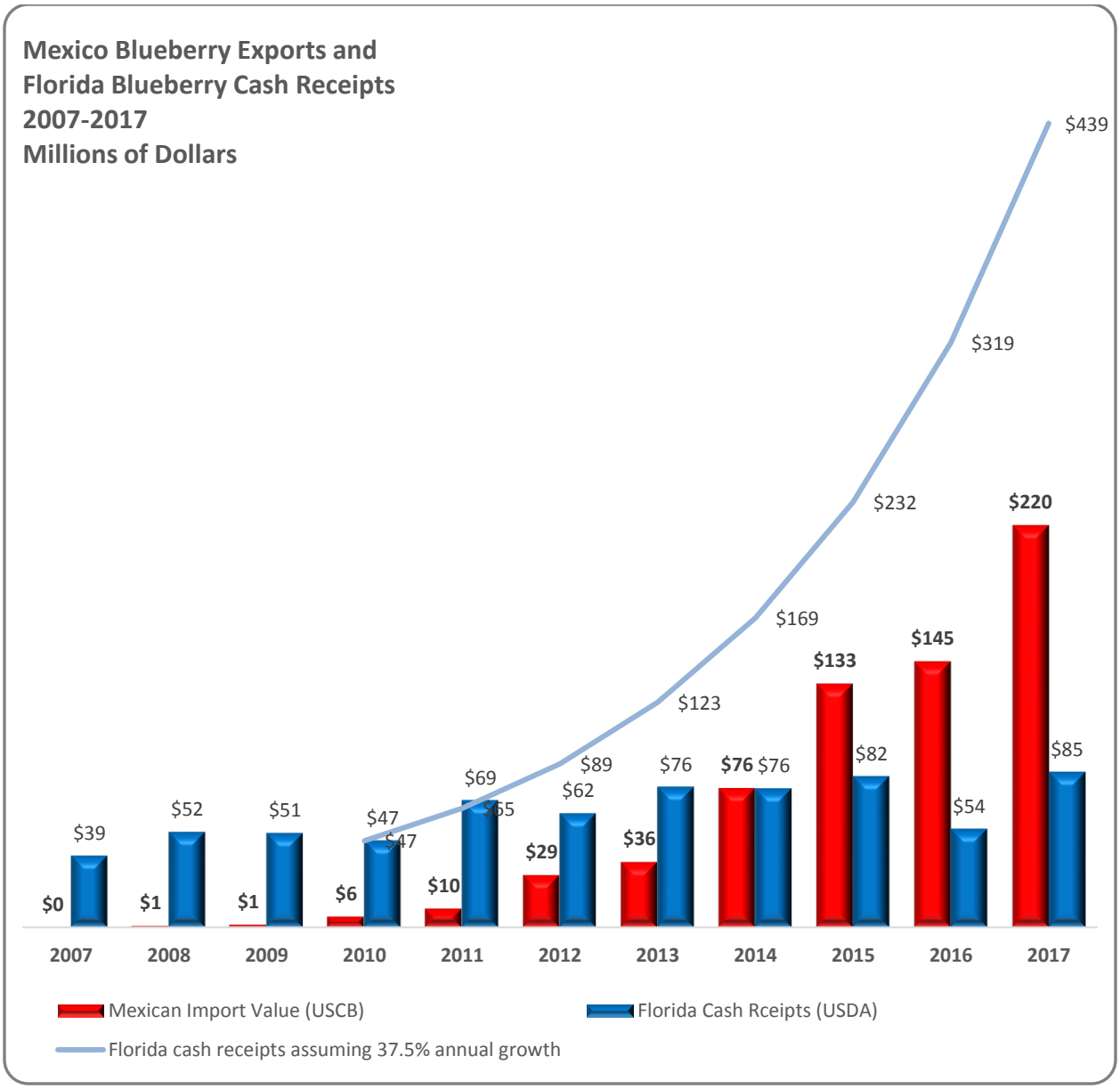
Examining the fresh blueberry market competitive environment provides insight into how price and supply are used aggressively—leveraged in the marketplace by Mexico. From April -June, Florida and Mexico provide 14% of the U.S. supply of blueberries, about 2.2 million flats between the two regions. Lowest reported price for Florida product averaged $24.91 per flat between 2012 and 2016. Average lowest Mexican price over the same period was $19.04 per flat.

Blueberry Market Share: April 2013 – 2018



Blueberry Market Share: May 2013 – 2018





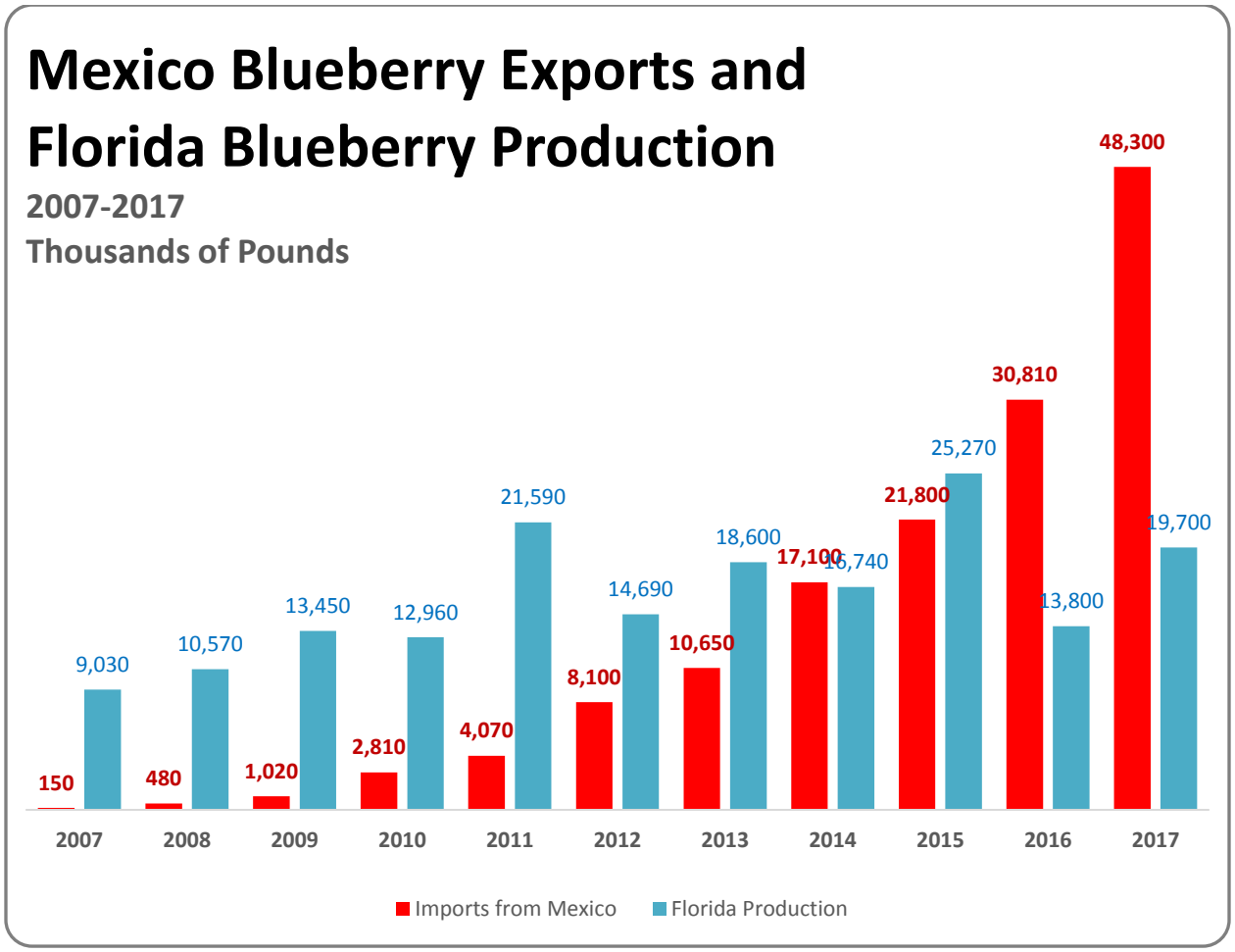
The economic injury to Florida, is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

- The value of Mexican imports to the U.S. grew 3,567% from 2010 to 2017. Average annual growth was 74.9%
    - MX average sales (2012-2017) annually of $106.5 million.
- Florida's blueberry sales increased by 79% during the same period.
    - FL average cash receipts (2012-2017) annually of $72.5 million.
- $150+ million; cash receipts in 2017 of Florida blueberries, if half the growth rate (1,783%/Not feasible in this case) experienced by Mexico is applied to Florida's watermelon, if fairer trade practices had been negotiated.

Historical supply of Florida production and Mexican blueberry exports to the U.S.

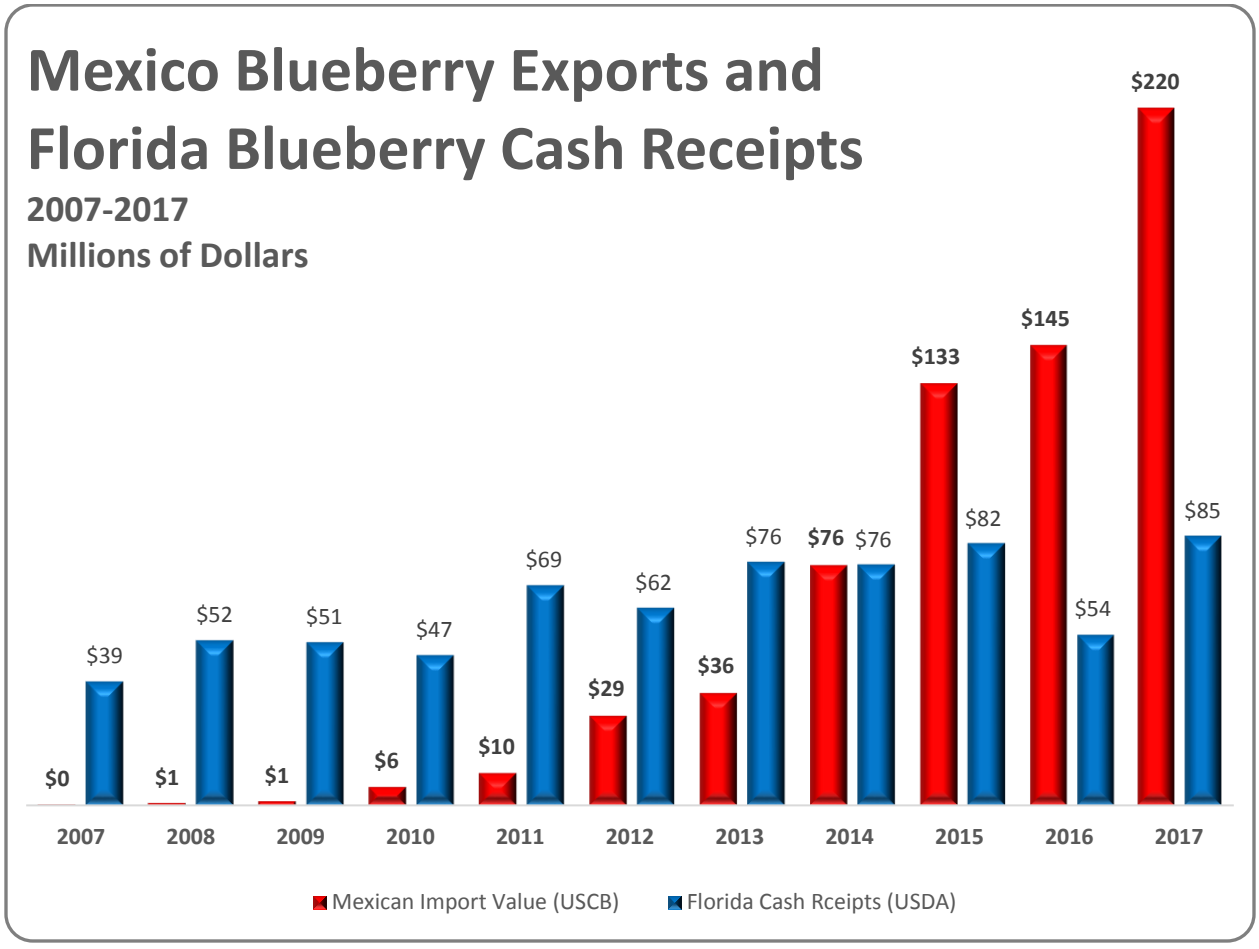
Mexican exports remained relatively minor from 2000-2009, when an accelerated expansion of product began flowing into the US. Growth in Florida blueberry production shows signs of injury by 2011, which continues as Mexican product nears parity of Florida in 2014. Continued saturation from Mexico in 2017 appears to have damaged Florida's market. Comparing the relative supply positions of Florida and Mexico; in 2007 (FL=31% v. MX=0%) and they are reversed by 2017 (MX=25%; FL 16%). Total demand for the product expanded as well.

1,619%	Expansion of Mexican product from 2010 to 2017
22.8 million	Mexican average number of pounds exported from 2012-2017
52%	Expansion of Florida product from 2010 to 2017
18.1 million	Florida average number of pounds produced from 2012-2017



Historical value of Florida production and Mexican blueberry exports to the U.S.

659%	Expansion of the value of Mexican product from 2012 to 2017
$106.4 million	Mexican average value exported from 2012-2017
37%	Expansion of the value of Florida product from 2012 to 2017
$72.4 million	Florida average production value from 2012-2017



Pricing Strategies

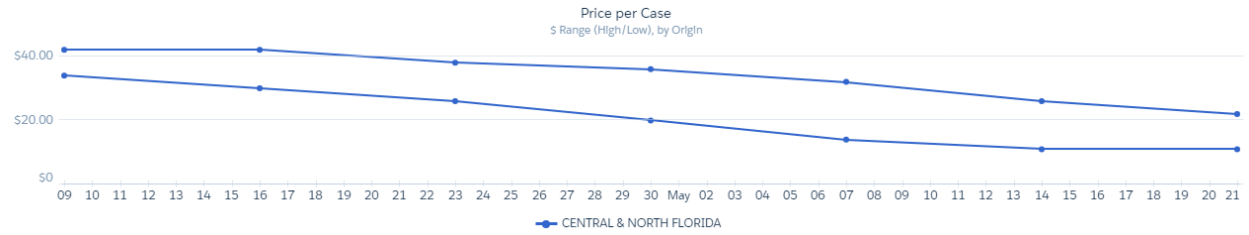


Figure 13: Blueberry pricing (per flat of 12 containers…either 4.4 oz, 6 oz, or 1 pt) for Florida product only from 4/1/16 through 6/30/16, roughly Florida's entire production window for blueberries.

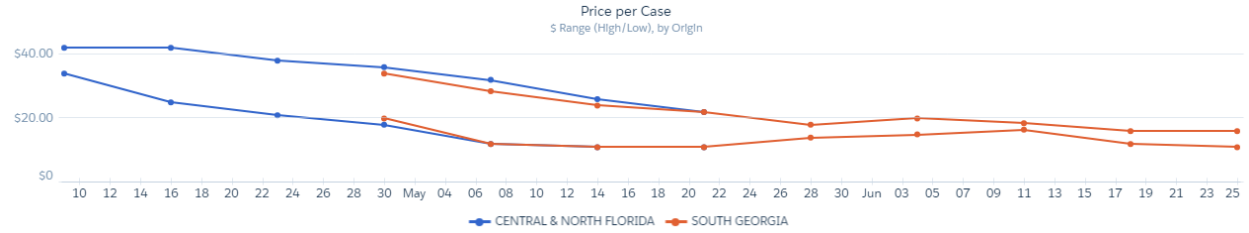


Figure 14: Florida and Georgia prices compared. Georgia product begins shipping toward the end of Florida's production season, and maintains roughly the same range of price while the two are in competition.

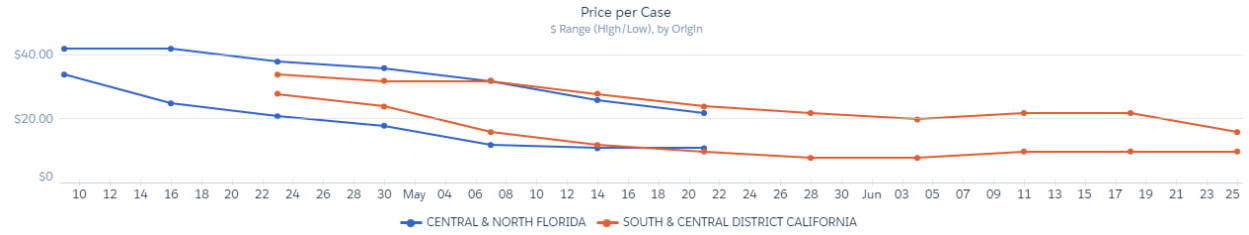


Figure 15: Florida pricing compared with product shipping from California. Product from both regions is priced similarly.

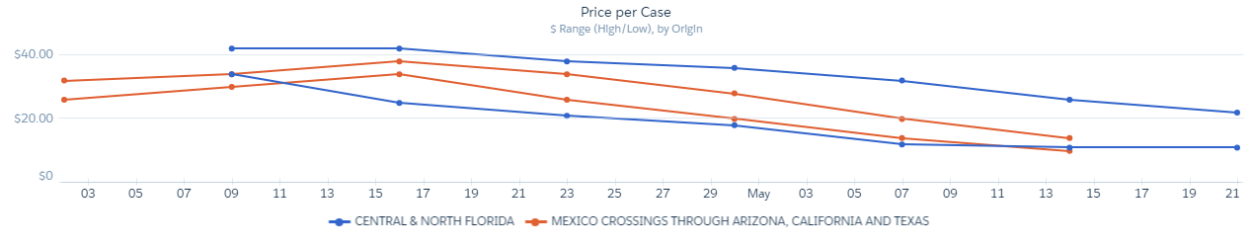


Figure 16: Florida prices compared to product imported from Mexico. Mexican product is priced consistently within a narrower range, and skewed toward the low end of Florida's pricing range.

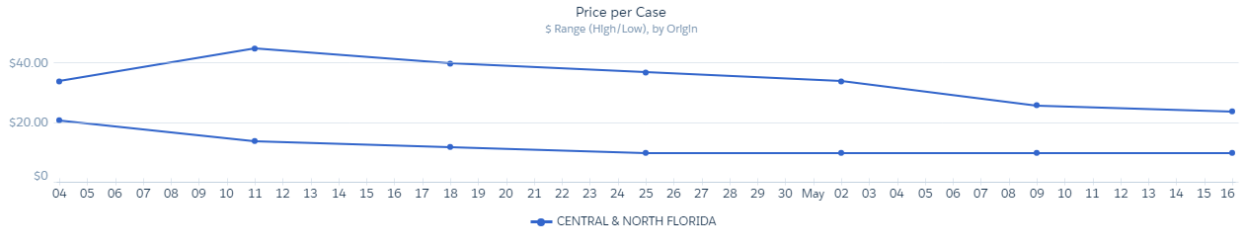


Figure 17: Pricing of Florida blueberry flats, 4/1/15 through 6/30/15.

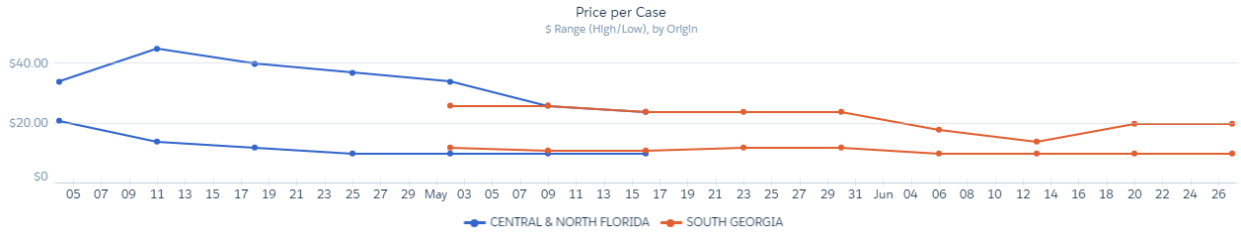


Figure 18: Florida prices compared with Georgia, April - June 2015.

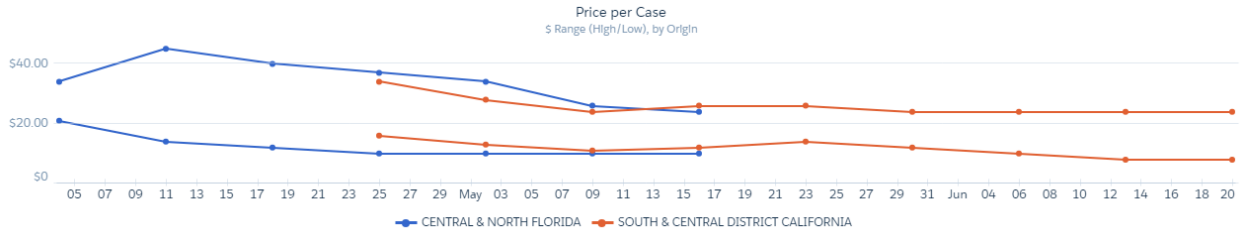


Figure 19: Florida prices compared with product from California, April - June 2015.

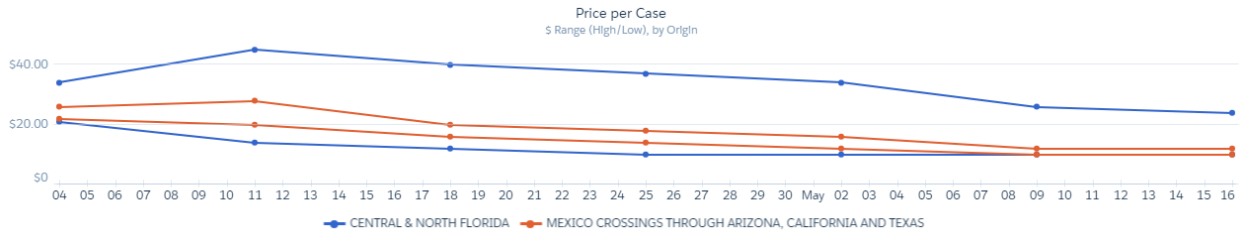


Figure 20: Florida prices compared with Mexico. The narrower, lower price range of Mexican product is more apparent in 2015 than in 2016.

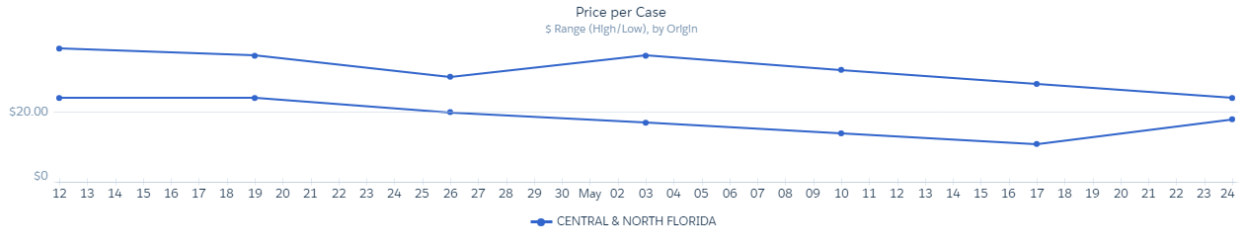


Figure 21: Pricing of Florida product, 2014 production season.

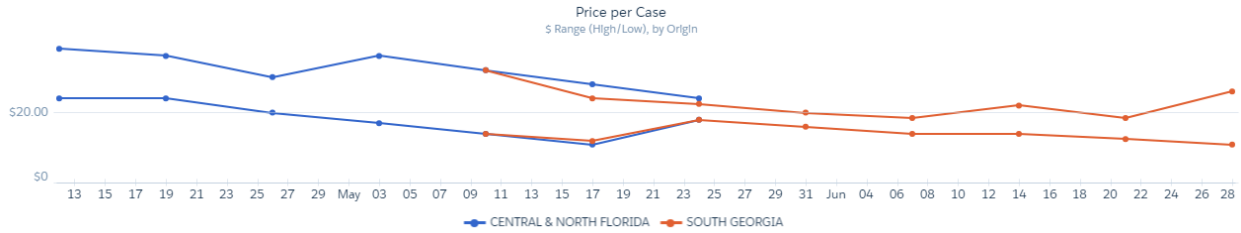


Figure 22: Florida pricing compared with Georgia, 2014 season.

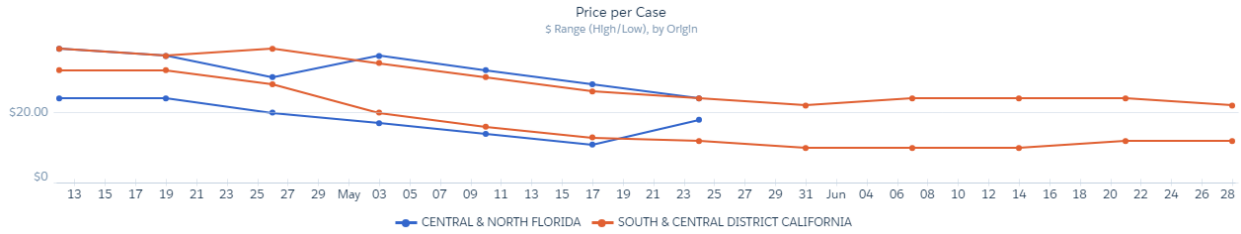


Figure 23: Florida pricing compared with California, 2014 season.

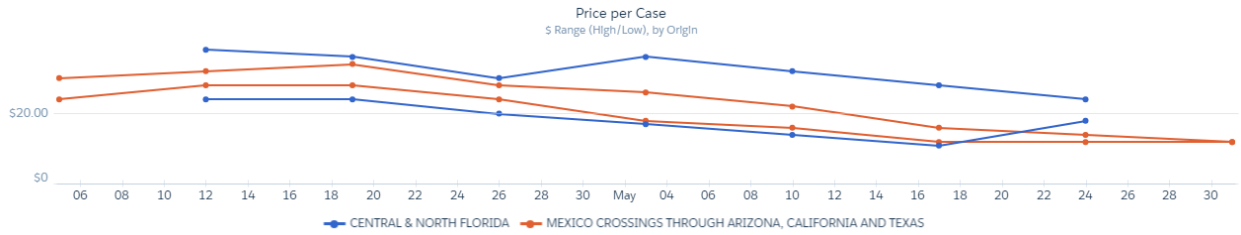
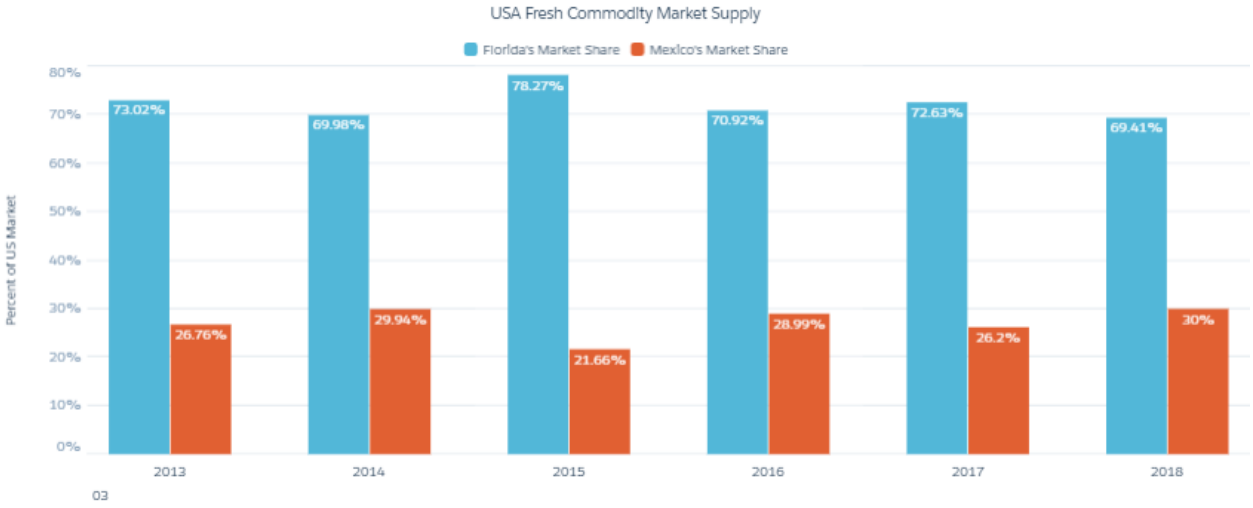


Figure 24: Pricing of Florida product compared with Mexican imports, 2014 season.

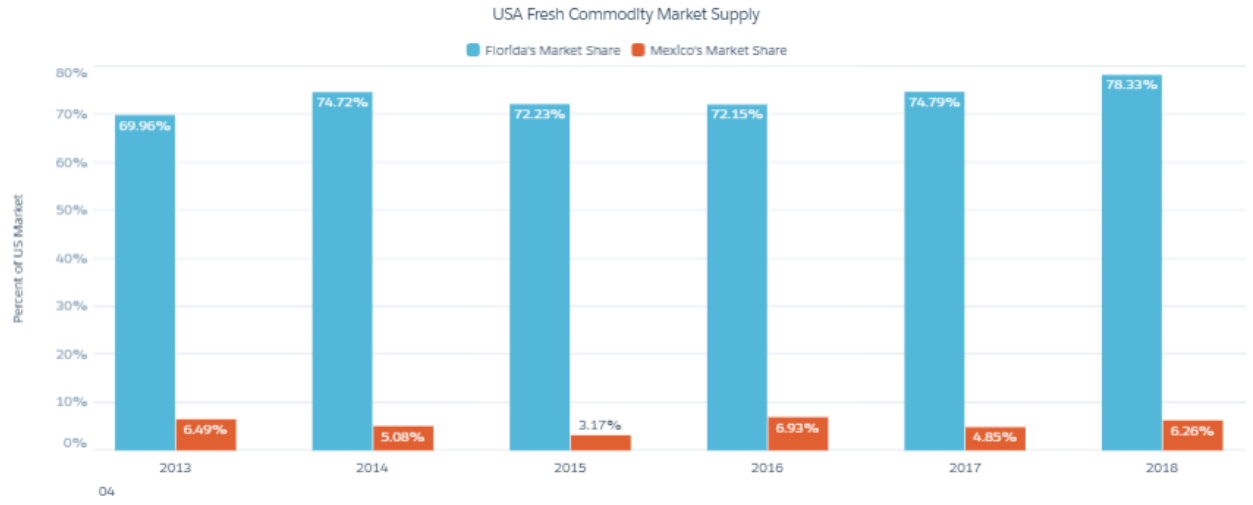
A Deeper Examination: SWEET CORN Analytics/Market Share Shifts

Examining the fresh sweet corn market competitive environment provides insight into how price and supply are used aggressively—leveraged in the marketplace by Mexico. From December through March, Florida and Mexico provide 99% of the U.S. supply of sweet corn, about 7.8 million cases between the two regions. Lowest reported price for Florida product averaged $13.11 per case between 2012 and 2016. Average lowest Mexican price over the same period was $12.70 per case.

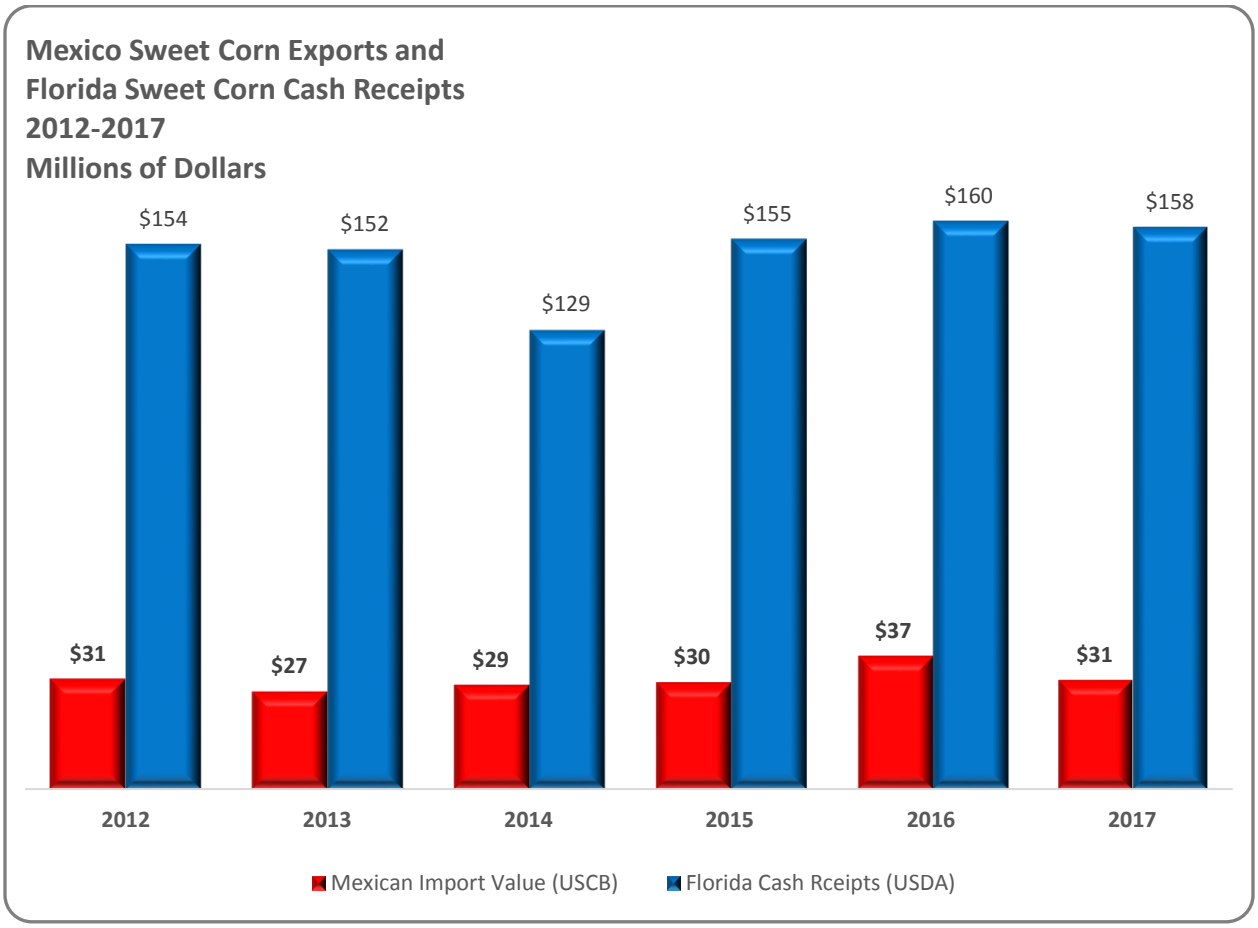
Sweet Corn Market Share: March 2013-2018



Sweet Corn Market Share: April 2013-2018



Sweet Corn Market Share: May 2013-2018



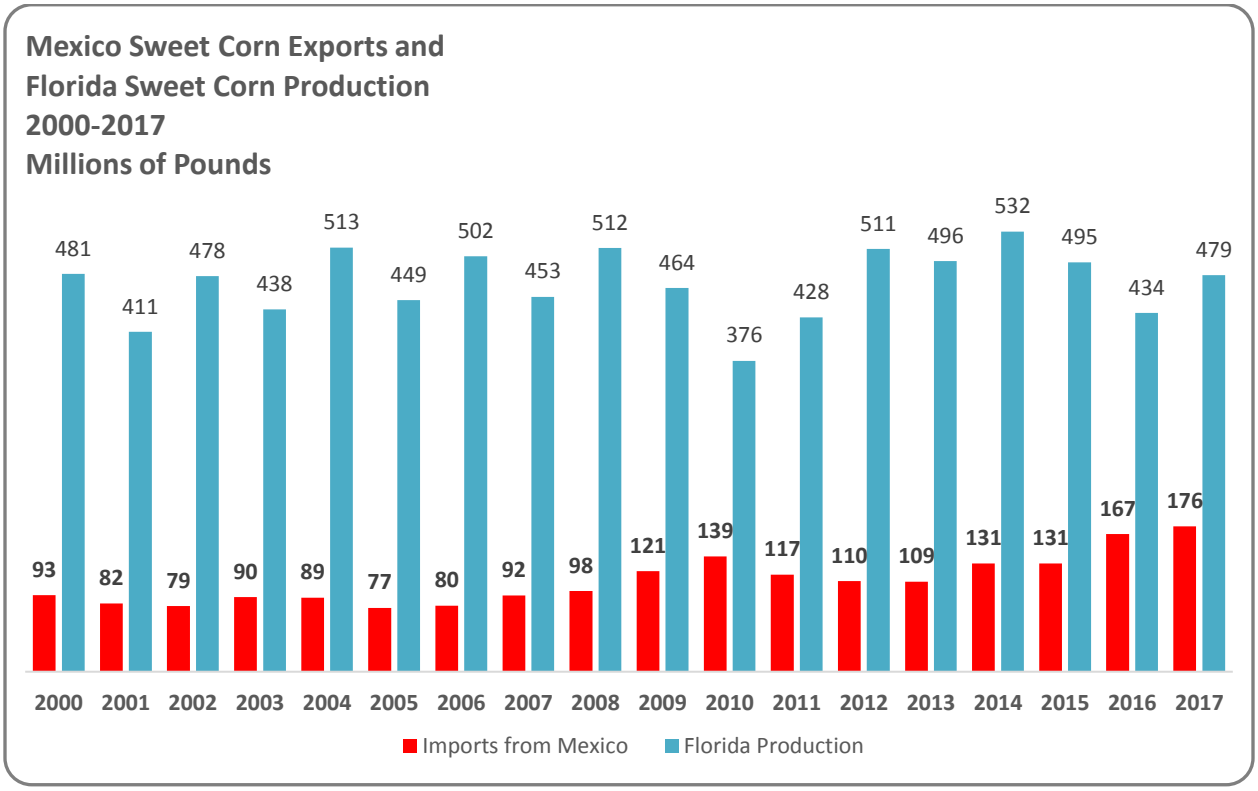
The economic injury to Florida, is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

- The value of Mexican imports to the U.S. remained steady between 2012 and 2017.
    - MX average sales (2012-2017) annually of $31 million.
- Florida's sweet corn sales decreased by 3% during the same period.
    - FL average cash receipts (2012-2017) annually of $151 million.
- Because the **value** of Mexican imports has remained steady, no hypothetical growth rate for Florida cash receipts has been examined.
- NOTE: Mexico shipped 60% more sweet corn from 2012 as compared to 2017, with nearly the exact cash receipt value of $31Mn.

Historical supply of Florida production and Mexican sweet corn exports to the U.S.

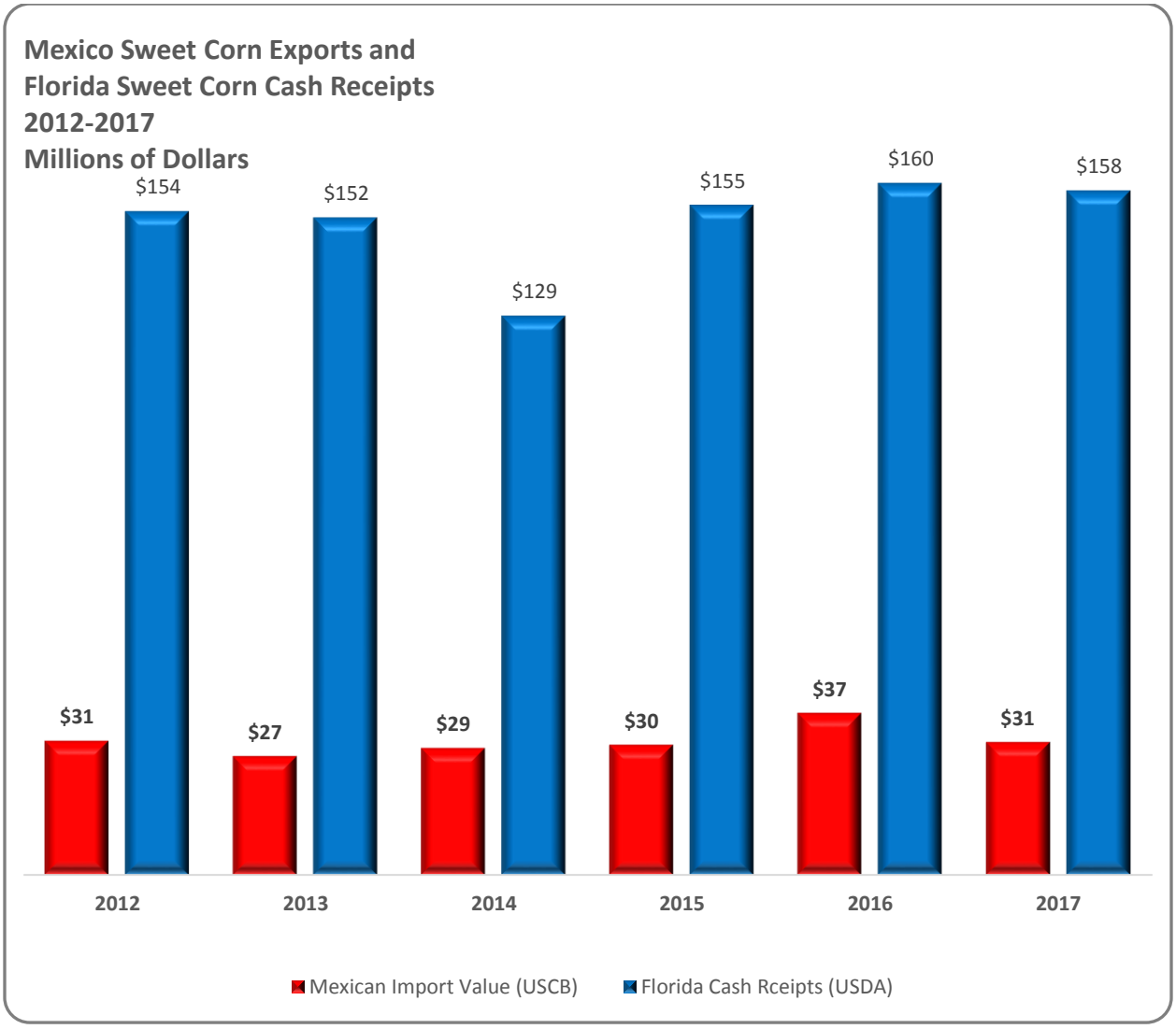
Mexican exports remained relatively below 100 million pounds from 2000-2008, when an accelerated expansion of product began flowing into the US. Growth in Florida sweet corn production shows signs of injury beginning in 2009, which continues as Mexican imports continue to grow by steps about every 7-9 years. Continued saturation from Mexico in 2017 appears to have nearly flatlined Florida's market. Comparing the relative supply positions of Florida and Mexico; in 2000 Florida produced four times as much volume as Mexico; by 2017, Florida produced only 1.7 times as much. Examining Mexico' production with their cash receipts (which are nearly constant) demonstrates that they are willing to sell more product at virtually half their value, indicative of driving out competition. In 2012, Mexico's cash receipts were $31Mn with 110Mn pounds and in 2017, their cash receipts were $31Mn with 176Mn pounds, by selling 60% more product, for the same price, Mexico can thwart competition and/or the ability of others to increase supplies in those markets.

89.2%	Expansion of Mexican product from 2000 to 2017
137 million	Mexican average number of pounds exported from 2012-2017
-1%	Decline in Florida production from 2000 to 2017
491 million	Florida average number of pounds produced from 2012-2017



Historical value of Florida production and Mexican sweet corn exports to the U.S.

~0%	Growth / Decline of the **value** of Mexican product from 2012 to 2017
$31 million	Mexican average value exported from 2012-2017
2.6%	Expansion of the value of Florida product from 2012 to 2017
$151 million	Florida average production value from 2012-2017



Pricing Strategies

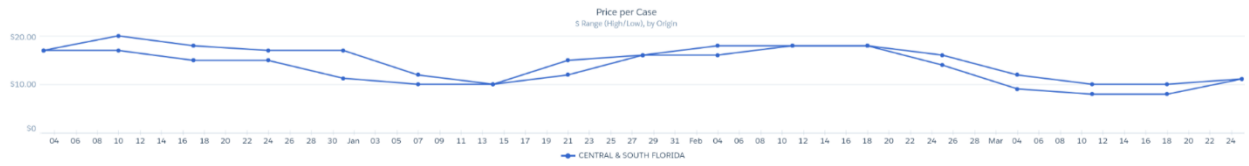


Figure 25: Case price range for Florida sweet corn between 12/1/16 and 3/31/17.

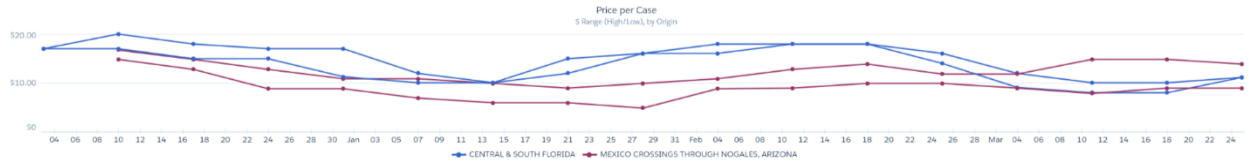


Figure 26: Case price range for Florida compared with Mexican sweet corn, December 2016 through March 2017.

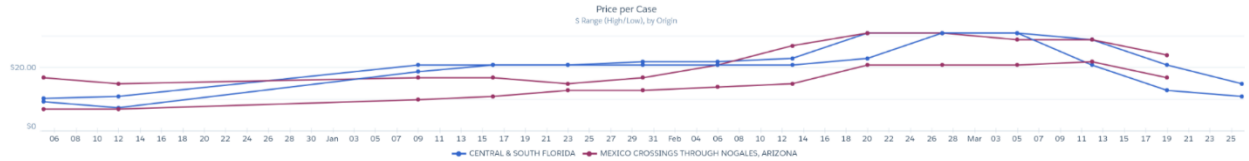


Figure 27: Florida and Mexico sweet corn case prices compared, December 2015 - March 2016.

Figure 28: Florida and Mexico sweet corn case prices compared, December 2014 - March 2015. In all three years compared, Mexico maintains a price range which is generally significantly lower than that paid to Florida growers.

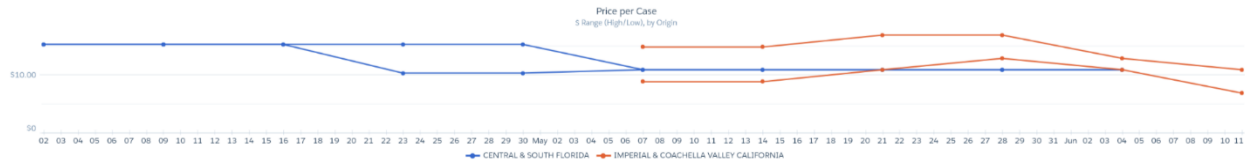


Figure 29: For purpose of comparison, sweet corn produced in the Imperial/Coachella Valley districts of California demonstrate a wider and more competitive range of case prices. This chart shows pricing between 4/1/16 and 6/30/16.

Figure 30: As above, Florida case prices compared with those in a competitive California production region. This chart shows prices between 4/1/15 and 6/30/15.