

**Written Statement of Alfred Zeller, CEO of Provefrut,
Before the USITC regarding the**

PUBLIC HEARING

**for
U.S. GENERALIZED SYSTEM OF PREFERENCES
(GSP)
2012 ANNUAL REVIEW of PRODUCTS
and
COMPETITIVE NEED LIMITATION WAIVERS**

Petition to Add Frozen Broccoli:

**(HTS 0710.80.9722 or 0710.80.9724, 0710.80.9726)
(Ecuador)**

Investigation No: 332–538 - USITC

February 27, 2013

Mr. Chairman, and fellow commissioners, I thank you for allowing me to testify today and give you the perspective of an American/Ecuadorean who has lived and worked in Ecuador for more than 40 years. My name is Alfred Zeller. I am CEO of Provefrut S.A., an Ecuadorian frozen vegetable producer and packer. I am also President of the Ecuadorian Association of Growers and Exporters of Fruits and Vegetables (APROFEL) . This Association and its member companies employ approximately over 3.500 direct individuals and another 5.000 indirectly. I am also involved in the flower, chocolate and industrial machinery trading businesses, so I believe I have a good perspective of the real business climate in Ecuador.

Further to the statement and comments of my predecessor, Mr. Christian Espinosa, I would like to point out that the Ecuadorean broccoli industry is over 50 % American owned. We based our original investment on the ATPA program established many years ago and can proudly assure you today that we have fully met the expectations of this Act. We produce goods that compete

for the labor involved in the drug trade and at the same time generate jobs in the United States.

We mainly export frozen broccoli and as you most likely know, today there are no major frozen processing plants in the United States which still process broccoli. Our products are being bought by major industries, distributors and retailers of the food industry in the USA, to be used in their specific uses such as blending, finished meals and mixes etc. I am proud to have as our clients companies such as General Mills, Heinz, Nestle, Sysco, Costco, Wall Mart, Kroger, Trader Joe's and BJ's; just to name a few of the larger players in this market. But we also deliver to smaller companies, not well known to the general public, but who have a great importance in the whole supply chain especially to their local and regional schools, hospitals, nursing homes, restaurants, hotels and supermarkets. These customers, such as, Bertram Foods, Reddy Raw and Seabrook Farms of New Jersey, Endico and Snow Fresh of New York, Earthbound Farms of California, Paris Foods of Maryland, Harvest Foods of Illinois, Superior Foods of California and Texas, Star Marketing of Florida, all rely on our broccoli to guarantee

a steady supply to their clients as well. As you may also note, there are also considerable benefits to the U.S land transportation companies; couriers; warehouses and distributors who are all required and necessary in order for our product to get to its final destination.

Many of these companies in the food industry have expressed their support to have Ecuadorian broccoli included in the GSP either via oral or written testimony. Their support comes from a very simple and correct conclusion: Ecuadorian broccoli has found a market segment that is not being covered by other foreign or American suppliers either/and because of quality, supply or economic issues. Ecuadorian broccoli is definitely sought out for these reasons and to suddenly introduce an import duty of 14.9 % would basically:

- 1) eliminate us from the American market
- 2) Reduce a valid option to our buyers and force them to purchase from other suppliers who today do not fill their needs.
- 3) and eliminate my personal livelihood and those of my workers too, by the way!

It is also very important to mention that we purchase and import a great variety of products from the United States not only to keep our fields and plants producing, but also for major investments in plant growth. I have attached a list of American manufacturers (18 companies from 14 different states) from whom we have imported various goods in the past years. All of these were imported into Ecuador **without paying any duties!** Let's maintain this two way street and keep it open, as we have with the Andean Trade Preference and Drug Eradication Act (ATPDEA), for so many years.

As previously mentioned, Ecuadorian broccoli imports to the United States represent only about 6 to 8% of the whole American market. The rest of the demand is being covered from producers in Mexico and Guatemala, both of which have free trade agreements signed with the U.S.. I might also mention that China is also a major exporter of this product to this country.

The fresh broccoli market is mainly being served by American farmers in California and Arizona as well as some suppliers on the East Coast. We can affirm that the

fresh and frozen markets do not compete with one another for raw material and therefore no negative impact can be observed to American farmers as a result of imports from the American frozen food industry of over 300 million lbs. which are required yearly to cover their demands.

To conclude, I would like to make some general comments about the business and investment regime in Ecuador.

The image of Ecuador is unfortunately set in the minds of many Americans by some companies with investment disputes. Ecuador, like every country where I have done business, must make reforms to improve its competitive environment and to provide a stable socio-political environment for economic growth. Some of those reforms have already taken place, and others are planned over the next years. The reality is that hundreds of American companies from large multinationals to smaller private firms like my own successfully do business on a daily basis in Ecuador.

I am proud that my government establishes U.S. policy for the common good of ALL Americans.

I therefore support and request that Ecuadorian frozen broccoli be accepted and included as an eligible article under the GSP program so that it can enter the United States market without any tariffs in the future.

I thank you for your time and am happy to answer any questions you might have.

Cleaver-Brooks, Inc	11950 West Lake Park Drive [map]	Milwaukee, WI 53224
Vilter Manufacturing, LLC	5555 S Packard Ave	Cudahy, WI 53110-8904
Ingersoll-Rand Company	One Centennial Ave	Piscataway NJ 08854
Carrier	One Carrier Place	Farmington, CT 06034-4015
Caterpillar Corp.	100 North East Adams Street	Peoria, Illinois USA 61629
Kerian Machines Inc.	1709 Hwy 81 S, PO Box 311	Grafton, ND 58237 USA
Mettler-Toledo Inc.,	1900 Polaris Parkway	Columbus, OH 43240
Key Technology Corp.	150 Avery Street	Walla Walla, WA 99362 USA
Heat and Control Inc	21121 Cabot Blvd.	Hayward, California 94545-1132
Videojet Technologies Inc.	1500 Mittel Boulevard	Wood Dale, IL 60191
HayssenSandiacre	225 Spartangreen Blvd.	Duncan, SC 29334
Bell-Mark Corporation	331 Changebridge Road	Pine Brook, NJ 07058
3M Global Headquarters	3M Center	St. Paul, MN 55144-1000
Lantech Inc	11000 Bluegrass Parkway	Louisville, KY 40299
Hansen Technologies	400 Quadrangle Drive, Suite F	Bolingbrook, IL 60440
Baldor Electric Company	5711 R.S. Boreham, Jr. St.	Fort Smith, AR 72901
Twin City Fan & Blower	5959 Trenton Lane North	Minneapolis, MN 55442-3237
Audubon meshbelt	850 Pennsylvania Blvd	Feasterville, PA 19053