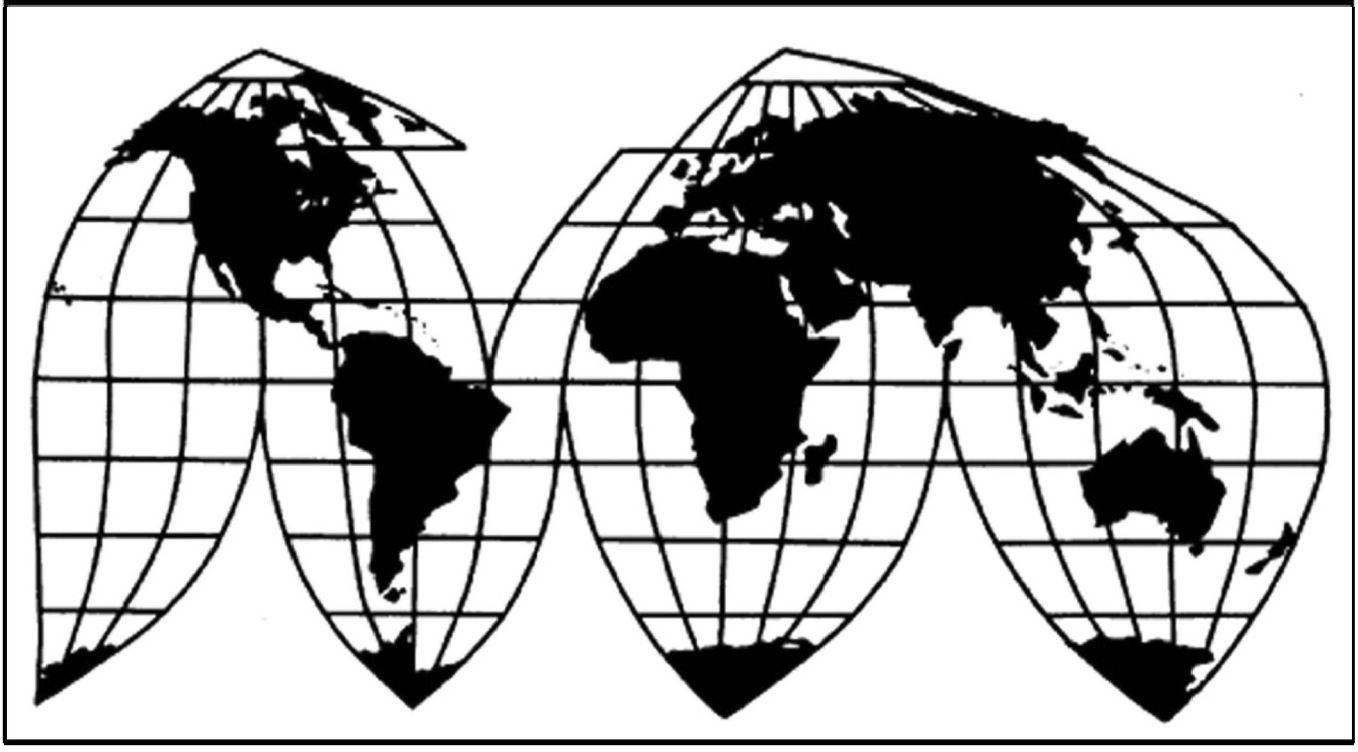
Fresh Tomatoes from Mexico

Investigation 731-TA-747 (Final)

Publication 5003 **December 2019**

U.S. International Trade Commission



Washington, DC 20436

U.S. International Trade Commission

COMMISSIONERS

Rhonda K. Schmidtlein
Jason E. Kearns
Randolph J. Stayin
Amy A. Karpel

Catherine DeFilippo
Director of Operations

Staff assigned

Christopher W. Robinson Investigator
Angélica Marrero-Sanchez, Industry Analyst
James Horne, Economist
Jennifer Brinckhaus, Accountant
Aaron Woodward, Statistician
Brian Allen, Attorney
Elizabeth Haines, Supervisory Investigator

Address all communications to
Secretary to the Commission
United States International Trade Commission
Washington, DC 20436

U.S. International Trade Commission

Washington, DC 20436
www.usitc.gov

Fresh Tomatoes from Mexico

Investigation 731-TA-747 (Final)

Publication 5003 **December 2019**

CONTENTS

Page

CONTENTS

Page

CONTENTS

Page

CONTENTS

Page

Appendixes

Note.—Information that would reveal confidential operations of individual concerns may not be published. Such information is identified by brackets in confidential reports and is deleted and replaced with asterisks (***) in public reports.

UNITED STATES INTERNATIONAL TRADE COMMISSION

Investigation No. 731-TA-747 (Final)

Fresh Tomatoes from Mexico

DETERMINATION

On the basis of the record[1] developed in the subject investigation, the United States International Trade Commission ("Commission") determines, pursuant to the Tariff Act of 1930 ("the Act"), that an industry in the United States is threatened with material injury by reason of imports of fresh tomatoes from Mexico, provided for in heading 0702 of the Harmonized Tariff Schedule of the United States, that have been found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value ("LTFV").[2] [3] [4]

BACKGROUND

The Commission instituted this investigation effective April 1, 1996, following receipt of a petition filed with the Commission and Commerce by the Florida Tomato Growers Exchange, Orlando, Florida; the Florida Fruit and Vegetable Association, Orlando, Florida; the Florida Farm Bureau Federation, Gainesville, Florida; the South Carolina Tomato Association, Inc., Charleston, South Carolina; the Gadsden County Tomato Growers Association, Inc., Quincy, Florida; the Accomack County Farm Bureau, Accomack, Virginia; the Florida Tomato Exchange, Orlando, Florida; the Florida Department of Agriculture and Consumer Services, Tallahassee, Florida; and the Ad Hoc Group of Florida, California, Georgia, Pennsylvania, South Carolina, Tennessee, and Virginia Tomato Growers. The Commission scheduled the final phase of its investigation following notification of a preliminary determination by Commerce that imports

---

[1] The record is defined in sec. 207.2(f) of the Commission's Rules of Practice and Procedure (19 CFR 207.2(f)).

[2] 84 FR 57401 (October 25, 2019).

[3] The Commission further determines that it would not have found material injury by reason of subject imports but for the suspension of liquidation of entries of subject merchandise. *See* 19 U.S.C. § 1673d(b)(4)(B).

[4] Chairman David S. Johanson not participating.

of fresh tomatoes from Mexico were being sold at LTFV within the meaning of section 733(b) of the Act (19 U.S.C. 1673b(b)).

The Commission commenced the final phase of its investigation on August 21, 1996.[5] On October 28, 1996, Commerce issued its preliminary determination that imports of fresh tomatoes from Mexico were being sold at LTFV in the United States and announced that Commerce and certain producers/exporters of fresh tomatoes from Mexico had signed a suspension agreement.[6] Also on October 28, 1996, Commerce suspended the final phase of its investigation.[7] On November 1, 1996, the Commission suspended the final phase of its investigation.[8]

On October 1, 2001, the Commission instituted its first five-year review to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to a continuation or recurrence of material injury.[9] On January 4, 2002, the Commission determined that it would conduct a full review concerning the suspended investigation on fresh tomatoes from Mexico.[10] On July 30, 2002, Commerce terminated the suspension agreement, and Commerce and the Commission terminated their reviews of the suspended investigation and resumed their final phase antidumping investigations.[11] On December 16, 2002, Commerce and the Commission suspended their resumed final phase investigations when Commerce signed a new suspension agreement with certain growers/exporters of fresh tomatoes from Mexico.[12]

On November 1, 2007, the Commission instituted its second five-year review to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to a continuation or recurrence of material injury.[13] On January 18, 2008, Commerce terminated the suspension agreement, and Commerce and the Commission terminated their reviews of the suspended investigation and resumed their final phase antidumping investigations.[14] On January 22, 2008, Commerce and the Commission again

---

[5] 61 FR 46823 (September 5, 1996).
[6] 61 FR 56618 (November 1, 1996).
[7] 61 FR 56618 (November 1, 1996).
[8] 61 FR 58217 (November 13, 1996).
[9] 66 FR 49975 (October 1, 2001).
[10] 67 FR 3229 (January 23, 2002)
[11] 67 FR 50858 (August 6, 2002); 67 FR 53361 (August 15, 2002); 67 FR 5685 (September 5, 2002).
[12] 67 FR 77044 (December 16, 2002); 67 FR 78815 (December 26, 2002).
[13] 72 FR 61903 (November 1, 2007).
[14] 73 FR 2887 (January 16, 2008); 73 FR 5869 (January 31, 2008).

suspended their resumed final phase investigations when Commerce signed a new suspension agreement with certain growers/exporters of fresh tomatoes from Mexico.[15]

On December 3, 2012, the Commission instituted its third five-year review to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to continuation or recurrence of material injury.[16] On March 1, 2013, Commerce terminated the suspension agreement and its review of the suspended investigation and resumed its final phase antidumping investigation.[17] On March 4, 2013, the Commission terminated its review of the suspended investigation and resumed its final phase antidumping investigation.[18] Also on March 4, 2013, Commerce signed a new suspension agreement with certain grower/exporters of fresh tomatoes from Mexico and again suspended its resumed final phase antidumping investigation.[19] On March 5, 2013, the Commission again suspended its resumed final phase antidumping investigation.[20]

On February 1, 2018, the Commission instituted its fourth five-year review to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to continuation or recurrence of material injury.[21] On May 7, 2019, Commerce terminated the suspension agreement and its review of the suspended investigation and resumed its final phase antidumping investigation.[22] Also on May 7, 2019, the Commission terminated its review of the suspended investigation and resumed its final phase antidumping investigation.[23] On September 19, 2019, Commerce signed a new suspension agreement with certain grower/exporters of fresh tomatoes from Mexico and again suspended its resumed final phase antidumping investigation.[24] On September 24, 2019, the Commission again suspended its resumed final phase antidumping investigation.[25]

On October 11 and 15, 2019, Commerce received timely requests, pursuant to section 734(g) of the Tariff Act of 1930 (19 U.S.C. 1673c(g)), to continue its antidumping investigation

---

[15] 73 FR 4831 (January 28, 2008); 73 FR 7762 (February 11, 2008).
[16] 77 FR 71629 (December 3, 2012).
[17] 78 FR 14771 (March 7, 2013).
[18] 78 FR 16529 (March 15, 2013).
[19] 78 FR 14967 (March 8, 2013).
[20] 78 FR 16530 (March 15, 2013).
[21] 83 FR 4676 (February 1, 2018).
[22] 84 FR 20858 (May 13, 2019).
[23] 84 FR 21360 (May 14, 2019); 84 FR 27805 (June 14, 2019).
[24] 84 FR 49987 (September 24, 2019).
[25] 84 FR 54639 (September 24, 2019).

on fresh tomatoes from Mexico and resumed its final investigation.[26] On October 17, 2019, the Commission, therefore, continued its antidumping investigation. Notice of the scheduling of the continuation of the final phase of the Commission's investigation and of a public hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, DC, and by publishing the notice in the *Federal Register* of October 23, 2019 (84 FR 56837). The hearing was held in Washington, DC, on October 24, 2019, and all persons who requested the opportunity were permitted to appear in person or by counsel.

[26] 84 FR 57401 (October 25, 2019).

Views of the Commission

Based on the record in the final phase of this investigation, we determine that an industry in the United States is threatened with material injury by reason of imports of fresh tomatoes from Mexico found by the U.S. Department of Commerce ("Commerce") to be sold in the United States at less than fair value.[1]

I. Background

Original investigation. In response to a petition filed April 1, 1996, by nine associations and governmental offices representing U.S. producers of fresh tomatoes, the Commission made a preliminary determination on May 16, 1996, that there was a reasonable indication that a domestic industry was materially injured by reason of imports of fresh tomatoes from Mexico alleged to be sold at less than fair value ("LTFV").[2] On October 28, 1996, Commerce made its preliminary determination that imports of fresh tomatoes from Mexico were being sold at LTFV in the United States.[3] On that date, it signed an agreement with certain producers/exporters accounting for substantially all imports of fresh tomatoes from Mexico in which "each signatory producer/exporter … agreed to revise its prices to eliminate completely the injurious effects of exports" of fresh tomatoes to the United States and suspended its antidumping investigation.[4] On November 1, 1996, the Commission suspended the final phase of its investigation.[5]

First review of the suspended investigation. In October 2001, the Commission instituted pursuant to section 751(c) of the Tariff Act its first five-year review to determine whether

---

[1] Chairman Johanson did not participate in the investigation.

[2] *Fresh Tomatoes from Mexico*, Inv. No. 731-TA-747 (Preliminary), USITC Pub. 2967 (May 1996) ("Preliminary Determination") at 1 and I-1.

[3] *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Fresh Tomatoes from Mexico*, 61 Fed. Reg. 56608, 56615 (Nov. 1, 1996). In its preliminary determination, Commerce postponed its final determination until 135 days after publication of its preliminary determination. *Id.* at 56609.

[4] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 61 Fed. Reg. 56618 (Nov. 1, 1996).

[5] *Fresh Tomatoes From Mexico; Investigation Suspension*, 61 Fed. Reg. 58217 (Nov. 13, 1996). The Commission had commenced the final phase of its investigation on August 21, 1996. *Certain Laminated Hardwood Flooring From Canada; Sodium Azide From Japan; Melamine Institutional Dinnerware From China, Indonesia, and Taiwan; Certain Brake Drums and Rotors From China; Steel Concrete Reinforcing Bars From Turkey; Beryllium Metal and High-Beryllium Alloys From Kazakhstan; Fresh Tomatoes From Mexico; Engineered Process Gas Turbo-Compressor Systems From Japan*, 61 Fed. Reg. 46823 (Sept. 5, 1996).

termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to a continuation or recurrence of material injury.[6] In January 2002, it determined to conduct a full review.[7] On May 31, 2002, Mexican tomato growers/exporters submitted to Commerce a notice of their withdrawal from the agreement suspending the investigation.[8] On July 30, 2002, Commerce terminated the suspension agreement.[9] Accordingly, Commerce and the Commission terminated their five-year reviews of the suspended investigation and resumed their final phase investigations.[10] On December 16, 2002, Commerce and the Commission suspended their resumed final phase investigations when Commerce signed a new suspension agreement with certain growers/exporters of fresh tomatoes from Mexico.[11]

Second review of the suspended investigation. In November 2007, the Commission instituted its second five-year review of the suspended investigation.[12] On November 26, 2007, Mexican tomato growers/exporters submitted to Commerce a notice of their withdrawal, effective February 24, 2008, from the agreement suspending the investigation.[13] On January 18, 2008, Commerce terminated the suspension agreement, and Commerce and the Commission terminated their five-year reviews of the suspended investigation and resumed their final phase investigations.[14] On January 22, 2008, Commerce and the Commission suspended their resumed final phase investigations when Commerce signed a new suspension agreement with certain growers/exporters of fresh tomatoes from Mexico.[15]

Third review of the suspended investigation. In December 2012, the Commission instituted its third five-year review of the suspended investigation.[16] On March 1, 2013, Commerce terminated the suspension agreement and its review of the suspended investigation

---

[6] *Fresh Tomatoes From Mexico*, 66 Fed. Reg. 49975 (Oct. 1, 2001).

[7] *Fresh Tomatoes From Mexico*, 67 Fed. Reg. 3229 (Jan. 23, 2002).

[8] *Fresh Tomatoes From Mexico*, 67 Fed. Reg. 43278 (June 27, 2002).

[9] *Fresh Tomatoes From Mexico*, 67 Fed. Reg. 50858 (Aug. 6, 2002).

[10] *Fresh Tomatoes From Mexico*, 67 Fed. Reg. 53361 (Aug. 15, 2002); *Fresh Tomatoes From Mexico*, 67 Fed. Reg. 56854 (Sept. 5, 2002).

[11] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 67 Fed. Reg. 77044, 77045 (Dec. 16, 2002); *Fresh Tomatoes From Mexico*, 67 Fed. Reg. 78815 (Dec. 26, 2002).

[12] *Fresh Tomatoes From Mexico*, 72 Fed. Reg. 61903 (Nov. 1, 2007).

[13] *Fresh Tomatoes From Mexico*, 73 Fed. Reg. 2887 (Jan. 16, 2008).

[14] 73 Fed. Reg. at 2888; *Fresh Tomatoes From Mexico,* 73 Fed. Reg. 5869 (Jan. 31, 2008).

[15] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 73 Fed. Reg. 4831 (Jan. 28, 2008); *Fresh Tomatoes From Mexico*, 73 Fed. Reg. 7762 (Feb. 11, 2008).

[16] *Fresh Tomatoes From Mexico: Institution of a Five-Year Review Concerning the Suspended Investigation on Fresh Tomatoes from Mexico*, 77 Fed. Reg. 71629 (Dec. 3, 2012); *Fresh Tomatoes From Mexico; Revised Schedule for the Subject Review*, 78 Fed. Reg. 6834 (Jan. 31, 2013).

and resumed the final phase of its investigation.[17] On March 4, 2013, the Commission terminated its review of the suspended investigation and resumed the final phase of its investigation.[18] Also on March 4, 2013, Commerce signed a new suspension agreement with certain grower/exporters of fresh tomatoes from Mexico and suspended its resumed final phase investigation.[19] On March 5, 2013, the Commission suspended its resumed final phase investigation.[20]

Fourth review of the suspended investigation. On February 1, 2018, the Commission instituted its fourth five-year review of the suspended investigation.[21] On May 7, 2018, the Commission determined to conduct a full review.[22] On November 14, 2018, the Florida Tomato Exchange ("FTE"), an association of domestic growers and packers of fresh tomatoes and a petitioner in the original investigation, submitted to Commerce a request to terminate the suspension agreement and resume the antidumping investigation.[23] On May 7, 2019, Commerce terminated the suspension agreement and its review of the suspended investigation and resumed the final phase of its investigation.[24] Also on May 7, 2019, the Commission

[17] *Fresh Tomatoes From Mexico: Termination of Suspension Agreement, Termination of Five-Year Sunset Review, and Resumption of Antidumping Investigation*, 78 Fed. Reg. 14771 (March 7, 2013). On August 15, 2012, certain Mexican growers/exporters requested consultations under the suspension agreement and Commerce agreed to consult. *Fresh Tomatoes From Mexico: Intent To Terminate Suspension Agreement and Resume Antidumping Investigation and Intent To Terminate Sunset Review*, 78 Fed. Reg. 9366, 9367 (Feb. 8, 2013).

[18] *Fresh Tomatoes From Mexico; Termination of Five-Year Review and Resumption of Antidumping Investigation*, 78 Fed. Reg. 16529 (March 15, 2013).

[19] *Fresh Tomatoes From Mexico: Suspension of Antidumping Investigation*, 78 Fed. Reg. 14967 (March 8, 2013).

[20] *Fresh Tomatoes From Mexico; Suspension of Antidumping Investigation*, 78 Fed. Reg. 16530 (March 15, 2013).

[21] *Fresh Tomatoes From Mexico; Institution of a Five-Year Review,* 83 Fed. Reg. 4676 (Feb. 1, 2018). Commerce initiated its five-year review on the same date. *Initiation of Five-Year (Sunset) Reviews,* 83 Fed. Reg. 4641 (Feb. 1, 2018). Commerce issued the results of its review thereafter. *Fresh Tomatoes From Mexico: Final Results of the Full Sunset Review of the Suspended Antidumping Duty Investigation*, 83 Fed. Reg. 66680 (Dec. 27, 2018).

[22] *Fresh Tomatoes From Mexico; Notice of Commission To Schedule and Determination To Conduct a Full Five-Year Review*, 83 Fed. Reg. 50408 (Oct. 5, 2018); Explanation of Commission Determination on Adequacy, EDIS Doc. 645138 (May 15, 2018).

[23] *Fresh Tomatoes From Mexico: Intent To Terminate Suspension Agreement, Rescind the Sunset and Administrative Reviews, and Resume the Antidumping Duty Investigation*, 84 Fed. Reg. 7872, 7873–74 (March 5, 2019).

[24] *Fresh Tomatoes From Mexico: Termination of Suspension Agreement, Rescission of Administrative Review, and Continuation of the Antidumping Duty Investigation*, 84 Fed. Reg. 20858 (May 13, 2019).

terminated its review of the suspended investigation and resumed the final phase of its investigation.[25] On September 19, 2019, Commerce signed a new suspension agreement with certain grower/exporters of fresh tomatoes from Mexico and suspended its resumed final phase investigation.[26] On September 24, 2019, the Commission suspended its resumed final phase investigation.[27]

Continuation of the final phase of the antidumping investigation. On October 11 and 15, 2019, Commerce received timely requests, pursuant to section 734(g) of the Tariff Act, to continue its antidumping investigation on fresh tomatoes from Mexico.[28] Therefore, Commerce resumed its final investigation and made an affirmative determination.[29] On October 17, 2019, the Commission continued the final phase of its antidumping investigation.[30] The Commission held its hearing in this investigation on October 24, 2019. FTE filed prehearing and posthearing briefs and final comments with the Commission.[31] The Commission received prehearing and posthearing briefs and final comments submitted jointly by five Mexican associations representing producers and/or exporters of fresh tomatoes (collectively "Mexican respondents").[32] The Commission also received prehearing and posthearing briefs and final comments submitted individually by NS Brands Ltd. and its affiliates ("NS Brands"), a domestic and subject producer and U.S. importer of fresh tomatoes, and by Red Sun Farms Virginia LLC and its affiliates ("Red Sun"), a domestic, subject, and nonsubject producer and U.S. importer of

[25] *Fresh Tomatoes From Mexico; Termination of Review*, 84 Fed. Reg. 21360 (May 14, 2019); *Fresh Tomatoes From Mexico; Resumption of the Final Phase of an Anti-Dumping Duty Investigation*, 84 Fed. Reg. 27805 (June 14, 2019).

[26] *Fresh Tomatoes From Mexico: Suspension of Antidumping Investigation*, 84 Fed. Reg. 49987 (Sept. 24, 2019).

[27] *Fresh Tomatoes From Mexico; Suspension of Anti-Dumping Investigation*, 84 Fed. Reg. 54639 (Oct. 10, 2019).

[28] 19 U.S.C. § 1673c(g). The requests were filed on October 11, 2019, by the Florida Tomato Exchange and on October 15, 2019, by Red Sun Farms Virginia LLC. *Fresh Tomatoes From Mexico: Final Determination of Sales at Less Than Fair Value*, 84 Fed. Reg. 57401, 57402 (Oct. 25, 2019).

[29] 84 Fed. Reg. 57401.

[30] *Fresh Tomatoes From Mexico; Continuation of the Final Phase of an Antidumping Duty Investigation and Revised Schedule*, 84 Fed. Reg. 56837 (Oct. 23, 2019).

[31] FTE's Prehearing Brief, September 10, 2019 ("FTE's Prehear. Br."); FTE's Posthearing Brief, November 1, 2019 ("FTE's Posthear. Br.").

[32] The five Mexican associations are Confederación de Asociaciones Agrícolas del Estado de Sinaloa, A.C.; Consejo Agrícola de Baja California, A.C.; Asociación Mexicana de Horticultura Protegida, A.C.; Asociación de Productores de Hortalizas del Yaqui y Mayo; and Sistema Producto Tomate. Mexican Respondents' Prehearing Brief, September 10, 2019 ("Mexican Respondents' Prehear. Br."); Mexican Respondents' Posthearing Brief, November 1, 2019 ("Mexican Respondents' Posthear. Br.").

fresh tomatoes.[33] Representatives of each of the parties above appeared at the Commission's hearing accompanied by counsel.

U.S. industry data are based on the questionnaire responses of 23 U.S. producers of fresh tomatoes that are believed to account for approximately 56.1 percent of domestic production of fresh tomatoes in 2018.[34] U.S. import data and related information are based on official import statistics of Commerce and the questionnaire responses of 52 U.S. importers of fresh tomatoes that accounted for *** percent of subject imports in 2018 and 7.5 percent of U.S. imports of fresh tomatoes from nonsubject sources in that year.[35] Foreign industry data and related information are based on the questionnaire responses of 224 responding producers/exporters in Mexico accounting for 51.2 percent of production in 2018.[36] Exports to the United States reported in foreign producers' questionnaire responses accounted for 72.3 percent of subject imports in 2018.[37]

II. Domestic Like Product

A. In General

In determining whether an industry in the United States is materially injured or threatened with material injury by reason of imports of subject merchandise, the Commission first defines the "domestic like product" and the "industry."[38] Section 771(4)(A) of the Tariff Act of 1930, as amended ("the Tariff Act"), defines the relevant domestic industry as the "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[39] In turn, the Tariff Act defines "domestic like product" as "a product which is

[33] NS Brands Prehearing Brief, September 10, 2019 ("NS Brands Prehear. Br."); NS Brands Posthearing Brief, November 1, 2019 ("NS Brands Posthear. Br."); Red Sun Prehearing Brief, September 10, 2019 ("Red Sun Prehear. Br."); Red Sun Posthearing Brief, November 1, 2019 ("Red Sun Posthear. Br."). NS Brands joined the arguments regarding injury made by the other respondents while addressing certain issues in its separate brief. NS Brands Posthear. Br. at 1. Red Sun joined all arguments made in the prehearing brief of the Mexican respondents. Red Sun Prehear. Br. at 1.

[34] Confidential Report, Memorandum INV-RR-122 (Nov. 14, 2019) ("CR") at III-1; Public Report, *Fresh Tomatoes from Mexico*, Inv. No. 731-TA-747 (Final), USITC Pub. 5003 (December 2019) ("PR") at III-1.

[35] CR/PR at IV-1.

[36] CR/PR at VII-3.

[37] CR/PR at VII-3.

[38] 19 U.S.C. § 1677(4)(A).

[39] 19 U.S.C. § 1677(4)(A).

like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation."[40]

The decision regarding the appropriate domestic like product in an investigation is a factual determination, and the Commission has applied the statutory standard of "like" or "most similar in characteristics and uses" on a case-by-case basis.[41] No single factor is dispositive, and the Commission may consider other factors it deems relevant based on the facts of a particular investigation.[42] The Commission looks for clear dividing lines among possible like products and disregards minor variations.[43] Although the Commission must accept Commerce's determination as to the scope of the imported merchandise that is subsidized or sold at less than fair value,[44] the Commission determines what domestic product is like the imported articles Commerce has identified.[45]

---

[40] 19 U.S.C. § 1677(10).

[41] *See, e.g., Cleo Inc. v. United States*, 501 F.3d 1291, 1299 (Fed. Cir. 2007); *NEC Corp. v. Department of Commerce*, 36 F. Supp. 2d 380, 383 (Ct. Int'l Trade 1998); *Nippon Steel Corp. v. United States*, 19 CIT 450, 455 (1995); *Torrington Co. v. United States*, 747 F. Supp. 744, 749 n.3 (Ct. Int'l Trade 1990), *aff'd*, 938 F.2d 1278 (Fed. Cir. 1991) ("every like product determination 'must be made on the particular record at issue' and the 'unique facts of each case'"). The Commission generally considers a number of factors, including the following: (1) physical characteristics and uses; (2) interchangeability; (3) channels of distribution; (4) customer and producer perceptions of the products; (5) common manufacturing facilities, production processes, and production employees; and, where appropriate, (6) price. *See Nippon*, 19 CIT at 455 n.4; *Timken Co. v. United States*, 913 F. Supp. 580, 584 (Ct. Int'l Trade 1996).

[42] *See*, *e.g.*, S. Rep. No. 96-249 at 90–91 (1979).

[43] *Nippon*, 19 CIT at 455; *Torrington*, 747 F. Supp. at 748–49; *see also* S. Rep. No. 96-249 at 90–91 (Congress has indicated that the like product standard should not be interpreted in "such a narrow fashion as to permit minor differences in physical characteristics or uses to lead to the conclusion that the product and article are not 'like' each other, nor should the definition of 'like product' be interpreted in such a fashion as to prevent consideration of an industry adversely affected by the imports under consideration.").

[44] *See*, *e.g., USEC, Inc. v. United States*, 34 Fed. Appx. 725, 730 (Fed. Cir. 2002) ("The ITC may not modify the class or kind of imported merchandise examined by Commerce."); *Algoma Steel Corp. v. United States*, 688 F. Supp. 639, 644 (Ct. Int'l Trade 1988), *aff'd*, 865 F.3d 240 (Fed. Cir.), *cert. denied*, 492 U.S. 919 (1989).

[45] *Hosiden Corp. v. Advanced Display Mfrs.*, 85 F.3d 1561, 1568 (Fed. Cir. 1996) (the Commission may find a single like product corresponding to several different classes or kinds defined by Commerce); *Cleo*, 501 F.3d at 1298 n.1 ("Commerce's {scope} finding does not control the Commission's {like product} determination."); *Torrington*, 747 F. Supp. at 748–52 (affirming the Commission's determination defining six like products in investigations in which Commerce found five classes or kinds).

B. Product Description

Commerce defined the scope of the imported merchandise under investigation as follows:

> all fresh or chilled tomatoes (fresh tomatoes) which have Mexico as their origin, except for those tomatoes which are for processing. For purposes of this suspended investigation, processing is defined to include preserving by any commercial process, such as canning, dehydrating, drying, or the addition of chemical substances, or converting the tomato product into juices, sauces, or purees. Fresh tomatoes that are imported for cutting up, not further processing (e.g., tomatoes used in the preparation of fresh salsa or salad bars), are covered by the investigation.
>
> Commercially grown tomatoes, both for the fresh market and for processing, are classified as Lycopersicon esculentum. Important commercial varieties of fresh tomatoes include common round, cherry, grape, plum, greenhouse, and pear tomatoes, all of which are covered by this investigation.
>
> Tomatoes imported from Mexico covered by this investigation are classified under the following subheading of the Harmonized Tariff Schedule of the United States (HTSUS), according to the season of importation: 0702. Although the HTSUS numbers are provided for convenience and customs purposes, the written description of the scope of this investigation is disposition.[46]

Tomatoes are perishable, edible fruit.[47] Types of commercial fresh tomatoes include common round, plum/Roma, cherry, and grape tomatoes.[48] Tomatoes are grown in open fields and adaptive environments, as well as controlled environments (*e.g.,* greenhouses).[49] Each

[46] *Fresh Tomatoes From Mexico: Final Determination of Sales at Less Than Fair Value*, 84 Fed. Reg. 57401, 57403 (Oct. 25, 2019).

[47] CR/PR at I-17.

[48] CR/PR at I-18.

[49] CR/PR at I-18 to I-23; Hearing Transcript ("Hearing Tr.") at 80–81 (shade cloth, plastic, and glass materials), 160 (Mexican protected agriculture environments), 200–204; Mexican Respondents' Posthear. Br. Exh. 7 (including "nethouse"). For the purposes of this investigation, "controlled environment" refers to a fully-enclosed permanent aluminum or fixed steel structure clad in glass, impermeable plastic, or polycarbonate using automated irrigation and climate control, including heating and ventilation capabilities, in an artificial medium using hydroponic methods. Foreign Producers'/Exporters' Questionnaire for Distribution, EDIS Doc. 678408 (June 12, 2019) at 11 and

tomato type can be grown using these methods, with plant varieties that are tailored to a particular growing method.[50] Tomatoes are grown commercially for two general purposes: as a fresh product or for processing into products such as paste, sauce, and juice.[51] Fresh market tomatoes can be categorized based on their stage of maturation when they are harvested.[52] "Mature green" tomatoes are harvested when they are fully mature in size but still entirely green in color and then "degreened" through the use of ethylene gas.[53] Vine ripe tomatoes start to turn red while still on the vine prior to harvest, but may still be mostly green or pink when harvested and naturally ripen to red prior to retail sale or use.[54]

C. Arguments of the Parties

FTE argues that the Commission should find a single domestic like product of all fresh tomatoes, as it did in its preliminary determination.[55] Mexican respondents do not contest the Commission's prior decision that there is a single domestic like product of all fresh tomatoes.[56]

NS Brands argues that the Commission should find two separate domestic like products: (1) "specialty tomatoes," which are normally greenhouse-grown tomatoes and are smaller in size and intended to be eaten by hand or used in the preparation of foods such as salads (cherry, grape, pear, cocktail/campari, and other similarly sized varieties) and (2) larger tomatoes (*e.g.*, common round, tomatoes on the vine {cluster}, and plum/Roma), which are

---

(…Continued)
question II-6(b). Greenhouses are a type of controlled environment. *Id.* "Open field and adapted environment" refers to those cultivation settings other than in greenhouses and controlled environments, including, but not limited to, protected agricultural structures, including tunnels, shade houses, and other temporary or permanent structures, except for greenhouses and controlled environments. *Id.* at 11 and question II-6(a). "Protected environments" is a broad designation that includes both controlled environments (*e.g.*, greenhouses) and adaptive environments (*e.g.*, tomatoes grown in a field but under a tunnel or in a shade house). CR/PR at I-18 and I-23. For purposes of questionnaire data collection in the final phase of this investigation, we have used the terms "open field and adaptive environment" and "greenhouse and controlled environment." *See, e.g.*, CR/PR at Tables III-9, IV-3, and V-3 to V-8.

[50] CR/PR at I-17 to I-19 and I-23.

[51] CR/PR at I-18. Tomatoes for processing are excluded from the scope of this investigation. 84 Fed. Reg. at 57403.

[52] CR/PR at I-19 to I-20 and I-24.

[53] CR/PR at I-24.

[54] CR/PR at I-19 to I-20; Hearing Tr. at 57–59; FTE's Prehear. Br. at 11, fig. 2.

[55] FTE's Prehear. Br. at 9.

[56] Mexican Respondents' Prehear. Br. at 2. Red Sun states that it "supports and incorporates" the prehearing arguments of the Mexican respondents. Red Sun Prehear. Br. at 1.

grown in an open field or greenhouse.[57] It contends that specialty tomatoes are smaller in size and fresher and come in a variety of sizes as compared to common round and plum/Roma tomatoes.[58] It further contends that specialty tomatoes are intended for retail sale, while the larger tomatoes are grown for hardiness and intended for the food service industry.[59] It maintains that its specialty tomatoes are greenhouse grown and naturally color-ripened, while larger tomatoes primarily are open field grown and degreened.[60] It argues that its specialty products are sold through retail channels, intended for consumers, and larger tomatoes primarily are not.[61] It contends that the prices for its specialty tomatoes are much higher than the minimum reference prices in the suspension agreement.[62]

D. Domestic Like Product Analysis

Based on the record, we define a single domestic like product that is coextensive with the scope of this investigation.

In 1996, during the preliminary phase of the original investigation, the Commission defined the domestic like product to be all fresh tomatoes within Commerce's scope definition.[63] It rejected arguments that it should find mature green tomatoes and vine ripe tomatoes to be separate domestic like products, finding that the record did not demonstrate a clear dividing line between the same varieties of tomatoes grown by these methods.[64]

---

[57] NS Brands Prehear. Br. at 5–15; NS Brands Posthear. Br. at 2–6. We note that NS Brands raised its domestic like product argument for the first time in its prehearing brief during the final phase. It did not provide this proposed definition in its comments on the Commission's draft final phase questionnaires nor request that data for separate domestic like products be collected, as required under 19 C.F.R. § 207.20(b).

[58] NS Brands Prehear. Br. at 9.

[59] NS Brands Prehear. Br. at 9.

[60] NS Brands Prehear. Br. at 10.

[61] NS Brands Prehear. Br. at 10–11; NS Brands Posthear. Br. at 5.

[62] NS Brands Prehear. Br. at 13. The record indicates that at least one variety of tomato—heirloom—is considered a specialty tomato despite its larger size. NS Brands Prehear. Br. Exh. 7 (Janel Leitner, "The Tomato Revolution," *Produce Business*, April 1, 2017, at 5, 7, and 9).

[63] Preliminary Determination, USITC Pub. 2967 at 11.

[64] Preliminary Determination, USITC Pub. 2967 at 6–11 (applying the six-factor test). It found that, at the retail level, common round, plum/Roma, and cherry tomatoes, whether mature green or vine ripe, have the same general physical appearance such that a customer generally would not be able to tell the difference between a mature green tomato of a certain shape and a vine ripe tomato of the same shape based on its physical appearance. *Id.* at 7. It also found that the record was not clear with respect to whether there are any true taste differences between mature green and vine ripe tomatoes or, if so, whether any difference is attributable to the use of different varieties or different ripening methods. *Id.* It further found that vine ripe and mature green tomatoes are sold in the same channels

1. Physical Characteristics and Uses

Fresh tomatoes, such as common round, plum/Roma, cherry, and grape, have the same general physical appearance at the point of sale to the end-user customer, as in, ripe and ready-for-consumption tomatoes.[65] They vary in size—cherry and grape generally being the smallest and common round the largest—and in color combinations and shadings.[66]

There are differences in use between the smallest and largest tomato varieties that become less pronounced or are nonexistent among the medium-sized varieties.[67] At the point of sale to the end-use customer, all fresh tomatoes can be used in salads, sandwiches, or salsas or as an ingredient in various recipes.[68] Certain sizes may be eaten whole by hand with no further preparation, and other sizes may require slicing prior to use.[69]

2. Interchangeability

All fresh tomato varieties of all sizes and shapes are sold to the food service industry and to retailers directly, although it is unlikely that the largest-sized varieties are fully interchangeable with the smallest.[70] The record is limited regarding choices of a particular type made by end users. For example, common round tomatoes may be more easily sliced for sandwich use, while cherry and grape tomatoes are valued for their ease in eating as they may be eaten whole.[71] Medium-sized tomatoes can be sliced for use, similar to common round tomatoes, or eaten whole.[72]

(…Continued)
of distribution, show no consistent price differential at the first sale level, and are produced through very similar processes, sometimes on the same plants. *Id.* at 11.

The Commission also considered whether the domestic like product should include tomatoes for further processing and concluded that it did not. *Id.* at 11–13.

[65] CR/PR at I-19 to I-20.

[66] CR/PR at I-18 n.66 and I-20.

[67] CR/PR at I-18 n.66.

[68] CR/PR at I-19.

[69] CR/PR at I-21 to I-22.

[70] CR/PR at I-21 to I-22.

[71] CR/PR at I-19 and II-18; Hearing Tr. at 224.

[72] Hearing Tr. at 107 (interchangeability with common round tomatoes); CR/PR at I-18 n.66.

3. Channels of Distribution

Supermarket and grocery chains (the retail sector) stock the various varieties of fresh tomatoes, including common round, plum/Roma, cocktail/campari, pear, grape, and cherry.[73] Food service industries use fresh tomatoes of various sizes for which the end use is most determinative.[74] For example, in restaurants, sliced common round tomatoes accompany entrées, and cherry tomatoes are in salads.[75]

4. Common Manufacturing Facilities, Production Processes, and Production Employees

U.S. producers grow all varieties and sizes of fresh tomatoes and do so in open fields and in protected agriculture environments, including greenhouses.[76] The commercial production of all fresh tomatoes involves planting, irrigation, fertilization, harvesting, cleaning, sorting, grading, and packing.[77] Production in most states other than Florida is of vine-ripe common round, plum/Roma, and cherry tomatoes grown in protected agriculture environments, particularly greenhouses.[78] Most but not all of Florida's tomato crop is grown in the field.[79]

All fresh tomatoes grown in the United States are hand-picked regardless of size.[80] Once harvested, all fresh tomatoes are washed, sorted, graded, and packed.[81] They are generally kept under controlled temperatures and humidity during storage and shipment.[82] They are very perishable and are marketed as soon after packing as possible.[83]

U.S. producers of open field tomatoes rely on a larger proportion of seasonal migrant workers.[84] Employees in U.S. greenhouse tomato operations are primarily full-time year-round workers.[85]

---

[73] CR/PR at I-22.
[74] CR/PR at I-21 to I-22.
[75] CR/PR at I-21 to I-22.
[76] CR/PR at I-18 to I-19 and Table III-9; FTE's Posthear. Br. at 13.
[77] CR/PR at I-23.
[78] CR/PR at I-19 to I-20.
[79] CR/PR at I-19.
[80] CR/PR at I-26.
[81] CR/PR at I-26.
[82] CR/PR at I-26.
[83] CR/PR at I-26.
[84] CR/PR at I-26.
[85] CR/PR at I-28.

5. Customer and Producer Perceptions

All parties acknowledge that there are differences in customer and producer perceptions of the different varieties and sizes of tomatoes.[86]

6. Price

The pricing products were defined to gather data on tomato varieties by growing location (field versus greenhouse) and size.[87] These data suggest that prices for all pricing products are extremely variable.[88] The prices per pound for cherry/grape tomatoes were higher than the prices for common round tomatoes.[89] The prices for plum/Roma tomatoes were lower in general than prices for large and small tomatoes.[90]

7. Conclusion

Although there are some differences in certain physical characteristics and some uses between larger tomatoes and smaller tomatoes, such as cherry, grape, and other tomatoes NS Brands considers to be specialty tomatoes, these differences are less apparent when comparing medium-sized tomatoes, such as plum/Roma tomatoes and certain cherry and grape tomatoes. The record suggests that larger and smaller tomatoes are interchangeable in some applications, are sold in the same channels of distribution, and are produced in greenhouses and open fields. While there may be some perceived differences in taste or freshness between smaller and larger tomatoes on the part of some consumers, the evidence is not conclusive as to whether there are any actual differences based on the size of the tomato. Thus, we find that the record in this investigation does not demonstrate a clear dividing line between larger and smaller tomatoes but rather involves a continuum.

Accordingly, we define a single domestic like product that is coextensive with the scope of the investigation, as we did in the preliminary determination.

---

[86] Hearing Tr. at 138–139 and 165–166. FTE did not specify what the differences were, but was referring to a question of mature green versus greenhouse tomatoes. *Id.* at 138–139. NS Brands argues, for example, that its smaller specialty tomatoes have a superior taste to that of larger U.S. tomatoes. *Id.* at 191–192.

[87] CR/PR at V-5. Data were requested on three sizes of tomatoes: large, small, and plum/Roma. *Id.*

[88] CR/PR at Tables V-3 to V-8.

[89] CR/PR at Table V-9.

[90] CR/PR at Table V-9.

III. Domestic Industry

The domestic industry is defined as the domestic "producers as a whole of a domestic like product, or those producers whose collective output of a domestic like product constitutes a major proportion of the total domestic production of the product."[91] In defining the domestic industry, the Commission's general practice has been to include in the industry producers of all domestic production of the like product, whether toll-produced, captively consumed, or sold in the domestic merchant market.

We must determine whether any producer of the domestic like product should be excluded from the domestic industry pursuant to section 771(4)(B) of the Tariff Act. This provision allows the Commission, if appropriate circumstances exist, to exclude from the domestic industry producers that are related to an exporter or importer of subject merchandise or which are themselves importers.[92] Exclusion of such a producer is within the Commission's discretion based upon the facts presented in each investigation.[93]

During the preliminary phase, the Commission found a single domestic industry consisting of all domestic producers of fresh tomatoes.[94] There were no related party issues.[95]

---

[91] 19 U.S.C. § 1677(4)(A).

[92] *See Torrington Co. v. United States*, 790 F. Supp. 1161, 1168 (Ct. Int'l Trade 1992), *aff'd without opinion*, 991 F.2d 809 (Fed. Cir. 1993); *Sandvik AB v. United States*, 721 F. Supp. 1322, 1331–32 (Ct. Int'l Trade 1989), *aff'd mem*., 904 F.2d 46 (Fed. Cir. 1990); *Empire Plow Co. v. United States*, 675 F. Supp. 1348, 1352 (Ct. Int'l Trade 1987).

[93] The primary factors the Commission has examined in deciding whether appropriate circumstances exist to exclude a related party include the following:

(1) the percentage of domestic production attributable to the importing producer;

(2) the reason the U.S. producer has decided to import the product subject to investigation (whether the firm benefits from the LTFV sales or subsidies or whether the firm must import in order to enable it to continue production and compete in the U.S. market);

(3) whether inclusion or exclusion of the related party will skew the data for the rest of the industry;

(4) the ratio of import shipments to U.S. production for the imported product; and

(5) whether the primary interest of the importing producer lies in domestic production or importation. *Changzhou Trina Solar Energy Co. v. USITC*, 100 F. Supp.3d 1314, 1326–31 (Ct. Int'l. Trade 2015); *see also Torrington Co. v. United States*, 790 F. Supp. at 1168.

[94] Preliminary Determination, USITC Pub. 2967 at 13–15. The Commission examined whether the "downstream" packers and handlers of fresh tomatoes should be included in the domestic industry producing fresh tomatoes along with the growers, pursuant to 19 U.S.C. § 1677(4)(E). The Commission employed a two-part test and concluded that based on the existence of a single, continuous line of production; a significant degree of vertical integration; and some evidence of a coincidence of economic interests between growers and packers, growers and packers should be included in the domestic

In this final phase investigation, Mexican respondents argue that the Commission should exclude NS Brands and Red Sun from the domestic industry.[96] No other party addressed the issue of related parties. Four domestic producers fall within the scope of the related party provision, and we examine for each of them whether appropriate circumstances exist to exclude any of them from the domestic industry.[97]

***. *** meets the definition of a related party because it imported subject merchandise during the January 2016–March 2019 period of investigation ("POI") and ***.[98] *** accounted for *** percent of domestic fresh tomato production during 2018.[99] Imports of subject merchandise by *** totaled *** pounds in 2016 (equivalent to *** percent of its domestic production), *** pounds in 2017 (equivalent to *** percent of its domestic production), and *** pounds in 2018 (equivalent to *** percent of its domestic production); they were *** pounds in January–March ("interim") 2018 (equivalent to *** percent of its domestic production) and *** pounds during interim 2019 (equivalent to *** percent of its domestic production).[100] ***.[101]

The record indicates that ***s' principal interest lies in importation rather than domestic production. The ratio of its imports to domestic production ***. Accordingly, and in the absence of any contrary argument, we find that appropriate circumstances exist to exclude *** from the domestic industry.

***. *** meets the definition of a related party because an affiliated importer imported subject merchandise during the POI.[102] *** accounted for *** percent of domestic fresh tomato production during 2018.[103] Imports of subject merchandise by the affiliated importer totaled *** pounds in 2016 (equivalent to *** percent of ***'s domestic production), ***

(…Continued)
industry. *Id.* No party in the final phase investigation argued that packers should not be included in the domestic industry.

[95] Preliminary Determination, USITC Pub. 2967 at 16–17.

[96] Mexican Respondents' Prehear. Br. at 2–3.

[97] U.S. producers *** reported that they were related to importers or exporters of subject imports, but no further information was submitted regarding affiliated importer or exporters. CR/PR at III-25 n.18. Therefore, we are unable to determine whether either of these domestic producers would meet the definition of a related party and if so should be excluded from the domestic industry.

[98] CR/PR at Tables III-2 and III-12.

[99] CR/PR at Table III-1.

[100] CR/PR at Table III-12. *** stated that it imports fresh tomatoes from Mexico "***." *Id.*

[101] CR/PR at III-1.

[102] CR/PR at Table III-12. *** ***. CR/PR at Table III-2.

[103] CR/PR at Table III-1.

pounds in 2017 (equivalent to *** percent of ***'s domestic production), *** pounds in 2018 (equivalent to *** percent of ***'s domestic production), *** pounds during interim 2018 (equivalent to *** percent of ***'s domestic production), and *** pounds during interim 2019 (equivalent to *** percent of ***'s domestic production).[104] ***.[105]

The record indicates that ***'s principal interest lies in importation rather than domestic production. The ratio of its affiliate's imports to ***'s domestic production ***. Accordingly, and in the absence of any contrary argument, we find that appropriate circumstances exist to exclude *** from the domestic industry.

***. *** meets the definition of a related party because its subsidiary importers (***) imported subject merchandise during the POI.[106] ***s' subsidiary domestic producers (***) were *** the *** domestic producer during the POI, accounting for *** percent of domestic production during 2018.[107] Imports of subject merchandise by ***s' subsidiaries totaled *** pounds in 2016 (equivalent to *** percent of ***s' domestic production), *** pounds in 2017 (equivalent to *** percent of ***s' domestic production), *** pounds in 2018 (equivalent to *** percent of ***s' domestic production), *** pounds in interim 2018 (equivalent to *** percent of ***s' domestic production), and *** pounds in interim 2019 (equivalent to *** percent of ***s' domestic production).[108] *** is a petitioner.[109]

The record indicates that ***s' principal interest lies in domestic production rather than importation during the POI. The ratio of its subsidiaries' imports to its domestic production ***. In light of these considerations, and in the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

***. *** imported subject merchandise during the POI.[110] *** was the *** domestic producer during the POI, accounting for *** percent of domestic production during 2018.[111] Imports of subject merchandise by *** totaled *** pounds in 2016 (equivalent to *** percent of its domestic production), *** pounds in 2017 (equivalent to *** percent of its domestic production), *** pounds in 2018 (equivalent to *** percent of its domestic production), ***

[104] CR/PR at Table III-12. *** *Id.*
[105] CR/PR at III-1.
[106] CR/PR at Table III-12.
[107] CR/PR at Table III-1.
[108] CR/PR at Table III-12. *** ***. *Id.*
[109] CR/PR at III-1.
[110] CR/PR at Table III-12. ***. CR/PR at III-2.
[111] CR/PR at Table III-1.

pounds in interim 2018 (equivalent to *** percent of its domestic production), and *** pounds in interim 2019 (equivalent to *** percent of its domestic production).[112] *** is a petitioner.[113]

The record indicates that petitioner ***'s principal interest lies in domestic production rather than importation during the POI. While the ratio of its imports to domestic production ***. In light of these considerations, and in the absence of any contrary argument, we find that appropriate circumstances do not exist to exclude *** from the domestic industry.

We consequently define the domestic industry to include all domestic producers of fresh tomatoes, except for ***.

IV. Threat of Material Injury by Reason of Subject Imports

A. Legal Standards

In the final phase of antidumping and countervailing duty investigations, the Commission determines whether an industry in the United States is materially injured or threatened with material injury by reason of the imports under investigation.[114] In making this determination, the Commission must consider the volume of subject imports, their effect on prices for the domestic like product, and their impact on domestic producers of the domestic like product, but only in the context of U.S. production operations.[115] The statute defines "material injury" as "harm which is not inconsequential, immaterial, or unimportant."[116] In assessing whether the domestic industry is materially injured or threatened with material injury by reason of subject imports, we consider all relevant economic factors that bear on the state

---

[112] CR/PR at Table III-12. *** stated that it imports subject product "***." *Id.*

[113] CR/PR at III-1.

[114] 19 U.S.C. §§ 1671d(b), 1673d(b). The statute states in relevant part:

> The Commission shall make a final determination of whether—
>
> (A) an industry in the United States—
>
> (i) is materially injured, or
>
> (ii) is threatened with material injury …
>
> by reason of imports, or sales (or the likelihood of sales) for importation, of the merchandise with respect to which the administering authority has made an affirmative determination under subsection (a)(1) of this section.

19 U.S.C. § 1673d(b)(1).

[115] 19 U.S.C. § 1677(7)(B). The Commission "may consider such other economic factors as are relevant to the determination" but shall "identify each {such} factor … and explain in full its relevance to the determination." *Id.* While we consider or evaluate the volume, price, and impact factors in our final determination, whether based on material injury or threat thereof, the statute does not require us to make findings on any of these factors. *Id*.

[116] 19 U.S.C. § 1677(7)(A).

of the industry in the United States.[117] No single factor is dispositive, and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[118]

Although the statute requires the Commission to determine whether the domestic industry is "materially injured or threatened with material injury by reason of" unfairly traded imports,[119] it does not define the phrase "by reason of," indicating that this aspect of the injury analysis is left to the Commission's reasonable exercise of its discretion.[120] In identifying a causal link, if any, between subject imports and material injury to the domestic industry, the Commission examines the facts of record that relate to the significance of the volume and price effects of the subject imports and any impact of those imports on the condition of the domestic industry. This evaluation under the "by reason of" standard must ensure that subject imports are more than a minimal or tangential cause of injury and that there is a sufficient causal, not merely a temporal, nexus between subject imports and material injury.[121]

In many investigations, there are other economic factors at work, some or all of which may also be having adverse effects on the domestic industry. Such economic factors might include nonsubject imports; changes in technology, demand, or consumer tastes; competition among domestic producers; or management decisions by domestic producers. The legislative history explains that the Commission must examine factors other than subject imports to ensure that it is not attributing injury from other factors to the subject imports, thereby inflating an otherwise tangential cause of injury into one that satisfies the statutory material injury threshold.[122] In performing its examination, however, the Commission need not isolate

---

[117] 19 U.S.C. § 1677(7)(C)(iii).

[118] 19 U.S.C. § 1677(7)(C)(iii).

[119] 19 U.S.C. §§ 1671d(b), 1673d(b).

[120] *Angus Chemical Co. v. United States*, 140 F.3d 1478, 1484–85 (Fed. Cir. 1998) ("{T}he statute does not 'compel the commissioners' to employ {a particular methodology}."), *aff'g,* 944 F. Supp. 943, 951 (Ct. Int'l Trade 1996).

[121] The Federal Circuit, in addressing the causation standard of the statute, observed that "{a}s long as its effects are not merely incidental, tangential, or trivial, the foreign product sold at less than fair value meets the causation requirement." *Nippon Steel Corp. v. USITC*, 345 F.3d 1379, 1384 (Fed. Cir. 2003). This was further ratified in *Mittal Steel Point Lisas Ltd. v. United States*, 542 F.3d 867, 873 (Fed. Cir. 2008), where the Federal Circuit, quoting *Gerald Metals, Inc. v. United States*, 132 F.3d 716, 722 (Fed. Cir. 1997), stated that "this court requires evidence in the record 'to show that the harm occurred "by reason of" the LTFV imports, not by reason of a minimal or tangential contribution to material harm caused by LTFV goods.'" *See also Nippon Steel Corp. v. United States*, 458 F.3d 1345, 1357 (Fed. Cir. 2006); *Taiwan Semiconductor Industry Ass'n v. USITC*, 266 F.3d 1339, 1345 (Fed. Cir. 2001).

[122] Uruguay Round Agreements Act Statement of Administrative Action, H.R. Rep. 103-316, vol. I ("SAA") at 851–52 (1994) ("{T}he Commission must examine other factors to ensure that it is not

the injury caused by other factors from injury caused by unfairly traded imports.[123] Nor does the "by reason of" standard require that unfairly traded imports be the "principal" cause of injury or contemplate that injury from unfairly traded imports be weighed against other factors, such as nonsubject imports, which may be contributing to overall injury to an industry.[124] It is clear that the existence of injury caused by other factors does not compel a negative determination.[125]

Assessment of whether material injury or threat thereof to the domestic industry is "by reason of" subject imports "does not require the Commission to address the causation issue in any particular way" as long as "the injury to the domestic industry can reasonably be attributed to the subject imports."[126] The Commission ensures that it has "evidence in the record" to

---

(…Continued)
attributing injury from other sources to the subject imports."); S. Rep. 96-249 at 75 (1979) (the Commission "will consider information which indicates that harm is caused by factors other than less-than-fair-value imports."); H.R. Rep. 96-317 at 47 (1979) ("in examining the overall injury being experienced by a domestic industry, the ITC will take into account evidence presented to it which demonstrates that the harm attributed by the petitioner to the subsidized or dumped imports is attributable to such other factors;" those factors include "the volume and prices of nonsubsidized imports or imports sold at fair value, contraction in demand or changes in patterns of consumption, trade restrictive practices of and competition between the foreign and domestic producers, developments in technology and the export performance and productivity of the domestic industry"); *accord Mittal Steel*, 542 F.3d at 877.

[123] SAA at 851–52 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports."); *Taiwan Semiconductor Industry Ass'n,* 266 F.3d at 1345 ("{T}he Commission need not isolate the injury caused by other factors from injury caused by unfair imports … . Rather, the Commission must examine other factors to ensure that it is not attributing injury from other sources to the subject imports." (emphasis in original)); *Asociacion de Productores de Salmon y Trucha de Chile AG v. United States*, 180 F. Supp. 2d 1360, 1375 (Ct. Int'l Trade 2002) ("{t}he Commission is not required to isolate the effects of subject imports from other factors contributing to injury" or make "bright-line distinctions" between the effects of subject imports and other causes.); *see also Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Remand), USITC Pub. 3658 at 100–01 (Dec. 2003) (Commission recognized that "{i}f an alleged other factor is found not to have or threaten to have injurious effects to the domestic industry, *i.e*., it is not an 'other causal factor,' then there is nothing to further examine regarding attribution to injury"), *citing Gerald Metals,* 132 F.3d at 722 (the statute "does not suggest that an importer of LTFV goods can escape countervailing duties by finding some tangential or minor cause unrelated to the LTFV goods that contributed to the harmful effects on domestic market prices.").

[124] S. Rep. 96-249 at 74–75; H.R. Rep. 96-317 at 47.

[125] *See Nippon Steel Corp*., 345 F.3d at 1381 ("an affirmative material-injury determination under the statute requires no more than a substantial-factor showing. That is, the 'dumping' need not be the sole or principal cause of injury.").

[126] *Mittal Steel*, 542 F.3d at 876, 878; *see also id.* at 873 ("While the Commission may not enter an affirmative determination unless it finds that a domestic industry is materially injured 'by reason of'

"show that the harm occurred 'by reason of' the LTFV imports," and that it is "not attributing injury from other sources to the subject imports." [127] The Federal Circuit has examined and affirmed various Commission methodologies and has disavowed "rigid adherence to a specific formula."[128]

The question of whether the material injury or threat thereof threshold for subject imports is satisfied notwithstanding any injury from other factors is factual, subject to review under the substantial evidence standard.[129] Congress has delegated this factual finding to the Commission because of the agency's institutional expertise in resolving injury issues.[130]

The statute explicitly sets forth the relevant volume, price, and impact factors to be considered in the Commission's analysis. Section 771(7)(C)(i) of the Tariff Act provides that the "Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States, is significant."[131]

Section 771(7)(C)(ii) of the Tariff Act provides that, in evaluating the price effects of the subject imports, the Commission shall consider whether

> (I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and

---

(…Continued)
subject imports, the Commission is not required to follow a single methodology for making that determination … {and has} broad discretion with respect to its choice of methodology.") *citing United States Steel Group v. United States*, 96 F.3d 1352, 1362 (Fed. Cir. 1996) and S. Rep. 96-249 at 75. In its decision in *Swiff-Train v. United States*, 793 F.3d 1355 (Fed. Cir. 2015), the Federal Circuit affirmed the Commission's causation analysis as comporting with the Court's guidance in *Mittal*.

[127] *Mittal Steel*, 542 F.3d at 873 (quoting from *Gerald Metals*, 132 F.3d at 722), 877–79. We note that one relevant "other factor" may involve the presence of significant volumes of price-competitive nonsubject imports in the U.S. market, particularly when a commodity product is at issue. In appropriate cases, the Commission collects information regarding nonsubject imports and producers in nonsubject countries in order to conduct its analysis.

[128] *Nucor Corp. v. United States*, 414 F.3d 1331, 1336, 1341 (Fed. Cir. 2005); *see also Mittal Steel*, 542 F.3d at 879 ("*Bratsk* did not read into the antidumping statute a Procrustean formula for determining whether a domestic injury was 'by reason' of subject imports.").

[129] We provide in our discussion below a full analysis of other factors alleged to have caused any material injury or threat thereof experienced by the domestic industry.

[130] *Mittal Steel*, 542 F.3d at 873; *Nippon Steel Corp*., 458 F.3d at 1350, *citing U.S. Steel Group*, 96 F.3d at 1357; S. Rep. 96-249 at 75 ("The determination of the ITC with respect to causation is … complex and difficult, and is a matter for the judgment of the ITC.").

[131] 19 U.S.C. § 1677(7)(C)(i).

> (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.[132]

Section 771(7)(C)(iii) of the Tariff Act provides that examining the impact of subject imports, the Commission "shall evaluate all relevant economic factors which have a bearing on the state of the industry."[133] These factors include output, sales, inventories, capacity utilization, market share, employment, wages, productivity, gross profits, net profits, operating profits, cash flow, return on investment, return on capital, ability to raise capital, ability to service debts, research and development, and factors affecting domestic prices. No single factor is dispositive and all relevant factors are considered "within the context of the business cycle and conditions of competition that are distinctive to the affected industry."[134]

Section 771(7)(F) of the Tariff Act directs the Commission to determine whether the U.S. industry is threatened with material injury by reason of the subject imports by analyzing whether "further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted."[135] The Commission may not make such a determination "on the basis of mere conjecture or supposition," and considers the threat factors "as a whole" in making its determination whether dumped or subsidized imports are imminent and whether material injury by reason of subject imports would occur unless an order is issued.[136] In making our determination, we consider all statutory threat factors that are relevant to this investigation.[137]

---

[132] 19 U.S.C. § 1677(7)(C)(ii).

[133] 19 U.S.C. § 1677(7)(C)(iii); *see also* SAA at 851 and 885 ("In material injury determinations, the Commission considers, in addition to imports, other factors that may be contributing to overall injury. While these factors, in some cases, may account for the injury to the domestic industry, they also may demonstrate that an industry is facing difficulties from a variety of sources and is vulnerable to dumped or subsidized imports.").

[134] 19 U.S.C. § 1677(7)(C)(iii). This provision was amended by the Trade Preferences Extension Act of 2015, Pub. L. 114-27.

[135] 19 U.S.C. § 1677(7)(F)(ii).

[136] 19 U.S.C. § 1677(7)(F)(ii).

[137] These factors are as follows:

> …
>
> (II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,

To organize our analysis, we discuss the applicable statutory threat factors using the same volume/price/impact framework that applies to our material injury analysis. Statutory threat factors (II), (III), (V), and (VI) are discussed in the analysis of likely subject import volume. Statutory threat factor (IV) is discussed in the analysis of likely subject import price effects. Statutory factors (VIII) and (IX) are discussed in the analysis of likely impact. Statutory factors (I) concerning countervailable subsidies and (VII) concerning processed agricultural products are inapplicable to this investigation.

B. Conditions of Competition and the Business Cycle[138]

The following conditions of competition inform our analysis of whether there is material injury or threat of material injury by reason of subject imports.

(…Continued)

> (III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,
>
> (IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing effect on domestic prices and are likely to increase demand for further imports,
>
> (V) inventories of the subject merchandise,
>
> (VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,
>
> …
>
> (VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and
>
> (IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).

19 U.S.C. § 1677(7)(F)(i).

[138] Pursuant to section 771(24) of the Tariff Act, imports from a subject country of merchandise corresponding to the domestic like product that account for less than 3 percent of all such merchandise imported into the United States in the most recent 12-month period for which data are available preceding the filing of the petition shall generally be deemed negligible. 19 U.S.C. § 1677(24)(A)(i).

Negligibility is not an issue in this investigation. Subject imports from Mexico accounted for 95.4 percent of total U.S. imports of fresh tomatoes during April 1995 to March 1996, the 12-month period preceding filing of the petition. CR/PR at Table IV-5.

1. Data Issues

We note two overarching data issues in the final phase of this investigation. First, in calculating apparent U.S. consumption and U.S. shipments and related values, we have supplemented U.S. producers' questionnaire responses with data from the U.S. Department of Agriculture.[139] Second, when calculating capacity for responding foreign producers that did not provide these data in their final phase questionnaire responses, we generally used the capacity utilization rate of the Mexican industry from the fourth review of the suspended investigation.[140]

2. 2013 Suspension Agreement

On March 4, 2013, Commerce signed an agreement with producers/exporters accounting for substantially all imports of fresh tomatoes from Mexico in which "each signatory producer/exporter … agreed to revise its prices to eliminate completely the injurious effects of exports" of fresh tomatoes to the United States and suspended its antidumping investigation.[141] The 2013 agreement covered U.S. imports of fresh tomatoes from Mexico until May 7, 2019, when Commerce terminated the suspension agreement and resumed the final phase of its investigation.[142]

Under the 2013 agreement, subject imports were to be sold at or above certain established reference prices segmented variously by variety, growing method, and/or date of importation. Specifically, individual reference prices were adopted by Commerce and Mexican producers/exporters to be applied to fresh tomatoes imported from July 1 to October 22 of a given year or during the rest of the year, whether grown in an open field or adapted environment or in a controlled environment, whether a specialty tomato or other than specialty tomato, and if a specialty tomato, whether imported loose or packed.[143] Therefore, subject imports entered the U.S. market during the POI subject to pricing restrictions that were intended to establish a price "floor" for these imports.[144]

---

[139] CR/PR at Tables III-10 note and IV-6 note.

[140] CR/PR at VII-26 n.11. *See* Memorandum INV-RR-029, EDIS Doc. 686157 (April 19, 2019) ("Fourth Review CR") at Table IV-11.

[141] 78 Fed. Reg. 14967.

[142] 84 Fed. Reg. 20858.

[143] 78 Fed. Reg. at 14972. The agreement also contained procedures for making adjustments to the sales price due to changes in condition after shipment, such as bruising. *Id.* at 14976–78.

[144] The 2013 suspension agreement defined "reference price" as "the price F.O.B. from the Selling Agent. The reference price includes all palletizing and cooling charges incurred prior to shipment

According to FTE, this agreement has had an effect on market conditions as reflected in the data collected in the record.[145] FTE asserts that because Mexican respondents have insisted that this agreement was not violated during the POI, the agreement must have restrained the price of subject imports.[146] Mexican respondents and Red Sun argue that the Commission cannot determine that subject imports have materially injured the domestic industry because subject imports have been restrained by the suspension agreement, which Commerce has "certified" to eliminate completely the injurious effects of subject imports and has reviewed repeatedly without finding of a violation.[147] Mexican respondents contend that the Commission has found no material injury in cases where similar agreements placing conditions on trade were in effect during the pertinent periods of investigation because "such agreements are a condition of competition that may preclude" a finding of injury.[148]

In previous investigations, the Commission has rejected the same arguments now made by Mexican respondents and Red Sun: that the existence of an agreement or arrangement having the effect of managing or restricting trade mandated a conclusion that subject imports are not causing injury. In particular, the Commission has not found Commerce's stated purpose of an agreement as legally binding on the Commission's injury analysis in those investigations. Rather, the Commission emphasized its independent obligation to investigate the actual facts and legal arguments in the investigations, but recognized the agreement as a significant condition of competition during the pertinent periods of investigation.[149] We decline to depart

---

(…Continued)
from the Selling Agent. The actual movement or handling expenses beyond the point of entry into the United States (e.g., McAllen, Nogales, Otay Mesa) must be added to the reference price and must reflect the cost for an arm's-length transaction." 78 Fed. Reg. at 14972. The agreement imposed no quantity restrictions on subject imports. *See id.* at 14968–79.

[145] FTE's Prehear. Br. at 17–18.

[146] FTE's Prehear. Br. at 18–19.

[147] Mexican Respondents' Prehear. Br. at 19–20; Red Sun Prehear. Br. at 13–14. In its published notice of this agreement, Commerce determined that the agreement "will eliminate completely the injurious effect" of subject exports and "prevent the suppression or undercutting of price levels" of the domestic like product by subject imports. 78 Fed. Reg. at 14968.

[148] Mexican Respondents' Prehear. Br. at 20 (citing *Softwood Lumber from Canada*, Inv. Nos. 701-TA-414 and 731-TA-928 (Preliminary), USITC Pub. 3426 (May 2001) at 13–14).

[149] *Softwood Lumber Products from Canada*, Inv. Nos. 701-TA-566 and 731-TA-1342 (Final), USITC Pub. 4749 (Dec. 2017) at 26–27 (agreement on two options for imposition of export taxes and quotas); *Softwood Lumber from Canada*, 701-TA-414 and 731-TA-928 (Final), Pub. 3509 (May 2002) at 21–22 and n.132 (agreement to collect export permit fees for volumes above a baseline); *Honey from China and Argentina*, Inv. No. 701-TA-402 and 731-TA-892–893 (Final), USITC Pub. 3470 (Nov. 2001) at 17 (suspension agreement with China); *Uranium from Kazakhstan*, Inv. No. 731-TA-539-A (Final), USITC Pub. 3213 (July 1999) at 12–13 (suspension agreement entered pursuant to section 734(l) of the Act);

from this prior practice. We treat the suspension agreement as a significant condition of competition in our injury analysis and focus our analysis on the available data about the industry performance.[150]

The 2013 suspension agreement was in effect from March 4, 2013, to May 7, 2019; the final phase of this investigation was resumed on May 7, 2019, and continued on October 17, 2019.[151] Therefore, we recognize that the record reflects imports of fresh tomatoes from Mexico that occurred under the terms of the suspension agreement or the pendency of this investigation. Under these circumstances, where appropriate, we have examined historical data, particularly those pertaining to the period prior to any suspension agreement taking effect in 1996.

3. Demand Considerations

All fresh tomatoes at the point of sale to the end use customer are ripe and can be used in salads, sandwiches, or salsas or as an ingredient in various recipes.[152] Certain sizes of fresh tomatoes may be eaten whole with no further preparation, while other sizes may require slicing prior to use.[153] Commercial varieties of fresh tomatoes include common round (including beefsteak), cherry, grape, plum/Roma, and pear varieties.[154] From 2016 to 2018, common

---

(…Continued)
Aramid Fiber Formed of Poly Para-Phenylene Terephthalamide from the Netherlands, Inv. No. 731-TA-652 (Final), USITC Pub. 2783 (June 1994) at I-12 n.70 (cross-licensing agreement that restricted import volumes); *Certain Flat-Rolled Carbon Steel Products From Argentina, Australia, Austria, Belgium, Brazil, Canada, Finland, France, Germany, Italy, Japan, Korea, Mexico, the Netherlands, New Zealand, Poland, Romania, Spain, Sweden, and the United Kingdom*, Inv. Nos. 701-TA-319–332, 334, 336–342, 344, and 347–353 and 731-TA-573–579, 581–592, 594–597, 599–609, and 612–619 (Final), USITC Pub. 2664, vol. I (Aug. 1993) at 19 (voluntary restraint agreements); *Shop Towels from Bangladesh*, Inv. No. 731-TA-514 (Final), USITC Pub. 2487 (March 1992) at 20 (quota pursuant to Multifiber Arrangement); *Sheet Piling from Canada*, Inv. No. 731-TA-52 (Final), USITC Pub. 2384 (May 1991) at 10 n.33 (suspension agreement).

[150] 19 U.S.C. § 1673c(j) states:

> In making a final determination under section 1673d of this title … in a case in which the administering authority has … continued an investigation under subsection (g) of this section, the Commission … shall consider all of the subject merchandise without regard to the effect of any agreement under subsection (b) or (c) of this section.

The 2013 suspension agreement was concluded under subsection (c).

[151] 78 Fed. Reg. 14967; 84 Fed. Reg. 20858; 84 Fed. Reg. 56837. A new suspension agreement was signed on September 19, 2019. 84 Fed. Reg. 49987.

[152] CR/PR at I-20.

[153] CR/PR at I-21 to I-22.

[154] CR/PR at I-18.

round tomatoes accounted for 70.8 to 72.5 percent of domestic producers' U.S. shipments and for *** to *** percent of U.S. importer shipments of subject imports.[155] During this period, plum/Roma tomatoes accounted for 14.1 to 15.9 percent of domestic producers' U.S. shipments and for *** to *** percent of U.S. importer shipments of subject imports.[156]

Distributors, brokers, and handlers were responsible for the largest share of purchases of fresh tomatoes from 2016 to 2018, whether domestically produced or imported from Mexico.[157] Packers/repackers and supermarket and grocery chains were the next largest channels of distribution for domestically produced tomatoes and subject imports during the POI.[158]

Demand for fresh tomatoes exists year-round.[159] Domestic producers and importers reported that population growth and increased consumer efforts to lead healthy lifestyles by eating more fresh vegetables drove the increase in demand for fresh tomatoes.[160]

Apparent U.S. consumption of fresh tomatoes increased from 6.56 billion pounds in 2016 to 6.65 billion pounds in 2017 and to 6.74 billion pounds in 2018.[161] By value, apparent U.S. consumption decreased from $3.78 billion in 2016 to $3.73 billion in 2018, then increased to $3.92 billion in 2018.[162]

---

[155] CR/PR at Tables III-9 and IV-3.

[156] CR/PR at Tables III-9 and IV-3. Cherry and grape tomatoes accounted for *** percent of domestic producers' U.S. shipments and for *** to *** percent of U.S. importer shipments of subject imports from 2016 to 2018. CR/PR at Tables III-9 and IV-3.

[157] Between *** percent of U.S. producers' U.S. shipments and between *** and *** percent of U.S. importers' U.S. shipments of subject imports went to distributors, brokers, and handlers from 2016 to 2018. CR/PR at Table II-1.

[158] CR/PR at Table II-1. Packers or repackers were the second-largest channel of distribution for domestically produced tomatoes and accounted for *** percent of U.S. shipments from 2016 to 2018. *Id.* Packers or repackers were the third-largest channel for subject imports during the POI, accounting for *** percent of U.S. shipments from 2016 to 2018. *Id.* Supermarket and grocery chains were the third-largest channel of distribution for domestically produced tomatoes, accounting for *** percent of U.S. shipments from 2016 to 2018, and the second-largest channel for subject imports, accounting for *** percent of U.S. shipments from 2016 to 2018. *Id.* Food service providers were the fourth-largest channel of distribution for domestically produced tomatoes (*** percent of U.S. shipments) and subject imports (*** percent of U.S. shipments) from 2016 to 2018. *Id.*

[159] *See* CR/PR at I-23.

[160] CR/PR at II-8.

[161] CR/PR at Table C-2. Apparent U.S. consumption of fresh tomatoes was 1.89 billion pounds in interim 2018 and 1.87 billion pounds in interim 2019. As explained more fully below, due to the seasonal nature of tomato production, we have reduced the weight accorded to the interim period data.

[162] CR/PR at Table C-2. Apparent U.S. consumption of fresh tomatoes by value was $1.10 billion in interim 2018 and $1.14 billion in interim 2019.

4. Supply Considerations

Domestic shipments, subject imports, and imports from nonsubject sources all supplied the U.S. market over the POI.[163]

The domestic industry was the second-largest source of supply over the POI.[164] Its market share increased from *** percent in 2016 to *** percent in 2017, then decreased to *** percent in 2018.[165] The domestic industry's capacity increased from *** pounds in 2016 to *** pounds in 2017, then decreased to *** pounds in 2018.[166] [167]

Subject imports were the largest source of supply during the POI.[168] Subject imports' market share decreased from 54.4 percent in 2016 to 53.4 percent in 2017, then increased to 55.4 percent in 2018.[169] Export shipments to the United States as a share of total Mexican shipments decreased from 68.3 percent in 2016 to 66.3 percent in 2017, then increased to 66.5 percent in 2018.[170] The share of total shipments of the Mexican industry that went to the Mexican home market increased from 30.9 percent in 2016 to 32.6 percent in 2017, then decreased to 32.5 percent in 2018.[171]

Nonsubject imports were the smallest source of supply over the POI.[172] Their market share was 5.4 to 5.8 percent from 2016 to 2018.[173] Canada was the largest nonsubject source of supply to the U.S. market during this period.[174]

---

[163] CR/PR at Table C-2.

[164] CR/PR at Table C-2.

[165] CR/PR at Table C-2. The domestic industry's market share was *** percent in interim 2018 and *** percent in interim 2019. *Id.*

[166] CR/PR at Table C-2. The domestic industry's capacity was *** pounds in interim 2018 and *** pounds in interim 2019. *Id.*

[167] As discussed in section III above, there are two U.S. producers excluded from the domestic industry as related parties, *** and ***. The combined market share of these two excluded firms was ***. CR/PR at Table C-2. Their combined capacity ***. Derived from CR/PR at Table III-6.

[168] CR/PR at Table C-2.

[169] CR/PR at Table C-2. Subject imports' market share was 63.1 percent in interim 2018 and 63.6 percent in interim 2019. *Id.*

[170] CR/PR at Table VII-6. Export shipments to the United States as a share of total Mexican shipments were 65.5 percent in interim 2018 and 65.2 percent in interim 2019. *Id.* When accounting for exports by resellers of subject merchandise, export shipments to the United States accounted for 70.1 to 71.7 percent of total shipments of fresh tomatoes by the industry in Mexico between 2016 and 2018 and for 68.3 to 70.6 percent during the interim periods. *Id.*

[171] CR/PR at Table VII-6. The share of the total shipments of the Mexican industry that went to the Mexican home market was 33.2 percent in interim 2018 and 33.6 percent in interim 2019. *Id.*

[172] CR/PR at Table C-2.

[173] CR/PR at Table C-2. Nonsubject imports' market share was 1.0 percent in each interim period. *Id.*

Fresh tomatoes are grown, shipped, and largely sold by U.S. and Mexican producers each month, whether grown in open field and adapted-environment or greenhouse and controlled-environment conditions.[175] Nevertheless, we recognize the seasonality inherent in the production and sale of fresh tomatoes, which are subject to variable and uncontrollable growing conditions (open field and other non–fully enclosed environments).[176] Furthermore, as a perishable agricultural product, tomatoes are marketed as soon as possible after packing, reflecting the time limits on their storage and commercial acceptability.[177] In addition, we recognize that production peaks at different times in discrete regions in each country.[178] For example, open field harvesting occurs in November through May in Florida and June to November in California, and peak harvesting season for all tomatoes in the largest tomato-producing state in Mexico is January through April, which largely coincides with the interim period.[179] In light of these variables, which can somewhat be counterbalanced by examining full-year data, we have reduced the weight accorded to the interim period data.

5. Substitutability and Other Conditions

We find that the domestic like product and subject imports are highly substitutable.[180] Most responding U.S. producers and purchasers and a majority of responding importers reported that the domestic like product and subject imports are "always" or "frequently"

(…Continued)

[174] CR/PR at IV-2.

[175] CR/PR at Figures III-2 and VII-2, Tables IV-4 and V-3 to V-8. In addition, fresh tomatoes largely are harvested by U.S. and Mexican producers year-round regardless of growing method. CR/PR at I-25 and Figures III-2 and VII-2.

[176] CR/PR at I-23 to I-24, I-27, II-4, and II-6; Tables III-3 and VII-3 (drought, storms, freezes, pests); Hearing Tr. at 61, 83–86, 172, 205, and 218–219.

[177] CR/PR at II-18 (spoilage) and II-1 and Table II-7 (bruising and shelf life). *See* CR/PR at Tables III-11 and VII-6 (low levels of domestic producers' and Mexican producers' inventories); Hearing Tr. at 20–21, 48, 61–62, 84, 93, 141–142 ("{I}t is a feature of having a perishable product that's going to rot…. {T}hat causes price pressure in the market."), 148, 242, and 244.

[178] Although we examine the industry as a whole, we note that U.S. open field and adapted-environment production peaks in January to March and August to October, and greenhouse and controlled-environment production peaks in May to August. CR/PR at III-15 and Figure III-2. Mexican open field and adapted-environment production peaks in September to May, and greenhouse and controlled-environment production peaks in November to March. CR/PR at VII-29 and Figure VII-2.

[179] CR/PR at I-25 to I-26.

[180] CR/PR at II-9.

interchangeable.[181] A majority of U.S. purchasers reported that the domestic like product is comparable to subject imports with respect to 20 of 22 important purchasing factors, including price.[182]

We also find that price is an important factor in purchasing decisions for fresh tomatoes. Most responding purchasers identified factors related to quality (freshness, lack of bruising and punctures, and consistency) and availability (availability, reliability of supply) as the most important factors in their purchasing decisions.[183] Yet, nearly all responding purchasers reported that domestically produced and Mexican fresh tomatoes always or usually meet minimum quality specifications.[184] In addition, the majority of responding U.S. producers and purchasers reported that factors other than price were sometimes or never significant, although the majority of responding importers reported that factors other than price were always or frequently significant.[185] The majority of responding purchasers (12 of 21) reported that they sometimes purchase the lowest-priced product, and eight reported that they usually purchase the lowest-priced product.[186]

Both the domestic industry and subject producers offer common round, plum/Roma, cherry and grape, and other tomato varieties grown in open fields and adapted environments as well as greenhouses and controlled environments.[187] Both the domestic industry and subject producers offer vine ripe tomatoes.[188] Moreover, common round and plum/Roma

---

[181] Twenty of 22 responding U.S. producers, 26 of 49 responding U.S. importers, and 15 of 19 responding purchasers reported that the domestic like product and subject imports are "always" or "frequently" interchangeable. CR/PR at Table II-10. Regarding the comparability of vine ripe and mature green tomatoes, almost half (11 of 23) of responding U.S. producers reported that vine ripe and mature green tomatoes were always or frequently interchangeable, with the remainder indicating that these tomatoes were sometimes or never interchangeable. CR/PR at II-17 to II-18. Fourteen of 20 responding purchasers reported that these tomatoes were interchangeable, but the majority of importers reported that they were sometimes or never interchangeable. CR/PR at II-18.

[182] CR/PR at Table II-9.

[183] CR/PR at Table II-7. The most often cited top three factors firms consider in their purchasing decisions for fresh tomatoes were quality (19 firms), price/cost (15 firms), and availability/supply (15 firms). CR/PR at Table II-6. Quality was the most frequently cited most important factor (cited by 11 firms) and most frequently cited second-most important factor (8 firms), and price/cost was the most frequently cited third-most important factor (9 firms). *Id.*

[184] CR/PR at Table II-11.

[185] CR/PR at Table II-12.

[186] CR/PR at II-11.

[187] *Compare* CR/PR Table III-9 with Table IV-3.

[188] CR/PR at I-19 to I-20, I-23 to I-25, and II-1. The domestic industry also offers mature green tomatoes, and there is information that at least a small percentage of subject imports are also mature green tomatoes. CR/PR at I-25; Mexican Respondents' Posthear. Br. at 10 and Exh. 1 at 3. While there

tomatoes account for the largest share of U.S. shipments by both domestic producers and importers of subject merchandise.[189] As discussed above, most responding U.S. producers and purchasers and a majority of responding importers reported that the domestic like product and subject imports are "always" or "frequently" interchangeable, and a majority of U.S. purchasers reported that the domestic like product is comparable to subject imports with respect to 20 of 22 important purchasing factors, including flavor, freshness, color, texture, and shape.[190] Quality was the top-ranked purchasing factor,[191] and most purchasers reported that domestic products and subject imports usually met quality specifications.[192] Domestic tomatoes and subject imports are also sold through the same channels of distribution, with the main channel for both being distributors, brokers, and handlers.[193] The record indicates that domestic producers and subject importers compete by offering the full range of various types of tomatoes, which are viewed by most market participants to be interchangeable and comparable, through overlapping channels of distribution.

U.S. producers reported that raw material costs (for seeds, fertilizer, pesticides, herbicides, and packing material) as a share of total costs were relatively steady at 44.1 percent in 2016 and 45.3 percent in 2018.[194] The majority of responding U.S. producers (at least 19 of 21) and importers (at least 25 of 38) reported that the cost of raw materials had increased since January 1, 2016.[195]

C. Threat of Material Injury by Reason of Subject Fresh Tomatoes from Mexico

Based on the record in this investigation, we find that an industry in the United States is threatened with material injury by reason of imports of fresh tomatoes from Mexico that have been found to be sold in the United States at LTFV.

(…Continued)
are some differences between mature green tomatoes and vine ripe tomatoes, 14 of 20 purchasers reported that they were interchangeable. CR/PR at II-18.

[189] *Compare* CR/PR Table III-9 with Table IV-3.

[190] CR/PR at Tables II-9 and II-10.

[191] CR/PR at Table II-6.

[192] CR/PR at Table II-1.

[193] CR/PR at Table II-1. Mexican growers also concede that subject imports gained market share in the food services segment, which they contend previously had been dominated by domestic products. Mexican Respondents' Posthear. Br. Exh. 2 at 14–17. *See also* CR/PR at Table II-1.

[194] CR/PR at V-1.

[195] CR/PR at V-1.

1. Likely Volume of Subject Imports

Subject imports maintained a substantial presence in the U.S. market throughout the POI. Subject import volumes decreased from 3.57 billion pounds in 2016 to 3.55 billion pounds in 2017, then increased to 3.73 billion pounds in 2018, an overall increase of 4.5 percent.[196] Subject imports accounted for 54.4 percent of apparent U.S. consumption in 2016, 53.4 percent in 2017, and 55.4 percent in 2018.[197] In addition, subject imports increased their presence in the U.S. market from 2016 to 2018 at a higher rate than the increase in apparent U.S. consumption during that period. The volume of subject imports increased 4.5 percent, and apparent U.S. consumption increased 2.7 percent.[198] Subject imports also gained some market share at the expense of the domestic industry.[199] We recognize that imports of fresh tomatoes from Mexico during the POI were subject to the terms of the 2013 suspension agreement, which, although it did not include volume restraints, established minimum reference prices.[200] Therefore, the price floor established by the suspension agreement may have had a restraining effect on import volumes. Despite any restraining effect that the suspension agreement may have had on import volume, subject import volumes increased during the POI. In light of the foregoing, we find that the volume, and the rate of increase of the volume, of subject imports have been significant.

Not only did the subject imports maintain a substantial presence in the U.S. market during the POI, the record indicates that the volume of subject merchandise is likely to further increase substantially in the imminent future. As an initial matter, we observe that the questionnaire data of responding Mexican producers accounted for only 51.2 percent of total fresh tomato production in Mexico in 2018.[201] Even though the reported production of the Mexican industry is accordingly understated, however, the record evidence from responding producers alone shows that the Mexican industry's

---

[196] CR/PR at Table C-2. Subject import volumes were 1.19 billion pounds in each interim period. *Id.* During the preliminary phase, subject import volumes were 1.3 billion pounds in 1995. Preliminary Determination at 26.

[197] CR/PR at Table C-2. Subject imports' market share was 63.1 percent in interim 2018 and 63.6 percent in interim 2019. *Id.* During the preliminary phase, subject imports' market share was 30.0 percent in 1995. Preliminary Determination at 26.

[198] CR/PR at Table C-2.

[199] The domestic industry's market share increased from *** percent in 2016 to *** percent in 2017, then decreased to *** percent in 2018. CR/PR at Table C-2. From 2016 to 2018, subject imports gained 1 percentage point of market share, and the domestic industry lost ***. *Id*.

[200] *See* 78 Fed. Reg. at 14968–79.

[201] CR/PR at VII-3.

reported capacity increased from *** pounds in 2016 to *** pounds in 2018.[202] During the POI, Mexican producers of fresh tomatoes reported more than four times as many production facility openings and expansions as they did production facility closings or prolonged shutdowns.[203] In addition, although reported production increased from 3.6 billion pounds to 3.8 billion pounds from 2016 to 2018, the growth in the industry outpaced this increased production, and the reported capacity utilization rate declined from *** percent to *** percent.[204] Notwithstanding this significant and increasing excess capacity during the POI, responding producers project further growth in the near future. Capacity is projected to decrease from *** pounds in 2018 to *** pounds in 2019, then increase to *** pounds in 2020, the highest level on record.[205] Production is projected to decrease from 3.8 billion pounds in 2018 to 3.7 billion pounds in 2019, then increase to 3.9 billion pounds in 2020, indicating that responding producers expect to maintain capacity utilization rates of approximately *** percent, similar to the rate in 2018.[206] Thus, the industry's reported capacity and production, which are understated, show an already large industry that is projected to grow even further in the near future.

That growth is likely to be directed to the U.S. market in substantial quantities in the near future. The record evidence establishes that subject producers are export oriented and that the United States is their key export market. During the POI, the share of total shipments exported to the United States was greater than 70 percent each year from 2016 to 2018, and subject producers shipped all varieties to the U.S. market and participated in all channels of distribution in the U.S. market.[207] Furthermore, the fresh tomato industry in Mexico has not developed export markets other than the U.S. market, as the share of total shipments of the Mexican industry to third-country markets was approximately 1 percent each year from 2016 to

---

[202] CR/PR at Table VII-6. By comparison, the domestic industry's capacity increased from *** pounds in 2016 to *** pounds in 2018. CR/PR at Table C-2.

[203] Mexican producers reported 28 plant openings and 27 expansions compared to 6 plant closings and 7 prolonged shutdowns or curtailments. CR/PR at Table VII-11. Several firms reported opening plants in 2018, with ***, and ***. *Id.*

[204] CR/PR at Table VII-6. By comparison, the domestic industry's production declined from *** pounds in 2016 to *** pounds in 2018. CR/PR at Table C-2.

[205] CR/PR at Table VII-6. Capacity utilization for the Mexican fresh tomato industry is projected to increase from its low during the POI of *** percent in 2018 to *** percent in 2019 and to *** percent in 2020; this would be a lower level than during most of the POI (*** percent in 2016 and *** percent in 2017). *Id*.

[206] CR/PR at Table VII-6.

[207] CR/PR at Tables II-1, IV-3, and VII-6. These adjusted shares account for the share exported by resellers of subject merchandise. CR/PR at Table VII-6.

2018.[208] In essence, the United States is, by far, the most important export market for Mexican subject producers, and these producers historically have exported large volumes of fresh tomatoes to the U.S. market. Moreover, export shipments to the U.S. market are projected to climb steadily, from 2.5 billion pounds in 2018 to 2.6 billion pounds in 2019 and to 2.8 billion pounds in 2020, with those increased volumes being diverted from the Mexican home market.[209] The adjusted share of total shipments accounted for by exports to the U.S. market is projected to increase from 70.4 percent in 2018 to 78.6 percent in 2019 before declining to 78.1 percent in 2020.[210] [211] Thus, the already large and increasing Mexican industry, which is already focused on the U.S. market, is expected to further intensify that focus and ship substantially increased quantities to the United States in the near future.

In sum, we conclude that, given the existing and increasing excess capacity of Mexican producers and the importance of the U.S. export market to them, Mexican producers have both the ability and incentive to likely significantly increase the volume and market penetration of subject imports from Mexico in the imminent future. The record shows that subject imports from Mexico maintained a significant and growing presence in the U.S. market throughout the full-year POI, including in all channels of distribution and for all varieties. Further, the reported production and capacity for the industry, which are understated, not only show that the Mexican industry is large, possesses substantial unused capacity, and is export oriented, with the U.S. market its largest export market, they also show that the Mexican industry is projected to grow further and to increase its focus on the U.S. market. In light of the evidence, we find

---

[208] CR/PR at Tables VII-6 and VII-8.

[209] CR/PR at Table VII-6. The Commission requested that importers indicate whether they had imported or arranged for the importation of fresh tomatoes from Mexico for delivery after March 31, 2019. CR/PR at VII-33. They reported *** pounds from April 2019 to March 2020. CR/PR at Table VII-10.

We note that subject import levels show a steady decline on a monthly basis (May to September 2019) following termination of the 2013 suspension agreement. CR/PR at Table IV-4. This period coincides with the general seasonal decline in subject imports reflected in those months during prior years of the POI. *Id.* We also note that subject imports entering the U.S. market during that period were subject to provisional duties initially ranging from 4.16 to 188.45 percent. 84 Fed. Reg. at 20861.

[210] CR/PR at Table VII-6. The ratio of end-of-period inventories to production for the Mexican industry was between *** percent in each full year and each interim period. *Id.* The ratio of U.S. importers' end-of-period inventories of subject imports to U.S. shipments of imports was between *** percent in each full year and each interim period. *Id.* Due to the perishability of fresh tomatoes, domestic producers are unable to maintain large inventories. CR/PR at II-4.

[211] Twenty-four of 167 responding Mexican producers (14 percent) indicated that they could switch production from other products to fresh tomatoes, indicating a limited ability to shift production to fresh tomatoes. CR/PR at II-5.

that the existing unused production capacity, projected substantial increase in capacity, and significant rate of increase in the volume of subject imports indicate the likelihood of substantially increased imports of subject merchandise into the United States in the imminent future.

2. Likely Price Effects of the Subject Imports

In assessing the likely price effects of the subject imports, we consider pricing developments during the POI and likely developments in the imminent future in light of key U.S. market conditions, including the nature of competition between subject imports and the domestic like product. As observed above, the record indicates that there is a high degree of substitutability between subject imports and the domestic like product and that price is an important factor in purchasing decisions for fresh tomatoes.

In the final phase of these investigations, the Commission collected monthly pricing data on six pricing products, covering all growing environments and the two largest products by volume.[212] Twenty-one U.S. producers and 43 importers provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all months.[213] Pricing data reported by these firms accounted for approximately 88.3 percent of U.S. producers' U.S. commercial shipments of fresh tomatoes and 72.4 percent of reported U.S. commercial shipments of subject imports in 2019.[214]

---

[212] The six pricing products are as follows:

Product 1. — Open field and adapted-environment plum/Roma tomatoes, 85 percent U.S. #1 or better, bulk packed in 20-pound or above boxes.

Product 2. — Greenhouse and controlled-environment plum/Roma tomatoes, 85 percent U.S. #1 or better, bulk packed in 20-pound or above boxes.

Product 3. — Open field and adapted-environment round tomatoes, packed in 15-pound boxes, 85 percent or better U.S. #1.

Product 4. — Greenhouse and controlled-environment round tomatoes, packed in 15-pound boxes, 85 percent or better U.S. #1.

Product 5. — Open field and adapted-environment cherry/grape tomatoes, packed in one pint clam shells, 12 pints per box, 85 percent or better U.S. #1.

Product 6. — Greenhouse and controlled-environment cherry/grape tomatoes, packed in one pint clam shells, 12 pints per box, 85 percent or better U.S. #1.

CR/PR at V-5. The Commission collected data on Products 1 through 4 during its fourth review of the suspended investigation and expanded the definitions of Products 5 and 6 in this final phase investigation to include cherry tomatoes. *See* Fourth Review CR at V-5 to V-6.

[213] CR/PR at V-5.

[214] CR/PR at V-5.

The record reflects a pattern of mixed underselling by subject imports during the POI. The pricing data show that subject imports undersold the domestic product in 130 of 227 monthly comparisons (57 percent) for a total volume of 2.01 billion pounds (48 percent).[215] The margins of underselling ranged from an average of 8.5 percent to an average of *** percent, with an average underselling margin of 21.3 percent.[216] We recognize that imports of fresh tomatoes from Mexico during the POI were subject to the terms of the 2013 suspension agreement, which, as discussed above, established minimum reference prices.[217] There is evidence that the reference prices established by the suspension agreement had some restraining effect on import prices during the POI. In particular, FTE and Mexican respondents agree that the reference prices under the suspension agreement had some disciplining effect on fresh tomato import prices during the POI.[218] Since both petitioners and respondents agreed the reference price had a disciplining effect, we expect that there may have been more underselling, but for the suspension agreement.[219]

There is also some evidence of lost sales/lost revenues. Three of 21 responding purchasers reported that, since 2016, they had purchased subject imports instead of the domestic like product and that price was a primary reason.[220] Three of 21 responding purchasers reported that U.S. producers had reduced prices in order to compete with subject imports.[221]

---

[215] CR/PR at Table V-10.

[216] CR/PR at Table V-10.

[217] *See* 78 Fed. Reg. at 14968–79.

[218] Hearing Tr. at 184 and 281 (Mexican respondents) and 311 (NS Brands); FTE's Prehear. Br. at 30; FTE's Posthear. Br. Exh. 1 at 12–13; Mexican Respondents' Prehear. Br. at 23–24.

[219] We recognize that FTE and the Mexican respondents presented evidence comparing the Commission's pricing product data and reference prices published by Commerce. FTE's Posthear. Br. Exh. 1 at 37–38; Mexican Respondents' Posthear. Br. Exh. 2 at 23. We did not find this evidence persuasive because the prices are defined differently. The 2013 suspension agreement defined "reference price" as "the price F.O.B. from the Selling Agent. The reference price includes all palletizing and cooling charges incurred prior to shipment from the Selling Agent. *The actual movement or handling expenses beyond the point of entry into the United States (e.g., McAllen, Nogales, Otay Mesa) must be added to the reference price and must reflect the cost for an arm's-length transaction.*" 78 Fed. Reg. at 14972 (emphasis added). The reference prices as announced by Commerce and as reflected in the posthearing briefs of FTE and the Mexican respondents do not include any costs beyond the point of entry, which are included in the Commission's pricing product data. *See* FTE's Posthear. Br. Exh. 1 at 37–38; Mexican Respondents' Posthear. Br. Exh. 2 at 23.

[220] CR/PR at Table V-13.

[221] CR/PR at Table V-14.

The pricing data reflect a high degree of variability on a month-to-month basis.[222] Due to the seasonality considerations discussed in section IV.B.4 above, however, an examination of end-point prices to determine pricing trends would not be instructive.[223]

We also observe that the domestic industry's ratio of cost of goods sold ("COGS") to net sales increased during the POI.[224] Raw material costs were the largest component of overall COGS during this period.[225] The overall increase in the ratio of raw material costs to total COGS during the full-year POI paralleled the increase in the COGS/net sales ratio.[226]

In sum, we find that the record indicates that there is a high degree of substitutability between subject imports and the domestic like product, that price is an important factor in purchasing decisions for fresh tomatoes, and that there was underselling by subject imports, notwithstanding the suspension agreement's restraining effect on prices.

In light of these findings, we find that subject imports and the domestic like product are likely to continue to compete against each other in the imminent future and that price will likely continue to be an important factor in purchasing decisions. Given these considerations and the underselling by subject imports observed during the POI, we further find that the already significant and likely substantially increasing volume of subject imports is likely, by increasingly underselling the domestic like product, to gain additional market share, particularly in the absence of the suspension agreement's restraining effect on prices and given the perishable nature of the product. The large and increasing volumes of low-priced subject imports from Mexico will likely depress or suppress prices for the domestic like product in the imminent future, and significant underselling by subject imports is also likely to increase demand for further imports. Faced with such subject imports, the domestic industry will be forced to lower prices or maintain them even if its costs increase, or lose sales to subject imports.[227]

---

[222] CR/PR at V-19.

[223] CR/PR at V-19.

[224] As a ratio to net sales, the domestic industry's COGS increased from *** percent in 2016 to *** percent in 2017 and to *** percent in 2018. CR/PR at Table C-2. It was *** percent in interim 2018 and *** percent in interim 2019. *Id.*

[225] The ratio of raw materials to total COGS was *** percent in 2016, *** percent in 2017, and *** percent in 2018; it was *** percent in interim 2018 and ***percent in interim 2019. Derived from CR/PR at Table VI-1; ***; ***.

[226] Derived from CR/PR at Table VI-1; ***; ***; CR/PR at Table C-2.

[227] As discussed above, there is some evidence that domestic producers have lost sales to lower-priced subject imports and have reduced their prices in order to compete with lower-priced subject imports during the POI. CR/PR at Tables V-13 and V-14.

3. Likely Impact of the Subject Imports[228]

As discussed above, the domestic industry's market share increased from *** percent in 2016 to *** percent in 2017, then decreased to *** percent in 2018.[229] The domestic industry's production capacity increased from 2016 to 2018.[230] Production[231] and capacity utilization declined,[232] and U.S. shipments[233] rose from 2016 to 2018.[234]

Employment-related indicators for the domestic industry were mixed from 2016 to 2018. The indicators for production-related workers ("PRWs"), total hours worked, and wages paid declined.[235] Productivity and hourly wages increased.[236]

---

[228] The statute instructs the Commission to consider the "magnitude of the dumping margin" in an antidumping proceeding as part of its consideration of the impact of imports. 19 U.S.C. § 1677(7)(C)(iii)(V). In its final determination of sales at LTFV, Commerce found dumping margins of 3.91 to 30.48 percent for imports from Mexico. 84 Fed. Reg. at 57402. We take into account in our analysis the fact that Commerce has made final findings that all subject producers in Mexico are selling subject imports in the United States at LTFV. In addition to this consideration, our likely impact analysis has considered other factors affecting domestic prices. Our analysis of the significant likely price effects of subject imports, described in both the likely price effects discussion and below, is particularly probative to an assessment of the likely impact of the subject imports.

[229] CR/PR at Table C-2. The domestic industry's market share was *** percent in interim 2018 and *** percent in interim 2019. *Id.*

[230] The domestic industry's production capacity was *** pounds in 2016, *** pounds in 2017, and *** pounds in 2018. CR/PR at Table C-2. It was *** pounds in interim 2018 and *** pounds in interim 2019. *Id.*

[231] The domestic industry's production increased from *** pounds in 2016 to *** pounds in 2017, then decreased to *** pounds in 2018. CR/PR at Table C-2. It was *** pounds in interim 2018 and *** pounds in interim 2019. *Id.*

[232] The domestic industry's capacity utilization decreased from *** percent in 2016 to *** percent in 2017 and to *** percent in 2018. CR/PR at C-2. It was *** percent in interim 2018 and *** percent in interim 2019. *Id.*

[233] The domestic industry's U.S. shipments increased from *** pounds in 2016 to *** pounds in 2017, then decreased to *** pounds in 2018. CR/PR at Table C-2. They were *** pounds in interim 2018 and *** pounds in interim 2019. *Id.*

[234] The ratio of end-of-period inventories to total shipments was between *** percent in each full year and each interim period. CR/PR at Table C-2. Due to the perishability of fresh tomatoes, domestic producers are unable to maintain large inventories. CR/PR at II-4.

[235] The domestic industry's number of PRWs decreased steadily from *** in 2016 to *** in 2017 and to *** in 2018; it was *** in interim 2018 and *** in interim 2019. CR/PR at Table C-2. Total hours worked decreased steadily from *** in 2016 to *** in 2017 and to *** in 2018; they were *** in interim 2018 and *** in interim 2019. *Id.* Wages paid increased from $*** in 2016 to $*** in 2017, then decreased to $*** in 2018; they were $*** in interim 2018 and $*** in interim 2019. *Id*.

[236] Productivity in pounds per hour increased steadily from *** in 2016 to *** in 2017 and to *** in 2018; it was *** in interim 2018 and *** in interim 2019. CR/PR at Table C-2. Unit labor costs per pound were steady at $*** in each full year and $*** in each interim period. *Id.* Hourly wages

Revenues,[237] gross profit,[238] operating income,[239] operating income ratio,[240] and net income[241] all declined from 2016 to 2018.[242] [243]

As discussed above, the already significant volume of subject imports from Mexico is likely to substantially increase in the imminent future, increasingly underselling the domestic like product, particularly in the absence of the suspension agreement. This substantial and increasing volume of low-priced subject imports will likely take market share and sales from domestic producers, and depress or suppress domestic prices significantly. Lost sales will negatively affect the domestic industry's production, capacity utilization, shipments, and employment. Likely suppressed or depressed prices will negatively affect the domestic industry's revenues, profits, and ability to make capital improvements.[244] Thus, we find that the likely increase in low-priced subject imports will likely have an adverse impact on the domestic industry in the imminent future.

(…Continued)
increased steadily from $*** in 2016 to $*** in 2017 and to $*** in 2018; they were $*** in interim 2018 and $*** in interim 2019. *Id.*

[237] The domestic industry's net sales revenues decreased steadily from $*** in 2016 to $*** in 2017 and to $*** in 2018; they were $*** in interim 2018 and $*** in interim 2019. CR/PR at Table C-2.

[238] The domestic industry's gross profit decreased steadily from $*** in 2016 to $*** in 2017 and to $*** in 2018; it was $*** in interim 2018 and $*** in interim 2019. CR/PR at Table C-2.

[239] The domestic industry's operating income decreased steadily from $*** in 2016 to $*** in 2017 and to $*** in 2018; it was $*** in interim 2018 and $*** in interim 2019. CR/PR at Table C-2.

[240] The ratio of operating income to net sales was *** percent in 2016, *** percent in 2017, and *** percent in 2018; it was *** percent in interim 2018 and *** percent in interim 2019. CR/PR at Table C-2.

[241] The domestic industry's net income was *** in 2016, *** in 2017, and *** in 2018; it was *** in interim 2018 and *** in interim 2019. CR/PR at Table C-2.

[242] We recognize that for the interim period data ***. CR/PR at Table VI-3. Nonetheless, as discussed above, due to the seasonal nature of tomato production, we have reduced the weight accorded to the interim period data.

[243] Domestic producers' capital expenditures were mixed during the POI. Capital expenditures for the domestic industry varied greatly from $*** in 2016 to $*** in 2017 and to $*** in 2018; they were $*** in interim 2018 and $*** in interim 2019. CR/PR at Table C-2. Research and development expenses increased from $*** in 2016 to $*** in 2018; they were $*** in each interim period. Derived from CR/PR at Table VI-5. *** of 21 domestic producers reported negative effects on investment, and *** of 21 domestic producers reported negative effects on growth and development that they attributed to subject imports. Derived from CR/PR at Table VI-7.

[244] *See* CR/PR at Tables VI-7 and VI-8. In response to a question regarding the anticipated negative effects of subject imports on investment, growth, and development, domestic producers cited limitations on expansion plans, pressure on future investment, the absence of significant capital outlays, and the likely cessation of operations. CR/PR at Table VI-8.

We have also considered other factors to ensure that we are not attributing any likely injury from these imports to subject imports. The vast majority of nonsubject imports are from Canada.[245] The quantity of U.S. shipments of nonsubject imports was not significant throughout the POI, and the record does not contain any indication that this volume will likely become significant in the imminent future.[246] We further find that the record belies Mexican respondents' arguments that competition between the domestic like product and subject imports is attenuated because "most imports are vine{-}ripe tomatoes grown under a controlled environment or protected agriculture" and are favored in the U.S. market over "the vast majority of domestic production {which} is open field."[247] As discussed above, domestic and imported tomatoes are highly substitutable. For example, most responding U.S. producers and purchasers and a majority of responding importers reported that the domestic like product and subject imports are "always" or "frequently" interchangeable.[248] A majority of U.S. purchasers reported that the domestic like product is comparable to subject imports with respect to 20 of 22 important purchasing factors, including flavor, freshness, color, texture, and shape.[249] Moreover, domestic producers offer tomatoes of all sizes grown and ripened under all conditions, and although there are some differences between vine ripe tomatoes and mature green tomatoes, both are ripe and ready to eat when they reach the consumer and 14 of 20 purchasers reported that vine ripe and mature green tomatoes were interchangeable.[250] In addition, the record shows that both domestic and subject imports are both grown in open fields and adaptive environments and in greenhouse and controlled environments, and sold to distributors, packers/repackers, retailers and food service providers.[251] Thus, the record refutes Mexican respondents' arguments and indicates that domestic producers and subject importers compete by offering the full range of various types of tomatoes grown in the various

[245] CR/PR at Table IV-2.

[246] The quantity of nonsubject imports was between 0.36 billion and 0.39 billion pounds each year from 2016 to 2018. CR/PR at Table C-2. It was 0.02 billion pounds in each interim period. *Id.* The market share of imports from these sources was 5.6 percent in 2016, 5.8 percent in 2017, and 5.4 percent in 2018. *Id.* It was 1.0 percent in each interim period. *Id.*

[247] Hearing Tr. at 181. *See* Hearing Tr. at 205–206, 213–214, and 294; Mexican Respondents' Prehear. Br. at 7–9 (citing common round tomato production); Mexican Respondents' Posthear. Br. at 3–4 and 8–10; Mexican Respondents' Final Comments, November 20, 2019, at 2–3 and 5–6; NS Brands' Prehear. Br. at 23; NS Brands' Final Comments, November 20, 2019, at 9.

[248] CR/PR at Table II-10.

[249] CR/PR at Table II-9.

[250] CR/PR at I-19 to I-20, I-23, and II-18.

[251] CR/PR at Tables II-1, III-9, and IV-3.

environments, which are viewed by most market participants to be interchangeable and comparable, through overlapping channels of distribution.

V. Conclusion

For the reasons stated above, we determine that an industry in the United States is threatened with material injury by reason of subject imports of fresh tomatoes from Mexico that are sold in the United States at less than fair value.[252]

[252] Based on the record of this investigation, we would not have found material injury by reason of subject imports but for the suspension of liquidation of entries of subject merchandise. *See* 19 U.S.C. § 1673d(b)(4)(B).

Part I: Introduction

Background

This investigation results from a petition filed by the Florida Tomato Growers Exchange, Orlando, Florida; the Florida Fruit and Vegetable Association, Orlando, Florida; the Florida Farm Bureau Federation, Gainesville, Florida; the South Carolina Tomato Association, Inc., Charleston, South Carolina; the Gadsden County Tomato Growers Association, Inc., Quincy, Florida; the Accomack County Farm Bureau, Accomack, Virginia; the Florida Tomato Exchange, Orlando, Florida; the Florida Department of Agriculture and Consumer Services, Tallahassee, Florida; and the Ad Hoc Group of Florida, California, Georgia, Pennsylvania, South Carolina, Tennessee, and Virginia Tomato Growers on April 1, 1996, alleging that an industry in the United States is materially injured or threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of less-than-fair-value ("LTFV") imports of fresh tomatoes from Mexico.[1] The Commission made a preliminary determination on May 16, 1996, that there was a reasonable indication that a domestic industry was materially injured by reason of LTFV imports of fresh tomatoes from Mexico.[2]

The Commission commenced the final phase of its investigation on August 21, 1996.[3] On October 28, 1996, the Department of Commerce ("Commerce") issued its preliminary determination that imports of fresh tomatoes from Mexico were being sold at LTFV in the United States[4] and announced that Commerce and certain producers/exporters of fresh

---

[1] *Fresh Tomatoes From Mexico: Institution and Scheduling of a Preliminary Antidumping Investigation*, 61 FR 15968, April 10, 1996.

[2] *Fresh Tomatoes from Mexico*, *Inv. No. 731-TA-747 (Preliminary)*, USITC Publication 2967 (May 1996), pp. 1, I-1.

[3] *Certain Laminated Hardwood Flooring From Canada; Sodium Azide From Japan; Melamine Institutional Dinnerware From China, Indonesia, and Taiwan; Certain Brake Drums and Rotors From China; Steel Concrete Reinforcing Bars From Turkey; Beryllium Metal and High-Beryllium Alloys From Kazakhstan; Fresh Tomatoes From Mexico; Engineered Process Gas Turbo-Compressor Systems From Japan*, 61 FR 46823, September 5, 1996.

[4] Commerce's preliminary margins of sales at LTFV (in percent *ad valorem*) were as follows: San Vincente Camalu, 4.16; Ernesto Fernando Echavarria Salazar Grupo Solidario, 11.89; Arturo Lomeli Villalobas S.A. de C.V., 26.97; Eco-Cultivos S.A. de C.V., 188.45; Ranchos Los Pinos S. de R.L. de C.V., 10.26; Administradora Horticola del Tamazula, 28.30; Agricola Yory S. de P.R. de R.I., 11.95; and all others, 17.56. *Notice of Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Fresh Tomatoes from Mexico*, 61 FR 56608, 56615, November 1, 1996. In its (continued...)

tomatoes from Mexico had signed a final suspension agreement.[5] Also on October 28, 1996, Commerce and the Commission suspended the final phase of their investigations.[6]

The following tabulation provides a timeline relating to the background of this final phase investigation.[7] [8]

Effective date	Action
April 1, 1996	Petition filed with Commerce and the Commission; institution of the Commission's investigation
April 25, 1996	Commerce's notice of initiation
May 16, 1996	Commission's preliminary determination
October 28, 1996	Commerce's preliminary determination (61 FR 56608, November 1, 1996)
May 7, 2019	Commerce's termination of suspension agreement and continuation of antidumping duty investigation (84 FR 20858, May 13, 2019).
May 7, 2019	Commission's resumption of final phase investigation (84 FR 27805, June 14, 2019).
May 7, 2019	Commission's scheduling of final phase investigation (84 FR 38643, August 7, 2019)
September 19, 2019	Commerce's suspension of its investigation (84 FR 49987, September 24, 2019)
September 24, 2019	Commission's suspension of its investigation (84 FR 54639, October 10, 2019)
October 17, 2019	Commission's continuation and revised scheduling of its investigation (84 FR 56837, October 23, 2019)
October 24, 2019	Commission's hearing

(…continued)

preliminary determination, Commerce postponed its final determination until 135 days after publication of its preliminary determination. *Id.* at 56609.

[5] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 61 FR 56618, November 1, 1996.

[6] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 61 FR 56618, November 1, 1996; *Fresh Tomatoes From Mexico; Investigation Suspension*, 61 FR 58217, November 13, 1996. ***.

[7] Pertinent *Federal Register* notices are referenced in appendix A, and may be found at the Commission's website (www.usitc.gov).

[8] A list of witnesses appearing at the hearing is presented in appendix B of this report.

October 25, 2019	Commerce's final determination of sales at LTFV (84 FR 57401, October 25, 2019)
November 22, 2019	Commission's vote
December 9, 2019	Commission's views

Subsequent five-year reviews

On October 1, 2001, the Commission instituted its first five-year review to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to a continuation or recurrence of material injury.[9] On January 4, 2002, the Commission determined that it would conduct a full review concerning the suspension agreement on fresh tomatoes from Mexico.[10] On May 31, 2002, Mexican tomato growers/exporters (accounting for a large percentage of all fresh tomatoes imported into the United States from Mexico) submitted to Commerce a notice of their withdrawal from the agreement suspending the antidumping investigation on fresh tomatoes from Mexico.[11] On July 30, 2002, Commerce terminated the suspension agreement, and Commerce and the Commission terminated their reviews of the suspension agreement and resumed their final-phase antidumping investigations.[12] On November 8, 2002, Commerce and Mexican tomato growers/exporters initialed a proposed agreement suspending the resumed antidumping investigation on imports of fresh tomatoes from Mexico.[13] On December 16, 2002, Commerce and the Commission suspended their resumed final-phase investigations when Commerce signed a new suspension agreement with certain growers/exporters of fresh tomatoes from Mexico.[14]

---

[9] *Fresh Tomatoes From Mexico*, 66 FR 49975, October 1, 2001.

[10] *Fresh Tomatoes From Mexico*, 67 FR 3229, January 23, 2002. Subsequently, the Commission issued its schedule for the full five-year review and scheduled its hearing for August 2, 2002. *Fresh Market Tomatoes From Mexico*, 67 FR 30962, 30963, May 8, 2002.

[11] *Fresh Tomatoes From Mexico*, 67 FR 43278, June 27, 2002.

[12] *Fresh Tomatoes From Mexico*, 67 FR 50858, August 6, 2002; *Fresh Tomatoes From Mexico*, 67 FR 53361, August 15, 2002; *Fresh Tomatoes From Mexico*, 67 FR 56854, September 5, 2002. The Commission scheduled its hearing for December 16, 2002. 67 FR at 56856.

[13] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 67 FR 77044, 77045, December 16, 2002.

[14] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 67 FR 77044, 77045, December 16, 2002; *Fresh Tomatoes From Mexico*, 67 FR 78815, December 26, 2002.

On November 1, 2007, the Commission instituted its second five-year review to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to a continuation or recurrence of material injury.[15] On November 26, 2007, Mexican tomato growers/exporters (accounting for a significant percentage of all fresh tomatoes imported into the United States from Mexico) provided written notice to Commerce of their withdrawal, effective February 24, 2008, from the agreement suspending the antidumping investigation on fresh tomatoes from Mexico.[16] On January 18, 2008, Commerce terminated the suspension agreement, and Commerce and the Commission terminated their reviews of the suspension agreement and resumed their final-phase antidumping investigations.[17] On January 22, 2008, Commerce and the Commission again suspended their resumed final-phase investigations when Commerce signed a new suspension agreement with certain growers/exporters of fresh tomatoes from Mexico.[18]

On December 3, 2012, the Commission instituted its third five-year review to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to continuation or recurrence of material injury.[19] On February 2, 2013, Commerce and Mexican tomato growers/exporters accounting for a significant percentage of all fresh tomatoes imported into the United States from Mexico initialed a draft agreement that would suspend a resumed antidumping investigation on fresh tomatoes from Mexico.[20] On March 1, 2013, Commerce terminated the suspension agreement and its review of the suspension agreement and resumed its final-phase antidumping investigation.[21] On March 4, 2013, the Commission terminated its review of the suspension agreement and resumed its final-phase

---

[15] *Fresh Tomatoes From Mexico*, 72 FR 61903, November 1, 2007.

[16] *Fresh Tomatoes From Mexico*, 73 FR 2887, January 16, 2008.

[17] *Fresh Tomatoes From Mexico*, 73 FR 2887, 2888, January 16, 2008; *Fresh Tomatoes From Mexico,* 73 FR 5869, January 31, 2008.

[18] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico,* 73 FR 4831, January 28, 2008; *Fresh Tomatoes From Mexico,* 73 FR 7762, February 11, 2008.

[19] *Fresh Tomatoes From Mexico: Institution of a Five-Year Review Concerning the Suspended Investigation on Fresh Tomatoes from Mexico*, 77 FR 71629, December 3, 2012. The Commission extended its deadlines for interested party responses to its notice of institution to March 15, 2013, and for comments on the adequacy of responses to April 30, 2013. *Fresh Tomatoes From Mexico; Revised Schedule for the Subject Review*, 78 FR 6834, January 31, 2013.

[20] *Fresh Tomatoes From Mexico: Intent To Terminate Suspension Agreement and Resume Antidumping Investigation and Intent To Terminate Sunset Review*, 78 FR 9366, 9367, February 8, 2013.

[21] *Fresh Tomatoes From Mexico: Termination of Suspension Agreement, Termination of Five-Year Sunset Review, and Resumption of Antidumping Investigation*, 78 FR 14771, March 7, 2013.

antidumping investigation.[22] Also on March 4, 2013, Commerce signed a new suspension agreement with certain grower/exporters of fresh tomatoes from Mexico and again suspended its resumed final-phase antidumping investigation.[23] On March 5, 2013, the Commission again suspended its resumed final-phase antidumping investigation.[24]

On February 1, 2018, the Commission instituted its fourth five-year review to determine whether termination of the suspended investigation on fresh tomatoes from Mexico would likely lead to continuation or recurrence of material injury.[25] On March 5, 2019, Commerce published a notice of its intent to terminate the suspension agreement and resume its antidumping duty investigation.[26] On May 7, 2019, Commerce terminated the suspension agreement and its review of the suspension agreement and resumed its final-phase antidumping investigation.[27] Also on May 7, 2019, the Commission terminated its review of the suspension agreement and resumed its final-phase antidumping duty investigation.[28]

On August 20, 2019, Commerce and representatives for Mexican tomato growers/exporters initialed a draft agreement that would suspend Commerce's resumed antidumping investigation on fresh tomatoes from Mexico.[29] On September 24, 2019, Commerce published notice in the Federal Register suspending its antidumping investigation on the basis of a suspension agreement between Commerce and signatory producers/exporters

---

[22] *Fresh Tomatoes From Mexico; Termination of Five-Year Review and Resumption of Antidumping Investigation,* 78 FR 16529, March 15, 2013.

[23] *Fresh Tomatoes From Mexico: Suspension of Antidumping Investigation*, 78 FR 14967, March 8, 2013.

[24] *Fresh Tomatoes From Mexico; Suspension of Antidumping Investigation,* 78 FR 16530, March 15, 2013.

[25] *Fresh Tomatoes From Mexico; Institution of a Five-Year Review,* 83 FR 4676, February 1, 2018.

[26] *Fresh Tomatoes From Mexico: Intent To Terminate Suspension Agreement, Rescind the Sunset and Administrative Reviews, and Resume the Antidumping Duty Investigation,* 84 FR 7872, March 5, 2019.

[27] *Fresh Tomatoes From Mexico: Termination of Suspension Agreement, Rescission of Administrative Review, and Continuation of the Antidumping Duty Investigation*, 84 FR 20858, May 13, 2019.

[28] *Fresh Tomatoes From Mexico; Termination of Review,* 84 FR 21360, May 14, 2019*; Fresh Tomatoes From Mexico; Resumption of the Final Phase of an Anti-Dumping Duty Investigation,* 84 FR 27805, June 14, 2019.

[29] Letter to Nannette Christ, USITC, *RE: Fresh Tomatoes from Mexico: Initialed Draft Agreement,* August 21, 2019.

accounting for substantially all imports of fresh tomatoes from Mexico.[30] Effective September 24, 2019, the Commission suspended its antidumping investigation.[31]

On October 11 and 15, 2019, Commerce received timely requests, pursuant to section 734(g) of the Tariff Act of 1930 (19 U.S.C. 1673c(g)), to continue its antidumping investigation on fresh tomatoes from Mexico and resumed its final investigation. Effective October 17, 2019, the Commission, therefore, continued its antidumping investigation and gave notice of its revised schedule.[32] On October 25, 2019, Commerce determined that fresh tomatoes from Mexico are being, or are likely to be, sold in the United States at LTFV.[33]

[30] *Fresh Tomatoes From Mexico: Suspension of Antidumping Duty Investigation,* 84 FR 49987, September 24, 2019.

[31] *Fresh Tomatoes From Mexico; Suspension of Anti-Dumping Investigation*, 84 FR 54639, September 24, 2019.

[32] *Fresh Tomatoes From Mexico; Continuation of the Final Phase of an Antidumping Duty Investigation and Revised Schedule,* 84 FR 56837, October 23, 2019.

[33] *Fresh Tomatoes From Mexico: Final Determination of Sales at Less Than Fair Value*, 84 FR 57401, October 25, 2019.

Due to the number of suspension agreements entered in this case, the case history (as published in Federal Register notices) has been summarized in the tabulation below.

Fresh tomatoes: Case history

Date	Action	Agency	Federal Register cite
April 10, 1996	Institution of investigation	ITC	61 FR 15968
April 25, 1996	Initiation of investigation	ITA	61 FR 18377
June 6, 1996	Preliminary determination – Affirmative	ITC	61 FR 28891
November 1, 1996	Preliminary determination – Affirmative	ITA	61 FR 56608
November 1, 1996	Final determination suspended	ITA	61 FR 56618
November 13, 1996	Suspension of investigation	ITC	61 FR 58217
October 1, 2001	Initiation/Institution of five-year (sunset) review	ITA & ITC	66 FR 49926 66 FR 49975
January 23, 2002	Determination to conduct full review	ITC	67 FR 3229
June 27, 2002	Notice of intent to terminate suspension agreement and review and resume antidumping investigation	ITA	67 FR 43278
August 6, 2002	Review terminated	ITA	67 FR 50858
December 16, 2002	Investigation suspended	ITA	67 FR 77044
December 26, 2002	Investigation suspended	ITC	67 FR 78815
November 1, 2007	Initiation/Institution of review	ITA & ITC	72 FR 61903
December 13, 2007	Notice of intent to terminate suspension agreement and review and resume antidumping investigation	ITA	72 FR 70820
January 16, 2008	Notice of termination of suspension agreement and review and resumption of antidumping investigation	ITA	73 FR 2887
January 28, 2008	Notice of suspension of antidumping investigation	ITA	73 FR 4831
February 11, 2008	Suspension of investigation	ITC	73 FR 7762
October 2, 2012	Preliminary results and intent to terminate investigation	ITA	77 FR 60103
December 3, 2012	Initiation/Institution of review	ITA & ITC	77 FR 71683 77 FR 71629
February 1, 2013	Notice of intent to terminate suspension agreement and review and resume antidumping investigation	ITA	78 FR 9366
March 7, 2013	Termination of suspension agreement and review and resumption of antidumping investigation	ITA	78 FR 14771
March 8, 2013	Suspension of antidumping investigation	ITA	78 FR 14967
March 15, 2013	Termination of review and resumption of antidumping investigation	ITC	78 FR 16529
March 15, 2013	Suspension of antidumping investigation	ITC	78 FR 16530
February 1, 2018	Initiation/Institution of review	ITA & ITC	83 FR 4641 83 FR 4676
March 5, 2019	Notice of intent to terminate suspension agreement and resume antidumping investigation	ITA	84 FR 7872
May 7, 2019	Termination of suspension agreement and review and resumption of antidumping investigation	ITA	84 FR 20858

Continued on next page.

Date	Action	Agency	Federal Register cite
May 7, 2019	Termination of review, resumption of antidumping investigation, and scheduling final phase of investigation	ITC	84 FR 21360 84 FR 27805 84 FR 38643
August 30, 2019	Revised scheduling of its investigation	ITC	84 FR 46756
September 19, 2019	Suspension of its investigation	ITA	84 FR 49987
September 24, 2019	Suspension of its investigation	ITC	84 FR 54639
October 17, 2019	Continuation and revised scheduling of its investigation	ITC	84 FR 56837
October 25, 2019	Final determination of sales at LTFV	ITA	84 FR 57401

Source: Cited *Federal Register* notices.

The suspension agreements

The original suspension agreement, signed on December 6, 1996, established a reference price of $0.2068 per pound for all fresh or chilled tomatoes (fresh tomatoes) from Mexico except for cocktail tomatoes[34] and tomatoes for processing.[35] The 1996 agreement was amended in October 1998, setting different reference prices based on season. The price was set at $0.2108 per pound for tomatoes entering the United States between October 23 and June 30 and at $0.1720 per pound for tomatoes entering between July 1 and October 22.[36]

The 2002 agreement, signed December 16, 2002, established reference prices for all fresh or chilled tomatoes from Mexico, except for tomatoes for processing. The reference price for the July 1 through October 22 period was $0.172 per pound and the reference price for the October 23 through June 30 period was $0.2108 per pound.[37]

The 2008 agreement, signed January 22, 2008, continued to establish reference prices for all fresh or chilled tomatoes from Mexico, except for tomatoes for processing. The reference

[34] For purposes of the original agreement, cocktail tomatoes were defined as "green-house grown tomatoes, generally larger than cherry tomatoes and smaller than roma or common round tomatoes, and…harvested and packaged on-the-vine for retail sale." *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 61 FR 56617, November 1, 1996.

[35] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico*, 61 FR 56617, November 1, 1996.

[36] *Amendment to the Suspension Agreement on Fresh Tomatoes from Mexico*, 63 FR 43674, August 14, 1998.

[37] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico,* 67 FR 77044, December 16, 2002, App. A.

price for the July 1 through October 22 period was $0.1720 per pound and the reference price for the October 23 through June 30 period was $0.2169 per pound.[38]

The 2013 agreement, signed March 4, 2013, committed Mexican producers/exporters to sell tomatoes at or above established reference prices.[39] All types of fresh tomatoes, except tomatoes for processing,[40] are covered by the agreement.[41] For purposes of the 2013 agreement, controlled-environment tomatoes were those tomatoes grown in a fully enclosed, permanent, aluminum or fixed steel structure clad in glass, impermeable plastic, or polycarbonate using automated irrigation and climate control, including heating and ventilation capabilities, in an artificial medium using hydroponic methods.[42] Also, under the 2013 agreement, specialty tomatoes included grape, cherry, heirloom, and cocktail tomatoes.[43]

---

[38] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico.* 73 FR 4831, January 28, 2008, App. A.

[39] The term "reference price" refers to the price F.O.B. from the selling agent. The reference price includes all palletizing and cooling charges incurred prior to shipment from the selling agent. The actual movement or handling expenses beyond the point of entry into the United States must be added to the reference price and must reflect the cost for an arm's-length transaction. *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico,* March 4, 2013, p. 13, http://ia.ita.doc.gov/tomato/2013-agreement/documents/Mexico-Tomatoes-Agreement-20130304.pdf.

[40] For purposes of the agreement, the term “processing” includes “preserving by any commercial process, such as canning, dehydrating, drying, or the addition of chemical substances, or converting the tomato product into juices, sauces, or purees.” *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico,* March 4, 2013, p. 1, http://ia.ita.doc.gov/tomato/2013-agreement/documents/Mexico-Tomatoes-Agreement-20130304.pdf.

[41] *Mexican Tomato Suspension Agreement,* USDA Agricultural Marketing Service, August 2017, p. 1. https://www.ams.usda.gov/sites/default/files/media/MexicanTomatoSuspensionAgreement.pdf.

[42] *Suspension of Antidumping Investigation: Fresh Tomatoes From Mexico,* March 4, 2013. http://ia.ita.doc.gov/tomato/2013-agreement/documents/Mexico-Tomatoes-Agreement-20130304.pdf

[43] Ibid.

Appendix A of the 2013 agreement contains the relevant reference prices, expressed in U.S. dollars per pound:

July 1 through October 22	Open field and adapted environment, other than specialty	0.2458
	Controlled environment, other than specialty	0.3251
	Specialty - loose	0.3568
	Specialty - packed	0.4679
October 23 through June 30	Open field and adapted environment, other than specialty	0.31
	Controlled environment, other than specialty	0.41
	Specialty - loose	0.45
	Specialty - packed	0.59

Source: Suspension of Antidumping Investigation: Fresh Tomatoes from Mexico, March 4, 2013, App. A.

The 2019 agreement, signed September 19, 2019, committed Mexican producers/exporters to sell tomatoes at or above established reference prices and provided for USDA inspection of select subject merchandise for quality and condition defects.[44] Appendix A of the 2019 suspension agreement contains the agreement's reference prices, expressed in dollars per pound:

2019 suspension agreement reference prices in U.S. dollars per pound (F.O.B. U.S. shipping point, i.e., U.S. side of the U.S.-Mexican border)		
Fresh tomatoes other than organic tomatoes	Round and Roma	0.31
	Stem on	0.46
	Tomatoes on the vine	0.50
	Specialty - loose	0.49
	Specialty - packed	0.59
Organic tomatoes	Round and Roma	0.434
	Stem on	0.644
	Tomatoes on the vine	0.70
	Specialty - loose	0.686
	Specialty - packed	0.826

Source: *Fresh Tomatoes From Mexico: Suspension of Antidumping Duty Investigation*, 84 FR 49987, September 24, 2019, App. A.

[44] *Fresh Tomatoes From Mexico: Suspension of Antidumping Duty Investigation*, 84 FR 49987, September 24, 2019, App. A.

Statutory criteria

Section 771(7)(B) of the Tariff Act of 1930 (the "Act") (19 U.S.C. § 1677(7)(B)) provides that in making its determinations of injury to an industry in the United States, the Commission--

> *shall consider (I) the volume of imports of the subject merchandise, (II) the effect of imports of that merchandise on prices in the United States for domestic like products, and (III) the impact of imports of such merchandise on domestic producers of domestic like products, but only in the context of production operations within the United States; and. . . may consider such other economic factors as are relevant to the determination regarding whether there is material injury by reason of imports.*

Section 771(7)(C) of the Act (19 U.S.C. § 1677(7)(C)) further provides that--[45]

> *In evaluating the volume of imports of merchandise, the Commission shall consider whether the volume of imports of the merchandise, or any increase in that volume, either in absolute terms or relative to production or consumption in the United States is significant.. . .In evaluating the effect of imports of such merchandise on prices, the Commission shall consider whether. . .(I) there has been significant price underselling by the imported merchandise as compared with the price of domestic like products of the United States, and (II) the effect of imports of such merchandise otherwise depresses prices to a significant degree or prevents price increases, which otherwise would have occurred, to a significant degree.. . . In examining the impact required to be considered under subparagraph (B)(i)(III), the Commission shall evaluate (within the context of the business cycle and conditions of competition that are distinctive to the affected industry) all relevant economic factors which have a bearing on the state of the industry in the United States, including, but not limited to. . . (I) actual and potential decline in output, sales, market share, gross profits, operating profits, net profits, ability to service debt, productivity, return on investments, return on assets, and utilization*

[45] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

of capacity, (II) factors affecting domestic prices, (III) actual and potential negative effects on cash flow, inventories, employment, wages, growth, ability to raise capital, and investment, (IV) actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and (V) in {an antidumping investigation}, the magnitude of the margin of dumping.

In addition, Section 771(7)(J) of the Act (19 U.S.C. § 1677(7)(J)) provides that—[46]

(J) EFFECT OF PROFITABILITY.—The Commission may not determine that there is no material injury or threat of material injury to an industry in the United States merely because that industry is profitable or because the performance of that industry has recently improved.

Organization of report

Part I of this report presents information on the subject merchandise, dumping margins, and domestic like product. Part II of this report presents information on conditions of competition and other relevant economic factors. Part III presents information on the condition of the U.S. industry, including data on capacity, production, shipments, inventories, and employment. Parts IV and V present the volume of subject imports and pricing of domestic and imported products, respectively. Part VI presents information on the financial experience of U.S. producers. Part VII presents the statutory requirements and information obtained for use in the Commission's consideration of the question of threat of material injury as well as information regarding nonsubject countries.

Market summary

Tomatoes are the most widely grown and the leading processing vegetable[47] crop in the United States.[48] The leading U.S. producers of fresh tomatoes are *** and ***, while leading

[46] Amended by PL 114-27 (as signed, June 29, 2015), Trade Preferences Extension Act of 2015.

producers of product outside the United States include *** and ***.[49] Production in Mexico is less concentrated than in the United States, with at least 224 growers, none of which exceeded *** percent of total production in Mexico in 2018. The leading U.S. importer of fresh tomatoes from Mexico is ***. The leading importer of fresh tomatoes from nonsubject country Canada is ***. U.S. purchasers of fresh tomatoes are firms that are supermarkets or retail chains, food service or restaurants, and packers and repackers. Leading purchasers include ***. Apparent U.S. consumption of fresh tomatoes totaled approximately 6.7 billion pounds ($3.9 billion) in 2018. U.S. producers' U.S. shipments of fresh tomatoes totaled 2.6 billion pounds ($1.4 billion) in 2018, and accounted for 39.3 percent of apparent U.S. consumption by quantity and 36.6 percent by value. U.S. imports from Mexico totaled 3.7 billion pounds ($2.2 billion) in 2018 and accounted for 55.4 percent of apparent U.S. consumption by quantity and 55.0 percent by value. U.S. imports from nonsubject sources totaled 362 million pounds ($329 million) in 2018 and accounted for 5.4 percent of apparent U.S. consumption by quantity and 8.4 percent by value.

Previous and related investigations

The Commission has conducted two safeguard investigations under section 202 of the Trade Act of 1974 with respect to fresh tomatoes, which in the first investigation were defined more narrowly and then in the second investigation were defined more broadly than the scope definition of the current proceeding. The Commission instituted the first safeguard investigation, *Fresh Winter Tomatoes*, on March 29, 1995, in response to a petition filed by the

(…continued)

[47] Botanically, tomatoes are considered fruits, however, in the United States, tomatoes are considered vegetables. https://www.smithsonianmag.com/smart-news/even-supreme-court-maintains-tomato-vegetable-180963133/

[48] Terry and Boyhan, "History, Significance, Classification and Growth," Commercial Tomato Production Handbook. http://extension.uga.edu/publications/detail.html?number=B1312&title=Commercial%20Tomato%20Production%20Handbook

[49] Based on information questionnaire responses received in this final phase investigation.

Florida Tomato Exchange et al.[50] The petition requested, inter alia, that provisional relief be provided pending completion of the investigative process. The Commission made a negative determination in the provisional relief phase of the investigation in April 1995, and the petition was subsequently withdrawn and the investigation terminated without a final determination.[51] On March 11, 1996, the Commission instituted a second safeguard investigation, *Fresh Tomatoes and Bell Peppers,* at the request of the Florida Fruit and Vegetable Association et al. On July 2, 1996, the Commission made a negative injury determination in that case.[52]

Fresh tomatoes have been the subject of one prior antidumping duty investigation in the United States, in which the subject product was defined more narrowly than the scope of the current proceeding. On March 28, 2001, the Commission instituted an investigation, *Greenhouse Tomatoes from Canada,* following receipt of a petition filed by Carolina Hydroponic Growers Inc., Leland, NC; Eurofresh, Inc., Willcox, AZ; Hydro Age, Cocoa Beach, FL; Sun Blest Management, Fort Lupton, CO; Sun Blest Farms, Peyton, CO; and Village Farms, LP, Eatontown, NJ. On April 10, 2002, the Commission issued a negative injury determination in the investigation.[53]

Summary data and data sources

A summary of data collected in this investigation is presented in appendix C.[54] Except as noted, U.S. industry data are based on questionnaire responses of 23 firms that accounted for 56.1 percent of U.S. production of fresh tomatoes during 2018.[55] U.S. import data and related information are based on Commerce's official import statistics and the questionnaire responses of 52 U.S. importers of fresh tomatoes that are believed to have accounted for *** percent of subject imports and 7.5 percent of nonsubject imports during 2018. Foreign industry data and related information are based on the questionnaire responses of 224 producers and/or

[50] *Fresh Winter Tomatoes,* Inv. No. TA-201-64, USITC Publication 2881 (April 1995).
[51] Ibid.
[52] *Fresh Tomatoes and Bell Peppers,* Inv. No. TA-201-66, USITC Publication 2974, August 1996.
[53] *Greenhouse Tomatoes From Canada*, 67 FR 18634, April 16, 2002.
[54] New questionnaire submissions from the following firms have been incorporated since the prehearing report: U.S. producers Lipman (including O'Neil Ventures, Inc.), Russell Costanza Farms, and Windset Farms (California) Inc.; U.S. importers The Produce Exchange, Six L's Packing Company Inc., and Western Repacking LLC.
[55] Coverage calculated by dividing reported total production into total production as reported by USDA (2.83 billion pounds). *Vegetable and Pulses Yearbook Data*, USDA, April 12, 2019.

exporters of fresh tomatoes in Mexico that are believed to have accounted for approximately 51.2 percent of fresh tomato production in Mexico in 2018.[56]

Nature and extent of subsidies and sales at LTFV

Sales at LTFV

On May 13, 2019, Commerce published a notice in the *Federal Register* of its termination of the 2013 suspension agreement and continuation of the original antidumping duty investigation.[57] The notice stated that Commerce found it appropriate to reconsider respondent selection due to the unusual procedural posture of this proceeding, and that it would be requesting information corresponding to the most recent four full quarters. On October 25, 2019, Commerce issued its final estimated weighted-average dumping margins.[58] Table I-1 presents Commerce's final dumping margins with respect to imports of fresh tomatoes from Mexico.

[56] Coverage for producers in Mexico is calculated by dividing aggregate calendar year 2018 production data as reported by responding producers in Mexico into the official overall tomato production in Mexico estimate for marketing year (MY) 2018-2019 (October-September) provided by the government of Mexico, as referenced by the USDA in their annual report on tomato production in Mexico. USDA, FAS, "GAIN Report: Mexico, Tomato Annual," 2018. https://www.fas.usda.gov/data/mexico-tomato-annual-2. The report estimated MY 18/19 production at 3.4 million metric tons. This coverage estimate uses a conversion factor of 2204.62 metric tons to pounds. Calculation divides production as reported in questionnaire data (3.84 billion pounds) into 3,400,000 metric tons (7.50 billion pounds).

[57] *Fresh Tomatoes From Mexico: Termination of Suspension Agreement, Rescission of Administrative Review, and Continuation of the Antidumping Duty Investigation*. 84 FR 20858, May 13, 2019.

[58] *Fresh Tomatoes from Mexico: Final Determination of Sales at Less Than Fair Value,* 84 FR 57401, October 25, 2019.

Table I-I
Fresh tomatoes: Commerce's final weighted-average LTFV margins with respect to fresh tomatoes from Mexico

Exporter/Producer	Final dumping margin (percent)
Bioparques De Occidente, S.A. de C.V.	30.48
Ceuta Produce, S.A. de C.V.	3.91
Negocio Agricola San Enrique, S.A. de C.V.	17.02
All others	20.91

Source: *Fresh Tomatoes from Mexico: Final Determination of Sales at Less Than Fair Value,* 84 FR 57401, October 25, 2019.

The subject merchandise

Commerce's scope

In the current proceeding, Commerce has defined the scope as follows:

> *The merchandise subject to the investigation is all fresh or chilled tomatoes (fresh tomatoes) which have Mexico as their origin, except for those tomatoes which are for processing. For purposes of this suspended investigation, processing is defined to include preserving by any commercial process, such as canning, dehydrating, drying, or the addition of chemical substances, or converting the tomato product into juices, sauces, or purees. Fresh tomatoes that are imported for cutting up, not further processing (e.g., tomatoes used in the preparation of fresh salsa or salad bars), are covered by the investigation.*
>
> *Commercially grown tomatoes, both for the fresh market and for processing, are classified as Lycopersicon esculentum. Important commercial varieties of fresh tomatoes include common round, cherry, grape, plum, greenhouse, and pear tomatoes, all of which are covered by this investigation.*
>
> *Tomatoes imported from Mexico covered by this investigation are classified under the following subheading of the Harmonized Tariff Schedule of the United States (HTSUS), according to the season of importation: 0702. Although the HTSUS numbers are provided for*

convenience and customs purposes, the written description of the scope of this investigation is dispositive.[59]

Tariff treatment

Based on the scope set forth by the Department of Commerce, information available to the Commission indicates that the merchandise subject to this review is provided for in heading 0702.00 of the HTS ("tomatoes, fresh or chilled"), including the three tariff rate lines and all statistical reporting numbers of heading 0702.00 (0702.00.2010, 0702.00.2035, 0702.00.2045, 0702.00.2065, 0702.00.2099, 0702.00.4010, 0702.00.4035, 0702.00.4046, 0702.00.4065, 0702.00.4098, 0702.00.6010, 0702.00.6035, 0702.00.6045, 0702.00.6065, 0702.00.6099). The 2019 general rate of duty is 3.9 cents/kilogram for HTS subheading 0702.00.20 and 2.8 cents/kilogram for HTS subheadings 0702.00.40 and 0702.00.60. The higher-rate provision covers entries during the period from March 1 to July 14, inclusive, or the period from September 1 to November 14, inclusive, in any year (peak harvest periods). Originating goods of Mexico under HTS general note 12 (those harvested in Mexico, or grown and harvested there from imported seeds or plants provided for in other HS chapters) are eligible for duty-free entry, pursuant to the North American Free Trade Agreement (NAFTA). Decisions on the tariff classifications and treatment of imported goods are within the authority of U.S. Customs and Border Protection.

The product

Description and applications[60]

Tomatoes are the most widely grown and the leading processing vegetable[61] crop in the United States.[62] Tomatoes are perishable, edible fruits classified as Lycopersicon escolentum,

---

[59] *Fresh Tomatoes From Mexico: Final Determination of Sales at Less Than Fair Value*, 84 FR 57401, October 25, 2019.

[60] Unless otherwise noted, this information is based Inv. No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico--Staff Report, INV-RR-029, April 19, 2019 and Fresh Tomatoes from Mexico, Inv. No. 731-TA-747 (Preliminary), USITC Publication 2967, May 1996. https://www.usitc.gov/publications/701_731/pub2967.pdf.

[61] Botanically, tomatoes are considered fruits, however, in the United States, tomatoes are considered vegetables. https://www.smithsonianmag.com/smart-news/even-supreme-court-maintains-tomato-vegetable-180963133/

that belong to the Solanaceae, or Nightshade, family, which includes potatoes, peppers, and ground cherries (tomatillo).

Tomato producers plant different varieties based on end use (processed or fresh) and growing method (protected or open field).[63] The vast majority of tomato production in the United States (about 97 percent in 2018) is further processed.[64] Varieties destined for further processing, which includes canning, dehydrating, drying, the addition of chemical substances, or converting the tomato product into juices, sauces, or purees,[65] tend to be meatier, while varieties destined to the fresh market tend to be juicier. Commercial fresh tomatoes include common round (including beefsteak), cherry, grape, plum/Roma, and pear types.[66] Each of these types can be grown in an open field or in a protected environment—including

---

(…continued)

[62] Terry and Boyhan, "History, Significance, Classification and Growth," Commercial Tomato Production Handbook. https://secure.caes.uga.edu/extension/publications/files/pdf/B%201312_6.PDF

[63] Protected agriculture refers to the cultivation of crops in temporary or permanent structures that control the environment where plants grow. These structures include greenhouses, tunnels, and shade houses. Inv. No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico--Staff Report, INV-RR-029, April 19, 2019. The USDA National Agricultural Statistics Service defines tomatoes in the open as tomatoes grown in the open field and excluding those produced under glass or other protection. USDA, NASS, 2017 Census of Agriculture, p.B-22, 2019. https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/usv1.pdf.

[64] USDA, NASS, "Vegetables: 2018 Summary," March 2019

[65] Fresh Tomatoes from Mexico, Inv. No. 731-TA-747 (Preliminary), USITC Publication 2967, May 1996. https://www.usitc.gov/publications/701_731/pub2967.pdf

[66] Tomatoes are available in a variety of shapes and sizes. Tomato sizes are, generally, small (usually cherry and grape tomatoes weighing up to 4 or 5 ounces), medium (usually common round or plum/Roma tomatoes weighing from 4 to 7 or 8 ounces), large (usually common round tomatoes weighing from 8 ounces to 2 pounds) and extra large (usually common round tomatoes weighing over 2 pounds). Although some tomato varieties are known by their sizes, there are differences within varieties. For example, cherry tomatoes are considered small tomatoes, but some cherry tomato varieties can be considered medium size and weigh up to 6 ounces (such as the Sub Arctic Plenty or Cherry Pink tomato varieties). Moreover, certain varieties can yield fruits that range from one size to the other, such as the Black Zebra variety, which is a plum/Roma tomato that yields small to medium-sized fruit. Furthermore, some tomato varieties can be described as more than one type of tomato, such as the Santa Cruz Kada variety, which is classified as a pear tomato but described as being a "pear/plum/paste" tomato, and campari tomatoes, which can be classified as globe-shaped plum tomatoes. University of Illinois Extension, "Watch your garden grow: Tomatoes," accessed November 4, 2019, https://web.extension.illinois.edu/veggies/tomato.cfm; Cornell University, "Vegetable Varieties for Gardeners," accessed November 4, 2019, http://vegvariety.cce.cornell.edu/main/showVarieties.php?searchCriteria=tomato&searchIn=1&crop_id=0&sortBy=overallrating&order=DESC.

greenhouses, shade houses, and tunnels—with plants that are tailored to that growing method.[67]

Most of the fresh tomatoes grown in the United States are grown in Florida and California. In 2018, Florida and California accounted for about 95 percent of the total U.S. open field tomato production, by volume, and about 83 percent by value.[68] California was also the largest grower of tomatoes in protected agriculture environments in the United States, followed by Texas and Ohio in 2017.[69] U.S. open field tomato production grew 13 percent by value from 2012–17, while U.S. greenhouse tomato production increased by 5 percent in the same period.[70]

Most of Florida's tomato crop is grown in the open field. Open field tomatoes can be categorized as mature green, which are tomatoes that are picked at an earlier stage of development when they are mature in size but wholly green in color, or vine ripe, which are tomatoes that ripen and start to turn red while still on the vine. Other than color, mature green tomatoes are essentially the same as vine ripe tomatoes; and, at the point of sale to the end-use customer, all fresh tomatoes are ripe and can be sliced or cut up for use in salads, sandwiches, or salsas or as an ingredient in various recipes.[71] Domestic producers consider a tomato that shows any redness at the time it is picked to be a vine ripe tomato.[72]

Mature green tomato production is concentrated in Florida and the California Central Valley, while vine ripe tomato production is concentrated in southern California.[73] The majority of Florida-grown fresh tomatoes are open field-grown mature green common round (including beefsteak) tomatoes. Production in most other states is of vine ripe common round (including

---

[67] USDA, ERS, "Greenhouse Tomatoes Change the Dynamics of the North American Fresh Tomato Industry," p. 52, 2005. http://ucce.ucdavis.edu/files/datastore/234-447.pdf.

[68] USDA, NASS, Quickstats (accessed November 14, 2019).

[69] USDA, NASS, 2017 Census of Agriculture, p. 613, 2019. https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/usv1.pdf.

[70] USDA, NASS, Quickstats (accessed October 29, 2019); USDA, NASS, 2017 Census of Agriculture, p. 613, 2019. https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1,_Chapter_1_US/usv1.pdf.

[71] Inv. No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico--Staff Report, INV-RR-029, April 19, 2019.

[72] Ibid.

[73] USDA, ERS, "Greenhouse Tomatoes Change the Dynamics of the North American Fresh Tomato Industry," p. 52, 2005. http://ucce.ucdavis.edu/files/datastore/234-447.pdf

beefsteak), plum/Roma, and cherry tomatoes grown in protected agriculture environments, particularly greenhouses. Mature green tomato production cannot be easily transformed into vine ripe tomato production because the varieties are bred specifically to be picked green, which usually results in poor field ripening, especially in Florida's climate.[74] Whether harvested as mature green or vine ripe, at the retail level tomatoes have the same general physical appearance.[75] Due to the packers' greater ability to control the ripening process for mature green tomatoes, these may be a firmer product by the time they reach the ultimate customer than vine ripe tomatoes.[76]

Vine-ripened tomatoes stay on the vine longer, which allows them to start to turn red, but makes them less able to withstand packing and shipping.[77] Vine ripe tomatoes are preferred in retail channels, but have limited demand in foodservice establishments.[78]

Tomato grades and standards in the United States are established by the U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS).[79] Florida-grown fresh-market tomatoes are covered under Federal Marketing Order 966, which establishes the quality, condition, and size requirements for Florida fresh-market tomatoes and fresh tomatoes imported from October 10 through June 15.[80] Fresh tomatoes vary in grades and sizes from season to season and from week to week, and also vary in color, including red, orange, yellow, pink, or a combination or shade of these.

Since the early 2000s, the diversity of tomato varieties grown in protected agriculture environments in the United States, particularly in greenhouses, has increased due to changing

---

[74] USDA, ERS, "Greenhouse Tomatoes Change the Dynamics of the North American Fresh Tomato Industry," p. 52, 2005. http://ucce.ucdavis.edu/files/datastore/234-447.pdf.

[75] Inv. No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico--Staff Report, INV-RR-029, April 19, 2019.

[76] Epp, "Processed tomatoes a market mainstay," January 25, 2017. https://produceprocessing.net/article/processed-tomatoes-market-mainstay/

[77] Cantwell, "Ripening Tomatoes," University of California-Davis, March, 2013. http://ucce.ucdavis.edu/files/datastore/234-2498.pdf

[78] USDA, ERS, "Greenhouse Tomatoes Change the Dynamics of the North American Fresh Tomato Industry," p. 52, 2005. http://ucce.ucdavis.edu/files/datastore/234-447.pdf.

[79] USDA, AMS, "Tomato Grades and Standards." https://www.ams.usda.gov/grades-standards/tomato-grades-and-standards.

[80] Under the Federal Marketing Order (7 CFR 966), pear-shaped, cherry, hydroponic, and greenhouse tomatoes; tomatoes used in noncommercial outlets for experimental purposes; and tomatoes imported in quantities not exceeding 60 pounds are excluded from meeting these standards. https://www.ams.usda.gov/rules-regulations/moa/966-florida-tomatoes

consumer preferences for the characteristics these tomatoes offer.[81] In addition to beefsteak and cluster (also called tomatoes on-the-vine or TOVs) varieties, a wide array of heirloom, grape, and small cocktail varieties are now grown in greenhouses. Typically, open field-grown tomatoes of the beefsteak variety have a thicker skin and are firmer products than the greenhouse-grown varieties of beefsteaks, although this is reportedly changing as greenhouse varieties are being developed to become more firm.[82]

Tomatoes are the second most consumed vegetable in the United States, accounting for 22 percent of the total vegetable availability in the country.[83] In 2018, U.S. per capita availability was about 20.6 pounds of fresh tomatoes, an 18 percent increase from 17.4 pounds in 1996.[84] The share of tomatoes consumed at home decreased from 1994 to 2008, from 67 percent to 63 percent, while the share of tomatoes consumed away from home increased.[85] The USDA, Economic Research Service (ERS) estimates that around 56 percent of total U.S. tomato consumption, including fresh and processed tomatoes, is in the form of canned tomatoes.[86]

More than 50 percent of the total U.S. open field-grown tomato production is destined for the foodservice sector in the form of processed tomatoes.[87] However, an increasing number of foodservice establishments are demanding "fresh-cut processing tomatoes," that is, fresh-market tomatoes that have been sliced or diced before arriving at the establishment, instead of

---

[81] Tomatoes on the vine are harvested with the calyx and stem still attached to the tomatoes, which range in maturity stage. Hochmuch, "Production of Greenhouse Tomatoes—Florida Greenhouse Vegetable Production Handbook," Vol. 3, University of Florida, IFAS Extension. http://edis.ifas.ufl.edu/pdffiles/CV/CV26600.pdf

[82] Epp, "Processed tomatoes a market mainstay," January 25, 2017. https://produceprocessing.net/article/processed-tomatoes-market-mainstay/

[83] Bentley, "Potatoes and Tomatoes Account for Over Half of U.S. Vegetable Availability," September 8, 2015. https://www.ers.usda.gov/amber-waves/2015/september/potatoes-and-tomatoes-account-for-over-half-of-us-vegetable-availability.

[84] USDA, ERS, "Vegetable and Pulses Yearbook," April 12, 2019. https://www.ers.usda.gov/webdocs/DataFiles/88551/SandU%20Fresh.xlsx?v=5102.7.

[85] The most recent data available is for 2008. USDA, ERS, "U.S. Food Commodity Availability by Food Source 1994-2008," December 1, 2016

[86] USDA, ERS, "Potatoes and tomatoes are the most commonly consumed vegetables," November 29, 2018. https://www.ers.usda.gov/data-products/chart-gallery/gallery/chart-detail/?chartId=58340

[87] Epp, "Processed tomatoes a market mainstay," January 25, 2017. https://produceprocessing.net/article/processed-tomatoes-market-mainstay/

processed tomatoes.[88] Historically, this sector has preferred mature green open field-grown tomatoes because these are firmer than greenhouse-grown tomatoes.[89] In addition to improving the firmness of the product through seed breeding, the greenhouse tomato industry has gained market share in the foodservice sector due to an increased consumer demand for "snacking" tomatoes, or tomatoes eaten out of hand, that are also used in the preparation of salads and other meals.[90] Although snacking tomatoes used to be mostly of the grape variety, the industry has evolved to include more types of small tomatoes, which are increasingly grown in greenhouses.[91]

Supermarkets stock many varieties of fresh tomatoes, including common round (including beefsteak), plum/Roma, grape, and cherry tomatoes, grown in open fields or in protected agriculture environments.

In 2017, about 83.6 percent of the tomatoes grown in Mexico were of the plum/Roma variety, 59 percent of which is grown in a protected agriculture environment, followed by the common round (including beefsteak) variety, which accounts for 13 percent of Mexican tomato production, 83 percent of which is grown in a protected environment.[92] However, the majority of U.S. imports of fresh tomatoes from Mexico in 2017 were of the common round variety, amounting to more than 700,000 metric tons, followed by about 600,000 metric tons of plum/Roma tomatoes.[93] About 30 percent of tomato imports from Mexico were open field tomatoes.[94] Mexican consumption of tomatoes accounted for 54.2 percent of total domestic production in 2017—a historical high—but it fluctuates in response to changes in production levels and exports.[95]

---

[88] Epp, "Processed tomatoes a market mainstay," January 25, 2017. https://produceprocessing.net/article/processed-tomatoes-market-mainstay/

[89] Epp, "Processed tomatoes a market mainstay," January 25, 2017. https://produceprocessing.net/article/processed-tomatoes-market-mainstay/

[90] Epp, "Processed tomatoes a market mainstay," January 25, 2017. https://produceprocessing.net/article/processed-tomatoes-market-mainstay/

[91] Epp, "Processed tomatoes a market mainstay," January 25, 2017. https://produceprocessing.net/article/processed-tomatoes-market-mainstay/

[92] Fideicomisos Instituidos en Relación con la Agricultura (FIRA), "Panorama Alimentario: Tomate Rojo 2019." https://www.inforural.com.mx/fira-panorama-agroalimentario-tomate-rojo-2019/

[93] Fideicomisos Instituidos en Relación con la Agricultura (FIRA), "Panorama Alimentario: Tomate Rojo 2019." https://www.inforural.com.mx/fira-panorama-agroalimentario-tomate-rojo-2019/

[94] USDA, Agricultural Marketing Service, Market News, accessed October 30, 2019.

[95] Fideicomisos Instituidos en Relación con la Agricultura (FIRA), "Panorama Alimentario: Tomate Rojo 2019." https://www.inforural.com.mx/fira-panorama-agroalimentario-tomate-rojo-2019/

Most Florida greenhouse tomatoes are marketed on the vine (TOVs) with stems attached "to convey the appearance of freshness to consumers." This practice has gained popularity since the late 1990s, when producers began to grow cluster types instead of the beefsteak tomato variety.[96] Many of these TOV varieties grown in protected agriculture environments have developed flavor profiles and appearances that allow them to compete with the open field-grown tomatoes.[97] Additionally, increased demand for year-round, direct-to-consumer tomato sales has led to an increase in production of other types of tomatoes, such as grape and cocktail, in greenhouses.[98]

Manufacturing processes[99]

Tomato production in the United States is similar in many ways to that in Mexico. The commercial production of fresh tomatoes involves planting, irrigation, fertilization, harvesting, cleaning, sorting, grading, and packing. Tomatoes can be grown in open fields or in protected agriculture environments. Protected agriculture includes a wide category of production methods that protect the plants from weather events and pests that might cause damage to the crops. These production methods range from low-technology tunnels covering the plants to medium-technology shade houses (walk-in structures with a mesh or plastic cover) to high-technology greenhouses[100] (hothouses) that use technologies for controlling the environment inside the structure.[101] [102]

---

[96] Hochmuth, "Production of Greenhouse Tomatoes." http://edis.ifas.ufl.–edu/cv266.

[97] ***. Staff field trip report, Red Sun Farms, September 17, 2019. Hochmuth, "Production of Greenhouse Tomatoes." http://edis.ifas.ufl.edu/cv266.

[98] Hochmuth, "Production of Greenhouse Tomatoes." http://edis.ifas.ufl.edu/cv266.

[99] Unless otherwise noted, this information is based on Inv. No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico--Staff Report, INV-RR-029, April 19, 2019 and Fresh Tomatoes from Mexico, Inv. No. 731-TA-747 (Preliminary), USITC Publication 2967, May 1996. https://www.usitc.gov/publications/701_731/pub2967.pdf.

[100] As defined in the "2013 Suspension Agreement–Fresh Tomatoes from Mexico," controlled environment technologies or greenhouses are "fully-enclosed permanent aluminum or fixed steel structure clad in glass, impermeable plastic, or polycarbonate using automated irrigation and climate control, including heating and ventilation capabilities, in an artificial medium using hydroponic methods." https://enforcement.trade.gov/tomato/2013-agreement/2013-agreement.html.

[101] Mexican respondents' posthearing brief, p. 20.; USDA ERS, "Unpacking the Growth in Per Capita Availability of Fresh Market Tomatoes, March 2019. https://www.ers.usda.gov/webdocs/publications/92442/vgs-19c-01.pdf?v=8160.2; C-Mac Industries, "Shade House." https://www.cmac.com.au/nursery-equipment/shade-houses.

Tomatoes are considered warm-season crops although they are perennial plants, and are sensitive to frost at any growth stage. Field planting in temperate climates occurs after the threat of frost is past in the spring, or transplants can be planted and grown under row covers in late spring. Open field growers in the principal U.S. and Mexican production areas have shifted to the use of transplants rather than seeds due to high seed costs, among other factors.[103] Production practices include transplanting plants into plastic mulch on raised beds, which warm up more quickly in the spring, enhance earlier growth, and facilitate drainage, which prevents waterlogging,[104] as well the use of underground drip irrigation systems. All open field-grown tomatoes are subject to weather conditions prevalent throughout the growing and harvest season. Once transplants are set in the fields, growers have little control over any unfavorable environmental conditions. In the major producing states, growers also use land leveler planes to grade their fields and dig wells adjacent to their fields for water.

In the United States, the use of degreening rooms to hasten the ripening of mature green tomatoes is prevalent in the industry. While vine ripe tomatoes complete the ripening process naturally, mature green tomatoes are picked at an earlier stage of development—while still green—and must be degreened before or after shipment. There is virtually no difference in fertilization or irrigation requirements for green and vine-ripened tomatoes except that irrigation for mature green tomatoes ends several days before harvest because they must be somewhat dehydrated for the degreening process. The degreening process, unique to mature green tomatoes, involves the application of ethylene gas to cause ripening under controlled conditions. Ethylene is a natural, odorless, tasteless gas emitted by tomatoes and many other types of produce, which accelerates the ripening process.[105] Although mature green tomato producers in Florida and California use this process to ripen tomatoes, according to industry

---

(…continued)

[102] Moreover, tomatoes can be grown in soil or hydroponically. Hydroponic production relies on growing plants in a soil-less growing medium watered with a nutrient solution, typically in a greenhouse environment. Home Hydro Systems, "Growing Mediums and Hydroponics." http://www.homehydrosystems.com/mediums/mediums_page.html.

[103] Katz, "Transplanting vs. Direct Seeding," November, 2002. https://aggie-horticulture.tamu.edu/extension/newsletters/vpmnews/oct03/oct03transplanting.html.

[104] Terry and Boyhan, "History, Significance, Classification and Growth," Commercial Tomato Production Handbook, p. 3. http://extension.uga.edu/publications/detail.html?number=B1312&title=Commercial%20Tomato%20Production%20Handbook.

[105] Boyette, Estes, and Sanders, "Postharvest Cooling and Handling of Field- and Greenhouse-Grown Tomatoes," January 1, 1997. https://content.ces.ncsu.edu/postharvest-cooling-and-handling-of-field-and-greenhouse-grown-tomatoes.

sources, Mexican growers rarely use this method anymore. Although Mexico produces mature green and vine-ripe tomatoes, only about 2 percent of the Mexican tomato exports are of mature green tomatoes.[106]

Fresh market tomatoes are also commercially grown using organic production practices. The USDA National Organic Program (NOP) establishes the standards and requirements for certified organic products in the United States.[107] For a food product to be labeled organic, synthetic fertilizers, sewage sludge, irradiation, and genetic engineering may not be used in the production process.[108] Growers producing and selling tomatoes with an organic label must be certified by a USDA-approved certifying agency and must follow production standards regulated by the National Organic Program (NOP). Certified organic products entering the United States must be certified by international organizations authorized by the USDA or conform to authorized international standards.[109] Organically grown tomatoes are popular among consumers seeking organic vegetables for health or ideological reasons, as well as produce consumers seeking unique varieties and flavors. Although open field and protected agriculture tomatoes can be organically grown, open field tomatoes account for the largest share of organic tomatoes produced in the United States.[110]

Harvesting of open field-grown tomatoes in Florida begins in November and continues through the following May (winter season), with production in California principally available from June through November (summer season).[111] Open field-grown tomatoes commercially produced in most other U.S. states are available primarily during June through October.

---

[106] Inv. No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico--Staff Report, INV-RR-029, April 19, 2019.

[107] The NOP defines the labeling term "organic" as an indication that "the food or other agricultural product has been produced through approved methods that integrate cultural, biological, and mechanical practices that foster cycling of resources, promote ecological balance, and conserve biodiversity." USDA AMS, "National Organic Program," http://www.ams.usda.gov/AMSv1.0/nop.

[108] USDA AMS, "National Organic Program," http://www.ams.usda.gov/AMSv1.0/nop.

[109] USDA NOP, "Importing Organic Products into the U.S." https://www.ams.usda.gov/sites/default/files/media/Importing%20Organic%20Products%20Factsheet.pdf; USDA NOP, "Exporting Organic Products from the U.S." https://www.ams.usda.gov/publications/content/importing-organic-products-us.

[110] USDA NASS, "2016 Certified Organic Survey," October 2017. https://downloads.usda.library.cornell.edu/usda-esmis/files/zg64tk92g/70795b52w/4m90dz33q/OrganicProduction-09-20-2017_correction.pdf.

[111] Inv. No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico--Staff Report, INV-RR-029, April 19, 2019.

Between May and July, production moves into states further up the East Coast and begins in California. During August to October, most other states report some commercial fresh tomato production. By November, most other states are out of production, and Florida is starting production again.

Mexico exports tomatoes to the United States throughout the year, but its peak shipping season is from January through April from Sinaloa and Sonora, which primarily overlaps with the Florida harvest season.[112] Sinaloa—the largest tomato-producing state in Mexico—only produces winter season tomatoes, about 78 percent of which are harvested between January and April.[113] In 2017, 52 percent of the total Sinaloa tomato crop was produced in a protected agricultural environment.[114] Additionally, 73 percent of the crop in Sonora—the eighth-largest tomato producing state in Mexico—is for the winter season.[115] Production in Mexico is centered in Sinaloa during January through May, when it shifts to Sonora and then to Baja California during July and October, although other regions in Mexico also produce tomatoes.

All fresh tomatoes grown in the United States or Mexico are hand-picked.[116] Harvesting is done frequently in open field cultivation to avoid overripe fruit. Open field-grown tomato producers in both countries rely on a larger proportion of seasonal migrant workers. Once harvested, all fresh tomatoes are washed sorted, graded, and packed. All tomatoes are generally kept in controlled temperatures and humidity during storage and shipment. Fresh tomatoes are very perishable and are marketed as soon after packing as possible.[117]

---

[112] Fideicomisos Instituidos en Relación con la Agricultura (FIRA), "Panorama Alimentario: Tomate Rojo 2017." https://www.fira.gob.mx/InfEspDtoXML/abrirArchivo.jsp?abreArc=65310.

[113] In 2017–18, Sinaloa's production decreased 13 percent, following a reduction on the planted area, and resulting on an overall 13 percent decrease in winter tomato production in Mexico. Fideicomisos Instituidos en Relación con la Agricultura (FIRA), "Panorama Alimentario: Tomate Rojo 2019." https://www.inforural.com.mx/fira-panorama-agroalimentario-tomate-rojo-2019/

[114] Fideicomisos Instituidos en Relación con la Agricultura (FIRA), "Panorama Alimentario: Tomate Rojo 2019." https://www.inforural.com.mx/fira-panorama-agroalimentario-tomate-rojo-2019/

[115] Fideicomisos Instituidos en Relación con la Agricultura (FIRA), "Panorama Alimentario: Tomate Rojo 2017." https://www.fira.gob.mx/InfEspDtoXML/abrirArchivo.jsp?abreArc=65310.

[116] ***. Staff field trip report, Red Sun Farms, September 17, 2019; Staff field trip report, SunSelect Produce, September 10, 2019.

[117] Inv. No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico--Staff Report, INV-RR-029, April 19, 2019.

Tomatoes are grown in protected agriculture environments to protect plants from the weather.[118] In temperate climates, tomatoes are grown in protected environments such as greenhouses primarily to extend the production season.[119] In contrast, in warm climates, protected agriculture environments such as shade houses are used to protect the plants from excessive heat and other weather extremes.[120] The production process for greenhouse tomatoes is slightly different from that of open field tomatoes. Greenhouse production, particularly in high-technology greenhouses, is more expensive than open field production due to high investment costs, which vary depending on the level of technology used.[121] Consequently, although the rapid increase in greenhouse tomato production has reduced the price differential between greenhouse and open field,[122] tomatoes produced in high-tech greenhouses are still higher priced than open field tomatoes.[123] Greenhouse tomatoes can be grown hydroponically or in soil.[124] While the basic production process is similar to open field tomato production, after planting, greenhouse tomatoes require continuous pruning and training to a trellis system. Advantages of greenhouse production include uniform appearance and quality, consistency in production, increased yields per acre, and enhanced grower capability to sustain year-round production. Additionally, greenhouse production has benefits in terms of pest control and reduced risk exposure to climate change.[125]

While greenhouses could produce tomatoes year-round, high heating costs in the northern winter and high cooling costs in the southern summer make that impractical.

---

[118] ***. Staff field trip report, SunSelect Produce, September 10, 2019.

[119] ***. Staff field trip report, SunSelect Produce, September 10, 2019.

[120] USDA, FAS, "GAIN Report: Mexico, Tomato Annual," 2018. https://www.fas.usda.gov/data/mexico- tomato-annual-2.

[121] USDA, ERS, "Greenhouse Tomatoes Change the Dynamics of the North American Fresh Tomato Industry," p. 52, 2005. http://ucce.ucdavis.edu/files/datastore/234-447.pdf.

[122] USDA, ERS, "Greenhouse tomatoes Change the Dynamics of the North American Fresh Tomato Industry," p.52, 2005. http://ucce.ucdavis.edu/files/datastore/234-447.pdf.

[123] Hermann, M., "Ceiling Still Rising On Greenhouse Produce," Produce Business, February 1, 2018. https://www.producebusiness.com/ceiling-still-rising-on-greenhouse-produce/.

[124] New England Vegetable Management Guide, "Tomato, Greenhouse and High Tunnel." https://nevegetable.org/crops/tomato-greenhouse-and-high-tunnel.

[125] USDA, FAS, "GAIN Report: Mexico, Tomato Annual," 2018. https://www.fas.usda.gov/data/mexico-tomato-annual-2.

Therefore, greenhouses follow production patterns similar to open field tomato production.[126] Employees in U.S. greenhouse tomato operations are primarily full-time and employed all year long.[127] About 40 percent of the tomatoes available in U.S. retail markets are greenhouse-grown.[128]

Domestic like product issues

In the preliminary investigation, the Commission found a single domestic like product consisting of "all fresh market tomatoes," consistent with Commerce's scope definition.[129]

The Florida Tomato Exchange argues that the Commission should find a single like product of all fresh tomatoes, as it did in its preliminary determination.[130] Mexican respondents do not contest the Commission's prior decision that there is a single domestic like product of all fresh tomatoes.[131] NS Brands argues that the Commission should find two separate like products: "specialty" variety tomatoes, such as grape, cherry, and cocktail tomatoes, normally grown in a greenhouse, and standard or commodity tomatoes, such as round and plum/Roma tomatoes, without distinction by growing method.[132]

---

[126] ***. Staff field trip report, Red Sun Farms, September 17, 2019; USDA, ERS, "North American Greenhouse Tomatoes Emerge as a Major Market Force," April 1, 2015. https://www.ers.usda.gov/amber-waves/2005/april/north-american-greenhouse-tomatoes- emerge-as-a-major-market-force/.

[127] Linkhorn, "Delta greenhouse expansion on hold thanks to labor shortage," August 18, 2017. https://www.toledoblade.com/Economy/2017/08/17/Delta-greenhouse-expansion-on-hold-nature-fresh.html.

[128] Asci, VanSickle, and Cantliffe, "The Potential for Greenhouse Tomato Production Expansion in Florida," 2013. https://ageconsearch.umn.edu/bitstream/143095/2/SAEA-2013-The%20Potential%20for%20Greenhouse%20Tomato%20Production%20Expansion%20in%20Florida.pdf.

[129] *Fresh Tomatoes from Mexico, Inv. No. 731-TA-747 (Preliminary)*, USITC Publication 2967 (May 1996), p. 11.

[130] Petitioner's prehearing brief, p. 9.

[131] Mexican respondents' prehearing brief, p. 2. Red Sun broadly states that it "supports and incorporates" the prehearing arguments of the Mexican respondents, including without distinction the Mexican respondents' noncontestation of the Commission's prior definition of the like product as all fresh tomatoes. Red Sun's prehearing brief, p. 1.

[132] NS Brands' prehearing brief, pp. 5-15; NS Brands' posthearing brief, pp. 2-6.

`

Part II: Conditions of competition in the U.S. market

U.S. market characteristics

There are many different varieties of fresh tomatoes. Varieties can be grown in a greenhouse or in an open field. The U.S. Department of Agriculture (USDA) estimates that 37 percent of fresh tomatoes sold in U.S. retail stores are grown in greenhouses.[1] Types of fresh tomatoes include Roma (plum), round tomatoes, and grape tomatoes. The large majority of fresh tomatoes are red in color when ripe, but can be yellow, orange, pink, green, burgundy, purple, and streaked or striped when mature. Tomatoes are harvested as "mature greens" when they are green or light pink and degreened with ethylene gas, or harvested as "vine ripe" when they have reached a color (e.g., red) that indicates they are ripe at the time of harvesting. Tomatoes harvested as "mature greens" have a longer shelf life and are less susceptible to damage during packing and shipping than tomatoes harvested "vine ripe".[2]

Apparent U.S. consumption of fresh tomatoes increased from January 2016 to December 2018. Overall, apparent U.S. consumption in 2018 was 2.7 percent higher than in 2016. Apparent consumption was 1.1 percent lower in interim 2019 compared to interim 2018.

The majority of U.S. producers and importers indicated that there have been significant changes in the product range, mix, or marketing of fresh tomatoes since January 1, 2016. A plurality of U.S. producers and importers reported that the number of varieties of fresh tomatoes including specialty tomatoes such as grape, cocktail, and cherry tomatoes increased in the U.S. market. U.S. producers and importers also reported that there have been changes in the packaging of fresh tomatoes since January 2016.

U.S. purchasers

The Commission received 21 usable questionnaire responses from firms that had purchased fresh tomatoes during January 2016-March 2019. Thirteen responding purchasers are distributors/brokers, five are packers/repackers, two are supermarkets/retail chains, two are food service firms/restaurants, and six identified themselves as other types of firms (including marketers, growers, wholesalers, processors, and buying brokers).

---

[1] USDA Economic Research Service, https://www.ers.usda.gov/amber-waves/2005/april/north-american-greenhouse-tomatoes-emerge-as-a-major-market-force/ (accessed December 13, 2018).

[2] Florida Tomato Exchange prehearing reported p. 144.

`

Channels of distribution

U.S. producers sold the largest share of their fresh tomatoes to distributors/brokers/handlers, followed by packers/re-packers (table II-1). Importers of fresh tomatoes from Mexico sold the largest share of their fresh tomatoes to distributors/brokers/handlers, followed by supermarket/grocery chains. Imports of nonsubject tomatoes were shipped mainly to supermarket and grocery chains.

Table II-1
Fresh tomatoes: U.S. producers' and importers' U.S. shipments, by sources and channels of distribution, 2016-18, January to March 2018, and January to March 2019

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

`

Geographic distribution

U.S. producers and importers reported selling fresh tomatoes to all regions of the United States (table II-2). For U.S. producers, *** percent of sales were within 100 miles of their production facility, *** percent were between 101 and 1,000 miles, and *** percent were over 1,000 miles. Importers of fresh tomatoes from Mexico sold *** percent within 100 miles of their U.S. point of shipment, *** percent between 101 and 1,000 miles, and *** percent over 1,000 miles.

Table II-2
Fresh tomatoes: Geographic market areas in the United States served by U.S. producers and U.S. importers

Region	U.S. producers	Importers
Northeast	19	37
Midwest	19	38
Southeast	19	37
Central Southwest	16	43
Mountain	18	47
Pacific Coast	17	47
Other	9	13
All regions (except Other)	12	33
Reporting firms	23	52

Note: All other U.S. markets, including AK, HI, PR, and VI.

Source: Compiled from data submitted in response to Commission questionnaires.

Supply and demand considerations

U.S. supply

Table II-3 provides a summary of the supply factors regarding fresh tomatoes from the United States and Mexico. The total reported Mexican capacity to produce fresh tomatoes was approximately twice the total capacity reported by U.S. producers in 2018. Imports from Mexico accounted for 91.1 percent of fresh tomatoes imported to the United States in 2018.

`

Table II-3
Fresh tomatoes: Supply factors that affect the ability to increase shipments to the U.S. market

	Capacity (*1,000,000 pounds*)		Capacity utilization (*percent*)		Ratio of inventories to total shipments (*percent*)		Shipments by market, 2018 (*percent*)		Able to shift to alternate products
Country	2016	2018	2016	2018	2016	2018	Home market shipments	Exports to non-U.S. markets	No. of firms reporting "yes"
United States	2,558	2,544	62.8	62.3	***	***	97.3	2.7	5 of 23
Mexico	***	***	***	***	0.1	0.1	32.5	1.0	24 of 167

Note.—Responding U.S. producers accounted for less than *** percent of U.S. production of fresh tomatoes in 2018. Responding foreign producer/exporter firms accounted for less than *** percent of U.S. imports of fresh tomatoes from Mexico during 2018. For additional data on the number of responding firms and their share of U.S. production and of U.S. imports from Mexico, please refer to Part I, "Summary Data and Data Sources."

Source: Compiled from data submitted in response to Commission questionnaires, and official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed July 18, 2019.

Domestic production

Based on available information, U.S. producers of fresh tomatoes have the ability to respond to changes in demand with small changes in the quantity of shipments of U.S.-produced fresh tomatoes to the U.S. market in the short term (e.g., less than one year), although they have a greater ability to respond in the longer term. Factors limiting the responsiveness of supply are low inventory levels, a limited ability for U.S. producers to divert shipments from other markets, and a limited ability to shift production from other products to fresh tomatoes. Weather and other factors impact the exact yield and timing of fresh tomato production. These factors are outside the control of U.S. producers and limit the responsiveness of supply.

Domestic capacity to produce fresh tomatoes decreased from 2016 to 2018 while production remained stable, leading capacity utilization to decline slightly during this time. U.S. producers' inventories were low throughout the period but decreased from 2016 to 2018. Fresh tomatoes are perishable and U.S. producers are unable to maintain large inventories. U.S. producers exported 2.7 percent of their total shipments of fresh tomatoes in 2018. Five of 23 of responding U.S. producers stated that they could switch production from other products to fresh tomatoes. U.S. producers reportedly can grow and process cucumbers, peppers (such as cubanelle, Hungarian, poblano, and long hots), and Brussel sprouts on the land and equipment used to grow and package fresh tomatoes. U.S. producers reported that the factors affecting

`

their ability to shift production to or from alternate products include modifying specialized equipment required to package other products and having to plan any shifts in production prior to the start of the crop cycle. The annual crop cycle limits U.S. producers' ability to plant tomatoes instead of other crops in the short term. U.S. producers have the ability to plant more land with tomatoes in response to increased tomato prices which increases their ability to respond to changes in price in the long term. In addition, fully automated climate controlled glass greenhouses are designed for specific crops, and changing crops requires significant amounts of time and equipment alteration.

Subject imports from Mexico

Based on available information, producers of fresh tomatoes from Mexico have the ability to respond to changes in demand with moderate changes in the quantity of shipments of fresh tomatoes to the U.S. market. The main contributing factors to this degree of responsiveness of supply are moderate-to-high levels of capacity utilization and a moderate ability to divert shipments to the United States. Mitigating factors include low inventories and a limited ability to shift production away from other products to fresh tomatoes.

Capacity utilization for responding Mexican producers decreased from 2016 to 2018. Total reported production capacity increases outpaced production increases during the period. Mexican producers' inventories were low through the period and decreased slightly from 2016 to 2018. Responding Mexican producers reported 1.0 percent of shipments of fresh tomatoes were to export markets other than the United States in 2018. Responding Mexican producers also reported shipping 32.5 percent of shipments to their home market in 2018. Twenty-four of 167 responding Mexican producers indicated that they could switch production from other products to fresh tomatoes.

Imports from nonsubject sources

Imports from nonsubject sources were 8.9 percent of imports in terms of quantity in 2018. The largest source of nonsubject imports in 2018 was Canada, which accounted for 91.3 percent of nonsubject imports.

Supply constraints

The majority of responding U.S. producers (15 of 23) and importers (27 of 52) and purchasers (15 of 21) reported no supply constraints. However, importers that reported supply constraints cited weather that damaged or reduced yields of fresh tomato crops. Importer

`

*** reported that the seasonal nature of tomato production limited its ability to import sufficient quantities from Mexico to cover its business orders.

Weather conditions

Two U.S. producers, eight importers, and six purchasers reported that drought had an impact on market conditions for fresh tomatoes since January 2016. U.S. producer *** reported that wildfire smoke and haze slowed production in California but did not have a large impact. U.S. producer *** reported that low availability and increased costs of water impacted its production. Importer *** reported that drought impacted fresh tomato yields in California in 2016 and 2017, and importer *** reported that the drought in California caused prices to rise due to the limited availability of U.S.-produced fresh tomatoes. Purchaser *** reported that a drought in 2016 in Florida had impacted the fresh tomato market.

Nine U.S. producers, 22 importers, and 12 purchasers reported that storms had impacted the market for fresh tomatoes since 2016. U.S. producers reported storms had decreased crop yields and delayed harvests. U.S. producer *** reported that a storm damaged crops in the ground, delayed the harvest, and caused the harvest to go to market at the same time as lower-priced imports from Mexico were at their peak. Importers *** reported that storm damage to Florida tomato production increased prices for fresh tomatoes from Mexico. Importer *** reported that storms and hurricanes in Florida have resulted in U.S. producers not being able to supply sufficient quantities to satisfy demand. Purchaser *** reported that large storms created supply gaps and drove up fresh tomato prices. Purchaser *** reported that it sourced additional fresh tomatoes from both Canada and Mexico as a result of temporary reductions in U.S. supply caused by storms.

Two U.S. producers, 13 importers, and six purchasers reported that freezes had an impact on the fresh tomato market since January 2016. Importer *** reported that buyers use Mexico as an alternative source to protect contracted supplies in the event of freezes in Florida which historically have caused severe shortages. Importer *** reported that firms that use protected agriculture methods such as greenhouses see increased sales when there are adverse weather conditions. Purchaser *** reported that freezes during 2016-18 had stunted plant growth, reduced crop yields, and elevated tomato prices.

`

New suppliers

The majority of responding purchasers (16 of 21) indicated that new suppliers have not entered the fresh tomatoes market since January 2016. The majority of responding purchasers (11 of 21) indicated that they did not expect new suppliers to enter the U.S. market.

U.S. demand

Based on available information, the overall demand for fresh tomatoes is likely to experience moderate changes in response to changes in price. The main contributing factor is the consumers' ability to substitute other foods for tomatoes in their diet.

Business cycles

Most firms (13 of 23 U.S. producers, 32 of 52 importers, and 8 of 21 purchasers) indicated that the market was subject to business cycles. Firms reported that, with the exception of greenhouse operations, tomato production is seasonal. The majority of U.S. producers, importers, and purchasers (64 of 96 firms) reported that the market for fresh tomatoes was not subject to distinctive conditions of competition.

Seasonality

Purchasers were asked to provide information about the tomato growing seasons of different regions of the United States and Mexico. As shown in figure II-1, tomatoes are grown year-round in at least one region of the United States and Mexico.

The majority of purchasers (15 of 21) reported that seasonality impacts the characteristics of tomatoes available in the United States. *** reported that although fresh tomatoes are available 12 months out of the year, climate conditions create high and low seasons for each geographic location. *** reported that during the summer months temperatures are too high for tomato production in Mexico and during the winter months they are too low for production in Canada and some regions of the United States. *** reported that there are many differences between fresh tomatoes in the summer months and fresh tomatoes in the winter months (including price, availability, quantity, and variety).

`

Figure II-1
Fresh tomato growing seasons by region (months in which tomatoes are produced are shaded), as reported by purchasers

U.S. or Mexico region	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
California					■	■	■	■	■	■	■	
Florida	■	■	■	■	■	■				■	■	■
Southeast U.S.					■	■	■	■	■	■	■	
Northeast U.S.							■	■	■	■		
Midwest U.S.						■	■	■	■	■		
Baja (Baja California and Baja California Sur)					■	■	■	■	■	■	■	■
Sinaloa	■	■	■	■	■	■					■	■
Other Mexico	■	■	■	■	■	■	■	■	■	■	■	■

Source: Compiled from data submitted in response to Commission questionnaires.

Purchasers were also asked to provide information on the seasonal differences for greenhouse and controlled environment tomatoes compared to open field and adapted environment tomatoes. The majority of purchasers (14 of 21) reported that there was a difference between tomatoes grown in greenhouses and controlled environments and tomatoes grown in an open field or adapted environment. *** reported that tomato production in open field or adapted environments is limited by the climate while greenhouses extend the growing season up to year-round production. *** reported that there are differences, such as flavor, price, quality, and yield between greenhouse and open field or adapted environment tomatoes.

Demand trends

Most U.S. producers and importers and a plurality of purchasers reported that U.S. demand for fresh tomatoes has increased since January 1, 2016 (table II-4). U.S. producers and importers reported that population growth and increased consumer consciousness about and efforts to lead healthy lifestyles by consuming more fresh fruits and vegetables drove the increase in demand for fresh tomatoes.

`

Table II-4
Fresh tomatoes: Firms' perceptions regarding demand in the United States and outside of the United States

Item	Increase	No change	Decrease	Fluctuate
Demand in the United States				
U.S. producers	12	5	5	---
Importers	29	11	2	10
Purchasers	10	8	---	2
Demand outside the United States				
U.S. producers	6	4	---	---
Importers	12	11	2	3
Purchasers	6	3	1	2

Source: Compiled from data submitted in response to Commission questionnaires.

Substitute products

Almost all responding U.S. producers (21 of 23) and importers (51 of 52) and purchasers (19 of 21) reported that there were no direct substitutes for fresh tomatoes. Importer *** reported that frozen, canned, or processed tomatoes could be substituted for fresh tomatoes. Purchaser *** reported that canned tomatoes could be used instead of fresh tomatoes for a limited number of products, such as salsa. Although there are not direct substitutes for tomatoes, consumers can opt to substitute other products for tomatoes in their diet.

Substitutability issues

The degree of substitution between domestic and imported fresh tomatoes depends upon such factors as relative prices, quality (e.g., firmness, flavor, freshness, etc.), and conditions of sale (e.g., price discounts/rebates, lead times between order and delivery dates, reliability of supply, product services, etc.). Based on available data, staff believes that there is a high degree of substitutability between domestically produced fresh tomatoes and fresh tomatoes imported from Mexico.

Lead times

U.S. producers and importers sell a majority of their commercial shipments of fresh tomatoes from inventories. U.S. producers reported that 72.5 percent of their commercial shipments came from inventories, with lead times averaging 5.8 days. The remaining 27.5 percent of their commercial shipments were produced-to-order, with lead times averaging 4.7 days.

Importers of Mexican tomatoes reported sourcing 64.8 percent of sales from U.S. inventories, 7.8 percent from foreign inventories, and producing 27.4 percent to order. When

`

fresh tomatoes are sourced from U.S. inventories, importers reported lead times averaging 3.1 days. For fresh tomatoes sourced from foreign inventories, importers reported lead times averaging 5.5 days. For fresh tomatoes that were produced-to-order, importers reported lead times averaging 6.4 days.

Knowledge of country sources

Fourteen purchasers indicated they had marketing or pricing knowledge of domestic fresh tomatoes, 20 of Mexican fresh tomatoes, and nine of fresh tomatoes from other countries.

As shown in table II-5, purchasers answers varied widely regarding the frequency with which their purchase decisions are based on the producer. Eight purchasers each reported that they always or never make purchasing decisions based on the producer. Most purchasers reported that they sometimes or never make decisions based on the country of origin. The majority of purchasers' customers sometimes or never make purchasing decisions based on the producer or country of origin. Purchasers that reported that they always make decisions based on the producer or country of origin cited the length of their purchasing history, the quality and reliability of products, and locally grown tomatoes as factors in their decisions.

Table II-5
Fresh tomatoes: Purchasing decisions based on producer and country of origin

Purchaser/customer decision	Always	Usually	Sometimes	Never
Purchaser makes decision based on producer	8	2	3	8
Purchaser's customers make decision based on producer	1	4	5	11
Purchaser makes decision based on country	3	---	8	10
Purchaser's customers make decision based on country	---	2	9	10

Source: Compiled from data submitted in response to Commission questionnaires.

Factors affecting purchasing decisions

The most often cited top three factors firms consider in their purchasing decisions for fresh tomatoes were quality (19 firms), price/cost (15 firms), and availability/supply (15 firms), as shown in table II-6.

Quality was the most frequently cited most important factor (cited by 11 firms) and most frequently cited second-most important factor (8 firms), and price/cost was the most frequently cited third-most important factor (9 firms).

`

Table II-6
Fresh tomatoes: Ranking of factors used in purchasing decisions as reported by U.S. purchasers, by factor

Factor	First	Second	Third	Total
Quality	11	8	---	19
Price / Cost	---	7	9	15
Availability / Supply	5	4	7	15
All other factors	5	2	5	NA

Note: Other factors include food safety for first factor; color and sizing for second factor; and color, flavor, relationships, commitment of supply and geographic proximity as third factor.

Source: Compiled from data submitted in response to Commission questionnaires.

The majority of purchasers (12 of 21) reported that they sometimes purchase the lowest-priced product, eight usually do, and one never does.

Importance of specified purchase factors

Purchasers were asked to rate the importance of 22 factors in their purchasing decisions (table II-7). The factors rated as very important by more than half of responding purchasers were availability, reliability of supply, and shelf life (20 firms each); freshness (19), lack of bruising/punctures and product consistency (18 each); price (16); delivery time, firmness, and ripeness (15 each); availability of varieties (14); color, delivery terms, shape, and texture (13 each); flavor (12); and U.S. transportation costs (11). The majority or plurality of firms rated payment terms (12), organic or non-organic (11), and discounts offered (9) as somewhat important.

`

Table II-7
Fresh tomatoes: Importance of purchase factors, as reported by U.S. purchasers

Factor	Very important	Somewhat important	Not important
Availability	20	1	---
Availability of varieties	14	5	2
Color	13	8	---
Delivery terms	13	7	1
Delivery time	15	5	1
Discounts offered	4	9	8
Firmness	15	6	---
Flavor	12	8	1
Freshness	19	2	---
Lack of bruising/punctures	18	2	---
Minimum quantity requirements	9	8	4
Organic or non-organic	4	11	6
Packaging	10	9	2
Payment terms	5	12	4
Price	16	5	---
Product consistency	18	3	---
Reliability of supply	20	1	---
Ripeness	15	6	---
Shape	13	8	---
Shelf life	20	1	---
Texture	13	8	---
U.S. transportation costs	11	10	---

Source: Compiled from data submitted in response to Commission questionnaires.

The majority of U.S. producers, importers, and purchasers reported increased customer awareness, preferences, and consumer demand for fresh tomatoes grown using organic methods. U.S. producer *** reported that although the supply of organic fresh tomatoes in the U.S. market has increased, organic tomatoes still represent a small portion of the overall market. Purchaser *** reported that the rate of increase for organic fresh tomatoes has begun to plateau as organic produce becomes more mainstream.

Supplier certification

Most responding purchasers (17 of 21) require their suppliers to become certified or qualified to sell fresh tomatoes to their firm. Fourteen purchasers reported the time to qualify a new supplier ranged from 1 to 180 days. Purchasers report that verification of licensing, quality, food safety standards, procedural audits, and organic certification were factors in a supplier becoming certified or qualified to sell fresh tomatoes to their firm.

Most responding purchasers (15 of 21) reported that no supplier had failed to certify or had lost its approved status since 2016. Purchasers reported that factors leading to a firm failing to certify or losing their approved status included being unable to provide food safety certificates or audits, non-compliance with social accountability issues, and quality issues.

`

Changes in purchasing patterns

Purchasers were asked about how purchasing patterns from different sources changed since 2016 (table II-8). Purchasers' responses were mixed. Purchasers who reported changes in their purchasing reported that changes corresponded with changes in their sales of fresh tomatoes. The majority of (13 of 21) responding purchasers reported that they had not changed suppliers since January 1, 2016.

Table II-8
Fresh tomatoes: Changes in purchase patterns from U.S., subject, and nonsubject countries

Source of purchases	Did not purchase	Decreased	Increased	Constant	Fluctuated
United States	5	3	4	5	4
Mexico	---	6	5	6	2
All other sources	5	3	4	4	1
Sources unknown	10	1	---	1	1

Source: Compiled from data submitted in response to Commission questionnaires.

Importance of purchasing domestic product

All (18 of 18) responding purchasers reported that most or all of their purchases did not require purchasing U.S.-produced product. The majority of purchasers (17 of 21) reported that their customers do not require domestic product. Four purchasers reported that U.S.-produced product was required by their customers for 5 to 21 percent of their purchases.

Comparisons of domestic products, subject imports, and nonsubject imports

Purchasers were asked a number of questions comparing fresh tomatoes produced in the United States, Mexico, and nonsubject countries. First, purchasers were asked to compare fresh tomatoes produced in the United States, Mexico, and nonsubject countries on the same 22 factors they also rated on their importance in purchasing decisions (table II-9).

A majority of purchasers reported that domestic and Mexican fresh tomatoes were comparable with respect to 20 of the 22 factors. Approximately half of responding firms (11 of 20) reported that there were more varieties of fresh tomatoes available in Mexico than in the United States and half of responding firms (10 of 20) reported that U.S. transportation costs for domestic product was lower than that for imports from Mexico.

A majority of purchasers reported that fresh tomatoes from the United States and from nonsubject sources were comparable on 21 of the 22 factors. A majority of responding firms (6

`

of 11) reported that the delivery time for domestic fresh tomatoes from the United States was lower than for fresh tomatoes produced in nonsubject countries.

A majority of purchasers reported that fresh tomatoes from Mexico and from nonsubject countries were comparable on 21 of the 22 factors. Equal numbers of purchasers (5 each) reported that the price of fresh tomatoes from Mexico was comparable and lower than fresh tomatoes from nonsubject countries.

`

Table II-9
Fresh tomatoes: Purchasers' comparisons between U.S.-produced and imported product

	United States vs. Mexico			United States vs. Nonsubject sources			Mexico vs. Nonsubject sources		
Factor	S	C	I	S	C	I	S	C	I
Availability	---	12	8	---	8	3	1	8	2
Availability of varieties	---	9	11	---	7	4	1	8	2
Color	1	18	1	---	11	---	1	10	---
Delivery terms	3	17	---	1	10	---	1	10	---
Delivery time	9	10	1	6	5	---	4	6	1
Discounts offered	1	16	1	---	10	---	1	9	1
Firmness	2	18	---	2	9	---	1	10	---
Flavor	3	14	3	1	10	---	2	9	---
Freshness	5	14	1	3	8	---	1	10	---
Lack of bruising/punctures	---	19	---	---	11	---	1	10	---
Minimum quantity requirements	2	15	3	1	10	---	1	9	1
Organic or non-organic	2	14	4	1	10	---	---	10	1
Packaging	3	16	1	---	9	2	1	9	1
Payment terms	---	19	1	---	11	---	1	10	---
Price[1]	2	12	6	1	10	---	1	5	5
Product consistency	1	17	2	---	11	---	2	9	---
Reliability of supply	---	16	4	---	10	1	1	9	1
Ripeness	3	14	3	1	10	---	1	10	---
Shape	---	18	2	---	11	---	1	10	---
Shelf life	4	16	---	1	10	---	1	10	---
Texture	3	15	2	1	10	---	1	10	---
U.S. transportation costs	10	8	2	4	6	1	3	7	1

Note: A rating of superior means that price/U.S. transportation cost is generally lower. For example, if a firm reported "U.S. superior," it meant that the U.S. product was generally priced lower than the imported product.

Note.--S=first listed country's product is superior; C=both countries' products are comparable; I=first list country's product is inferior.

Source: Compiled from data submitted in response to Commission questionnaires.

`

Comparison of U.S.-produced and imported fresh tomatoes

In order to determine whether U.S.-produced fresh tomatoes can generally be used in the same applications as imports from Mexico, U.S. producers, importers, and purchasers were asked whether the products can always, frequently, sometimes, or never be used interchangeably.

As shown in table II-10, the majority of responding U.S. producers and purchasers reported that fresh tomatoes from the United States, Mexico, and nonsubject countries were always or frequently interchangeable. Importer responses were mixed with 13 importers each reporting that fresh tomatoes from the United States and Mexico were always, frequently, and sometimes interchangeable and 10 reporting that they were never interchangeable. A majority of responding importers reported that fresh tomatoes from nonsubject countries were always or frequently interchangeable with fresh tomatoes from both the United States and Mexico.

Table II-10
Fresh tomatoes: Interchangeability between fresh tomatoes produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries:												
U.S. vs. Mexico	11	9	2	---	13	13	13	10	5	10	2	2
Nonsubject countries comparisons:												
U.S. vs. nonsubject	7	9	1	---	6	8	5	3	2	9	2	---
Mexico vs. nonsubject	6	7	2	---	8	7	6	3	2	8	2	---

Note.--A=Always, F=Frequently, S=Sometimes, N=Never.

Source: Compiled from data submitted in response to Commission questionnaires.

`

As shown in table II-11, nearly all responding purchasers reported that fresh tomatoes from the United States, Mexico, and nonsubject sources always or usually meet minimum quality specifications. One purchaser reported that fresh tomatoes from Mexico rarely or never meet minimum quality specifications.

Table II-11
Fresh tomatoes: Ability to meet minimum quality specifications, by source

Source	Always	Usually	Sometimes	Rarely or never	Don't know
United States	1	14	---	---	4
Mexico	5	15	---	1	---
Nonsubject sources	1	10	---	---	6

Note: Purchasers were asked how often domestically produced or imported fresh tomatoes meet minimum quality specifications for their own or their customers' uses.

Source: Compiled from data submitted in response to Commission questionnaires.

When comparing fresh tomatoes from the United States, Mexico, and nonsubject countries on factors other than price, the majority of responding U.S. producers and purchasers reported that factors other than price were sometimes or never significant (II-12).

The majority of responding importers reported that factors other than price were always or frequently significant when comparing fresh tomatoes produced in the United States, Mexico, and nonsubject countries.

Table II-12
Fresh tomatoes: Significance of differences other than price between fresh tomatoes produced in the United States and in other countries, by country pair

Country pair	Number of U.S. producers reporting				Number of U.S. importers reporting				Number of purchasers reporting			
	A	F	S	N	A	F	S	N	A	F	S	N
U.S. vs. subject countries: U.S. vs. Mexico	1	2	11	8	22	6	12	7	4	5	8	4
Nonsubject countries comparisons: U.S. vs. nonsubject	---	2	8	4	7	4	7	3	4	2	7	1
Mexico vs. nonsubject	---	5	4	3	8	4	8	2	4	2	6	1

Note.--A = Always, F = Frequently, S = Sometimes, N = Never.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers and importers were asked if vine ripe and mature green tomatoes were always, frequently, sometimes, or never comparable. U.S. producer responses were mixed. Approximately half of responding U.S. producers reported that vine ripe and mature green tomatoes were always (4 firms) or frequently (7 firms) interchangeable and

`

approximately half reported that vine ripe and mature green tomatoes were sometimes (7 firms) or never (5 firms) interchangeable. U.S. producer *** reported that while vine ripe and mature green tomatoes are interchangeable in retail, vine ripe tomatoes are typically not interchangeable with mature greens in the food service industry because they do not have good sliceability. U.S. producer, ***, reported that more food service firms are switching to vine ripe tomatoes.

The majority of importers reported that vine ripe and mature green tomatoes are sometimes or never interchangeable. Importers *** reported that vine ripe tomatoes are superior to mature green tomatoes with respect to shelf life, shipping, and quality.

The majority of purchasers (14 of 20) reported that vine ripe and mature green tomatoes were interchangeable. However, purchasers note that there are differences between mature green and vine ripe tomatoes. Purchasers *** report that vine ripe tomatoes are superior to mature green tomatoes with respect to quality and flavor. Purchaser *** reported that its customers will not let it interchange vine ripe for mature green tomatoes and that they are two different products in their inventory.

Elasticity estimates

This section discusses elasticity estimates. Parties were encouraged to comment on these estimates; none did so in their prehearing or posthearing briefs.

U.S. supply elasticity

The domestic supply elasticity[3] for fresh tomatoes measures the sensitivity of the quantity supplied by U.S. producers to changes in the U.S. market price of fresh tomatoes. The elasticity of domestic supply depends on several factors including the level of excess capacity, the ease with which producers can alter capacity, producers' ability to shift to production of other products, and the availability of alternate markets for U.S.-produced fresh tomatoes. Analysis of these factors above indicates that the U.S. industry has limited ability to increase or decrease shipments to the U.S. market in response to changes in price. Production levels depend on factors such as acreage and the variety of tomatoes planted, which are chosen long before harvesting, and exogenous as factors such as weather conditions. Once harvested, tomatoes must be sold quickly to prevent spoilage, and therefore inventories at any time are rather low. An estimate of less than 1.0 is suggested.

[3] A supply function is not defined in the case of a non-competitive market.

`

U.S. demand elasticity

The U.S. demand elasticity for fresh tomatoes measures the sensitivity of the overall quantity demanded to a change in the U.S. market price of fresh tomatoes. This estimate depends on factors discussed above such as the existence, availability, and commercial viability of substitute products, as well as the component share of the fresh tomatoes in the production of any products. Based on the available information, demand for fresh tomatoes is likely relatively elastic. As previously discussed, the majority of purchasers report that processing tomatoes are not a common substitute for fresh tomatoes. However changes in fresh tomatoes' prices may lead consumers to alter their consumption of tomatoes relative to other produce in their diet. The aggregate demand for fresh tomatoes is therefore likely to be elastic; a range of -1 to -2 is suggested.

Substitution elasticity

The elasticity of substitution depends upon the extent of product differentiation between the domestic and imported products.[4] Product differentiation, in turn, depends upon such factors as quality (e.g., color, ripeness, flavor, appearance, etc.) and availability (e.g., seasonality, availability, availability of varieties, etc.). U.S. producers, importers, and purchasers reported a high degree of substitutability between domestic fresh tomatoes and imported fresh tomatoes from Mexico as well as other countries. Although seasonality does cause purchasers to prefer tomatoes grown in different regions at different times of the year, the differences in growing seasons are relatively small and therefore only influence purchaser preferences for a short period of time. Based on available information, the elasticity of substitution between U.S.-produced fresh tomatoes and imported fresh tomatoes is likely to be in the range of 5 to 10.

[4] The substitution elasticity measures the responsiveness of the relative U.S. consumption levels of the subject imports and the domestic like products to changes in their relative prices. This reflects how easily purchasers switch from the U.S. product to the subject products (or vice versa) when prices change.

Part III: U.S. producers' production, shipments, and employment

The Commission analyzes a number of factors in making injury determinations (see 19 U.S.C. §§ 1677(7)(B) and 1677(7)(C)). Information on the dumping margins was presented in Part I of this report and information on the volume and pricing of imports of the subject merchandise is presented in Part IV and Part V. Information on the other factors specified is presented in this section and/or Part VI and (except as noted) is based on the questionnaire responses of 23 firms that accounted for the approximately 56.1 percent of U.S. production of fresh tomatoes during 2018.[1] [2]

U.S. producers

The Commission issued a U.S. producer questionnaire to 816 firms based on information contained in the *Fourth Review*. Twenty-three firms provided usable data on their production operations.[3] Staff believes that these responses represent approximately 56.1 percent of overall U.S. production of fresh tomatoes in 2018. Six of the 23 responding producers reported greenhouse and controlled-environment production. Staff believes these five responses accounted for an estimated 46.4 percent of U.S. greenhouse and controlled-environment production in 2017.[4]

---

[1] Coverage calculated by dividing reported total production into total production as reported by USDA (2.83 billion pounds). *Vegetable and Pulses Yearbook Data*, USDA, April 12, 2019.

[2] For purposes of questionnaire responses, firms were asked to distinguish between *greenhouse and controlled-environment tomatoes*, defined as "tomatoes grown in a fully-enclosed permanent aluminum or fixed steel structure clad in glass, impermeable plastic, or polycarbonate using automated irrigation and climate control (heating and/or cooling and ventilation), in an artificial medium using hydroponic methods," and *open field and adapted-environment tomaotes*, defined as "tomatoes other than tomatoes grown in greenhouses and controlled environments, including, but not limited to, tomatoes grown in protected agricultural structures, including tunnels, shade houses, and other temporary or permanent structures, except for those grown in greenhouses and controlled environments, as defined above." The definition for *greenhouse and controlled-environment tomatoes* may be found in the 2013 suspension agreement, *Fresh Tomatoes From Mexico: Suspension of Antidumping Investigation*, 78 FR 14967, March 8, 2013, p. 14970.

[3] *** firms, ***, submitted unusable questionnaires.

[4] Estimate is based on USDA's reported value for total U.S. "greenhouse" production in 2017 ($419 million), compared with responding U.S. producer's reported value of total reported greenhouse and controlled-environment shipments for 2017 ($194.4 million). USDA's *2017 Census of Agriculture – State Data,* table 34. USDA defined "greenhouse" as comprising "establishments primarily engaged in growing

(*continued*...)

Table III-1 lists U.S. producers of fresh tomatoes, their production locations, positions on the petition, and shares of total production in 2018. Of the 23 responding firms, *** firms (accounting for *** percent of reported production and *** percent of total domestic production) are either petitioners or support the petition, *** firms oppose the petition, and *** firm takes no position.[5]

Table III-1
Fresh tomatoes: U.S. producers of fresh tomatoes, their positions on the petition, production locations, and shares of reported production, 2018.

Firm	Position on petition	Production location(s)	Method	Share of production (percent)
DiMare	Petitioner	Newman, CA Indio, CA Coachella San Joaquin Valley Central Coast	Open field and adapted-environment	***
DiMare Homestead	Petitioner	Homestead, FL Myakka City, FL Apollo Beach, FL	Open field and adapted-environment	***
Gargiulo	Petitioner	Naples, FL Quincy, FL Firebaugh, CA Santa Isabel, PR	Open field and adapted-environment	***
Houweling	***	Camarillo, CA Mona, UT	Greenhouse and controlled-environment	***
Kern Carpenter	Petitioner	Homestead, FL	Open field and adapted-environment	***
Leitz Farms	***	Sodus, Michigan	Open field and adapted-environment	***

Table continued.

(…*continued*)
crops of any kind under cover…'Under cover' is generally defined as greenhouses, cold frames, cloth houses, and lath houses." *Ibid*, App. A.

[5] Petitioners are primarily members of the Florida Tomato Exchange (FTE). In 2018, the FTE was comprised of the following 14 member firms: Ag-Mart Produce, Inc. dba Santa Sweets, Inc; Big Red Tomato Packers, LLC; Borek Farms, Inc.; Classie Produce; DiMare Homestead, Inc.; DiMare Ruskin, Inc.; Florida Packing, LLC; Gargiulo, Inc.; Kern Carpenter Farms; Mecca Farms, Inc.; Pacific Tomato Growers, Ltd.; Taylor & Fulton Packing, LLC; Tomatoes of Ruskin, Inc.; TomPak, LLC. *Florida Tomato Exchange Member List 2017-18,* Domestic interested parties' response to notice of institution (Fourth Review), March 5, 2018, Exhibit 1.

Table III-1—Continued.
Fresh tomatoes: U.S. producers of fresh tomatoes, their positions on the petition, production locations, and shares of reported production, 2018

Firm	Position on petition	Production location(s)	Method	Share of production (percent)
Lipman	Petitioner	LaBelle, FL Estero, FL Naples, FL Naples, FL Wimamuma, FL Manteca, CA Exmore, VA St. Helena, SC Lake Worth, FL	Open field and adapted-environment	***
Mecca	Petitioner	Lake Worth, FL Parkland Lake Worth Coconut Creek Boynton Beach	Open field and adapted-environment	***
NS Brands	***	Willcox, AZ	Greenhouse	***
O'Neill	Petitioner	O' Neill, Nebraska	Greenhouse and controlled-environment	***
Pacific	Petitioner	Immokalee, FL Parrish, FL Bainbridge, GA Cheriton, VA	Open field and adapted-environment	***
Pacific Triple E	Petitioner	Merced, CA Stockton, CA Tracy, CA	Open field and adapted-environment	***
Red Sun	***	Dublin, Virginia	Greenhouse and controlled-environment	***
Ruskin	Petitioner	Ruskin, Florida Wimauma, Florida Immokalee, Florida	Open field and adapted-environment	***
Russell Costanza	Petitioner	Sodus, MI	Open field and adapted-environment	***
Santa Sweets	Petitioner	Immokalee, FL Riverview, FL Jennings, FL Cedarville, NJ Plant City, FL Nogales, Az	Open field and adapted-environment	***
SunSelect	Petitioner	SunSelect Produce (California) Inc	Greenhouse and controlled-environment	***
Sweetwood	***	Fresno, CA Firebaugh, CA	Open field and adapted-environment	***
Taylor Fulton	Petitioner	Myakka City, FL Immokalee, FL Homersville, GA	Open field and adapted-environment	***
Tomato Thyme	***	Wimauma, Florida	Open field and adapted-environment	***
West Coast CA	***	Oceanside, CA	Open field and adapted-environment	***
West Coast FL	Petitioner	Palmetto, FL	Open field and adapted-environment	***
Windset	***	Santa Maria, CA	Greenhouse and controlled-environment	***
Total				***

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-2 presents information on U.S. producers' ownership, related and/or affiliated firms of fresh tomatoes. As indicated, *** U.S. producers report relation to foreign producers of the subject merchandise (***). In addition, as discussed in more detail below, *** reported relation to U.S. importers of tomatoes from Mexico (***, ***[6], ***, ***, and ***). *** directly imported fresh tomatoes from Mexico, and *** imported through affiliates.

[6] ***.

Table III-2
Fresh tomatoes: U.S. producers' ownership, related and/or affiliated firms

Item / Firm	Firm Name	Affiliated/Ownership
Ownership:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
Related importers/exporters:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

Table continued.

Table III-2 --Continued
Fresh tomatoes: U.S. producers' ownership, related and/or affiliated firms

Related producers:		
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***
***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Domestic producers were asked to indicate whether their firm had experienced any changes in operations since January 1, 2016. *** of the 23 domestic producers (which provided responses in this investigation) indicated that they had experienced such changes; their responses are presented in table III-3. *** firms reported plant closing, *** reported expansions, *** reported acquisitions, *** reported a consolidation, *** reported a prolonged shutdown or curtailment, *** reported revised labor agreements, *** reported weather related events, and *** firms reported "other" changes in operations.

Table III-3
Fresh tomatoes: U.S. producers' reported changes in operations, since January 1, 2016

Item / Firm	Reported changed in operations
Plant closings:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
Expansions:	
***	***
***	***
Acquisitions:	
***	***
***	***
Consolidations:	
***	***
Prolonged shutdowns or curtailments:	
***	***
Revised labor agreements:	
***	***
***	***
***	***
***	***
***	***
***	***
Weather-related events:	
***	***
***	***
***	***
***	***
***	***
***	***
Other:	
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' acreage and production

Table III-4 presents U.S. growers' total acreage based on questionnaire data.[7] From 2016 to 2018, total reported acreage decreased by 1.9 percent. Acreage dedicated to fresh tomatoes saw a decrease from 2016 to 2018 of 1.8 percent. The share of total acreage devoted to the production of fresh tomatoes increased by 0.1 percentage points from 2016 to 2018.

Table III-4
Fresh tomatoes: U.S. producers' total acreage, 2016-2018

Item	Calendar year		
	2016	2017	2018
	Total acreage		
Land:			
Dedicated to fresh tomatoes	33,743	32,726	33,139
Multi-crop fresh tomatoes and other	50	50	56
Dedicated to other crops	9,483	9,971	8,541
Fallow entire period	9,708	10,004	10,237
Used for fresh tomatoes at least part of period	33,793	32,776	33,195
Used for other crops at least part of period	9,533	10,021	8,597
Total land	52,984	52,751	51,973
	Ratio and shares (percent)		
Share of total acreage:			
Dedicated to fresh tomatoes	63.7	62.0	63.8
Multi-crop fresh tomatoes and other	0.1	0.1	0.1
Dedicated to other crops	17.9	18.9	16.4
Fallow entire period	18.3	19.0	19.7
Used for fresh tomatoes at least part of period	63.8	62.1	63.9
Used for other crops at least part of period	18.0	19.0	16.5
Total land	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

[7] Although the Commission requested acreage data for January-March 2018 and January to March 2019, such data is not shown here due to widespread differences in how firms reported data for this question.

Table III-5 presents USDA's reported data on U.S. producers' acreage of fresh tomatoes grown in open fields.[8] Total acreage harvested by open field production decreased by 24.8 percent from 1998 to 2015. USDA also reports that acreage for greenhouse and controlled-environment production was 1468 acres in 2017 compared with 1267 acres in 2012.[9]

Table III-5
Fresh tomatoes: USDA's reported acreage for fresh tomato production, 1998-2015

Calendar year	Total Acreage	
	Harvested	Planted
1998	122,590	125,220
1999	134,750	137,890
2000	126,790	129,670
2001	130,840	133,500
2002	129,020	131,800
2003	119,700	123,300
2004	128,400	132,100
2005	124,000	130,200
2006	120,200	125,300
2007	108,100	116,400
2008	103,650	107,500
2009	107,600	111,800
2010	103,300	108,200
2011	100,010	105,100
2012	101,000	104,500
2013	99,600	103,400
2014	97,600	101,900
2015	92,200	95,200

Note.—Available data are for tomatoes grown in open fields and understates acreage of in-scope tomato production.

Source: USDA, National Agricultural Statistics Service, National Statistics for Tomatoes, accessed August 12, 2019.

U.S. producers' capacity, production, and capacity utilization

Table III-6 and figure III-1 present U.S. producers' capacity, production, and capacity utilization. Average production capacity decreased by 0.6 percent from 2016 to 2018 and was 2.1 percent lower in January-March 2019 than in January-March 2018. Production of tomatoes decreased by 1.2 percent from 2016 to 2018 and was 5.5 percent lower in January-March 2019

[8] USDA's available data series ends in 2015.
[9] USDA's *2017 Census of Agriculture – State Data,* table 34.

than in January-March 2018. Capacity utilization decreased from 62.8 percent in 2016 to 62.3 percent in 2018 and was 43.0 percent in January-March 2018 compared with 41.5 percent in January-March 2019.

USDA reports that "greenhouse" production "has steadily increased since 2007, recording a 25.6 percent increase between 2007 and 2012, and a 15.7 percent increase between 2012 and 2017.[10] [11]

[10] *Vegetables and Pulses Outlook,* USDA Economic Research Service, May 6, 2019.

[11] Staff also highlight the following excerpt from a recent USDA report on greenhouse production data: "Detailed production data on protected-culture technologies, which include hothouses, hoop houses, and shade houses in addition to greenhouses, are not readily available. However, data related to shipments of greenhouse-grown tomatoes (largely cherry and grape varieties) provide a proxy indicator for the volume of protected-culture production. In 2000, USDA, Agricultural Marketing Service (AMS) reported that no shipments were greenhouse-grown. From 2005 to 2012, AMS reports that greenhouse-grown shipments grew steadily to 475 million pounds annually. By 2017, greenhouse-grown tomatoes constituted more than 5 percent of shipments (fig. 1). However, that share is likely understated. With the withdrawal of a major shipper from the AMS voluntary reporting process after 2013, reported greenhouse shipments fell to around 200 million pounds, where the figure has remained in recent years." *Unpacking the Growth in Per Capita Availability of Fresh Market Tomatoes,* USDA, ERS, March, 2019.

Table III-6
Fresh tomatoes: U.S. producers' capacity, production, and capacity utilization, 2016-2018, and January to March 2018, and January to March 2019.

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Capacity (1,000 pounds)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total capacity	2,558,305	2,574,477	2,543,939	859,964	841,775

Table continued.

Table III-6--Continued
Fresh tomatoes: U.S. producers' capacity, production, and capacity utilization, 2016-2018, and January to March 2018, and January to March 2019.

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Production (1,000 pounds)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total production	1,605,429	1,623,598	1,585,706	369,979	349,716

Table continued

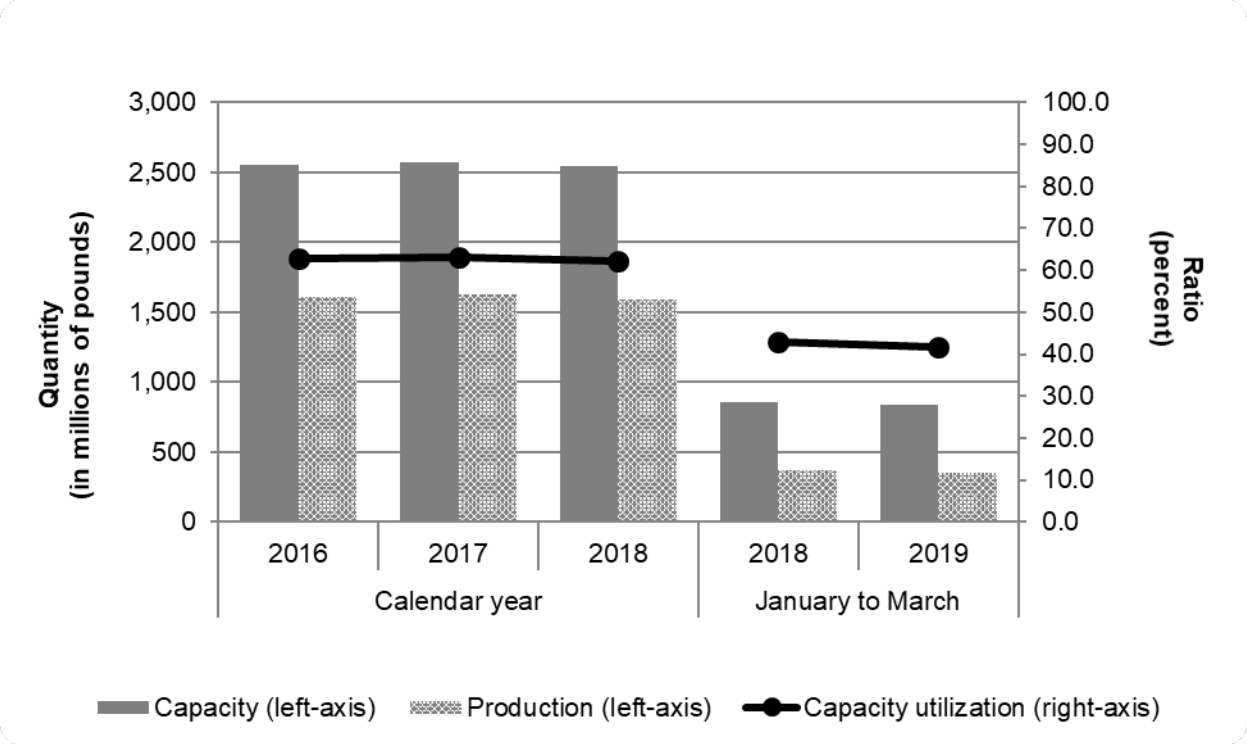
Table III-6--Continued
Fresh tomatoes: U.S. producers' capacity, production, and capacity utilization, 2016-2018, and January to March 2018, and January to March 2019.

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Capacity utilization (percent)				
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average capacity utilization	62.8	63.1	62.3	43.0	41.5

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-1
Fresh tomatoes: U.S. producers' capacity, production, and capacity utilization 2016-2018, and January to March 2018, and January to March 2019.



Source: Compiled from data submitted in response to Commission questionnaires.

Table III-7 presents U.S. producers' production (packing) by source. In 2018, 96.1 percent of production was sourced from the producers' own crop. Five firms reported production of fresh tomatoes sourced from other U.S. producers: ***. *** firms, ***, reported production of fresh tomatoes sourced from non-U.S. growers in ***.

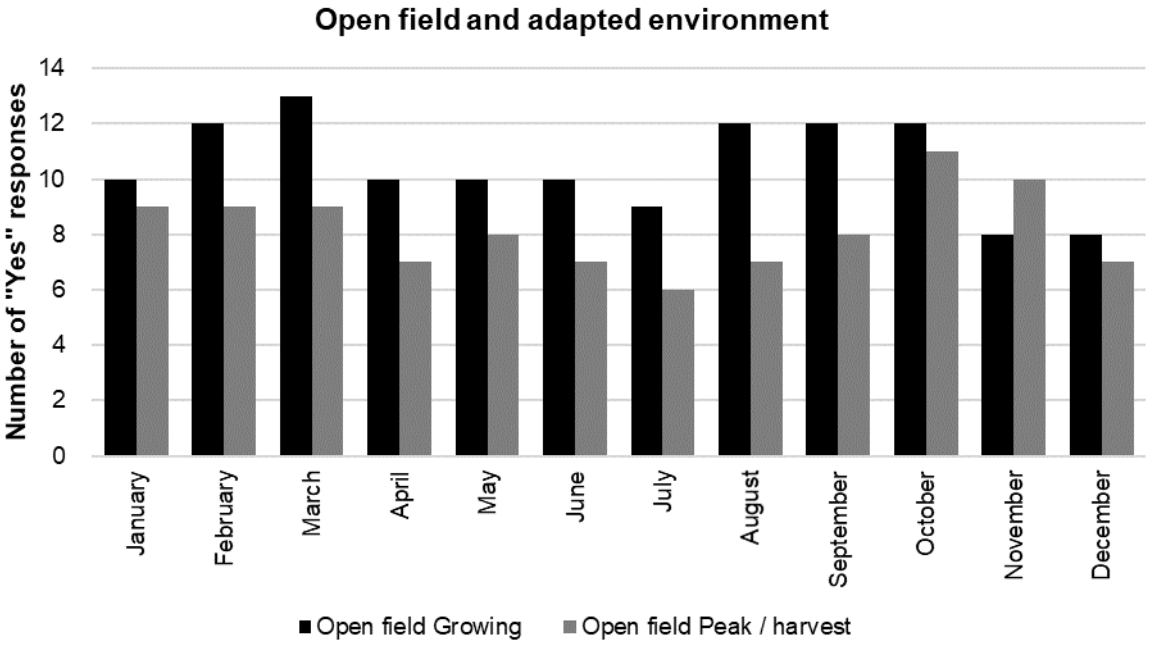
Table III-7
Fresh tomatoes: U.S. producers' production, by source, 2016-2018, and January to March 2018, and January to March 2019.

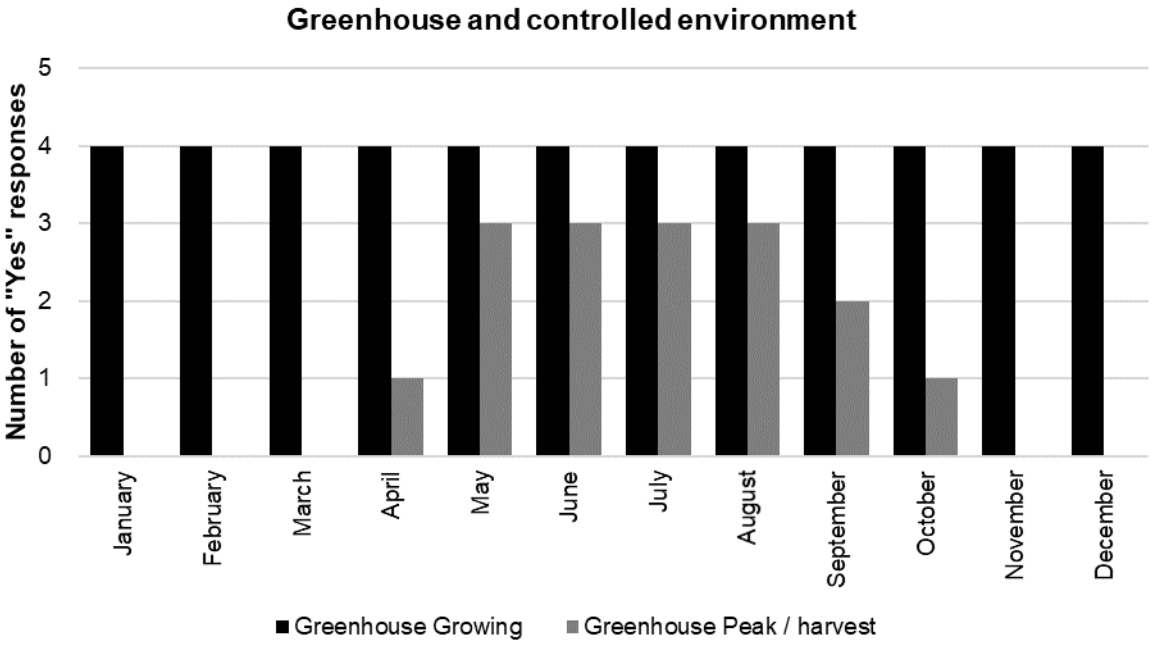
Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Production:					
Using own crop	1,563,650	1,574,250	1,524,480	356,500	336,337
Using purchased U.S. grown	***	***	***	***	***
Using purchased non-U.S. grown	***	***	***	***	***
Using purchased crops	***	***	***	***	***
All sources of tomatoes	1,605,429	1,623,598	1,585,706	369,979	349,716
	Share of quantity (percent)				
Share of production:					
Using own crop	97.4	97.0	96.1	96.4	96.2
Using purchased U.S. grown	***	***	***	***	***
Using purchased non-U.S. grown	***	***	***	***	***
Using purchased crops	***	***	***	***	***
All sources of tomatoes	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers were asked to indicate their growing period and peak production/harvest periods for tomatoes by type of production (greenhouse and controlled-environment vs. open field and adapted-environment). Figure III-2 summarizes producers' responses. Open field and adapted-environment growing and harvest appear to peak from January to March and then again from August to October. Greenhouse and controlled-environment growing appears to remain constant throughout the year while peak greenhouse and controlled-environment harvest occurs from May to August.

Figure III-2
Fresh tomatoes: U.S. producers' growth and peak production periods based on method





Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' U.S. shipments and exports

Table III-8 presents U.S. producers' U.S. shipments, export shipments, and total shipments as reported by responding producers.[12] From 2016 to 2018, U.S. producers' U.S. shipments of tomatoes decreased by 0.6 percent, by quantity, and 0.2 percent, by value. U.S. shipments were 4.9 percent lower in January-March 2019 than in January-March 2018, by quantity, but 10.0 percent higher, by value. In 2018, 97.3 percent of U.S. producers' shipments were domestic, by quantity, with export shipments accounting for 2.7 percent. From 2016 to 2018, unit values of U.S. shipments of tomatoes increased from $0.52 per pound to $0.53 per pound. Unit values were $0.59 per pound in January-March 2019 compared with $0.52 per pound in January-March 2018, a difference of 14.9 percent.[13]

[12] U.S. producers' shipments, supplemented by additional USDA data, are shown in table, III-10, *infra.*
[13] ***.

Table III-8
Fresh tomatoes: U.S. producers' U.S. shipments, exports shipments, and total shipments, 2016-2018, and January to March 2018, and January to March 2019.

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Commercial U.S. shipments	1,356,969	1,370,780	1,359,408	317,071	303,421
Transfers to related firms	193,163	201,469	181,297	43,039	38,865
U.S. shipments	1,550,132	1,572,249	1,540,705	360,110	342,285
Export shipments	46,159	45,576	42,875	8,690	7,239
Total shipments	1,596,292	1,617,825	1,583,580	368,801	349,524
	Value (1,000 dollars)				
Commercial U.S. shipments	702,762	722,893	716,417	163,770	180,062
Transfers to related firms	132,798	120,516	117,885	24,321	26,870
U.S. shipments	835,561	843,408	834,302	188,092	206,932
Export shipments	30,432	32,639	29,300	7,300	5,858
Total shipments	865,992	876,047	863,602	195,391	212,791
	Unit value (dollars per pound)				
Commercial U.S. shipments	0.52	0.53	0.53	0.52	0.59
Transfers to related firms	0.69	0.60	0.65	0.57	0.69
U.S. shipments	0.54	0.54	0.54	0.52	0.60
Export shipments	0.66	0.72	0.68	0.84	0.81
Total shipments	0.54	0.54	0.55	0.53	0.61
	Share of quantity (percent)				
Commercial U.S. shipments	85.0	84.7	85.8	86.0	86.8
Transfers to related firms	12.1	12.5	11.4	11.7	11.1
U.S. shipments	97.1	97.2	97.3	97.6	97.9
Export shipments	2.9	2.8	2.7	2.4	2.1
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
Commercial U.S. shipments	81.2	82.5	83.0	83.8	84.6
Transfers to related firms	15.3	13.8	13.7	12.4	12.6
U.S. shipments	96.5	96.3	96.6	96.3	97.2
Export shipments	3.5	3.7	3.4	3.7	2.8
Total shipments	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table III-9 and figure III-3 present U.S. producers' shipments by growing method and tomato variety. The majority (88.0 percent by quantity and 75.3 percent by value) of U.S. fresh tomato shipments in 2018 were open field and adapted-environment grown. Most open field and adapted-environment grown tomato shipments were round tomatoes (73.6 percent, by quantity) followed by plum/Roma tomatoes (17.2 percent). By greenhouse and controlled-environment method, round tomatoes comprised a larger share of production than any other variety, by quantity (49.9 percent), while cherry/grape tomatoes comprised the largest share, by value (*** percent). Unit values for cherry/grape tomatoes and other tomatoes were greater than unit values for round and plum/Roma tomatoes from 2016 to 2018. In 2018, unit

values for cherry/grape and other varieties grown in all growing environments combined were $*** and $***, respectively. For comparison, unit values for round and plum/Roma tomatoes grown in all growing environments combined were $0.41 and $0.45, respectively.

Table III-9
Fresh tomatoes: U.S. producers' shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Open field and adapted-environment tomatoes:					
Round	1,025,556	1,040,021	998,214	236,102	218,075
Plum / Roma	213,295	211,239	233,496	58,583	65,409
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	1,372,228	1,386,009	1,356,199	324,761	310,561
Greenhouse and controlled-environment tomatoes:					
Round	92,163	99,908	92,061	17,560	12,803
Plum / Roma	10,641	10,379	12,140	2,212	1,891
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	177,905	186,240	184,505	35,349	31,724
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	1,117,719	1,139,929	1,090,275	253,662	230,878
Plum / Roma	223,936	221,618	245,636	60,794	67,300
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	1,550,132	1,572,249	1,540,705	360,110	342,285
	Value (1,000 dollars)				
Open field and adapted-environment tomatoes:					
Round	412,283	407,829	386,082	86,146	103,717
Plum / Roma	82,046	90,349	97,852	23,166	26,418
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	655,267	648,980	628,094	140,774	158,045
Greenhouse and controlled-environment tomatoes:					
Round	67,269	72,406	66,330	17,089	12,302
Plum / Roma	12,003	10,812	13,120	2,772	2,419
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	180,294	194,429	206,208	47,318	48,887
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	479,552	480,235	452,412	103,235	116,018
Plum / Roma	94,048	101,161	110,972	25,938	28,837
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	835,561	843,408	834,302	188,092	206,932

Table continued.

Table III-9--Continued
Fresh tomatoes: U.S. producers' shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Unit value (dollars per pound)				
Open field and adapted-environment tomatoes:					
Round	0.40	0.39	0.39	0.36	0.48
Plum / Roma	0.38	0.43	0.42	0.40	0.40
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	0.48	0.47	0.46	0.43	0.51
Greenhouse and controlled-environment tomatoes:					
Round	0.73	0.72	0.72	0.97	0.96
Plum / Roma	1.13	1.04	1.08	1.25	1.28
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	1.01	1.04	1.12	1.34	1.54
Open field and adapted-environment and greenhouse and controlled environment tomatoes:					
Round	0.43	0.42	0.41	0.41	0.50
Plum / Roma	0.42	0.46	0.45	0.43	0.43
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	0.54	0.54	0.54	0.52	0.60
	Share of quantity (percent)				
Open field and adapted-environment tomatoes:					
Round	74.7	75.0	73.6	72.7	70.2
Plum / Roma	15.5	15.2	17.2	18.0	21.1
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties, open field and adapted-environment	100.0	100.0	100.0	100.0	100.0
Greenhouse and controlled-environment tomatoes:					
Round	51.8	53.6	49.9	49.7	40.4
Plum / Roma	6.0	5.6	6.6	6.3	6.0
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties, greenhouse and controlled-environment	100.0	100.0	100.0	100.0	100.0
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	72.1	72.5	70.8	70.4	67.5
Plum / Roma	14.4	14.1	15.9	16.9	19.7
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	100.0	100.0	100.0	100.0	100.0
Method of growing:					
Open field and adapted-environment	88.5	88.2	88.0	90.2	90.7
Greenhouse and controlled-environment	11.5	11.8	12.0	9.8	9.3
All methods	100.0	100.0	100.0	100.0	100.0

Table continued.

Table III-9--Continued
Fresh tomatoes: U.S. producers' shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Share of value (percent)				
Open field and adapted-environment tomatoes:					
Round	62.9	62.8	61.5	61.2	65.6
Plum / Roma	12.5	13.9	15.6	16.5	16.7
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties, open field and adapted-environment	100.0	100.0	100.0	100.0	100.0
Greenhouse and controlled-environment tomatoes:					
Round	37.3	37.2	32.2	36.1	25.2
Plum / Roma	6.7	5.6	6.4	5.9	4.9
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties, greenhouse and controlled-environment	100.0	100.0	100.0	100.0	100.0
Open field and adapted-environment and greenhouse and controlled environment tomatoes:					
Round	57.4	56.9	54.2	54.9	56.1
Plum / Roma	11.3	12.0	13.3	13.8	13.9
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	100.0	100.0	100.0	100.0	100.0
Method of growing:					
Open field and adapted-environment	78.4	76.9	75.3	74.8	76.4
Greenhouse and controlled environment	21.6	23.1	24.7	25.2	23.6
All methods	100.0	100.0	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure III-3
Fresh tomatoes: U.S. producers' U.S. shipments of tomatoes by variety, 2018

* * * * * * *

U.S. producers' consolidated U.S. shipments

Table III-10 presents consolidated U.S. producer shipments, value-added calculations, unit values, and market shares for use in apparent U.S. consumption. Overall, U.S. shipments increased by 0.8 percent from 2016 to 2018, by quantity and 1.2 percent, by value. Additionally, U.S. shipments in January-March 2019 were 2.4 percent lower than in January-March 2018, by quantity, but 13.0 percent higher, by value. Average unit values for U.S. shipments were $0.54 in each of 2016, 2017, and 2018. The average unit value of U.S. shipments in January-March 2018 was $0.52 per pound compared with $0.60 per pound in January-March 2019. Export shipments comprised 1.6 percent to 1.7 percent of U.S. producers' shipments throughout 2016 to 2018.

Table III-10
Fresh tomatoes: Consolidated U.S. shipments for use in apparent consumption, 2016-18, January to March 2018, and January to March 2019

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. shipments.--					
Questionnaire data	1,550,132	1,572,249	1,540,705	360,110	342,285
Additional USDA data	1,075,212	1,137,030	1,104,852	317,209	319,104
All U.S. shipments	2,625,344	2,709,279	2,645,556	677,320	661,389
Export shipments	46,159	45,576	42,875	8,690	7,239
Total shipments	2,671,503	2,754,855	2,688,431	686,010	668,628
	Value (1,000 dollars)				
U.S. shipments.--					
Questionnaire data	835,561	843,408	834,302	188,092	206,932
Additional USDA data	579,567	609,942	598,285	165,684	192,918
Total value in the United States	1,415,127	1,453,351	1,432,587	353,776	399,850
Export shipments	30,432	32,639	29,300	7,300	5,858
Total shipments	1,445,559	1,485,990	1,461,886	361,075	405,708
	Unit value (dollars per pound)				
U.S. shipments	0.54	0.54	0.54	0.52	0.60
Export shipments	0.66	0.72	0.68	0.84	0.81
Total shipments	0.54	0.54	0.55	0.53	0.61
	Share of quantity (percent)				
U.S. shipments.--					
Questionnaire data	58.0	57.1	57.3	52.5	51.2
Additional USDA data	40.2	41.3	41.1	46.2	47.7
All U.S. shipments	98.3	98.3	98.4	98.7	98.9
Export shipments	1.7	1.7	1.6	1.3	1.1
Total shipments	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. shipments.--					
Questionnaire data	57.8	56.8	57.1	52.1	51.0
Additional USDA data	40.1	41.0	40.9	45.9	47.6
Total value in the United States	97.9	97.8	98.0	98.0	98.6
Export shipments	2.1	2.2	2.0	2.0	1.4
Total shipments	100.0	100.0	100.0	100.0	100.0

Note.-- USDA production data less export shipments is used to report U.S. producers' "All U.S. shipments" quantities. "Additional USDA data" is the difference between USDA data and questionnaire data. To report value data, the average unit value of U.S. producers' U.S. shipments in questionnaire data was multiplied by the USDA data to obtain total value.

Source: Compiled from data submitted in response to Commission questionnaires, and from USDA, National Agricultural Statistics Service, *National Statistics for Tomatoes,* accessed August 12, 2019.

U.S. producers' inventories

Table III-11 presents U.S. producers' end-of-period inventories and the ratio of these inventories to U.S. producers' production, U.S. shipments, and total shipments. Given the

relatively short shelf-life of fresh tomatoes, U.S. producers reported minimal end-of-period inventories in 2016 to 2018. In 2018, inventories as a ratio to production and inventories as a ratio to U.S. shipments was *** percent.

Table III-11
Fresh tomatoes: U.S. producers' inventories, 2016-18, January to March 2018, and January to March 2019

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. producers' end-of-period inventories	***	***	***	***	***
	Ratio (percent)				
Ratio of inventories to.--					
U.S. production	***	***	***	***	***
U.S. shipments	***	***	***	***	***
Total shipments	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers' imports and purchases

Table III-12 presents data on individual U.S. producers' U.S. production and U.S imports of fresh tomatoes from Mexico. ***,[14] ***,[15] ***,[16] and ***[17] are U.S. producers reporting U.S. imports of fresh tomatoes.[18]

[14] Table III-12 shows ***.

[15] *** has an affiliated grower in Mexico and imports fresh tomatoes from its affiliates to satisfy growing demand for its products that the U.S. market cannot fulfill. *** stated that is a "premium grower and direct seller of controlled environment specialty (small grape, cherries, etc.) tomatoes" and claims a price premium for its product. *** questionnaire response and email communication with ***, counsel for ***.

[16] ***.

[17] ***.

[18] U.S. producers *** reported related importers or exporters, but no related importer submitted a questionnaire response.

Table III-12
Fresh tomatoes: U.S. producers' imports and purchases of imports, 2016-18, January to March 2018, and January to March 2019

* * * * * * *

Table continued on next page.

Table III-12--Continued
Fresh tomatoes: U.S. producers' imports, 2016-18, January to March 2018, and January to March 2019

* * * * * * *

Note.—Narratives are found in Commission's U.S. importer questionnaire (question II-4) which asks for reasons for importing if the responding firm also is a U.S. producer. ***

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. employment, wages, and productivity

Table III-13 shows U.S. producers' employment-related data. Production and related workers ("PRWs") decreased from 2016 to 2018 by 7.7 percent and was 6.1 percent lower in January-March 2019 than in January-March 2018. Productivity increased by 9.1 percentage points from 2016 to 2018 and was 4.0 percentage points higher in January-March 2019 than in January-March 2018. Hourly wages increased by 8.2 percent from 2016 to 2018 and were 2.8 percent higher in January-March 2019 than in January-March 2018. Producers were asked about seasonal employment: 18 of 23 firms reported using seasonal workers.

Table III-13
Fresh tomatoes: U.S. producers' employment related data, 2016-18, January to March 2018, and January to March 2019

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
Production and related workers (PRWs) (number)	12,319	11,831	11,375	10,361	9,726
Total hours worked (1,000 hours)	27,623	26,873	25,003	6,450	5,854
Hours worked per PRW (hours)	2,242	2,271	2,198	623	602
Wages paid ($1,000)	320,296	319,779	313,746	78,844	73,554
Hourly wages (dollars per hour)	$11.60	$11.90	$12.55	$12.22	$12.57
Productivity (pounds per hour)	58.1	60.4	63.4	57.4	59.7
Unit labor costs (dollars per 1,000 pounds)	$199.51	$196.96	$197.86	$213.10	$210.32

Source: Compiled from data submitted in response to Commission questionnaires.

Part IV: U.S. imports, apparent U.S. consumption, and market shares

U.S. importers

The Commission issued importer questionnaires to 442 firms believed to be importers of fresh tomatoes, as well as to all U.S. producers of fresh tomatoes.[1] Usable questionnaire responses were received from 52 companies, representing ***percent of U.S. imports from Mexico and 7.5 percent of U.S. imports from nonsubject sources in 2018 under HTS subheading 0702.00.[2] Table IV-1 lists all responding U.S. importers of fresh tomatoes from Mexico and other sources, their locations, and their shares of U.S. imports, in 2018.

[1] The Commission issued questionnaires to those firms identified in the petition, along with firms that, based on a review of data provided by U.S. Customs and Border Protection ("Customs"), may have accounted for more than one percent of total imports under HTS subheading 0702.00 in 2018.

[2] For purposes of questionnaire responses, firms were asked to distinguish between *greenhouse and controlled-environment tomatoes*, defined as "tomatoes grown in a fully-enclosed permanent aluminum or fixed steel structure clad in glass, impermeable plastic, or polycarbonate using automated irrigation and climate control (heating and/or cooling and ventilation), in an artificial medium using hydroponic methods," and *open field and adapted-environment tomaotes*, defined as "tomatoes other than tomatoes grown in greenhouses and controlled environments, including, but not limited to, tomatoes grown in protected agricultural structures, including tunnels, shade houses, and other temporary or permanent structures, except for those grown in greenhouses and controlled environments, as defined above." The definition for *controlled-environment tomatoes* may be found in the 2013 suspension agreement, *Fresh Tomatoes From Mexico: Suspension of Antidumping Investigation*, 78 FR 14967, March 8, 2013, p. 14970.

Table IV-1
Fresh tomatoes: U.S. importers, their headquarters, and share of total imports by source, 2018

Firm	Headquarters	Share of imports by source (percent)		
		Mexico	Nonsubject sources	All import sources
Apache	Nogales, AZ	***	***	***
Bellflower	Pharr, TX	***	***	***
Calavo	Santa Paula, CA	***	***	***
Ciruli	Tubac, AZ	***	***	***
Covelli	Nogales, AZ	***	***	***
Del Campo	Nogales, AZ	***	***	***
Divine Flavor	Nogales, AZ	***	***	***
El Dorado	Mcallen, TX	***	***	***
Farmer's Best	Rio Rico, AZ	***	***	***
Franks	Nogales, AZ	***	***	***
Fresh	Tucson, AZ	***	***	***
Fresh Global	Pharr, TX	***	***	***
Globalmex	Richmond, VA	***	***	***
Greenhouse	Vero Beach, FL	***	***	***
Grower Alliance	Rio Rico, AZ	***	***	***
Higueral	Rio Rico, AZ	***	***	***
HM Distribtutors	Nogales, AZ	***	***	***
iDeal	Nogales, AZ	***	***	***
Jacobs	Pescadeo, CA	***	***	***
Jem D	Kingsville, Canada, ON	***	***	***
Kaliroy Fresh	Nogales, AZ	***	***	***
Kingdom	Donna, TX	***	***	***
Lisa	Nogales, AZ	***	***	***
Little Farm	Brownsville, TX	***	***	***
Malena	Rio Rico, AZ	***	***	***
Martinez	San Diego, CA	***	***	***
Mexfresh	Edinburg, TX	***	***	***
Modern Veg	Rio Rico, AZ	***	***	***
NS Brands	San Antonio, TX	***	***	***
Pacific	Palmetto, FL	***	***	***
Produce House	Nogales, AZ	***	***	***
Rene	Rio Rico, AZ	***	***	***
Rio Vista	Rio Rico, AZ	***	***	***
Romas	Vernon, CA	***	***	***
Royal Flavor	San Diego, CA	***	***	***

Table continued on next page.

Table IV-1--Continued
Fresh tomatoes: U.S. importers, their headquarters, and share of total imports by source, 2018

Firm	Headquarters	Share of imports by source (percent)		
		Mexico	Nonsubject sources	All import sources
Six L's	Immokalee, FL	***	***	***
Star	Bonita Springs, FL	***	***	***
Sunny Fields	Ajuchitlan, Colon, QR	***	***	***
Sunrise	Mcallen, TX	***	***	***
Tepeyac	Rio Rico, AZ	***	***	***
The Produce Exchange	Immokalee, FL	***	***	***
Tricar	Nogales, AZ	***	***	***
Triple H	Pharr, TX	***	***	***
Trufresh	Nogales, AZ	***	***	***
Vida	Morro Bay, CA	***	***	***
VL Produce	Vernon, CA	***	***	***
Walmart	Bentonville, AR	***	***	***
Western	Immokalee, FL	***	***	***
Wholesum	Nogales, AZ	***	***	***
Wiemar	Los Angeles, CA	***	***	***
Wilson	Nogales, AZ	***	***	***
Windset	Santa Maria, CA	***	***	***
Total		100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. imports

Imports from Mexico represented approximately 90.7 percent of the share of U.S. imports of fresh tomatoes from 2016 through 2018, by quantity. The quantity and value of U.S. imports of fresh tomatoes from Mexico fluctuated during 2016 to 2018, ending 4.5 percent higher in 2018 than in 2016 by quantity and 4.9 percent higher by value. Imports decreased from 2016 to 2017 by 0.5 percent, by quantity, then increased from 2017 to 2018 by 4.9 percent. Imports were 0.4 percent lower in January to March 2019 than in January to March 2018, by quantity, and 1.5 percent lower by value.

Average unit values ("AUVs") of imports of fresh tomatoes from Mexico decreased from $0.58 in 2016 to $0.54 in 2017 before increasing to $0.58 in 2018. AUVs of imports were $0.61 per pound in both January to March 2018 and January to March 2019. As a ratio to U.S. production, imports of fresh tomatoes from Mexico were 317.7 percent in 2016, 324.0 percent in 2017, and 339.5 percent in 2018. The ratio was 472.8 percent in January to March 2018 and 518.7 in January to March 2019.

Table IV-2 and figure IV-1 present information on U.S. imports of fresh tomatoes from Mexico and all other sources.

Table IV-2
Fresh tomatoes: U.S. imports, by source, 2016-18, January to March 2018, and January to March 2019

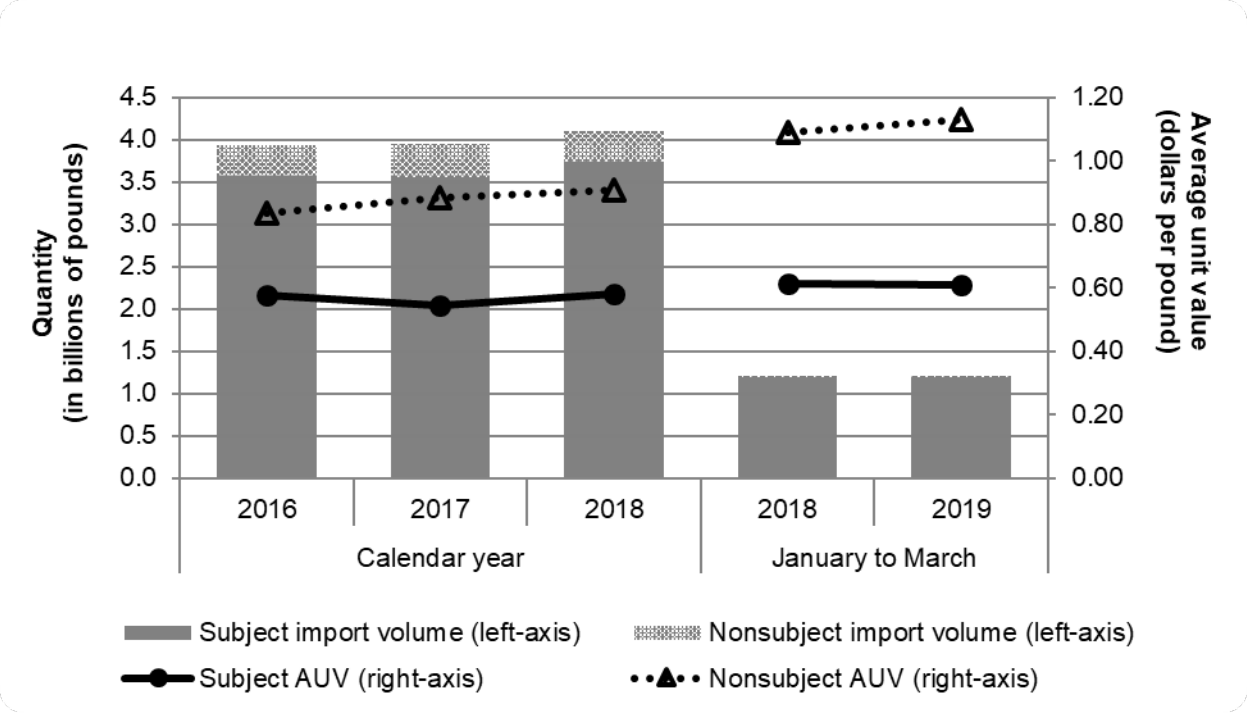
Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. imports from.--					
Mexico	3,570,887	3,554,592	3,729,998	1,190,159	1,185,984
Canada	340,114	364,575	330,651	8,959	8,600
All other sources	27,218	24,491	31,560	10,153	10,175
Nonsubject sources	367,332	389,066	362,211	19,112	18,775
All import sources	3,938,219	3,943,658	4,092,209	1,209,271	1,204,759
	Value (1,000 dollars)				
U.S. imports from.--					
Mexico	2,055,960	1,928,893	2,156,830	729,885	719,124
Canada	282,101	318,510	296,039	10,324	10,283
All other sources	24,810	25,037	33,205	10,512	10,946
Nonsubject sources	306,911	343,547	329,243	20,836	21,229
All import sources	2,362,872	2,272,441	2,486,074	750,721	740,353
	Unit value (dollars per pound)				
U.S. imports from.--					
Mexico	0.58	0.54	0.58	0.61	0.61
Canada	0.83	0.87	0.90	1.15	1.20
All other sources	0.91	1.02	1.05	1.04	1.08
Nonsubject sources	0.84	0.88	0.91	1.09	1.13
All import sources	0.60	0.58	0.61	0.62	0.61
	Share of quantity (percent)				
U.S. imports from.--					
Mexico	90.7	90.1	91.1	98.4	98.4
Canada	8.6	9.2	8.1	0.7	0.7
All other sources	0.7	0.6	0.8	0.8	0.8
Nonsubject sources	9.3	9.9	8.9	1.6	1.6
All import sources	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. imports from.--					
Mexico	87.0	84.9	86.8	97.2	97.1
Canada	11.9	14.0	11.9	1.4	1.4
All other sources	1.0	1.1	1.3	1.4	1.5
Nonsubject sources	13.0	15.1	13.2	2.8	2.9
All import sources	100.0	100.0	100.0	100.0	100.0
	Ratio to U.S. production				
U.S. imports from.--					
Mexico	222.4	218.9	235.2	321.7	339.1
Canada	21.2	22.5	20.9	2.4	2.5
All other sources	1.7	1.5	2.0	2.7	2.9
Nonsubject sources	22.9	24.0	22.8	5.2	5.4
All import sources	245.3	242.9	258.1	326.8	344.5

Table continued on next page.

Table IV-2--Continued
Fresh tomatoes: U.S. imports, by source, 2016-18, January to March 2018, and January to March 2019

Source: Compiled from official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed July18, 2019.

Figure IV-1
Fresh tomatoes: U.S. import volumes and prices, 2016-18, January to March 2018, and January to March 2019



Source: Compiled from official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed July18, 2019.

After Mexico, Canada was by far the largest source of U.S. imports of fresh tomatoes, as shown in table IV-2. Imports of fresh tomatoes from nonsubject sources decreased by 1.4 percent from 2016 to 2018, by quantity. AUVs of imports from nonsubject sources were higher than imports from Mexico throughout the period examined. In 2018, the AUV of imports of fresh tomatoes from Mexico was $0.58, whereas the AUV of imports of fresh tomatoes from nonsubject sources was $0.91.

Table IV-3 and figure IV-2 present information on U.S. importers' U.S. shipments of fresh tomatoes by product type and production method. Plum/Roma tomatoes and round tomatoes comprised the largest share of shipments of imports from Mexico, by type, with *** percent and *** percent, respectively, in 2018. Cherry/grape tomatoes and other tomatoes combined for *** percent of U.S. shipments of imports, by quantity, but *** percent by value. Cherry/grape tomatoes comprised the largest share of shipments of imports from Mexico, by value, with *** percent in 2018. According to a USDA report, the plum/Roma variety of tomato represents more than 62 percent of total tomato production in Mexico as "demand for this type of tomato has surpassed the round tomato."[3] In 2016 and 2017, round tomatoes held the largest share of U.S. shipments of imports of fresh tomatoes from Mexico but in 2018 plum/Roma tomatoes held the largest share.

Regarding production method, by quantity, the majority of shipments of imports of fresh tomatoes from Mexico were sourced from open fields and adapted-environments (*** percent) while the remainder were sourced from greenhouses and controlled-environments (*** percent). By value, U.S. shipments of tomatoes from Mexico sourced from open fields and adapted-environments comprised a slimmer majority (*** percent) while shipments sourced from greenhouses and controlled-environments comprised *** percent in 2018. AUVs of shipments of greenhouse and controlled-environment tomatoes were consistently higher than shipments of open field and adapted-environment tomatoes. In 2018, the AUV of all greenhouse and controlled-environment varieties from Mexico was $*** and the AUV of greenhouse and controlled-environment cherry/grape tomatoes from Mexico was $***. AUVs for shipments of all imports of open field and adapted-environment varieties from Mexico was $*** in 2018 and $*** for cherry/grape tomatoes. Shipments of imports of cherry/grape tomatoes from Mexico comprised *** percent of the share of greenhouse and controlled-environment shipments by value but only *** percent of greenhouse and controlled-environment shipments by quantity.

[3] USDA, FAS, "GAIN Report: Mexico, Tomato Annual," 2018, p. 3. https://www.fas.usda.gov/data/mexico-tomato-annual-2.

Table IV-3
Fresh tomatoes: U.S. importer shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Mexico.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Nonsubject sources.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***

Table continued on next page.

Table IV-3--Continued
Fresh tomatoes: U.S. importer shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Value (1,000 dollars)				
Mexico.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Nonsubject sources.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***

Table continued on next page.

Table IV-3--Continued
Fresh tomatoes: U.S. importer shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Unit value (dollars per pound)				
Mexico.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Nonsubject sources.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***

Table continued on next page.

Table IV-3--Continued
Fresh tomatoes: U.S. importer shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Share of quantity (percent)				
Mexico.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Method of growing:					
Open field and adapted-environment	***	***	***	***	***
Greenhouse and controlled-environment	***	***	***	***	***
All methods	***	***	***	***	***
Nonsubject sources.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Method of growing:					
Open field and adapted-environment	***	***	***	***	***
Greenhouse and controlled-environment	***	***	***	***	***
All methods	***	***	***	***	***

Table continued on next page.

Table IV-3--Continued
Fresh tomatoes: U.S. importer shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Share of value (percent)				
Mexico.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Method of growing:					
Open field and adapted-environment	***	***	***	***	***
Greenhouse and controlled-environment	***	***	***	***	***
All methods	***	***	***	***	***
Nonsubject sources.--					
Open field and adapted-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***

Table continued on next page.

Table IV-3--Continued
Fresh tomatoes: U.S. importer shipments by variety and method, 2016-18, January to March 2018, and January to March 2019

Item	Calendar Year			January to March	
	2016	2017	2018	2018	2019
	Share of value (percent)				
Open field and adapted-environment and greenhouse and controlled-environment tomatoes:					
Round	***	***	***	***	***
Plum / Roma	***	***	***	***	***
Cherry / Grape	***	***	***	***	***
Other	***	***	***	***	***
All varieties	***	***	***	***	***
Method of growing:					
Open field and adapted-environment	***	***	***	***	***
Greenhouse and controlled-environment	***	***	***	***	***
All methods	***	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure IV-2
Fresh tomatoes: U.S. importers' U.S. shipments of tomatoes from Mexico by variety and method, 2018

* * * * * * *

Table IV-4 and figure IV-3 present monthly import data on fresh tomatoes from Mexico from January 2016 to September 2019 based on official import statistics. The quantity of imports for both field and greenhouse tomatoes appeared to peak each January to March while average unit values appeared to peak each January. The quantity of imports then appeared to subside each July to September. By value, imports of greenhouse and controlled-environment tomatoes comprised between 48.8 percent and 69.5 percent of all imports in each month and tended to comprise a larger share of imports each February to April.

Table IV-4 and figure IV-4 also show the breakdown of imports of greenhouse-grown tomatoes versus tomatoes grown in all other environments based on official import statistics.[4]

[4] The harmonized tariff code does not define "greenhouse." Council for the FTE stated that under the Florida marketing order, importers have an incentive to classify their imports as greenhouse because tomatoes imported as greenhouse do not have to go through inspection. As a result, greenhouse is "subject to many definitions. It can be a shade house, it could be plastic, it could be glass…so the {official import statistics} have some issues with regard to the classification of tomatoes." Hearing Transcript, p. 50 (Cannon). Mexican respondents, commenting on the data in IV-4, state that "these statistics are based on HTS classifications that are limited to 'greenhouse' or 'other.' Because almost all types of tomatoes are both 'greenhouse' *and* 'other,' the U.S. import statistics in table IV-4 do not adequately capture what is open field and what is protected agriculture." Mexican respondent's posthearing brief, exhibit 1, p. 10.

Table IV-4
Fresh tomatoes: Monthly U.S. imports from Mexico, January 2016 to September 2019

Month	Production method								
	Other than greenhouse			Greenhouse			Combined (both other than greenhouse and greenhouse)		
	Quantity (1,000 pounds)	Value (1,000 dollars)	Unit value (dollars per pound)	Quantity (1,000 pounds)	Value (1,000 dollars)	Unit value (dollars per pound)	Quantity (1,000 pounds)	Value (1,000 dollars)	Unit value (dollars per pound)
2016.--									
January	210,298	133,970	0.64	185,489	165,080	0.89	395,787	299,050	0.76
February	204,743	117,119	0.57	236,572	155,407	0.66	441,315	272,526	0.62
March	157,547	72,243	0.46	274,017	156,606	0.57	431,564	228,849	0.53
April	157,728	64,496	0.41	229,159	128,715	0.56	386,888	193,211	0.50
May	150,716	60,393	0.40	137,904	81,310	0.59	288,620	141,703	0.49
June	151,104	62,223	0.41	92,212	59,384	0.64	243,316	121,607	0.50
July	127,820	53,374	0.42	70,821	54,005	0.76	198,641	107,379	0.54
August	106,757	52,120	0.49	74,962	56,534	0.75	181,719	108,655	0.60
September	92,826	44,440	0.48	110,364	74,550	0.68	203,190	118,990	0.59
October	117,590	52,986	0.45	148,964	97,944	0.66	266,554	150,930	0.57
November	136,645	63,498	0.46	131,598	94,887	0.72	268,243	158,385	0.59
December	129,442	53,782	0.42	135,610	100,894	0.74	265,051	154,676	0.58
2017.--									
January	188,779	72,217	0.38	197,576	124,881	0.63	386,355	197,098	0.51
February	140,156	59,713	0.43	202,925	118,639	0.58	343,081	178,352	0.52
March	151,362	62,331	0.41	248,497	135,955	0.55	399,859	198,286	0.50
April	134,731	54,245	0.40	194,636	107,131	0.55	329,367	161,376	0.49
May	160,233	65,429	0.41	162,463	95,940	0.59	322,696	161,370	0.50
June	161,603	60,562	0.37	104,330	72,410	0.69	265,933	132,972	0.50
July	121,476	51,726	0.43	70,483	53,738	0.76	191,959	105,464	0.55
August	101,732	47,723	0.47	86,649	63,511	0.73	188,381	111,233	0.59
September	102,325	47,527	0.46	115,085	77,595	0.67	217,410	125,122	0.58
October	126,241	56,082	0.44	140,604	93,508	0.67	266,845	149,590	0.56
November	157,026	66,352	0.42	147,489	108,341	0.73	304,516	174,692	0.57
December	169,607	86,659	0.51	168,583	146,679	0.87	338,190	233,338	0.69
2018.--									
January	202,574	115,577	0.57	218,357	174,573	0.80	420,931	290,150	0.69
February	158,230	75,888	0.48	213,395	142,747	0.67	371,625	218,635	0.59
March	160,142	71,454	0.45	237,461	149,646	0.63	397,603	221,100	0.56
April	142,490	55,339	0.39	208,893	126,270	0.60	351,383	181,609	0.52
May	166,241	66,595	0.40	174,656	103,753	0.59	340,897	170,348	0.50
June	186,722	72,655	0.39	114,334	75,340	0.66	301,056	147,995	0.49
July	155,092	59,645	0.38	79,195	59,922	0.76	234,287	119,567	0.51
August	120,002	52,478	0.44	110,441	75,509	0.68	230,442	127,987	0.56
September	94,738	40,404	0.43	119,599	82,690	0.69	214,338	123,093	0.57
October	130,899	57,996	0.44	153,433	109,456	0.71	284,332	167,451	0.59
November	131,270	63,131	0.48	138,277	113,806	0.82	269,547	176,937	0.66
December	170,781	92,027	0.54	142,777	119,931	0.84	313,558	211,958	0.68

Table continued on next page.

Table IV-4--Continued
Fresh tomatoes: Monthly U.S. Imports from Mexico, January 2016 to September 2019

Month	Method								
	Other than greenhouse			Greenhouse			Combined (both Other than greenhouse and greenhouse)		
	Quantity (1,000 pounds)	Value (1,000 dollars)	Unit value (dollars per pound)	Quantity (1,000 pounds)	Value (1,000 dollars)	Unit value (dollars per pound)	Quantity (1,000 pounds)	Value (1,000 dollars)	Unit value (dollars per pound)
2019.--									
January	189,772	98,512	0.52	235,721	185,931	0.79	425,493	284,442	0.67
February	141,882	67,213	0.47	214,580	140,210	0.65	356,462	207,424	0.58
March	152,385	72,275	0.47	251,645	154,983	0.62	404,030	227,258	0.56
April	155,103	67,628	0.44	221,319	129,309	0.58	376,422	196,937	0.52
May	158,311	52,408	0.33	148,327	81,641	0.55	306,638	134,049	0.44
June	194,823	58,546	0.30	104,710	61,423	0.59	299,533	119,969	0.40
July	156,507	58,410	0.37	84,326	57,252	0.68	240,833	115,662	0.48
August	137,100	52,305	0.38	99,129	63,708	0.64	236,229	116,013	0.49
September	115,742	47,311	0.41	119,557	76,789	0.64	235,299	124,100	0.53

Source: Compiled from official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed November 12, 2019.

Figure IV-3
Fresh tomatoes: U.S. imports from Mexico, January 2016 to September 2019

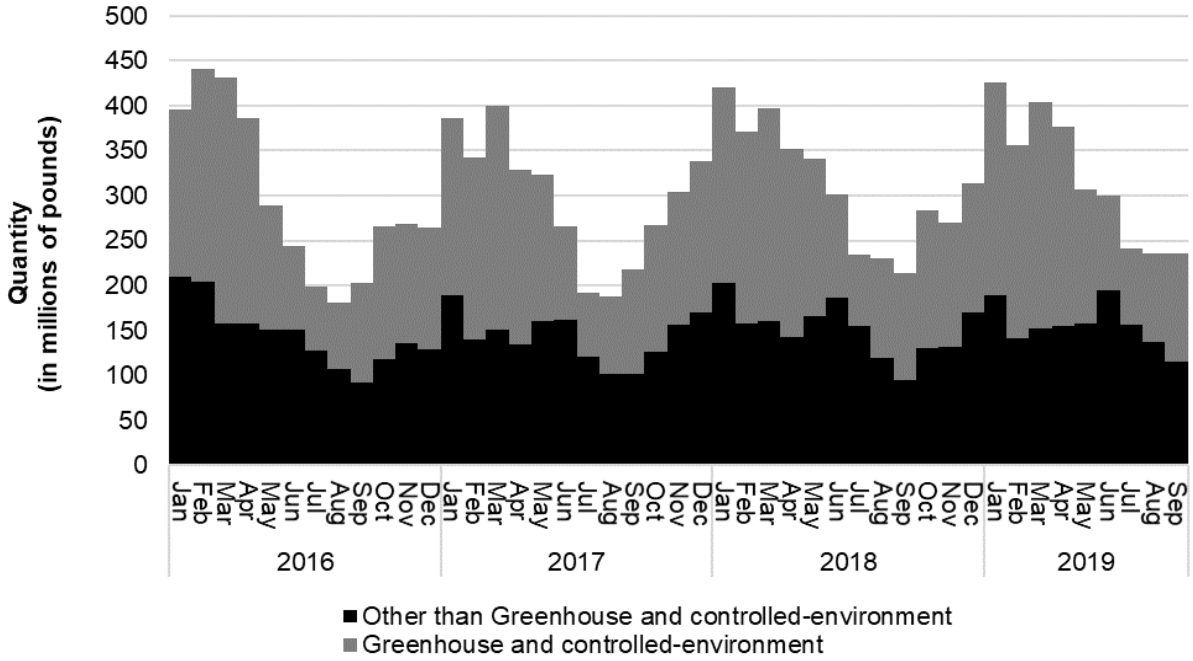
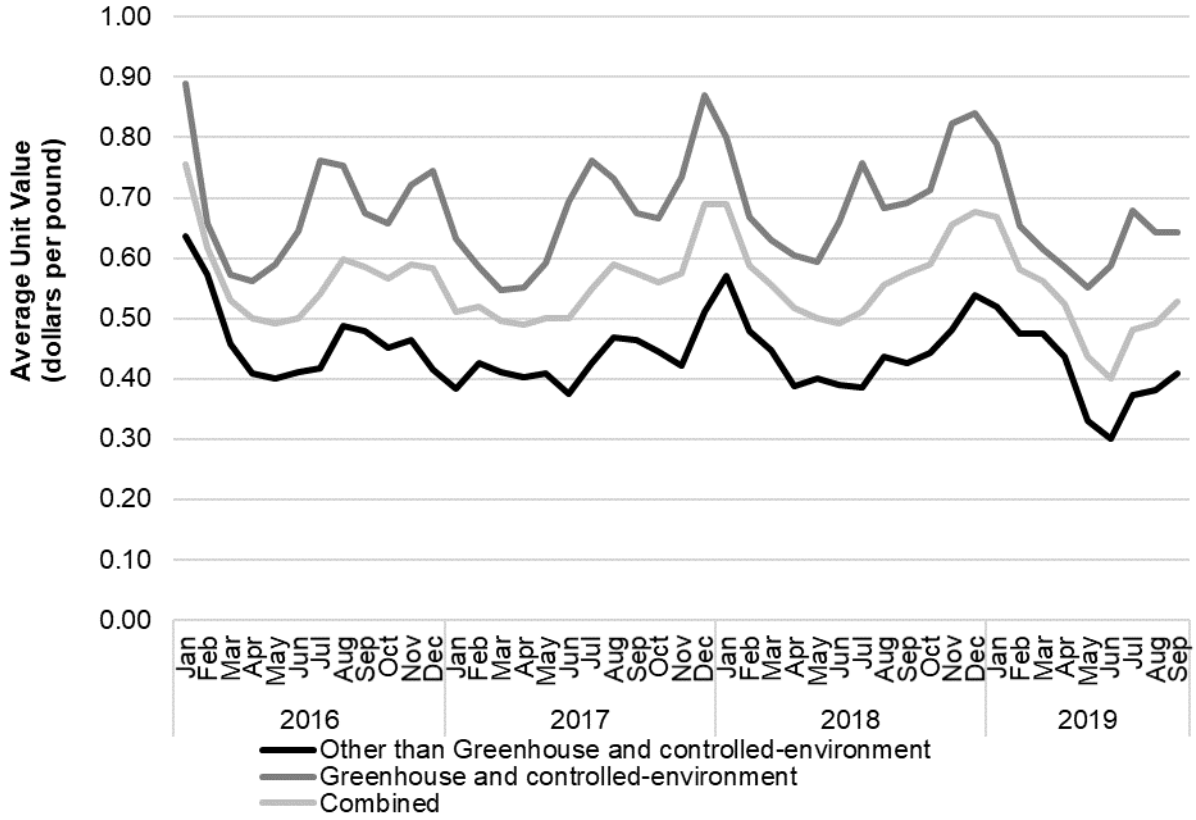


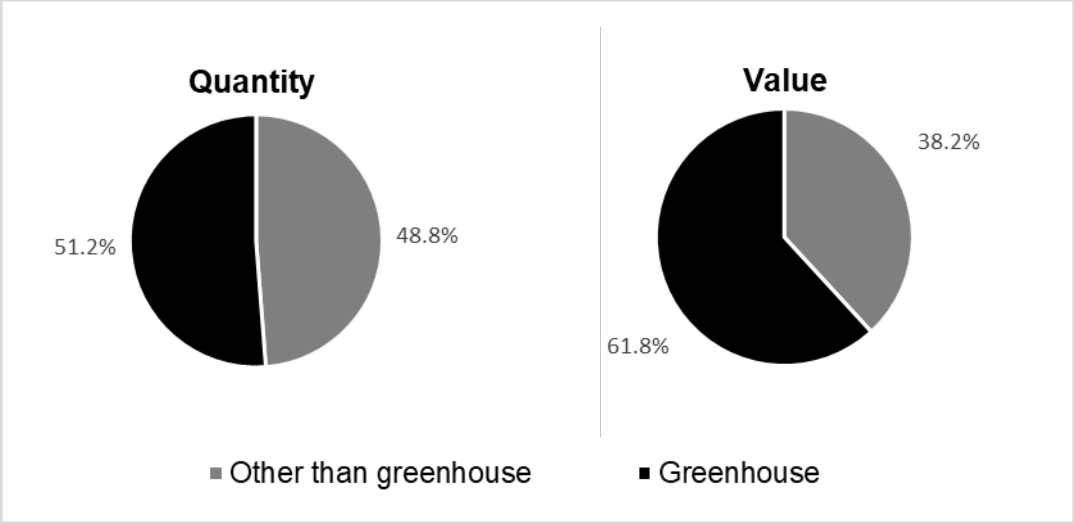
Figure continued on next page.

Figure IV-3--Continued
Fresh tomatoes: U.S. imports from Mexico, January 2016 to August 2019



Source: Compiled from official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed November 4, 2019.

Figure IV-4
Fresh tomatoes: U.S. imports of greenhouse tomatoes and tomatoes other than greenhouse from Mexico, 2018



Source: Compiled from official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed November 4, 2019.

Negligibility

The statute requires that an investigation be terminated without an injury determination if imports of the subject merchandise are found to be negligible.[5] Negligible imports are generally defined in the Act, as amended, as imports from a country of merchandise corresponding to a domestic like product where such imports account for less than 3 percent of the volume of all such merchandise imported into the United States in the most recent 12-month period for which data are available that precedes the filing of the petition or the initiation of the investigation. However, if there are imports of such merchandise from a number of countries subject to investigations initiated on the same day that individually account for less than 3 percent of the total volume of the subject merchandise, and if the imports from those countries collectively account for more than 7 percent of the volume of all such merchandise imported into the United States during the applicable 12-month period, then

[5] Sections 703(a)(1), 705(b)(1), 733(a)(1), and 735(b)(1) of the Act (19 U.S.C. §§ 1671b(a)(1), 1671d(b)(1), 1673b(a)(1), and 1673d(b)(1)).

imports from such countries are deemed not to be negligible.[6] Imports from Mexico accounted for 95.4 percent of total imports of fresh tomatoes by quantity during April 1995 to March 1996. Table IV-5 shows U.S. imports of fresh tomatoes in the 12-month period preceding the filing of the petition.

Table IV-5
Fresh tomatoes: U.S. imports in the 12-month period preceding the filing of the petition, April 1995 to March 1996

Item	April 1995 through March 1996	
	Quantity (1,000 pounds)	Share quantity (percent)
U.S. imports from.--		
Mexico	1,403,520	95.4
Nonsubject sources	67,688	4.6
All import sources	1,471,208	100.0

Source: Compiled from official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed August 5, 2019.

Apparent U.S. consumption and U.S. market shares

Data concerning apparent U.S. consumption and U.S. market shares of fresh tomatoes are shown in table IV-6 and figure IV-5. From 2016 to 2018, apparent U.S. consumption increased in terms of quantity by 2.7 percent to 6.74 billion pounds and in terms of value by 3.7 percent to $3.92 billion. The share of apparent U.S. consumption held by U.S. producers' U.S. shipments decreased by 0.7 percentage points, by quantity, and the share of value held by U.S. producers' U.S. shipments decreased by 0.9 percentage points from 2016 to 2018. The share of quantity of imports from Mexico increased irregularly from 54.4 percent in 2016 to 55.4 percent in 2018, and was 63.6 percent in January-March 2019 compared with 63.1 percent in January-March 2018. The share of value of imports from Mexico fluctuated from 54.4 percent in 2016 to 51.8 percent in 2017 and to 55.0 percent in 2018, and was 63.1 percent in January-March 2019 compared with 66.1 percent in January-March 2018.

[6] Section 771 (24) of the Act (19 U.S.C § 1677(24)).

Table IV-6

Fresh tomatoes: Apparent U.S. consumption, 2016-18, January to March 2018, and January to March 2019

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
U.S. producers' U.S. shipments.-- Questionnaire data	1,550,132	1,572,249	1,540,705	360,110	342,285
Additional USDA data	1,075,212	1,137,030	1,104,852	317,209	319,104
All U.S. producers' U.S. shipments	2,625,344	2,709,279	2,645,556	677,320	661,389
U.S. imports from.-- Mexico	3,570,887	3,554,592	3,729,998	1,190,159	1,185,984
Nonsubject sources	367,332	389,066	362,211	19,112	18,775
All import sources	3,938,219	3,943,658	4,092,209	1,209,271	1,204,759
Apparent consumption	6,563,563	6,652,937	6,737,766	1,886,591	1,866,149
	Value (1,000 dollars)				
U.S. producers' U.S. shipments.-- Questionnaire data	835,561	843,408	834,302	188,092	206,932
Additional USDA data	579,567	609,942	598,285	165,684	192,918
All U.S. producers' U.S. shipments	1,415,127	1,453,351	1,432,587	353,776	399,850
U.S. imports from.-- Mexico	2,055,960	1,928,893	2,156,830	729,885	719,124
Nonsubject sources	306,911	343,547	329,243	20,836	21,229
All import sources	2,362,872	2,272,441	2,486,074	750,721	740,353
Apparent consumption	3,777,999	3,725,792	3,918,660	1,104,496	1,140,203
	Share of quantity (percent)				
U.S. producers' U.S. shipments.-- Questionnaire data	23.6	23.6	22.9	19.1	18.3
Additional USDA data	16.4	17.1	16.4	16.8	17.1
All U.S. producers' U.S. shipments	40.0	40.7	39.3	35.9	35.4
U.S. imports from.-- Mexico	54.4	53.4	55.4	63.1	63.6
Nonsubject sources	5.6	5.8	5.4	1.0	1.0
All import sources	60.0	59.3	60.7	64.1	64.6
Apparent consumption	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
U.S. producers' U.S. shipments.-- Questionnaire data	22.1	22.6	21.3	17.0	18.1
Additional USDA data	15.3	16.4	15.3	15.0	16.9
All U.S. producers' U.S. shipments	37.5	39.0	36.6	32.0	35.1
U.S. imports from.-- Mexico	54.4	51.8	55.0	66.1	63.1
Nonsubject sources	8.1	9.2	8.4	1.9	1.9
All import sources	62.5	61.0	63.4	68.0	64.9
Apparent consumption	100.0	100.0	100.0	100.0	100.0

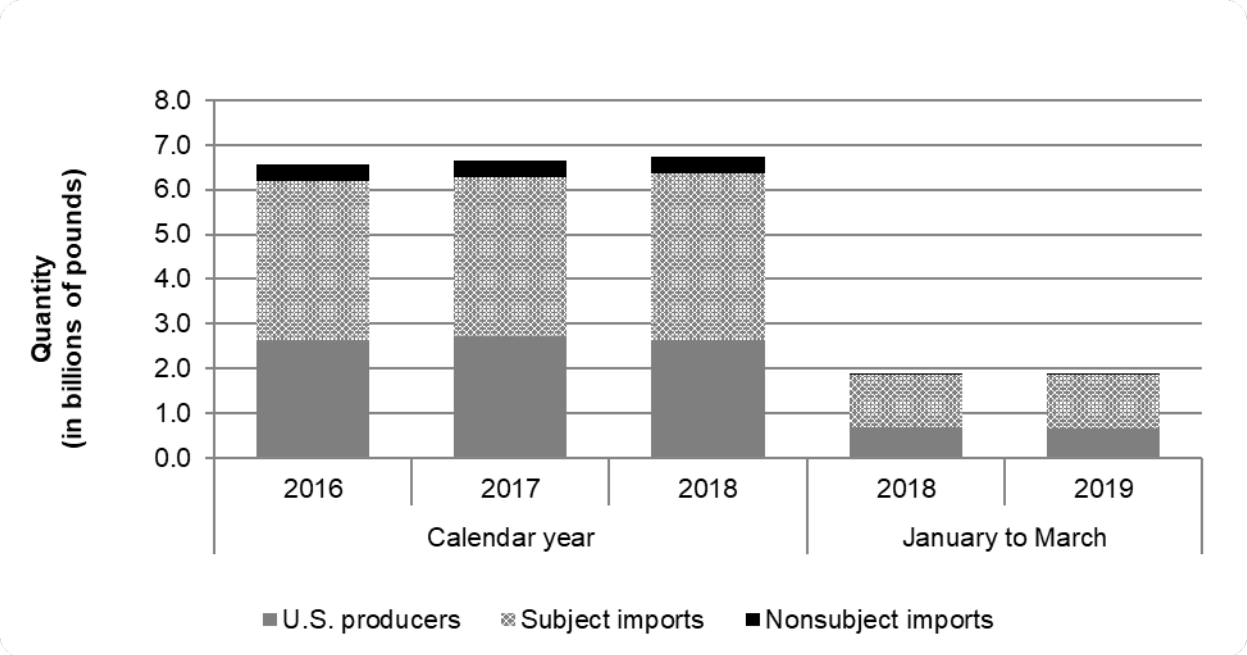
Table continued on next page.

Table IV-6--Continued
Fresh tomatoes: Apparent U.S. consumption, 2016-18, January to March 2018, and January to March 2019

Note.-- USDA production data less export shipments is used to report U.S. producers' "All U.S. shipments" quantities. "Additional USDA data" is the difference between USDA data and questionnaire data. To report value data, the average unit value of U.S. producers' U.S. shipments in questionnaire data was multiplied by the USDA data to obtain total value.

Source: Compiled from data submitted in response to Commission questionnaires, USDA *Vegetables and Pulses Yearbook* data, and official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed August 12, 2019.

Figure IV-5
Fresh tomatoes: Apparent U.S. consumption, 2016-18, January to March 2018, and January to March 2019



Source: Compiled from data submitted in response to Commission questionnaires, USDA *Vegetables and Pulses Yearbook* data, and official U.S. import statistics using statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed August 12, 2019.

Table IV-7 and figure IV-6 show historical apparent U.S. consumption data of fresh tomatoes as reported by the USDA and official import statistics. Apparent U.S. consumption increased from 1996 to 2018 by 43.6 percent. U.S. producers' share of apparent U.S. consumption peaked in 2000 at 70.0 percent and has since steadily declined to 39.3 percent in 2018. The share of apparent U.S. consumption accounted for by imports from Mexico steadily increased from a low in 2000 of 24.3 percent to a high of 55.4 percent in 2018.

Table IV-7
Fresh tomatoes: Apparent U.S. consumption using USDA data, 1996-2018

Item	U.S. producers	Imports from			Apparent consumption
		Mexico	Nonsubject sources	All import sources	
	Quantity (1,000 pounds)				
1996	3,067,959	1,511,660	113,478	1,625,138	4,693,097
1997	3,083,167	1,456,393	180,448	1,636,841	4,720,008
1998	3,239,275	1,618,310	249,710	1,868,020	5,107,294
1999	3,692,549	1,355,984	276,883	1,632,867	5,325,416
2000	3,751,647	1,300,627	308,887	1,609,514	5,361,161
2001	3,663,164	1,497,351	318,247	1,815,598	5,478,762
2002	3,956,959	1,596,182	300,007	1,896,189	5,853,148
2003	3,574,170	1,730,602	340,104	2,070,706	5,644,877
2004	3,800,331	1,717,446	337,200	2,054,646	5,854,977
2005	3,870,393	1,766,803	331,527	2,098,330	5,968,722
2006	3,723,350	1,861,458	326,276	2,187,734	5,911,084
2007	3,439,910	2,093,258	267,468	2,360,726	5,800,636
2008	3,182,328	2,177,977	283,122	2,461,098	5,643,427
2009	3,399,911	2,307,951	314,672	2,622,622	6,022,533
2010	2,987,586	3,042,624	335,936	3,378,560	6,366,146
2011	3,255,567	2,926,215	360,909	3,287,124	6,542,691
2012	3,154,174	3,041,318	336,522	3,377,840	6,532,014
2013	3,012,493	3,045,257	344,287	3,389,545	6,402,037
2014	3,137,634	3,080,485	355,309	3,435,794	6,573,428
2015	3,128,436	3,148,035	320,320	3,468,355	6,596,791
2016	2,625,344	3,570,887	367,332	3,938,219	6,563,563
2017	2,709,279	3,554,592	389,066	3,943,658	6,652,937
2018	2,645,556	3,729,998	362,211	4,092,209	6,737,766

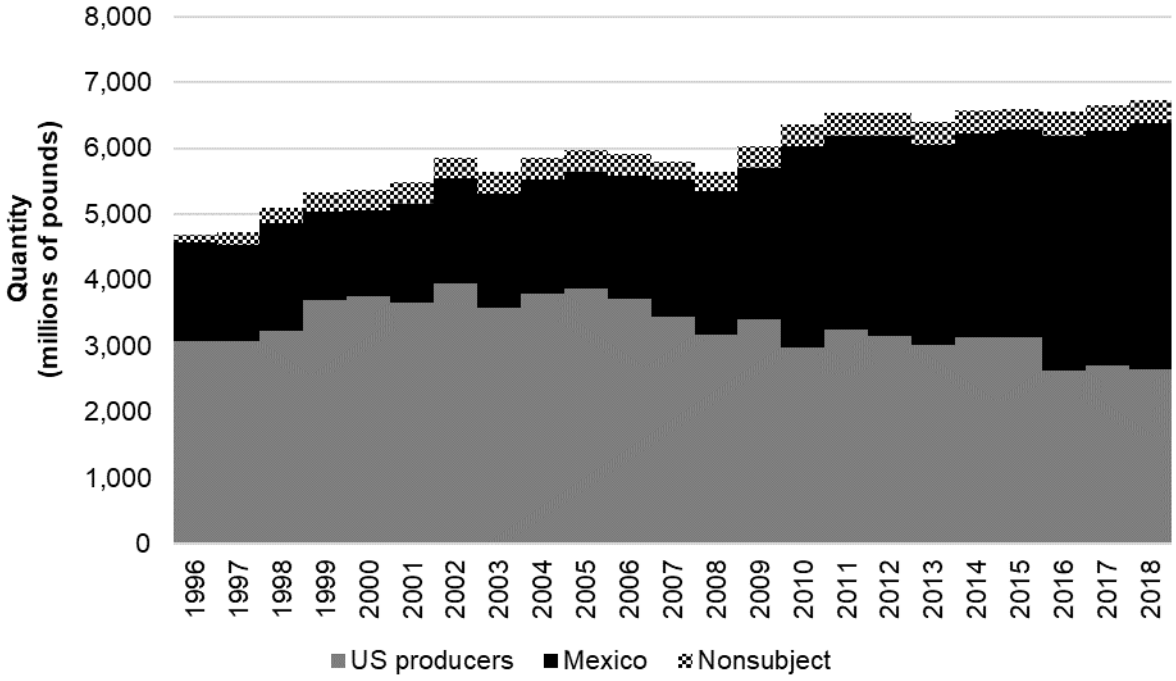
Table continued.

Table IV-7--Continued
Fresh tomatoes: Apparent U.S. consumption using USDA data, 1996-2018

Item	U.S. producers	Imports from			Apparent consumption
		Mexico	Nonsubject sources	All import sources	
	Share of quantity (percent)				
1996	65.4	32.2	2.4	34.6	100.0
1997	65.3	30.9	3.8	34.7	100.0
1998	63.4	31.7	4.9	36.6	100.0
1999	69.3	25.5	5.2	30.7	100.0
2000	70.0	24.3	5.8	30.0	100.0
2001	66.9	27.3	5.8	33.1	100.0
2002	67.6	27.3	5.1	32.4	100.0
2003	63.3	30.7	6.0	36.7	100.0
2004	64.9	29.3	5.8	35.1	100.0
2005	64.8	29.6	5.6	35.2	100.0
2006	63.0	31.5	5.5	37.0	100.0
2007	59.3	36.1	4.6	40.7	100.0
2008	56.4	38.6	5.0	43.6	100.0
2009	56.5	38.3	5.2	43.5	100.0
2010	46.9	47.8	5.3	53.1	100.0
2011	49.8	44.7	5.5	50.2	100.0
2012	48.3	46.6	5.2	51.7	100.0
2013	47.1	47.6	5.4	52.9	100.0
2014	47.7	46.9	5.4	52.3	100.0
2015	47.4	47.7	4.9	52.6	100.0
2016	40.0	54.4	5.6	60.0	100.0
2017	40.7	53.4	5.8	59.3	100.0
2018	39.3	55.4	5.4	60.7	100.0

Source: Compiled from USDA data and official U.S. import statistics using subheading 0702.00, accessed July 29, 2019.

Figure IV-6
Fresh tomatoes: Apparent U.S. consumption using USDA data, 1996-2018



Source: Compiled from USDA data and official U.S. import statistics using subheading 0702.00, accessed July 29, 2019.

Part V: Pricing data

Factors affecting prices

Raw material costs

Fresh tomatoes are grown using inputs including seeds, fertilizer, fuel, insecticide, land and irrigation.[1] U.S. producers reported that costs for raw materials as a share of the cost of goods (seeds, fertilizer, pesticides, herbicides, and packing material) were relatively steady at 44.1 percent in 2016 and 45.3 percent in 2018. However, the majority of responding U.S. producers (at least 19 of 21) and importers (at least 25 of 38) reported that the cost of raw materials had increased since January 1, 2016.[2]

U.S. inland transportation costs

The majority of responding U.S. producers (16 of 23) and importers (36 of 51) reported that the purchaser typically arranges transportation. U.S. producers reported U.S. inland transportation costs ranging from 6 to 25 percent and most importers reported costs ranging from 4 to 30 percent.[3] Purchaser *** reported that the transportation cost can be prohibitive for Mexican tomatoes entering the U.S. market if U.S. producers have fresh tomatoes available at a competitive cost.

Exchange rates

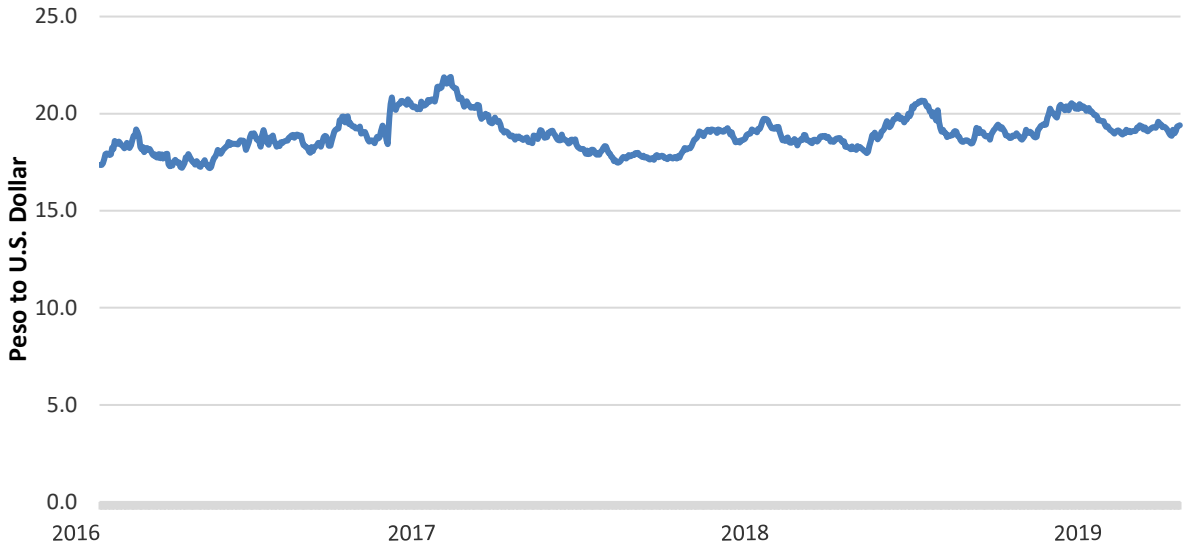
Between January 2016 and March 2019, the nominal value of the peso decreased 11.7 percent against the dollar (figure V-1).

[1] University of Georgia, Commercial Tomato Production Handbook, http://extension.uga.edu/publications/detail.html?number=B1312&title=Commercial%20Tomato%20Production%20Handbook, retrieved January 29, 2019.

[2] U.S. producers and importers were asked about changes in raw material costs for specific raw materials (seeds/plants, fertilizer, pesticides and herbicides, packing material, and other). Responses on each raw material varied and the raw material with the least responses is presented in the report.

[3] Importers *** reported inland transportation costs of 1 percent or less and importers *** reported inland transportation costs greater than 40 percent.

Figure V-1
Exchange rates: Mexican peso to U.S. dollar exchange rate, weekly, January 2016 to March 2019



Source: Federal Reserve Economic Data (FRED), Federal Reserve Bank of St. Louis, https://fred.stlouisfed.org/series/DEXMXUS, retrieved August 15, 2019.

Pricing practices

Pricing methods

U.S. producers and importers reported using transaction-by-transaction, contracts, price lists, and other methods. As presented in table V-1, most U.S. producers reported selling on a transaction-by-transaction basis and about half of producers reported using contracts. Importers sell primarily on a transaction-by-transaction basis, as well as through contracts, and to a lesser extent, through price lists.

Table V-1
Fresh tomatoes: U.S. producers' and importers' reported price setting methods, by number of responding firms

Method	U.S. producers	Importers
Transaction-by-transaction	19	44
Contract	12	37
Set price list	6	15
Other	4	10
Responding firms	23	51

Note: The sum of responses down may not add up to the total number of responding firms as each firm was instructed to check all applicable price setting methods employed.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. producers reported selling the vast majority of their fresh tomatoes through spot sales and most of the remainder through short-term contracts (table V-2). Importers reported selling the majority of their fresh tomatoes through spot sales or short-term contracts, with about 20 percent of sales through annual or longer-term contracts. U.S. producers and importers reported short-term contract durations of up to 180 days.

Table V-2
Fresh tomatoes: U.S. producers' and importers' shares of U.S. commercial shipments by type of sale, 2018

Type of sale	U.S. producers	Importers
Long-term contracts	0.6	6.4
Annual contracts	5.1	13.9
Short-term contracts	17.3	32.4
Spot sales	77.0	47.2
Total	100.0	100.0

Note.--Because of rounding, figures may not add to the totals shown.

Source: Compiled from data submitted in response to Commission questionnaires.

The majority of responding U.S. producers and importers reported that their contracts do not allow for price renegotiation price during the contract period and that contracts are not indexed to raw material prices. Most responding U.S. producers (10 of 15) and importers (28 of 34) reported that their short-term contracts fix both price and quantity.[4] A number of importers also reported that their annual and longer-term contracts also fix both price and quantity.[5]

Fourteen purchasers reported that they purchase product daily, two purchase weekly, one purchases quarterly, one purchases annually, and three reported purchasing with other levels of frequency (as needed or when supply was not enough to cover commitments). Twenty-one responding purchasers reported that their purchasing frequency had not changed since 2016. Most purchasers (19 of 21) reported contacting between one and 10 suppliers before making a purchase.

[4] In addition, ten U.S. producers reported that their short-term contracts fix price and quantity, and four reported that their short-term contracts fix price; and six importers reported that price is fixed in short-term contracts and one reported that quantity is fixed.

[5] Ten importers reported that for their annual contracts, both price and quantity were fixed, and five reported that price was fixed. For long-term contracts, two importers reported fixing price and quantity, two reported fixing price, and one reported fixing quantity.

Sales terms and discounts

The majority of the responding U.S. producers (22 of 23) and importers (44 of 51) reported that they typically quote prices on an f.o.b. basis.

Fourteen U.S. producers reported having no discount policy, eight reported offering quality defect discounts, seven reported offering condition defect discounts, and four reported offering other discounts (based on the market at the time of purchase, performance, and the time remaining before fresh tomatoes perish).

Thirty-two importers reported having no discount policy, 15 reported offering quality defect discounts,[6] 14 reported offering condition defect discounts,[7] 5 reported offering quantity discounts, and 2 reported offering other discounts (based on late deliveries of fresh tomatoes).

Price leadership

Most purchasers (15 of 21) did not list any firms as price leaders in the U.S. fresh tomato market. Three purchasers listed Lipman and Gargiullo as price leaders and two purchasers listed Farmers Best and Dimare. Five other firms (Aldi, Malena, Giampoli, Kaliroy, and the Florida Tomato Grower Exchange) were listed as a price leader by one purchaser each. Purchasers reported that high production volumes and availability of fresh tomatoes determines price leadership in the fresh tomato market.

[6] This discount is applied to shipments of fresh tomatoes that are under the agreed quality level (i.e. 85 percent U.S. #1 or better)

[7] This discount is applied to shipments of fresh tomatoes with defects such as spots or bruising.

Price data

The Commission requested U.S. producers and importers to provide monthly data for the total quantity and f.o.b. value of the following fresh tomato products shipped to unrelated U.S. customers during January 2016-March 2019.[8]

Product 1.-- Open field and adapted-environment plum/Roma tomatoes, 85 percent U.S. #1 or better, bulk packed in 20-pound or above boxes.

Product 2.-- Greenhouse and controlled-environment plum/Roma tomatoes, 85 percent U.S. #1 or better, bulk packed in 20-pound or above boxes.

Product 3.-- Open field and adapted-environment round tomatoes, packed in 15-pound boxes, 85 percent or better U.S. #1.

Product 4.-- Greenhouse and controlled-environment round tomatoes, packed in 15-pound boxes, 85 percent or better U.S. #1.

Product 5.-- Open field and adapted-environment cherry/grape tomatoes, packed in one pint clam shells, 12 pints per box, 85 percent or better U.S. #1.

Product 6.-- Greenhouse and controlled-environment cherry/grape tomatoes, packed in one pint clam shells, 12 pints per box, 85 percent or better U.S. #1.

Twenty-one U.S. producers and 43 importers of Mexican fresh tomatoes provided usable pricing data for sales of the requested products, although not all firms reported pricing for all products for all quarters.[9] [10] Pricing data reported by these firms accounted for approximately 88.3 percent of U.S. producers' commercial U.S. shipments of fresh tomatoes and 72.4 percent of commercial U.S. shipments of subject imports from Mexico in 2018.

---

[8] Petitioners presented USDA terminal market prices. Petitioners prehearing brief, pp. 37-38. Terminal market price data is produced by a survey conducted in 13 major U.S. cities and captures the daily range of prices offered to wholesalers for various fruits and vegetables sold in quantities less than a carload or truckload. Any specific price offered to wholesalers does not necessarily represent the price at which sales take place.

[9] Per-unit pricing data are calculated from total quantity and total value data provided by U.S. producers and importers. The precision and variation of these figures may be affected by rounding, limited quantities, and producer or importer estimates.

[10] Price data from importers *** were excluded from the data set due to uncertainties related to product descriptions, values, and/or differentiation of pricing products.

Price data for products 1-6 are presented in tables V-3 to V-8 and figures V-2 to V-7.

Table V-3
Fresh tomatoes: Weighted-average f.o.b. prices and quantities of domestic and imported product 1, and margins of underselling/(overselling), by month, January 2016-March 2019

Period	United States		Mexico		
	Price (dollars per pound)	Quantity (1,000 pounds)	Price (dollars per pound)	Quantity (1,000 pounds)	Margin (percent)
2016:					
January	0.52	15,360	0.47	79,454	8.1
February	0.37	6,415	0.36	102,036	4.1
March	0.46	16,471	0.43	81,370	7.3
April	0.28	23,429	0.35	64,040	(25.1)
May	0.23	26,076	0.34	46,494	(50.9)
June	0.28	6,753	0.34	51,486	(24.3)
July	0.31	15,472	0.39	32,690	(23.3)
August	0.34	20,777	0.40	23,652	(19.1)
September	0.44	18,807	0.54	22,340	(21.9)
October	0.44	16,431	0.48	40,090	(9.6)
November	0.36	27,097	0.40	37,475	(9.9)
December	0.32	36,885	0.41	31,591	(26.8)
2017:					
January	0.32	22,020	0.35	67,249	(7.0)
February	0.31	20,218	0.34	58,524	(9.5)
March	0.29	29,199	0.34	79,073	(14.3)
April	0.33	24,875	0.36	62,535	(7.1)
May	0.47	27,174	0.39	62,269	17.3
June	0.38	6,387	0.43	58,009	(13.2)
July	0.43	11,588	0.51	36,162	(17.5)
August	0.47	15,343	0.50	26,954	(7.3)
September	0.45	16,806	0.47	28,526	(4.0)
October	0.44	11,481	0.42	42,060	4.3
November	0.59	17,143	0.43	47,095	28.0
December	0.77	29,428	0.66	43,463	13.7
2018:					
January	0.40	22,991	0.39	72,359	1.6
February	0.33	18,120	0.34	68,322	(3.3)
March	0.35	22,573	0.37	77,992	(7.0)
April	0.24	31,252	0.34	68,642	(45.8)
May	0.31	25,460	0.34	73,337	(11.3)
June	0.32	4,292	0.35	69,742	(11.1)
July	0.28	11,879	0.39	41,314	(37.9)
August	0.43	17,165	0.42	35,717	2.6
September	0.44	18,341	0.47	26,919	(8.1)
October	0.49	15,823	0.56	40,381	(14.3)
November	0.72	30,342	0.70	39,847	2.4
December	0.57	31,656	0.49	45,607	14.2
2019:					
January	0.42	27,534	0.39	94,308	7.3
February	0.35	18,018	0.35	91,716	1.5
March	0.42	24,260	0.39	92,363	6.6

Note: Product 1: Open field and adapted-environment plum/Roma tomatoes, 85 percent U.S. #1 or better, bulk packed in 20-pound or above boxes.
Source: Compiled from data submitted in response to Commission questionnaires.

Table V-4
Fresh tomatoes: Weighted-average f.o.b. prices and quantities of domestic and imported product 2, and margins of underselling/(overselling), by month, January 2016-March 2019

Period	United States		Mexico		
	Price (dollars per pound)	Quantity (1,000 pounds)	Price (dollars per pound)	Quantity (1,000 pounds)	Margin (percent)
2016:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	***	***	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	***	***	***
December	***	***	0.48	1,156	***
2017:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	***	***	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	***	***	***
December	***	***	***	***	***
2018:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	0.55	679	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	***	***	***
December	***	***	0.74	1,183	***
2019:					
January	***	***	0.78	603	***
February	***	***	0.73	1,235	***
March	***	***	0.56	1,571	***

Note: Product 2: Greenhouse and controlled-environment plum/Roma tomatoes, 85 percent U.S. #1 or better, bulk packed in 20-pound or above boxes.
Source: Compiled from data submitted in response to Commission questionnaires.

Table V-5
Fresh tomatoes: Weighted-average f.o.b. prices and quantities of domestic and imported product 3, and margins of underselling/(overselling), by month, January 2016-March 2019

Period	United States		Mexico		
	Price (dollars per pound)	Quantity (1,000 pounds)	Price (dollars per pound)	Quantity (1,000 pounds)	Margin (percent)
2016:					
January	0.89	50,186	0.68	40,064	23.1
February	0.70	43,487	0.43	49,115	39.0
March	0.53	60,854	0.41	57,593	22.3
April	0.29	67,163	0.36	37,818	(26.4)
May	0.20	75,854	0.39	16,023	(99.2)
June	0.29	69,188	0.41	7,747	(42.1)
July	0.28	77,450	0.48	3,526	(71.7)
August	0.35	68,881	0.50	6,283	(41.7)
September	0.41	71,226	***	***	***
October	0.41	95,479	***	***	***
November	0.35	82,640	***	***	***
December	0.29	83,324	***	***	***
2017:					
January	0.24	79,304	0.43	35,529	(78.8)
February	0.26	86,659	0.36	35,903	(38.6)
March	0.27	79,900	0.36	40,894	(35.5)
April	0.30	71,853	0.36	33,124	(21.6)
May	0.49	69,680	0.44	25,583	10.0
June	0.40	70,321	0.43	15,138	(7.1)
July	0.30	75,456	***	***	***
August	0.34	63,606	***	***	***
September	0.43	64,595	***	***	***
October	0.32	72,473	***	***	***
November	0.63	56,446	***	***	***
December	0.71	55,143	1.02	25,455	(43.0)
2018:					
January	0.38	57,278	0.41	44,818	(7.9)
February	0.30	68,432	0.36	40,912	(19.1)
March	0.39	64,597	0.38	44,302	3.3
April	0.21	79,077	0.35	31,228	(67.3)
May	0.29	64,226	0.37	30,426	(30.5)
June	0.36	61,390	***	***	***
July	0.24	71,468	0.38	12,591	(59.6)
August	0.33	70,045	***	***	***
September	0.33	69,349	***	***	***
October	0.35	81,916	***	***	***
November	0.59	72,956	***	***	***
December	0.70	59,956	***	***	***
2019:					
January	0.57	57,975	0.48	39,553	16.3
February	0.37	58,511	0.36	42,056	1.9
March	0.45	55,074	0.41	36,484	9.1

Note: Product 3: Open field and adapted-environment round tomatoes, packed in 15-pound boxes, 85 percent or better U.S. #1.
Source: Compiled from data submitted in response to Commission questionnaires.

Table V-6
Fresh tomatoes: Weighted-average f.o.b. prices and quantities of domestic and imported product 4, and margins of underselling/(overselling), by month, January 2016-March 2019

Period	United States		Mexico		
	Price (dollars per pound)	Quantity (1,000 pounds)	Price (dollars per pound)	Quantity (1,000 pounds)	Margin (percent)
2016:					
January	***	***	1.12	7,390	***
February	***	***	0.59	8,344	***
March	***	***	0.63	7,373	***
April	***	***	0.55	5,421	***
May	***	***	0.61	3,083	***
June	***	***	0.60	2,152	***
July	***	***	***	***	***
August	***	***	0.43	2,891	***
September	***	***	0.61	5,695	***
October	***	***	0.68	6,573	***
November	***	***	0.72	7,085	***
December	***	***	0.81	7,404	***
2017:					
January	***	***	0.71	7,837	***
February	***	***	0.57	8,383	***
March	***	***	0.52	9,926	***
April	***	***	0.45	6,184	***
May	***	***	0.48	6,934	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	0.52	3,506	***
September	***	***	0.43	7,213	***
October	***	***	0.44	6,242	***
November	***	***	0.69	6,906	***
December	***	***	1.04	8,136	***
2018:					
January	***	***	0.67	9,811	***
February	***	***	0.51	9,347	***
March	***	***	0.54	10,201	***
April	***	***	0.47	5,454	***
May	***	***	0.51	3,326	***
June	***	***	0.49	1,421	***
July	***	***	0.47	1,564	***
August	***	***	0.44	4,463	***
September	***	***	0.43	7,987	***
October	***	***	0.52	8,671	***
November	***	***	0.73	8,354	***
December	***	***	0.84	9,094	***
2019:					
January	***	***	0.86	7,830	***
February	***	***	1.00	5,622	***
March	***	***	1.07	6,290	***

Note: Product 4: Greenhouse and controlled-environment round tomatoes, packed in 15-pound boxes, 85 percent or better U.S. #1
Source: Compiled from data submitted in response to Commission questionnaires.

Table V-7
Fresh tomatoes: Weighted-average f.o.b. prices and quantities of domestic and imported product 5, and margins of underselling/(overselling), by month, January 2016-March 2019

Period	United States		Mexico		
	Price (dollars per pound)	Quantity (1,000 pounds)	Price (dollars per pound)	Quantity (1,000 pounds)	Margin (percent)
2016:					
January	1.84	4,585	1.44	15,889	21.9
February	1.81	5,100	1.32	12,909	27.1
March	1.48	9,034	1.24	10,431	16.2
April	0.96	8,988	1.02	7,163	(6.3)
May	0.84	8,737	1.17	4,756	(39.3)
June	0.95	8,188	0.95	5,252	0.2
July	1.06	6,435	0.95	5,213	10.7
August	0.99	6,066	1.25	3,251	(25.5)
September	1.26	5,060	1.34	4,472	(6.5)
October	1.51	5,879	1.44	4,226	5.1
November	0.96	7,822	1.17	4,283	(22.1)
December	1.05	8,603	0.97	5,721	7.4
2017:					
January	0.83	7,370	0.64	13,668	22.6
February	0.83	7,084	0.64	12,303	22.4
March	0.80	8,365	0.73	9,649	9.8
April	0.92	9,275	0.98	6,140	(6.3)
May	1.11	9,092	1.10	5,870	0.8
June	0.97	7,257	1.04	6,018	(7.6)
July	1.16	5,884	0.94	5,075	19.5
August	0.96	6,917	0.94	5,677	1.8
September	1.31	4,591	1.10	4,872	15.8
October	1.25	4,943	1.07	4,968	14.1
November	1.76	5,490	1.75	3,968	0.2
December	1.38	8,594	1.53	5,763	(10.2)
2018:					
January	1.25	6,436	0.79	13,686	36.5
February	0.86	6,735	0.63	13,241	25.9
March	0.96	7,520	0.73	12,616	24.3
April	0.77	8,298	0.80	8,346	(3.9)
May	1.10	7,882	0.98	7,939	11.4
June	1.17	6,399	1.13	7,036	3.7
July	1.00	5,535	0.93	6,040	7.1
August	1.01	5,255	0.84	6,309	16.5
September	1.04	6,187	1.12	4,229	(7.1)
October	1.12	5,711	1.41	3,462	(26.5)
November	1.70	6,836	1.76	2,756	(3.3)
December	1.48	7,664	1.17	6,595	20.8
2019:					
January	1.07	6,452	0.76	12,562	29.0
February	0.93	6,176	0.69	11,830	26.4
March	0.96	6,838	0.79	11,670	18.3

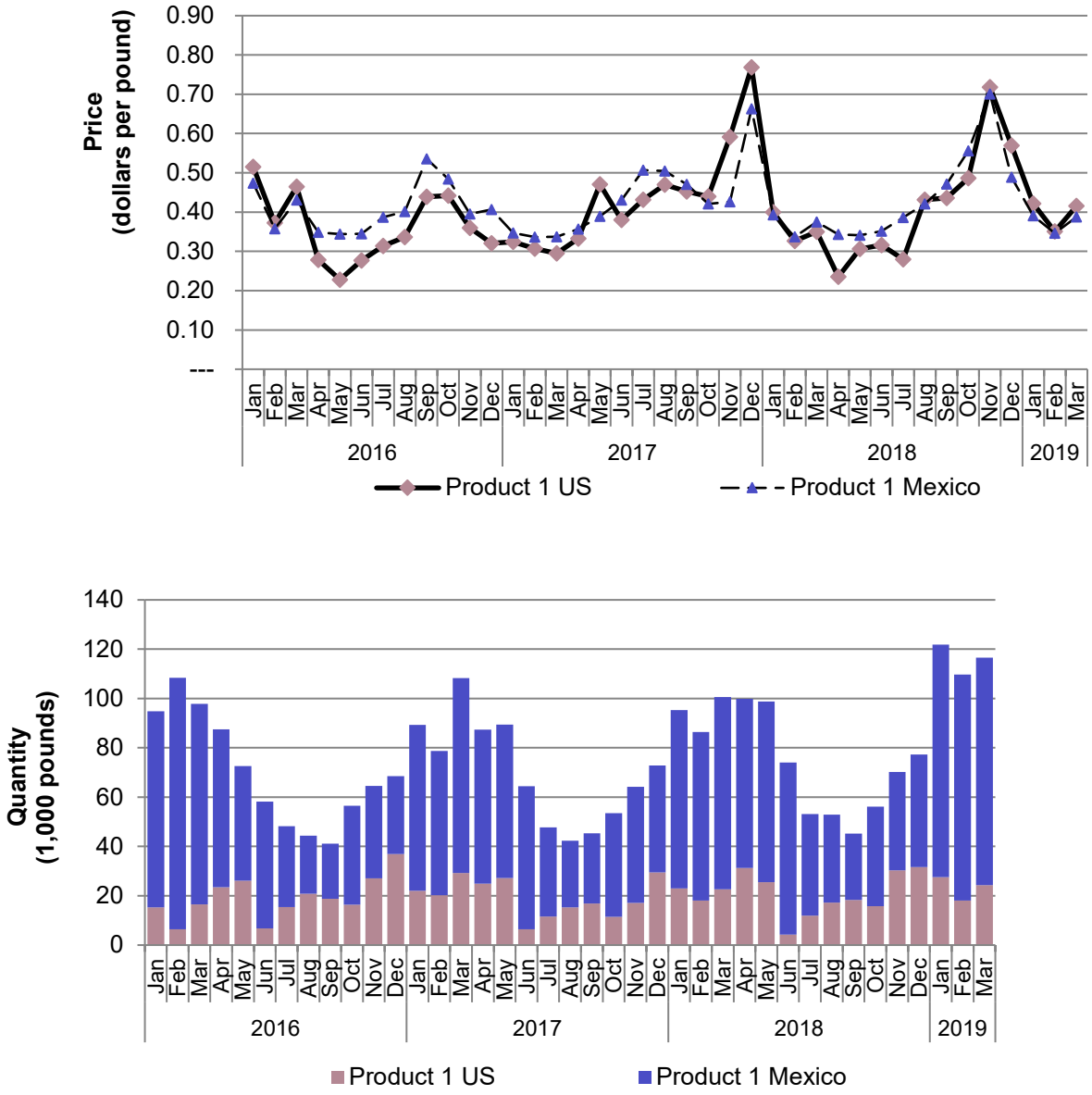
Note: Product 5: Open field and adapted-environment cherry/grape tomatoes, packed in one pint clam shells, 12 pints per box, 85 percent or better U.S. #1
Source: Compiled from data submitted in response to Commission questionnaires.

Table V-8
Fresh tomatoes: Weighted-average f.o.b. prices and quantities of domestic and imported product 6, and margins of underselling/(overselling), by month, January 2016-March 2019

Period	United States		Mexico		
	Price (dollars per pound)	Quantity (1,000 pounds)	Price (dollars per pound)	Quantity (1,000 pounds)	Margin (percent)
2016:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	***	***	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	***	***	***
December	***	***	***	***	***
2017:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	***	***	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	2.19	7,373	***
December	***	***	***	***	***
2018:					
January	***	***	***	***	***
February	***	***	***	***	***
March	***	***	***	***	***
April	***	***	***	***	***
May	***	***	***	***	***
June	***	***	***	***	***
July	***	***	***	***	***
August	***	***	***	***	***
September	***	***	***	***	***
October	***	***	***	***	***
November	***	***	***	***	***
December	***	***	***	***	***
2019:					
January	***	***	2.31	6,616	***
February	***	***	2.14	6,762	***
March	***	***	***	***	***

Note: Product 6: Greenhouse and controlled-environment cherry/grape tomatoes, packed in one pint clam shells, 12 pints per box, 85 percent or better U.S. #1.
Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-2
Fresh tomatoes: Weighted-average prices and quantities of domestic and imported product 1, by quarters, January 2016-March 2019



Note: Product 1: Open field and adapted-environment plum/Roma tomatoes, 85 percent U.S. #1 or better, bulk packed in 20-pound or above boxes.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-3
Fresh tomatoes: Weighted-average prices and quantities of domestic and imported product 2, by quarters, January 2016-March 2019

* * * * * * *

Note: Product 2: Greenhouse and controlled-environment plum/Roma tomatoes, 85 percent U.S. #1 or better, bulk packed in 20-pound or above boxes.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-4
Fresh tomatoes: Weighted-average prices and quantities of domestic and imported product 3, by quarters, January 2016-March 2019

* * * * * * *

Note: Product 3: Open field and adapted-environment round tomatoes, packed in 15-pound boxes, 85 percent or better U.S. #1.

Source: Compiled from data submitted in response to Commission questionnaires.

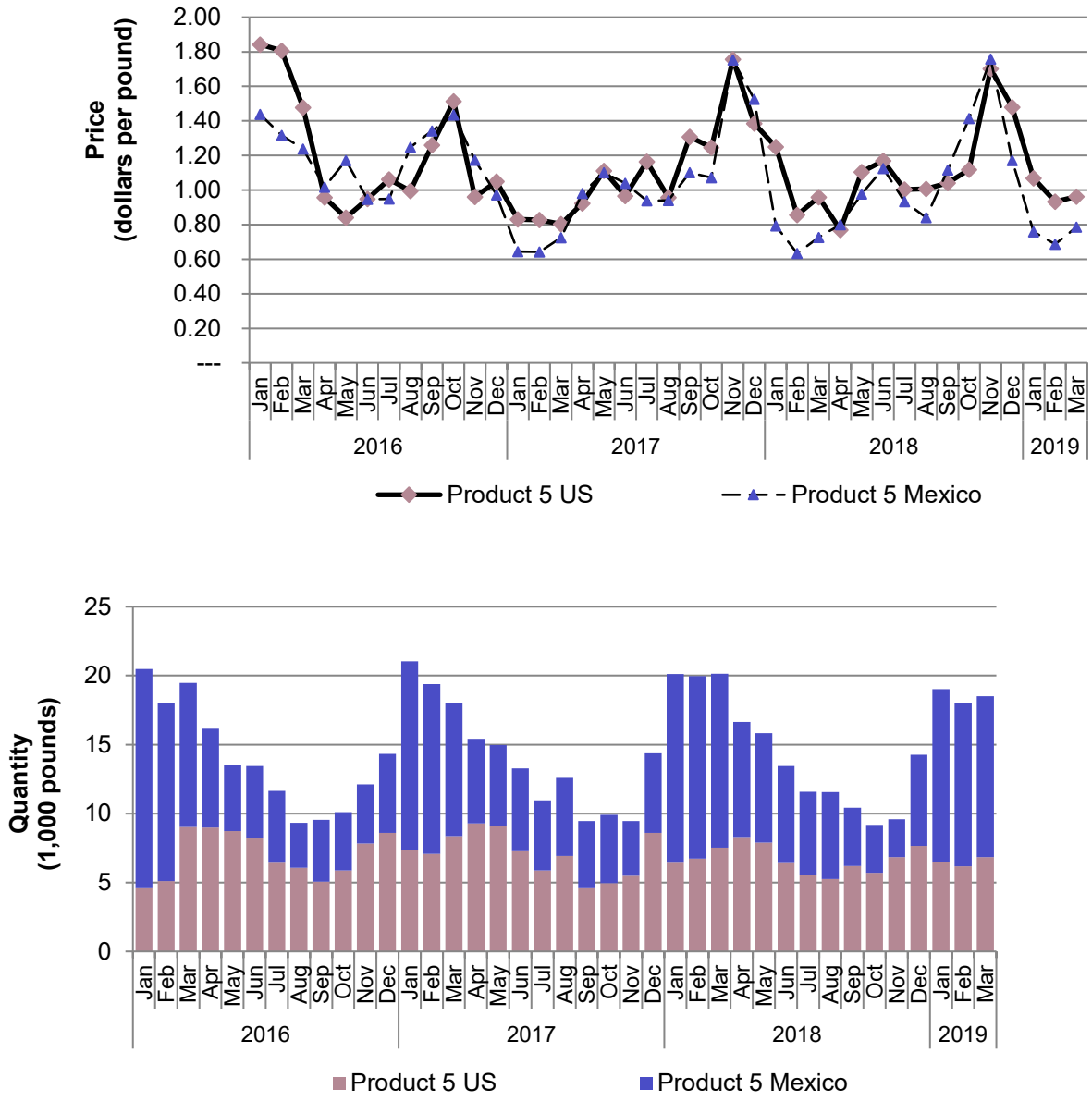
Figure V-5
Fresh tomatoes: Weighted-average prices and quantities of domestic and imported product 4, by quarters, January 2016-March 2019

* * * * * * *

Note: Product 4: Greenhouse and controlled-environment round tomatoes, packed in 15-pound boxes, 85 percent or better U.S. #1.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-6
Fresh tomatoes: Weighted-average prices and quantities of domestic and imported product 5, by quarters, January 2016-March 2019



Note: Product 5: Open field and adapted-environment cherry/grape tomatoes, packed in one pint clam shells, 12 pints per box, 85 percent or better U.S. #1.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-7
Fresh tomatoes: Weighted-average prices and quantities of domestic and imported product 6, by quarters, January 2016-March 2019

* * * * * * *

Note: Product 6: Greenhouse and controlled-environment cherry/grape tomatoes, packed in one pint clam shells, 12 pints per box, 85 percent or better U.S. #1.

Source: Compiled from data submitted in response to Commission questionnaires.

Price trends

Prices tended to vary a great deal month to month and year to year (figures V-8 and V-9). The prices of both U.S. and Mexican fresh tomatoes grown in a greenhouse or controlled environment fluctuated with no clear pattern.

In general, the prices of the U.S. and Mexican produced fresh tomatoes decreased from January 2016 to March 2019. Table V-9 summarizes the price trends by product. As shown in the table, the domestic price increased *** percent for product 6 and price changes ranged from a *** percent decrease to a *** percent decrease during January 2016-March 2019 for all other products where data was available. Mexican price changes ranged from an *** percent decrease to *** percent decrease during January 2016-March 2019. When comparing prices in January 2016 to January 2019 to control for seasonality, domestic price changes ranged from a *** percent increase to a *** percent decrease. Mexican price changes ranged from a *** percent increase to a *** percent decrease during January 2016-January 2019.[11]

Importer *** reported that the majority of fresh tomato production occurs at different times of the year in Mexico and in the United States. Importer *** reported that fluctuations in the price of fresh tomatoes occur when major U.S. production has stopped and major Mexican product has not yet begun or vice versa. A number of variables (such as temperature and levels of rainfall) determine when Mexican or U.S. tomato production begins and ends. These importers reported that fluctuation of these variables resulted in the variation in price that occurred with no clear pattern from January 2016 to March 2019.

[11] Respondents reported that USDA data showed that prices of fresh tomatoes in May through August 2019 had increased after the termination of the suspension agreement in May 2019, compared to the same months in 2018 (Respondents' prehearing brief, exhibit 7).

Table V-9
Fresh tomatoes: Number of months containing observations of low price, high price, and change in price over period, by product and source, January 2016-March 2019

Item	Number of months	Low price (dollars per pound)	High price (dollars per pound)	Change in price over period (percent)	Change in price between January 2016 and January 2019
Product 1					
United States	39	0.23	0.77	(19.4)	(18.2)
Mexico	39	0.34	0.70	(18.0)	(17.4)
Product 2					
United States	32	***	***	***	***
Mexico	39	***	***	***	***
Product 3					
United States	39	***	***	***	***
Mexico	39	***	***	***	***
Product 4					
United States	39	***	***	***	***
Mexico	39	***	***	***	***
Product 5					
United States	39	0.77	1.84	(47.7)	(42.1)
Mexico	39	0.63	1.76	(45.3)	(47.3)
Product 6					
United States	39	***	***	***	***
Mexico	39	***	***	***	***

Note: Percentage change from the first month in which data were available to the last month in which price data were available.

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-8
Fresh tomatoes: Indexed U.S. producer prices for field-grown tomatoes (products 1, 3, and 5) and greenhouse tomatoes (products 2, 4, and 6), January 2016-March 2019

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Figure V-9
Fresh tomatoes: Indexed subject importer prices for field-grown tomatoes (products 1, 3, and 5) and greenhouse tomatoes (products 2, 4, and 6), January 2016-March 2019

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Price comparisons

As shown in table V-10, prices for product imported from Mexico were below those for U.S.-produced product in 130 of 227 instances (2.01 billion pounds); margins of underselling ranged from 0.2 to 84.2 percent. In the remaining 97 instances (2.17 billion pounds), prices for product from Mexico were between 0.9 and 399.4 percent above prices for the domestic product. Table V-11 shows price comparisons by year.

Table V-10
Fresh tomatoes: Instances of underselling/overselling and the range and average of margins, by product, January 2016-March 2019

Source	Underselling				
	Number of months	Quantity (1,000 pounds)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	14	929,667	8.5	1.5	28.0
Product 2	23	***	***	***	***
Product 3	9	***	***	***	***
Product 4	32	***	***	***	***
Product 5	27	235,216	15.4	0.2	36.5
Product 6	25	***	***	***	***
Total	130	2,013,065	21.3	0.2	84.2
Source	**(Overselling)**				
	Number of months	Quantity (1,000 pounds)	Average margin (percent)	Margin range (percent)	
				Min	Max
Product 1	25	1,233,539	(17.2)	(3.3)	(50.9)
Product 2	9	***	***	***	***
Product 3	30	***	***	***	***
Product 4	7	***	***	***	***
Product 5	12	60,640	(13.7)	(3.3)	(39.3)
Product 6	14	***	***	***	***
Total	97	2,173,901	(34.4)	(0.9)	(399.4)

Note: These data include only months in which there is a comparison between the U.S. and subject product.

Source: Compiled from data submitted in response to Commission questionnaires.

Table V-11
Fresh tomatoes: Instances of underselling/overselling and the range and average of margins, by year, January 2016-March 2019

Source	Underselling				
	Number of months	Quantity (pounds)	Average margin (percent)	Margin range (percent)	
				Min	Max
2016	***	***	***	***	***
2017	***	***	***	***	***
2018	***	***	***	***	***
2019 Q1	***	***	***	***	***
Total	130	2,013,065	21.3	0.2	84.2
Source	**(Overselling)**				
	Number of months	**Quantity (pounds)**	**Average margin (percent)**	**Margin range (percent)**	
				Min	**Max**
2016	***	***	***	***	***
2017	***	***	***	***	***
2018	***	***	***	***	***
2019 Q1	***	***	***	***	***
Total	97	2,173,901	(34.3)	(0.9)	(399.4)

Note: These data include only months in which there is a comparison between the U.S. and subject product.

Source: Compiled from data submitted in response to Commission questionnaires.

Lost sales and lost revenue

Staff received purchaser questionnaire responses from 21 firms. These 21 purchasers reported purchasing 6.2 billion pounds of fresh tomatoes during January 2016-March 2019 (table V-12).

Table V-12
Fresh tomatoes: Purchasers' responses to purchasing patterns

Purchaser	Purchases and imports in January 2016 through March 2019 (1,000 pounds)			Change in domestic share (pp, 2016-18)	Change in subject country share (pp, 2016-18)
	Domestic	Subject	All other		
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***[12]	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***[13]	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	2,362,412	3,220,580	581,470	(3.1)	1.5

Note: Includes all other sources and unknown sources.
Note: Percentage points (pp) change: Change in the share of the firm's total purchases of domestic and/or subject country imports between first and last years.

Source: Compiled from data submitted in response to Commission questionnaires.

Of the 21 responding purchasers, 15 reported that, since 2016, they had purchased imported fresh tomatoes from Mexico instead of U.S.-produced product. Eight of these 15 purchasers reported that subject import prices were lower than U.S.-produced product, and three of these purchasers reported that price was a primary reason for the decision to purchase imported product rather than U.S.-produced product. Purchasers' estimates of the quantity of fresh tomatoes from Mexico purchased instead of domestic product ranged from 1.3 million pounds to 30 million pounds (table V-13). Purchasers identified packaging, size of the tomato,

[12] *** reported that it purchased fresh tomatoes from an unknown source.
[13] *** did not provide the quantity or value of fresh tomato purchases.

and the variety of the tomato as non-price reasons for purchasing imported rather than U.S.-produced product.

Table V-13
Fresh tomatoes: Purchasers' responses to purchasing subject instead of domestic, by firm

Purchaser	Subject imports purchased instead of domestic (Y/N)	Imports priced lower (Y/N)	If purchased subject imports instead of domestic, was price a primary reason		
			Y/N	If Yes, quantity (1,000 pounds)	If No, non-price reason
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total	Yes--15; No--6	Yes--8; No--8	Yes--3; No--11	***	

Source: Compiled from data submitted in response to Commission questionnaires.

Of the 21 responding purchasers, three reported that U.S. producers had reduced prices in order to compete with lower-priced imports from Mexico (table V-14; five reported that they did not know). The reported estimated price reduction ranged from *** to *** percent.

Table V-14
Fresh tomatoes: Purchasers' responses to U.S. producer price reductions, by firm

Purchaser	Producers reduced price (Y/N)	If producer reduced prices:	
		Estimated U.S. price reduction (percent)	Additional information, if available
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***[1]	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total / average	Yes--3; No—13	***	

Note: ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Part VI: Financial experience of U.S. producers

Background

This section of the report presents the financial results of 22 U.S. producers of fresh tomatoes.[1] Twenty-one of the U.S. producers reported their financial results on an accrual basis and 18 U.S. producers reported financial data on a calendar year basis.[2] The majority of the responding companies reported tomatoes as their only crop grown on their farm or packed in their facilities.[3] Based on USDA volume data, it is estimated that 55.3 percent of the total U.S. production of fresh tomatoes in 2018 is accounted for in table VI-1.[4]

Figure VI-1 presents each responding firm's share of the total reported net sales quantity in 2018. The largest four producers (***) represented *** percent of total net sales volume in 2018.

[1] ***.

[2] ***.

[3] ***.

[4] This estimate is based on information available from USDA fresh tomato production for the United States for 2018 (2,828,200,000 pounds), compared to reported 2018 net sales volume at table VI-1. *2019 Vegetables and Pulses Yearbook,* USDA, Economic Research Service, Table 42.

Figure VI-1
Fresh tomatoes: Share of net sales quantity by firm, 2018

* * * * * * *

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on fresh tomatoes

Table VI-1 presents aggregated data on U.S. producers' operations in relation to fresh tomatoes over the period examined, while table VI-2 presents corresponding changes in average per-pound values. Selected company-specific financial data are presented in table VI-3.

Table VI-1
Fresh tomatoes: Results of operations of U.S. producers, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Commercial sales	1,380,692	1,407,279	1,381,033	323,725	306,802
Transfers to related firms	195,063	202,837	182,660	42,694	41,283
Total net sales	1,575,755	1,610,116	1,563,693	366,419	348,085
	Value (1,000 dollars)				
Commercial sales	733,372	742,747	741,505	169,396	184,626
Transfers to related firms	135,254	122,599	120,596	25,237	26,623
Total net sales	868,626	865,346	862,101	194,633	211,249
Cost of goods sold.-- Raw materials	342,817	341,663	349,651	76,385	77,939
Direct labor	324,227	325,644	312,044	76,482	73,265
Other factory costs	109,829	114,876	109,741	24,619	25,465
Total COGS	776,873	782,183	771,436	177,486	176,669
Gross profit	91,752	83,164	90,665	17,146	34,580
SG&A expense	102,913	103,873	102,268	20,802	20,449
Operating income or (loss)	(11,160)	(20,709)	(11,603)	(3,656)	14,131
Interest expense	***	***	***	***	***
All other expenses	***	***	***	***	***
All other income	***	***	***	***	***
Net income or (loss)	(39,080)	(47,254)	(53,737)	(16,533)	7,166
Depreciation/amortization	42,174	42,629	42,016	9,910	7,504
Cash flow	3,094	(4,624)	(11,721)	(6,623)	14,670
	Ratio to net sales (percent)				
Cost of goods sold.-- Raw materials	39.5	39.5	40.6	39.2	36.9
Direct labor	37.3	37.6	36.2	39.3	34.7
Other factory costs	12.6	13.3	12.7	12.6	12.1
Average COGS	89.4	90.4	89.5	91.2	83.6
Gross profit	10.6	9.6	10.5	8.8	16.4
SG&A expense	11.8	12.0	11.9	10.7	9.7
Operating income or (loss)	(1.3)	(2.4)	(1.3)	(1.9)	6.7
Net income or (loss)	(4.5)	(5.5)	(6.2)	(8.5)	3.4

Table continued on next page.

Table VI-1—Continued
Fresh tomatoes: Results of operations of U.S. producers, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Ratio to total COGS (percent)				
Cost of goods sold.-- Raw materials	44.1	43.7	45.3	43.0	44.1
Direct labor	41.7	41.6	40.4	43.1	41.5
Other factory costs	14.1	14.7	14.2	13.9	14.4
Average COGS	100.0	100.0	100.0	100.0	100.0
	Unit value (dollars per pound)				
Commercial sales	0.53	0.53	0.54	0.52	0.60
Transfers to related firms	0.69	0.60	0.66	0.59	0.64
Total net sales	0.55	0.54	0.55	0.53	0.61
Cost of goods sold.-- Raw materials	0.22	0.21	0.22	0.21	0.22
Direct labor	0.21	0.20	0.20	0.21	0.21
Other factory costs	0.07	0.07	0.07	0.07	0.07
Average COGS	0.49	0.49	0.49	0.48	0.51
Gross profit	0.06	0.05	0.06	0.05	0.10
SG&A expense	0.07	0.06	0.07	0.06	0.06
Operating income or (loss)	(0.01)	(0.01)	(0.01)	(0.01)	0.04
Net income or (loss)	(0.02)	(0.03)	(0.03)	(0.05)	0.02
	Number of firms reporting				
Operating losses	11	9	10	6	6
Net losses	13	10	13	10	7
Data	22	22	22	15	15

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-2
Fresh tomatoes: Changes in average unit values, between fiscal years and between partial year periods

Item	Between fiscal years			Between partial year period
	2016-18	2016-17	2017-18	2018-19
	Change in AUVs (dollars per pound)			
Commercial sales	0.006	(0.003)	0.009	0.079
Transfers to related firms	(0.033)	(0.089)	0.056	0.054
Total net sales	0.000	(0.014)	0.014	0.076
Cost of goods sold.-- Raw materials	0.006	(0.005)	0.011	0.015
Direct labor	(0.006)	(0.004)	(0.003)	0.002
Other factory costs	0.000	0.002	(0.001)	0.006
Average COGS	0.000	(0.007)	0.008	0.023
Gross profit	(0.000)	(0.007)	0.006	0.053
SG&A expense	0.000	(0.001)	0.001	0.002
Operating income or (loss)	(0.000)	(0.006)	0.005	0.051
Net income or (loss)	(0.010)	(0.005)	(0.005)	0.066

Note: The data in this table have been shown to three decimal places to reflect certain changes in AUVs that were less than 0.005. Any changes in AUVs that are showing 0.000 are values less than 0.0005.

Source: Compiled from data submitted in response to Commission questionnaires.

Table VI-3
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Total net sales (1,000 pounds)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net sales quantity (greenhouse)	183,305	188,657	185,849	36,481	32,886
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net sales quantity (open field)	1,392,449	1,421,460	1,377,844	329,938	315,200
Total net sales quantity	1,575,755	1,610,116	1,563,693	366,419	348,085

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Total net sales (1,000 dollars)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net sales value (greenhouse)	187,358	198,866	203,581	49,931	49,792
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net sales value (open field)	681,268	666,481	658,520	144,701	161,457
Total net sales value	868,626	865,346	862,101	194,633	211,249

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Cost of goods sold (1,000 dollars)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total COGS (greenhouse)	197,974	208,690	200,668	49,607	49,657
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total COGS (open field)	578,899	573,493	570,767	127,880	127,012
Total COGS	776,873	782,183	771,436	177,486	176,669

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Gross profit or (loss) (1,000 dollars)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total gross profit or (loss) (greenhouse)	(10,616)	(9,824)	2,913	325	135
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total gross profit or (loss) (open field)	102,368	92,988	87,752	16,822	34,445
Total gross profit or (loss)	91,752	83,164	90,665	17,146	34,580

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	SG&A expenses (1,000 dollars)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total SG&A expenses (greenhouse)	40,058	41,871	36,966	8,072	7,906
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total SG&A expenses (open field)	62,855	62,001	65,302	12,731	12,542
Total SG&A expenses	102,913	103,873	102,268	20,802	20,449

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	Operating income or (loss) (1,000 dollars)				
	2016	2017	2018	2018	2019
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total operating income or (loss) (greenhouse)	(50,674)	(51,696)	(34,053)	(7,747)	(7,772)
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total operating income or (loss) (open field)	39,513	30,986	22,450	4,091	21,903
Total operating income or (loss)	(11,160)	(20,709)	(11,603)	(3,656)	14,131

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Net income or (loss) (1,000 dollars)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net income or (loss) (greenhouse)	(70,910)	(77,858)	(62,603)	(14,206)	(11,652)
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total net income or (loss) (open field)	31,830	30,604	8,866	(2,328)	18,818
Total net income or (loss)	(39,080)	(47,254)	(53,737)	(16,533)	7,166

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	COGS to net sales ratio (percent)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average COGS to net sales (greenhouse)	105.7	104.9	98.6	99.3	99.7
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average COGS to net sales (open field)	85.0	86.0	86.7	88.4	78.7
Average COGS to net sales	89.4	90.4	89.5	91.2	83.6

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Gross profit or (loss) to net sales ratio (percent)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average gross profit or (loss) to net sales ratio (greenhouse)	(5.7)	(4.9)	1.4	0.7	0.3
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average gross profit or (loss) to net sales ratio (open field)	15.0	14.0	13.3	11.6	21.3
Average gross profit or (loss) to net sales ratio	10.6	9.6	10.5	8.8	16.4

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	SG&A expense to net sales ratio (percent)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average SG&A expense to net sales (greenhouse)	21.4	21.1	18.2	16.2	15.9
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average SG&A expense to net sales (open field)	9.2	9.3	9.9	8.8	7.8
Average SG&A expense to net sales	11.8	12.0	11.9	10.7	9.7

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Operating income or (loss) to net sales ratio (percent)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average operating income or (loss) to net sales (greenhouse)	(27.0)	(26.0)	(16.7)	(15.5)	(15.6)
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average operating income or (loss) to net sales (open field)	5.8	4.6	3.4	2.8	13.6
Average operating income or (loss) to net sales	(1.3)	(2.4)	(1.3)	(1.9)	6.7

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Net income or (loss) to net sales ratio (percent)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average net income or (loss) to net sales (greenhouse)	(37.8)	(39.2)	(30.8)	(28.5)	(23.4)
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average net income or (loss) to net sales (open field)	4.7	4.6	1.3	(1.6)	11.7
Average net income or (loss) to net sales	(4.5)	(5.5)	(6.2)	(8.5)	3.4

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Unit net sales value (dollars per pound)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit net sales value (greenhouse)	1.02	1.05	1.10	1.37	1.51
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit net sales value (open field)	0.49	0.47	0.48	0.44	0.51
Average unit net sales value	0.55	0.54	0.55	0.53	0.61

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Unit COGS (dollars per pound)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit COGS (greenhouse)	1.08	1.11	1.08	1.36	1.51
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit COGS (open field)	0.42	0.40	0.41	0.39	0.40
Average unit COGS	0.49	0.49	0.49	0.48	0.51

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Unit gross profit or (loss) (dollars per pound)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit gross profit (greenhouse)	(0.06)	(0.05)	0.02	0.01	0.00
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit gross profit (open field)	0.07	0.07	0.06	0.05	0.11
Average unit gross profit or (loss)	0.06	0.05	0.06	0.05	0.10

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Unit SG&A expenses (dollars per pound)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit SG&A expense (greenhouse)	0.22	0.22	0.20	0.22	0.24
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit SG&A expense (open field)	0.05	0.04	0.05	0.04	0.04
Average unit SG&A expense	0.07	0.06	0.07	0.06	0.06

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Unit operating income or (loss) (dollars per pound)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit operating income or (loss) (greenhouse)	(0.28)	(0.27)	(0.18)	(0.21)	(0.24)
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit operating income or (loss) (open field)	0.03	0.02	0.02	0.01	0.07
Average unit operating income or (loss)	(0.01)	(0.01)	(0.01)	(0.01)	0.04

Table continued on next page.

Table VI-3—Continued
Fresh tomatoes: Results of operations of U.S. producers, by firm, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Unit net income or (loss) (dollars per pound)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit net income or (loss) (greenhouse)	(0.39)	(0.41)	(0.34)	(0.39)	(0.35)
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Average unit net income or (loss) (open field)	0.02	0.02	0.01	(0.01)	0.06
Average unit net income or (loss)	(0.02)	(0.03)	(0.03)	(0.05)	0.02

1 ***.

Note: Values displayed as “0.00” are less than “0.005”. Values displayed as “---“ indicate there is no data.

Source: Compiled from data submitted in response to Commission questionnaires.

Net sales

Reported net sales were comprised primarily of commercial sales, but also included transfers to related firms, reported by ***.[5] Total net sales volume increased from 1.58 billion pounds in 2016 to 1.61 billion pounds in 2017, but decreased to 1.56 billion pounds in 2018, and was lower in January-March 2019 (348.1 million pounds) than during the same period in 2018 (366.4 million pounds). On a company-by-company basis, 14 of 22 companies reported an overall increase in net sales quantity between 2016 and 2018, and 11 of the 15 companies that reported net sales during the interim periods reported a lower net sales volume in interim 2019 compared to interim 2018.

Net sales revenue decreased from $868.6 million in 2016 to $862.1 million in 2018, but was higher in interim 2019 ($211.2 million) than in interim 2018 ($194.6 million). On a per-pound basis for the industry, net sales revenue decreased from $0.55 in 2016, to $0.54 in 2017, before increasing to $0.55 in 2018. The net sales average unit value ("AUV") was higher in interim 2019 ($0.61 per pound) than in interim 2018 ($0.53 per pound). On a company-by-company basis, 17 of 22 producers reported an overall decrease in their net sales AUVs between 2016 and 2018, while nine of the 15 producers with interim period sales reported higher net sales AUVs in interim 2019 compared to interim 2018.[6] [7]

[5] Commercial sales represented *** percent of total net sales volume in 2018, while transfers to related firms represented the remaining *** percent.

[6] ***.

[7] ***.

COGS and gross profit or (loss)

As seen in table VI-1, raw material costs represented the largest component of overall COGS in all annual year periods and interim 2019, and the second largest component in interim 2018. They accounted for between 43.0 and 45.3 percent during the period examined. On a unit basis, raw materials decreased from $0.22 per pound in 2016 to $0.21 per pound in 2017, and increased to $0.22 per pound in 2018. They were $0.21 per pound in interim 2018 and $0.22 per pound interim 2019. ***. Table VI-4 presents a break-out of the separate components of raw materials.

Table VI-4
Fresh tomatoes: Raw material costs, 2018

Raw materials	Calendar year 2018		
	Value (1,000 dollars)	Unit value (dollars per pound)	Share of value (percent)
Seeds / plants	41,582	0.03	11.9
Fertilizer	35,502	0.02	10.2
Pesticides and herbicides	37,065	0.02	10.6
Other growing costs	86,176	0.06	24.6
Cost of growing own crop	200,324	0.13	57.3
Purchased tomatoes	9,333	0.01	2.7
Packing materials	112,670	0.07	32.2
Other raw materials	27,322	0.02	7.8
Total, raw materials	349,651	0.22	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Direct labor was the second largest component of COGS in all annual year periods and interim 2019, and the largest component in interim 2018, ranging from 40.4 to 43.1 percent. Other factory costs accounted for the smallest share of COGS, ranging from 13.9 to 14.7 percent during the period examined.[8]

[8] Many of the responding producers do not keep their books and records in a way that is conducive to segregating out the three components of COGS, and therefore the way in which certain costs have been classified may differ between the companies. For this reason, company-by-company data for raw materials, direct labor, and other factory costs have not been included in table VI-3. A comparison of these data between companies is not as meaningful as total COGS, which is more consistent between companies.

The industry's average per-pound COGS remained at $*** during the annual year periods, and was $*** in interim 2018 and $*** in interim 2019.[9] When examining the directional pattern of unit COGS on a company-by-company basis, the majority of companies (15 of 22) reported a decrease in their per-pound COGS from 2016 to 2018. Eight of the 15 companies with interim data reported higher per-pound COGS in interim 2019 than interim 2018. Gross profit decreased irregularly from $91.8 million in 2016 to $90.7 million in 2018. Gross profit in interim 2019 was $34.6 million compared to $17.1 million in interim 2018.[10] [11]

SG&A expenses and operating income or (loss)

SG&A expenses decreased from 2016 to 2018, and were lower in interim 2019 compared to interim 2018. The industry's SG&A expense ratio (SG&A expenses as a share of net sales revenue) was between 9.7 and 12.0 percent during the period examined.

Aggregate operating income followed the same trends as gross profit. It worsened from a loss of $11.2 million in 2016 to a loss of $11.6 million in 2018, and was higher in interim 2019 (an operating profit) compared to the same period in 2018 (an operating loss).

[9] ***.

[10] The number of companies reporting gross losses decreased from seven in 2016 to six in 2018, but was higher in interim 2019 (three companies) than in interim 2018 (two companies).

[11] ***.

Other expenses and net income or (loss)

Interest expense and all other expenses both increased from 2016 to 2018, but were lower in interim 2019 compared to interim 2018. All other income decreased from 2016 to 2018, but was higher in interim 2019 compared to interim 2018. Net income worsened from a loss of $39.1 million in 2016 to a loss of $53.7 million in 2018, and was higher in interim 2019 (a net profit) compared to the same period in 2018 (a net loss). [12]

Capital expenditures and research and development expenses

Table VI-5 presents capital expenditures and research and development ("R&D") expenses for U.S. producers, by firm. Total capital expenditures increased from $57.4 million in 2016 to $135.3 million in 2017, before decreasing to $22.8 million in 2018. They were lower in interim 2019 (at $3.1 million) than in interim 2018 (at $4.3 million). *** accounted for the majority of the increase in capital expenditures between 2016 and 2017. ***.[13]

R&D expenses increased from $2.9 million in 2016 to $3.8 million in 2018, but were lower in interim 2019 (at $755,000) than during interim 2018 (at $922,000). *** accounted for the highest company-specific amounts of R&D expenses throughout the period examined.

[12] As seen in table VI-3, the profitability of the greenhouse and open field producers differed. The greenhouse producers reported worse profitability for each of the annual-year periods and interim periods, at all levels of profitability (gross, operating, and net).

[13] *** U.S. producer questionnaire response at III-13.

Table VI-5
Fresh tomatoes: Capital expenditures and R&D expenses of U.S. producers, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Capital expenditures (1,000 dollars)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total capital expenditures (greenhouse)	***	***	***	***	***
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total capital expenditures (open field)	***	***	***	***	***
Total capital expenditures	57,357	135,320	22,833	4,341	3,129

Table continued on next page.

Table VI-5—Continued
Fresh tomatoes: Capital expenditures and R&D expenses of U.S. producers, 2016-18, January-March 2018, and January-March 2019

Item	Fiscal year			January to March	
	2016	2017	2018	2018	2019
	Research and development expenses (1,000 dollars)				
Greenhouse.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total R&D expenses (greenhouse)	***	***	***	***	***
Open field.--					
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
***	***	***	***	***	***
Total R&D expenses (open field)	***	***	***	***	***
Total R&D expenses	2,938	3,770	3,773	922	755

Source: Compiled from data submitted in response to Commission questionnaires.

Assets and return on assets

Table VI-6 presents data on the U.S. producers' total assets and their return on assets ("ROA"). Total net assets decreased irregularly from $634.1 million in 2016 to $621.2 million in 2018. The industry's average ROA worsened from negative 1.8 percent in 2016 to negative 3.2 percent in 2017, but improved to a negative 1.9 percent in 2018.

Table VI-6
Fresh tomatoes: U.S. producers' total assets and return on assets, 2016-18, January-March 2018, and January-March 2019

Firm	Fiscal years		
	2016	2017	2018
	Total net assets (1,000 dollars)		
Greenhouse.--			
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total net assets (greenhouse)	179,116	167,471	145,417
Open field.--			
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Total net assets (open field)	454,972	477,247	475,829
Total net assets	634,088	644,718	621,245

Table continued on next page.

Table VI-6—Continued
Fresh tomatoes: U.S. producers' total assets and return on assets, 2016-18, January-March 2018, and January-March 2019

Firm	Fiscal years		
	2016	2017	2018
	Operating return on assets (percent)		
Greenhouse.--			
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Average operating ROA (greenhouse)	(28.3)	(30.9)	(23.4)
Open field.--			
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
***	***	***	***
Average operating ROA (open field)	8.7	6.5	4.7
Average operating ROA	(1.8)	(3.2)	(1.9)

1 ***.

Source: Compiled from data submitted in response to Commission questionnaires.

Capital and investment

The Commission requested U.S. producers of fresh tomatoes to describe any actual or potential negative effects of imports of fresh tomatoes from Mexico on their firms' growth, investment, ability to raise capital, development and production efforts, or the scale of capital investments. Table VI-7 presents the number of firms reporting an impact in each category and table VI-8 provides their narrative responses.[14]

Table VI-7
Fresh tomatoes: Actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2016

Item	No	Yes
Negative effects on investment	4	19
Cancellation, postponement, or rejection of expansion projects		13
Denial or rejection of investment proposal		4
Reduction in the size of capital investments		9
Return on specific investments negatively impacted		7
Other		5
Negative effects on growth and development	6	17
Rejection of bank loans		4
Lowering of credit rating		6
Problem related to the issue of stocks or bonds		1
Ability to service debt		8
Other		10
Anticipated negative effects of imports	4	19

Source: Compiled from data submitted in response to Commission questionnaires.

[14] ***.

Table VI-8
Fresh tomatoes: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2016

Item / Firm	Narrative
Cancellation, postponement, or rejection of expansion projects:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
Denial or rejection of investment proposal:	
***	***
***	***
***	***
***	***
Reduction in the size of capital investments:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued on next page.

VI-8—Continued
Fresh tomatoes: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2016

Item / Firm	Narrative
Return on specific investments negatively impacted:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
Other negative effects on investments:	
***	***
***	***
***	***
***	***
***	***
Rejection of bank loans:	
***	***
***	***
***	***
***	***
***	***
Lowering of credit rating:	
***	***
***	***
***	***
***	***
***	***
***	***
Problem related to the issue of stocks or bonds:	
***	***

Table continued on next page.

VI-8—Continued
Fresh tomatoes: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2016

Ability to service debt:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
Other effects on growth and development:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued on next page.

Table VI-8—Continued
Fresh tomatoes: Narratives relating to actual and anticipated negative effects of imports on investment, growth, and development, since January 1, 2016

Item / Firm	Narrative
Anticipated effects of imports:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Part VII: Threat considerations and information on nonsubject countries

Section 771(7)(F)(i) of the Act (19 U.S.C. § 1677(7)(F)(i)) provides that—

> *In determining whether an industry in the United States is threatened with material injury by reason of imports (or sales for importation) of the subject merchandise, the Commission shall consider, among other relevant economic factors*[1]*--*
>
> *(I) if a countervailable subsidy is involved, such information as may be presented to it by the administering authority as to the nature of the subsidy (particularly as to whether the countervailable subsidy is a subsidy described in Article 3 or 6.1 of the Subsidies Agreement), and whether imports of the subject merchandise are likely to increase,*
>
> *(II) any existing unused production capacity or imminent, substantial increase in production capacity in the exporting country indicating the likelihood of substantially increased imports of the subject merchandise into the United States, taking into account the availability of other export markets to absorb any additional exports,*
>
> *(III) a significant rate of increase of the volume or market penetration of imports of the subject merchandise indicating the likelihood of substantially increased imports,*
>
> *(IV) whether imports of the subject merchandise are entering at prices that are likely to have a significant depressing or suppressing*

[1] Section 771(7)(F)(ii) of the Act (19 U.S.C. § 1677(7)(F)(ii)) provides that "The Commission shall consider {these factors} . . . as a whole in making a determination of whether further dumped or subsidized imports are imminent and whether material injury by reason of imports would occur unless an order is issued or a suspension agreement is accepted under this title. The presence or absence of any factor which the Commission is required to consider . . . shall not necessarily give decisive guidance with respect to the determination. Such a determination may not be made on the basis of mere conjecture or supposition."

effect on domestic prices, and are likely to increase demand for further imports,

(V) inventories of the subject merchandise,

(VI) the potential for product-shifting if production facilities in the foreign country, which can be used to produce the subject merchandise, are currently being used to produce other products,

(VII) in any investigation under this title which involves imports of both a raw agricultural product (within the meaning of paragraph (4)(E)(iv)) and any product processed from such raw agricultural product, the likelihood that there will be increased imports, by reason of product shifting, if there is an affirmative determination by the Commission under section 705(b)(1) or 735(b)(1) with respect to either the raw agricultural product or the processed agricultural product (but not both),

(VIII) the actual and potential negative effects on the existing development and production efforts of the domestic industry, including efforts to develop a derivative or more advanced version of the domestic like product, and

(IX) any other demonstrable adverse trends that indicate the probability that there is likely to be material injury by reason of imports (or sale for importation) of the subject merchandise (whether or not it is actually being imported at the time).[2]

Information on the volume and pricing of imports of the subject merchandise is presented in Parts IV and V; and information on the effects of imports of the subject merchandise on U.S. producers' existing development and production efforts is presented in

[2] Section 771(7)(F)(iii) of the Act (19 U.S.C. § 1677(7)(F)(iii)) further provides that, in antidumping investigations, ". . . the Commission shall consider whether dumping in the markets of foreign countries (as evidenced by dumping findings or antidumping remedies in other WTO member markets against the same class or kind of merchandise manufactured or exported by the same party as under investigation) suggests a threat of material injury to the domestic industry."

Part VI. Information on inventories of the subject merchandise; foreign producers' operations, including the potential for "product-shifting;" any other threat indicators, if applicable; and any dumping in third-country markets, follows. Also presented in this section of the report is information obtained for consideration by the Commission on nonsubject countries.

The industry in Mexico

The Commission issued foreign producers' or exporters' questionnaires to 256 firms believed to produce and/or export fresh tomatoes from Mexico.[3] Usable responses to the Commission's questionnaire were received from 224 firms. These firms' exports to the United States accounted for approximately 72.3[4] percent of U.S. imports of fresh tomatoes from Mexico in 2018. Based on reporting by the USDA on tomato production in Mexico, the questionnaire data of responding producers in Mexico accounted for approximately 51.2 percent of total fresh tomato production in Mexico in 2018.[5] [6]

[3] These firms were identified through a review of information submitted in the *Fourth Review* and contained in *** records, as well as through Respondent counsel.

[4] Coverage is calculated by dividing total exports to the United States (including resales) as reported by responding producers and exporters into official U.S. import statistics for 2018.

[5] Coverage is calculated by dividing aggregate calendar year 2018 production data as reported by responding producers in Mexico into the official overall tomato production in Mexico estimate for marketing year (MY) 2018-2019 (October-September) provided by the government of Mexico, as referenced by the USDA in their annual report on tomato production in Mexico. USDA, FAS, "GAIN Report: Mexico, Tomato Annual," 2018. https://www.fas.usda.gov/data/mexico-tomato-annual-2. The report estimated MY 18/19 production at 3.4 million metric tons. This coverage estimate uses a conversion factor of 2204.62 metric tons to pounds. Calculation divides production as reported in questionnaire data (3.84 billion pounds) into 3,400,000 metric tons (7.50 billion pounds).

[6] For purposes of questionnaire responses, firms were asked to distinguish between *greenhouse and controlled-environment tomatoes*, defined as "tomatoes grown in a fully-enclosed permanent aluminum or fixed steel structure clad in glass, impermeable plastic, or polycarbonate using automated irrigation and climate control (heating and/or cooling and ventilation), in an artificial medium using hydroponic methods," and *open field and adapted-environment tomaotes*, defined as "tomatoes other than tomatoes grown in greenhouses and controlled environments, including, but not limited to, tomatoes grown in protected agricultural structures, including tunnels, shade houses, and other temporary or permanent structures, except for those grown in greenhouses and controlled environments, as defined above." The definition for *greenhouse and controlled-environment tomatoes* may be found in the 2013 suspension agreement, *Fresh Tomatoes From Mexico: Suspension of Antidumping Investigation*, 78 FR 14967, March 8, 2013, p. 14970.

The two largest responding producers in Mexico, ***, accounted for *** percent and *** percent fresh tomato production in Mexico, respectively. The vast majority of responding producers and exporters in Mexico accounted for less than one percent of the total reported production.

Tables VII-1 and VII-2 present information on the fresh tomatoes operations of the responding producers and non-producer exporters in Mexico.

Table VII-1
Fresh tomatoes: Summary data on firms in Mexico, 2018

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
AC1 Cueto	***	***	***	***	***	***
AC1 Culiacan	***	***	***	***	***	***
Ace	***	***	***	***	***	***
Ag-Mart	***	***	***	***	***	***
Agreenhose	***	***	***	***	***	***
Agricola 76	***	***	***	***	***	***
Agricola de Aguascalientes	***	***	***	***	***	***
Agricola de Gala	***	***	***	***	***	***
Agricola la Mision	***	***	***	***	***	***
Agriexport	***	***	***	***	***	***
Agrileg de Tehuacan	***	***	***	***	***	***
Agrizom SC	***	***	***	***	***	***
Agro Desert	***	***	***	***	***	***
Agrobo	***	***	***	***	***	***
Agrofresh	***	***	***	***	***	***
Agroindustrias El Moro	***	***	***	***	***	***
Agroparque Zona Media	***	***	***	***	***	***
Agropecuria Gabo	***	***	***	***	***	***
Agroproductos del Cabo	***	***	***	***	***	***
Agros	***	***	***	***	***	***
Alboro	***	***	***	***	***	***
Alimentos y Bebidas	***	***	***	***	***	***
Almerimex	***	***	***	***	***	***
Alsa Alimentos	***	***	***	***	***	***
Anjor	***	***	***	***	***	***
Apcaro	***	***	***	***	***	***
Ashnan de Mexico	***	***	***	***	***	***
Baja Best	***	***	***	***	***	***
Baja Organics	***	***	***	***	***	***
Baja Sur	***	***	***	***	***	***
Bakia	***	***	***	***	***	***
Barajas Produce	***	***	***	***	***	***
Beltran	***	***	***	***	***	***
Benny	***	***	***	***	***	***
Berry Veg de Baja	***	***	***	***	***	***
Bionatur	***	***	***	***	***	***
Bio-organicos saludables	***	***	***	***	***	***
Bonanza 2001	***	***	***	***	***	***
Boui	***	***	***	***	***	***
California	***	***	***	***	***	***

Table continued.

Table VII-1--Continued
Fresh tomatoes: Summary data on firms in Mexico, 2018

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Campo HNOs Gomez	***	***	***	***	***	***
Campo y Valle	***	***	***	***	***	***
Cedral	***	***	***	***	***	***
Chaparral	***	***	***	***	***	***
Chapoteadero	***	***	***	***	***	***
Chavollas	***	***	***	***	***	***
Ciari	***	***	***	***	***	***
Colonet	***	***	***	***	***	***
Comercializadora de Fruitas y Legumbres	***	***	***	***	***	***
Comercializadora SLF	***	***	***	***	***	***
Consuelo	***	***	***	***	***	***
Controladora Santa Ana	***	***	***	***	***	***
Corporacion Agricola	***	***	***	***	***	***
Crisp	***	***	***	***	***	***
Cuarta Estacion	***	***	***	***	***	***
Ceuta	***	***	***	***	***	***
Dagosa	***	***	***	***	***	***
Daniel Cardenas Cevallos	***	***	***	***	***	***
DCO	***	***	***	***	***	***
Del Campo y Asociados	***	***	***	***	***	***
Desarrolladora y Promotora Agropecuaria	***	***	***	***	***	***
Distribuidora Hortimex	***	***	***	***	***	***
Don Memo	***	***	***	***	***	***
Dos Californias	***	***	***	***	***	***
ECO Agri Tec	***	***	***	***	***	***
Eduardo Landeros Palazuelos	***	***	***	***	***	***
Ejidal Hermanos Silva	***	***	***	***	***	***
El Milagro de Baja	***	***	***	***	***	***
El Rey de Los Productos Finos	***	***	***	***	***	***
El Sol Cultivo y La Tierra	***	***	***	***	***	***
El Sureno	***	***	***	***	***	***
Empaque de Hortalizas El Porvenir	***	***	***	***	***	***
Ensenada Valley	***	***	***	***	***	***
Esmeralda	***	***	***	***	***	***
Exportadora Agricola Sacramento	***	***	***	***	***	***
Exportalizas Mexicanas	***	***	***	***	***	***
Federico Felix Gonzalez	***	***	***	***	***	***
Femi de Quintana	***	***	***	***	***	***
Fenix de Culiacan	***	***	***	***	***	***
Finca Ahuehuetes	***	***	***	***	***	***

Table continued.

Table VII-1--Continued
Fresh tomatoes: Summary data on firms in Mexico, 2018

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Florencia	***	***	***	***	***	***
Fortin	***	***	***	***	***	***
Fresh Concepcion	***	***	***	***	***	***
Fresh Land	***	***	***	***	***	***
Freshllaca	***	***	***	***	***	***
Frutos de Huerta Real	***	***	***	***	***	***
Frutos de Jalisco	***	***	***	***	***	***
GAF	***	***	***	***	***	***
Galicia Y Asociados	***	***	***	***	***	***
Ganadera Vigo	***	***	***	***	***	***
Ganfer Sociedad	***	***	***	***	***	***
Gasca	***	***	***	***	***	***
Gemso	***	***	***	***	***	***
Globalmex	***	***	***	***	***	***
Granero de Oro	***	***	***	***	***	***
Green Produce	***	***	***	***	***	***
Green Valley	***	***	***	***	***	***
Greenhouse Company de Mexico	***	***	***	***	***	***
Groupo Valroch	***	***	***	***	***	***
Gruindag Alimentaria	***	***	***	***	***	***
Grupo Hortofruiticola	***	***	***	***	***	***
Guadalupe de Guaymas	***	***	***	***	***	***
Guadiana el Angel	***	***	***	***	***	***
GYG	***	***	***	***	***	***
H H and Sons	***	***	***	***	***	***
Healtsun	***	***	***	***	***	***
Heaven Sent	***	***	***	***	***	***
Heirloom Farms	***	***	***	***	***	***
Hidalgo Sector 3	***	***	***	***	***	***
Hidrogomez	***	***	***	***	***	***
Hidroponica San Bartolo	***	***	***	***	***	***
Hidroponicos La Bonita	***	***	***	***	***	***
Hidrosel	***	***	***	***	***	***
High Tech Farms	***	***	***	***	***	***
High-Tech Gardens	***	***	***	***	***	***
Hortalizas Argaman	***	***	***	***	***	***
Hortiagro del Pacifico	***	***	***	***	***	***
Hortibaja	***	***	***	***	***	***
Horticola Cimarron	***	***	***	***	***	***
Horticultores Valleverde	***	***	***	***	***	***

Table continued.

Table VII-1--Continued
Fresh tomatoes: Summary data on firms in Mexico, 2018

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Hortioriente	***	***	***	***	***	***
Hortisen de Atlixco	***	***	***	***	***	***
Hydrofoods	***	***	***	***	***	***
Indigo Growers	***	***	***	***	***	***
Integradora de Invernaderos Michoacanos	***	***	***	***	***	***
Integradora Horticola del Bajio	***	***	***	***	***	***
Integradora Hortícola Ganfer	***	***	***	***	***	***
Invermesa	***	***	***	***	***	***
Iser	***	***	***	***	***	***
Jama	***	***	***	***	***	***
Joal	***	***	***	***	***	***
Jose Barajas Murillo	***	***	***	***	***	***
Juan Antonio Castelo	***	***	***	***	***	***
Karely	***	***	***	***	***	***
Koppert Rapel	***	***	***	***	***	***
L´Orticello	***	***	***	***	***	***
La Fortaleza Horticultura	***	***	***	***	***	***
La Odisea	***	***	***	***	***	***
Laura Elena	***	***	***	***	***	***
Legomo	***	***	***	***	***	***
Llano de Andaracua	***	***	***	***	***	***
Logistica Mexicana	***	***	***	***	***	***
Los Rancheros	***	***	***	***	***	***
Los Vergeles	***	***	***	***	***	***
Maas	***	***	***	***	***	***
Malichita	***	***	***	***	***	***
Maria del Carmen	***	***	***	***	***	***
Marroko	***	***	***	***	***	***
Mendez	***	***	***	***	***	***
Mercury	***	***	***	***	***	***
Mesinham	***	***	***	***	***	***
Morzana	***	***	***	***	***	***
Myl	***	***	***	***	***	***
Naranjas Selectas	***	***	***	***	***	***
Natura Quality	***	***	***	***	***	***
Natural Food Planet	***	***	***	***	***	***
Natural Fruits of America	***	***	***	***	***	***
Natural Valley	***	***	***	***	***	***
NatureSweet Invernaderos	***	***	***	***	***	***
Negocio Agricola San Enrique	***	***	***	***	***	***

Table continued.

Table VII-1--Continued
Fresh tomatoes: Summary data on firms in Mexico, 2018

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Noroeste	***	***	***	***	***	***
Noroeste Industrial	***	***	***	***	***	***
Nueva Yamal	***	***	***	***	***	***
Olesur	***	***	***	***	***	***
Oliveros	***	***	***	***	***	***
Organic Farm	***	***	***	***	***	***
Palo Fierro	***	***	***	***	***	***
Paredes	***	***	***	***	***	***
Predio El Talayote	***	***	***	***	***	***
Prodapac	***	***	***	***	***	***
Productores Organicos del Cabo	***	***	***	***	***	***
Proyecto Agro Cap 2	***	***	***	***	***	***
Proyecto Agroindustrial Fondo Vivo	***	***	***	***	***	***
Pulgar	***	***	***	***	***	***
Punta Colonet San Telmo	***	***	***	***	***	***
Purisima	***	***	***	***	***	***
R.L. El Nazario	***	***	***	***	***	***
Rancho Acuicola Elixir	***	***	***	***	***	***
Rancho Cardenas	***	***	***	***	***	***
Rancho Don Juanito	***	***	***	***	***	***
Rancho Fresco	***	***	***	***	***	***
Rancho Lucero	***	***	***	***	***	***
Rancho Nuevo	***	***	***	***	***	***
Rancho San Francisco	***	***	***	***	***	***
Rex Produce de Mexico	***	***	***	***	***	***
Roca	***	***	***	***	***	***
Rogelio Casillas	***	***	***	***	***	***
Rosal	***	***	***	***	***	***
Rosario Antonio	***	***	***	***	***	***
San Jose	***	***	***	***	***	***
San Vicente Camalu	***	***	***	***	***	***
Santa Maria Elana	***	***	***	***	***	***
Santa Rita	***	***	***	***	***	***
Santa Teresa	***	***	***	***	***	***
Santa Veneranda	***	***	***	***	***	***
Santo Domingo	***	***	***	***	***	***
Sierra Pack	***	***	***	***	***	***
SIP Invernaderos	***	***	***	***	***	***
SM Invernaderos	***	***	***	***	***	***
Sociedad Hidroponia de Tlapanala	***	***	***	***	***	***

Table continued.

Table VII-1--Continued
Fresh tomatoes: Summary data on firms in Mexico, 2018

Firm	Production (1,000 pounds)	Share of reported production (percent)	Exports to the United States (1,000 pounds)	Share of reported exports to the United States (percent)	Total shipments (1,000 pounds)	Share of firm's total shipments exported to the United States (percent)
Sodi	***	***	***	***	***	***
Solanum	***	***	***	***	***	***
Solar Garden	***	***	***	***	***	***
South Baja	***	***	***	***	***	***
Sta. Catalina	***	***	***	***	***	***
Sueno Tropical	***	***	***	***	***	***
Sunny Fields	***	***	***	***	***	***
Sur de Nuevo Leon	***	***	***	***	***	***
Tepentu Sociedad de Solidaridad Social	***	***	***	***	***	***
Tom Frog	***	***	***	***	***	***
Tomatera Hermanos Gomez	***	***	***	***	***	***
Torugos	***	***	***	***	***	***
Typ SA	***	***	***	***	***	***
Union de Cooperativas Agropecuarias Hortiparque	***	***	***	***	***	***
Unionharvest	***	***	***	***	***	***
United Greenhouses of Ajuchitlan	***	***	***	***	***	***
Valores Horticolas del Pacifico	***	***	***	***	***	***
Veggie Prime	***	***	***	***	***	***
Vinedos Alta	***	***	***	***	***	***
Vitanova	***	***	***	***	***	***
Vitri Hortalizas de La Laguna	***	***	***	***	***	***
Vitrilag	***	***	***	***	***	***
Walter Martin Latofski	***	***	***	***	***	***
Znova	***	***	***	***	***	***
Total	3,838,743	100.0	2,548,163	100.0	3,829,430	66.5

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-2
Fresh tomatoes: Summary data on non-producer exporters in Mexico, 2018

Non-producer exporters	Resales exported to the United States (1,000 pounds)	Share of resales exported to the United States (percent)
Benny	***	***
Distribuidora Hortimex	***	***
Eduardo Landeros Palazuelos	***	***
Federico Felix Gonzalez	***	***
Gemso	***	***
Globalmex	***	***
Hidrogomez	***	***
Integradora de Invernaderos Michoacanos	***	***
Maria del Carmen	***	***
Natural Fruits of America	***	***
NatureSweet Invernaderos	***	***
Predio El Talayote	***	***
Rex Produce de Mexico	***	***
Santa Rita	***	***
Sierra Pack	***	***
Unionharvest	***	***
Total	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires.

Changes in operations

As presented in table VII-3, producers and exporters in Mexico reported operational and organizational changes since January 1, 2016. Responding producers and exporters reported a total of 28 plant openings, 6 plant closings, 1 relocation, 27 expansions, 12 acquisitions, 7 consolidations, 7 prolonged shutdowns or curtailments, 19 weather-related events, 149 narratives about revised labor agreements, and 116 other operational changes.

Table VII-3
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Item / Firm	Reported changed in operations
Plant openings:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Plant closings:	
***	***
***	***
***	***
***	***
***	***
***	***
Relocations:	
***	***
Expansions:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Acquisitions:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
Consolidations:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
Prolonged shutdowns or curtailments:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Revised labor agreements:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Revised labor agreements:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Revised labor agreements:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Revised labor agreements:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Weather-related events:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
Other:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Other:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Other:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Table continued.

Table VII-3-Continued
Fresh tomatoes: Reported changes in operations by producers in Mexico, since January 1, 2016

Other:	
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***
***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Operations on fresh tomatoes

Table VII-4 presents acreage data of the responding producers of fresh tomatoes in Mexico.[7] The average acreage dedicated by producers in Mexico to fresh tomatoes production decreased by 5.3 percent from 2016 to 2018. Producers in Mexico increased their average acreage for all products from 2016 to 2018 by 0.7 percent.[8]

According to a USDA report, total area planted in Mexico for marketing year 2018-2019 is forecast at 49,600 hectares (122,564 acres). The report states that total planted area for tomatoes have been declining for several years, but yields have been increasing due to the establishment of "protected agriculture (greenhouse, shade-house, and tunnel) areas. The move away from open field tomato production is attributable to pest problems, high costs of production, swings in both international prices and exchange rates, and limited water availability."[9]

[7] Although the Commission requested acreage data for January-March 2018 and January to March 2019, such data is not shown here due to widespread differences in how firms reported data for this question.

[8] In addition to tomatoes, producers reported the ability to grow a wide range of out-of-scope agricultural products on the same land, primarily including bell peppers and cucumbers.

[9] USDA, FAS, "GAIN Report: Mexico, Tomato Annual," 2018, p. 2. https://www.fas.usda.gov/data/mexico-tomato-annual-2.

Table VII-4
Fresh tomatoes: Foreign producers' total acreage, 2016-2018

Item	Calendar year		
	2016	2017	2018
	Total acreage		
Land:			
Dedicated to fresh tomatoes	28,233	28,647	26,729
Multi-crop fresh tomatoes and other	3,559	3,640	3,722
Dedicated to other crops	39,865	43,304	42,075
Fallow entire period	9,475	9,440	9,185
Used for fresh tomatoes at least part of period	31,792	32,287	30,451
Used for other crops at least part of period	43,424	46,944	45,797
Total land	81,132	85,031	81,711
	Ratio and shares (percent)		
Share of total acreage:			
Dedicated to fresh tomatoes	34.8	33.7	32.7
Multi-crop fresh tomatoes and other	4.4	4.3	4.6
Dedicated to other crops	49.1	50.9	51.5
Fallow entire period	11.7	11.1	11.2
Used for fresh tomatoes at least part of period	39.2	38.0	37.3
Used for other crops at least part of period	53.5	55.2	56.0
Total land	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-5 presents Mexican producers' average acreage, by environment (open field, vs. protected), for 2013, 2015, 2016, and 2017, as reported by the government of Mexico. The majority of acreage was dedicated to open field production in each of 2013, 2015, 2016, and 2017, but the majority of production was grown under protection[10] each year. The share of production from under protection increased from 57.0 percent in 2013 to 60.7 percent in 2017.

[10] "Under protection" here is defined as greenhouse or shade house production. Fideicomisos Instituidos en Relacion con la Agricultura (FIRA)'s Panorama Agroalimentario - Tomate Rojo 2019 report, p. 2.

Table VII-5
Fresh tomatoes: Foreign producers' total acreage, by environment (open field vs. "protected"), 2013 and 2015-2017

Item	Calendar year			
	2013	2015	2016	2017
	Total acreage			
Open field	61,673	91,053	91,071	86,919
Under protection	28,758	33,970	37,081	37,555
Total land	90,431	125,023	128,151	124,474
	Ratio and shares (percent)			
Open field	68.2	72.8	71.1	69.8
Under protection	31.8	27.2	28.9	30.2
Total land	100.0	100.0	100.0	100.0
	Share of production			
Open field	43.0	40.4	39.3	36.7
Under protection	57.0	59.6	60.7	63.3
Total land	100.0	100.0	100.0	100.0

Note.-- Under protection" here is defined as greenhouse or shade house production

Note.--Acreage data here may be overstated due to production of out-of-scope tomatoes for processing on the same land.

Source: Fideicomisos Instituidos en Relacion con la Agricultura (FIRA)'s Panorama Agroalimentario - Tomate Rojo 2014, 2015, 2017 and 2019 reports.

Table VII-6 presents aggregate production, capacity, shipments, and inventory data for responding producers in Mexico. Total production of fresh tomatoes by responding producers increased by 5.6 percent from 2016 to 2018, by quantity. Total production was 4.7 percent lower in January-March 2019 than in January-March 2018. Total capacity of fresh tomatoes' production by responding producers in Mexico increased by *** percent from 2016 to 2018.[11] Total capacity was also *** percent lower in January-March 2019 than in January-March 2018. The aggregate capacity utilization rate of responding producers in Mexico declined from *** percent in 2016 to *** percent in 2017 to *** percent in 2018, and was *** percent in January-March 2019 compared with *** percent in January-March 2018.

Total export shipments to the United States increased from 2016 to 2018 by 2.8 percent. Export shipments of fresh tomatoes were greater than domestic shipments from 2016 to 2018, by quantity. The share of total shipments exported to the United States fluctuated between 68.3 percent and 66.5 percent from 2016 to 2018. Canada was the largest export market other than the United States.

Inventories of fresh tomatoes comprised 0.1 percent as a ratio to both production and total shipments from 2016 to 2018.

[11] Regarding capacity reporting, 86 of 224 responding producers in Mexico (38.4 percent) reported capacity as exactly equal to reported production in 2018 (i.e., 100% capacity utilization). Of responding U.S. producers, for comparison, 4 out of 23 reported capacity equal to production in 2018 (17.4 percent). Note of the 100 producers in Mexico reporting 100% capacity utilization, some reported capacity as less than reported production and in those instances, staff revised those firms' capacity upward to equal production. In instances where responding producers in Mexico did not provide capacity data, staff generally imputed a capacity utilization rate of 67 percent, which is based on the aggregate corresponding capacity utilization rate of producers in Mexico obtained in the Fourth Review. In the Fourth Review, the capacity utilization calculation was based only on questionnaire data obtained during the Fourth Review. (*Investigation No. 731-TA-747 (Fourth Review): Fresh Tomatoes from Mexico—Staff Report,* April 19, 2019, table IV-11).

Table VII-6
Fresh tomatoes: Data on industry in Mexico, 2016-18 January to March 2018, and January to March 2019 and projection calendar years 2019 and 2020

Item	Actual experience					Projections	
	Calendar year			January and March		Calendar year	
	2016	2017	2018	2018	2019	2019	2020
	Quantity (1,000 pounds)						
Capacity	***	***	***	***	***	***	***
Production	3,636,816	3,771,947	3,838,743	1,413,819	1,347,426	3,678,786	3,933,403
End-of-period inventories	2,930	3,906	3,049	9,369	1,065	827	815
Shipments:							
Home market shipments:							
Internal consumption/ transfers	190,560	189,138	221,733	57,184	67,633	194,131	199,738
Commercial home market shipments	930,959	1,037,651	1,021,818	407,892	383,014	842,218	942,677
Total home market shipments	1,121,519	1,226,789	1,243,551	465,076	450,647	1,036,350	1,142,415
Export shipments to:							
United States	2,478,128	2,495,578	2,548,163	918,731	875,695	2,566,557	2,752,337
All other markets	30,926	40,311	37,717	17,802	15,825	42,833	39,123
Total exports	2,509,054	2,535,889	2,585,879	936,533	891,520	2,609,391	2,791,460
Total shipments	3,630,573	3,762,678	3,829,430	1,401,609	1,342,167	3,645,740	3,933,875
	Ratios and shares (percent)						
Capacity utilization	***	***	***	***	***	***	***
Inventories/production	0.1	0.1	0.1	0.2	0.0	0.0	0.0
Inventories/total shipments	0.1	0.1	0.1	0.2	0.0	0.0	0.0
Share of shipments:							
Home market shipments:							
Internal consumption/ transfers	5.2	5.0	5.8	4.1	5.0	5.3	5.1
Commercial home market shipments	25.6	27.6	26.7	29.1	28.5	23.1	24.0
Total home market shipments	30.9	32.6	32.5	33.2	33.6	28.4	29.0
Export shipments to:							
United States	68.3	66.3	66.5	65.5	65.2	70.4	70.0
All other markets	0.9	1.1	1.0	1.3	1.2	1.2	1.0
Total exports	69.1	67.4	67.5	66.8	66.4	71.6	71.0
Total shipments	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Quantity (1,000 pounds)						
Resales exported to the United States	125,597	142,663	147,631	37,997	71,437	298,852	320,585
Total exports to the United States	2,603,725	2,638,241	2,695,793	956,728	947,132	2,865,410	3,072,922
	Ratios and shares (percent)						
Share of total exports to the United States:							
Exported by producers	95.2	94.6	94.5	96.0	92.5	89.6	89.6
Exported by resellers	4.8	5.4	5.5	4.0	7.5	10.4	10.4
Adjusted share of total shipments exported to the United States	71.7	70.1	70.4	68.3	70.6	78.6	78.1

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.
Source: Compiled from data submitted in response to Commission questionnaires.

Table VII-7 and figure VII-1 show responding producers and exporters' exports by growing method. The share of exports grown in open field and adapted-environments decreased from 69.0 percent in 2016 to 64.9 percent in 2018, by quantity. The share of exports produced in greenhouse and controlled-environments increased from 2016 to 2018 from 31.0 percent to 35.1 percent, by quantity. By value, exports of greenhouse and controlled-environment tomatoes comprised 52.7 of the share of tomatoes exports in 2018.

Of responding producers in Mexico, 110 reported open field and adapted-environment production, while 74 reported greenhouse and controlled-environment production.[12]

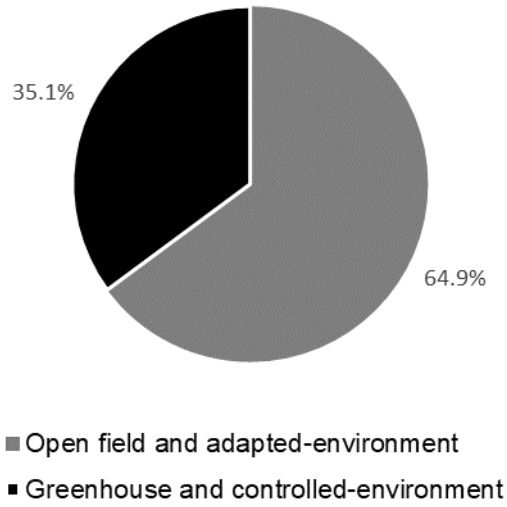
Table VII-7
Fresh tomatoes: Foreign producers' exports to United States by method, 2016-18 January to March 2018, and January to March 2019

Item	Calendar Year			January and March	
	2016	2017	2018	2018	2019
	Quantity (1,000 pounds)				
Open field and adapted-environment	1,684,683	1,685,402	1,620,102	624,519	596,998
Greenhouse and controlled-environment	758,148	809,433	877,846	244,911	251,943
Total	2,442,831	2,494,835	2,497,948	869,430	848,941
	Value (1,000 dollars)				
Open field and adapted-environment	784,382	759,280	701,563	276,048	249,323
Greenhouse and controlled-environment	675,599	687,717	782,623	227,294	228,063
Total	1,459,980	1,446,997	1,484,186	503,342	477,386
	Unit value (dollars per pound)				
Open field and adapted-environment	0.47	0.45	0.43	0.44	0.42
Greenhouse and controlled-environment	0.89	0.85	0.89	0.93	0.91
Total	0.60	0.58	0.59	0.58	0.56
	Share of quantity (percent)				
Open field and adapted-environment	69.0	67.6	64.9	71.8	70.3
Greenhouse and controlled-environment	31.0	32.4	35.1	28.2	29.7
Total	100.0	100.0	100.0	100.0	100.0
	Share of value (percent)				
Open field and adapted-environment	53.7	52.5	47.3	54.8	52.2
Greenhouse and controlled-environment	46.3	47.5	52.7	45.2	47.8
Total	100.0	100.0	100.0	100.0	100.0

Source: Compiled from data submitted in response to Commission questionnaires.

[12] Of the 74 producers in Mexico reporting greenhouse and controlled-environment production, 40 reported having climate control, 36 reported heating facilities and 14 reported cooling or air conditioning facilities. Of the 110 reporting open field and adapted-environment production, 46 reported "true open field" and 87 reported use of shade houses.

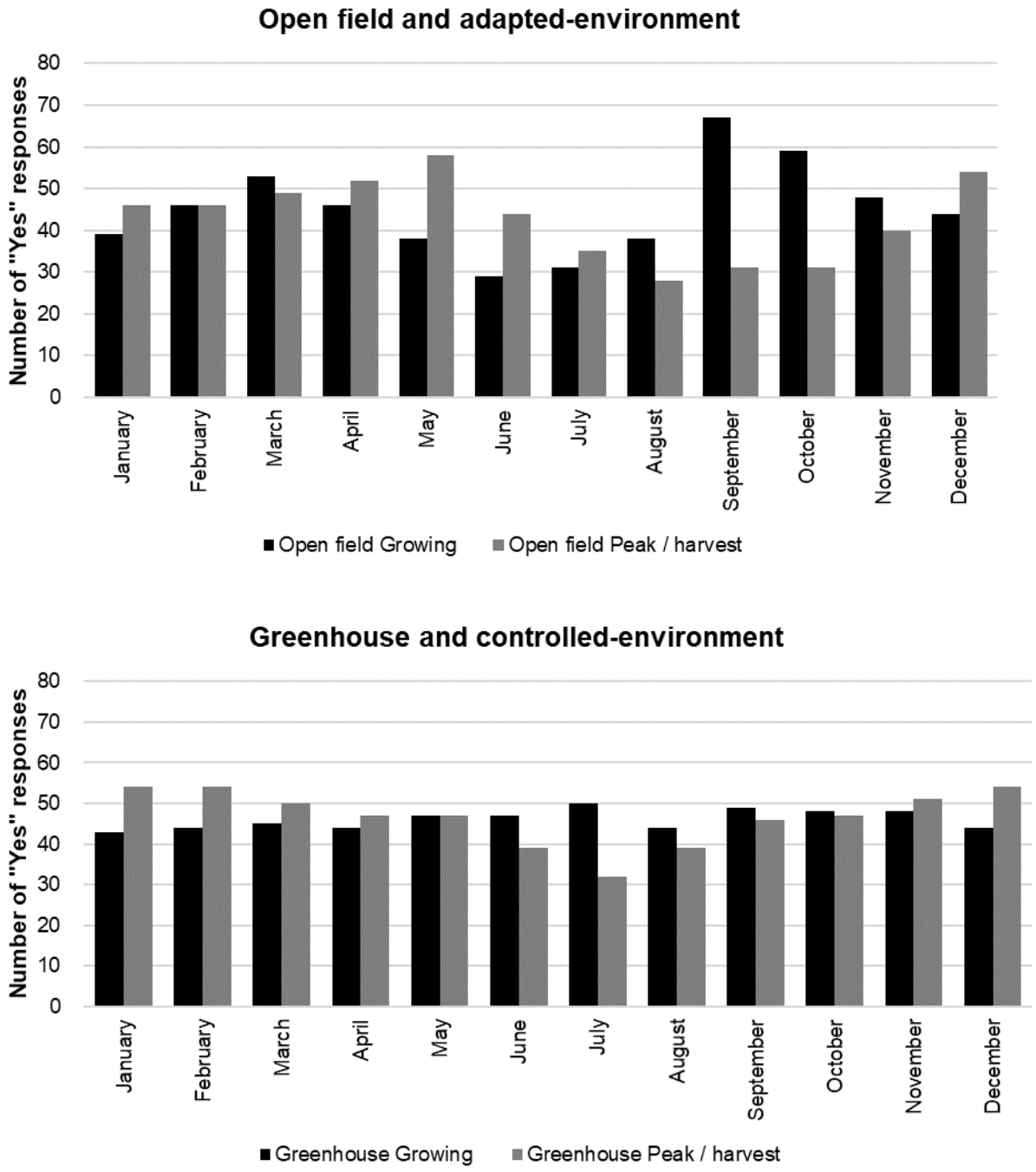
Figure VII-1
Fresh tomatoes: Foreign producers' exports to United States by method, 2018



Source: Compiled from data submitted in response to Commission questionnaires.

Producers in Mexico were asked to indicate their growing periods and peak production/harvest periods for tomatoes by type of production (greenhouse and controlled-environment vs. open field and adapted-environment). Figure VII-2 summarizes producers' responses. Open field growing appears to peak in September while open field harvest appears to peak in May. Greenhouse production appears to remain mostly constant throughout the year with peak harvest occurring from December through February.

Figure VII-2
Fresh tomatoes: Foreign producers' growth and peak production periods based on method



Source: Compiled from data submitted in response to Commission questionnaires.

Exports

According to GTA, the leading export markets for fresh tomatoes from Mexico are the United States and Canada (table VII-8). In 2018, the United States was the top export market for fresh tomatoes from Mexico, accounting for 99.7 percent, followed by Canada, accounting for 0.2 percent.

Table VII-8
Fresh tomatoes: Mexico exports by destination market, 2016-18

Destination market	Calendar year		
	2016	2017	2018
	Quantity (1,000 pounds)		
United States	3,844,616	3,833,043	4,027,318
Canada	10,196	7,217	8,671
Japan	699	1,319	2,182
Costa Rica	---	190	280
Cuba	---	---	40
United Arab Emirates	1	10	7
United Kingdom	1	11	5
France	---	---	3
Belize	---	---	0
All other destination markets	53	31	(0)
Total exports	3,855,567	3,841,821	4,038,506
	Value (1,000 dollars)		
United States	2,099,043	1,990,929	2,292,245
Canada	5,799	3,911	5,165
Japan	393	711	1,249
Costa Rica	---	93	167
Cuba	---	---	21
United Arab Emirates	1	5	4
United Kingdom	1	6	3
France	---	---	2
Belize	---	---	0
All other destination markets	29	15	---
Total exports	2,105,265	1,995,669	2,298,856

Table continued.

Table VII-8--Continued
Fresh tomatoes: Mexico exports by destination market, 2016-18

Destination market	Calendar year		
	2016	2017	2018
	Unit value (dollars per pound)		
United States	0.55	0.52	0.57
Canada	0.57	0.54	0.60
Japan	0.56	0.54	0.57
Costa Rica	---	0.49	0.60
Cuba	---	---	0.53
United Arab Emirates	0.56	0.52	0.57
United Kingdom	0.53	0.52	0.55
France	---	---	0.54
Belize	---	---	0.45
All other destination markets	0.54	0.48	---
Total exports	0.55	0.52	0.57
	Share of quantity (percent)		
United States	99.7	99.8	99.7
Canada	0.3	0.2	0.2
Japan	0.0	0.0	0.1
Costa Rica	---	0.0	0.0
Cuba	---	---	0.0
United Arab Emirates	0.0	0.0	0.0
United Kingdom	0.0	0.0	0.0
France	---	---	0.0
Belize	---	---	0.0
All other destination markets	0.0	0.0	(0.0)
Total exports	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent. United States is shown at the top, all remaining top export destinations shown in descending order of 2018 data.

Source: Official exports statistics under HS subheading 0702 as reported by Instituto Nacional de Estadistica y Geografia (INEGI) in the Global Trade Atlas database, accessed July 25, 2019.

U.S. inventories of imported merchandise

Table VII-9 presents data for inventories of U.S. imports of fresh tomatoes from Mexico and all other sources held in the United States. Due to the perishable nature of tomatoes, inventories do not play a significant role in this industry. Inventories as a ratio to U.S. imports ranged from *** percent in 2016 to *** percent in 2017 to *** percent in 2018.

Table VII-9
Fresh tomatoes: U.S. importers' end-of-period inventories of imports by source, 2016-18, January to March 2018, and January to March 2019

Item	Calendar year			January to March	
	2016	2017	2018	2018	2019
	Inventories (1,000 pounds); Ratios (percent)				
Imports from Mexico:					
Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***
Imports from nonsubject sources:					
Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***
Imports from all import sources:					
Inventories	***	***	***	***	***
Ratio to U.S. imports	***	***	***	***	***
Ratio to U.S. shipments of imports	***	***	***	***	***
Ratio to total shipments of imports	***	***	***	***	***

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Compiled from data submitted in response to Commission questionnaires.

U.S. importers' outstanding orders

The Commission requested importers to indicate whether they had imported or arranged for the importation of fresh tomatoes from Mexico for delivery after March 31, 2019 (table VII-10). Importers reported having arranged for a total of *** billion pounds of fresh tomatoes from Mexico through March 2020.

Table VII-10
Fresh tomatoes: Arranged imports, April 2019 through March 2020

Item	Period				
	Apr-Jun 2019	Jul-Sept 2019	Oct-Dec 2019	Jan-Mar 2020	Total
	Quantity (1,000 pounds)				
Arranged U.S. imports from.--					
Mexico	***	***	***	***	***
Nonsubject sources	***	***	***	***	***
All import sources	***	***	***	***	***

Source: Compiled from data submitted in response to Commission questionnaires.

Antidumping or countervailing duty orders in third-country markets

There are no known trade remedy actions on fresh tomatoes in third-country markets.

Information on nonsubject countries

Table VII-11 presents the largest global export sources of fresh tomatoes during 2016–18. In 2018, Mexico was the largest global exporter of fresh tomatoes on a volume basis. Over the past decades, tomatoes grown in protected agriculture environments, such as greenhouses, have made significant inroads into the U.S. fresh-tomato retail market. In the 1990s, greenhouse-grown tomatoes were a specialty product and most came from the Netherlands. By the late 1990s, greenhouse tomatoes had gained sizable shelf-space in most U.S. grocery stores. Now, the United States, Canada, and Mexico all produce greenhouse tomatoes.

Although Canada was a pioneer in the North American greenhouse tomato industry,[13] U.S. tomato imports from Canada have weakened with rising competition from the industry in Mexico. In 2017, about 63 percent of the total tomato production in Mexico was of tomatoes grown in protected agriculture areas, increasing from about 32 percent in 2010.[14]

[13] USDA, ERS, "Greenhouse Tomatoes Change the Dynamics of the North American Fresh Tomato Industry," p. 52, 2005. http://ucce.ucdavis.edu/files/datastore/234-447.pdf

[14] Fideicomisos Instituidos en Relación con la Agricultura (FIRA), "Panorama Alimentario: Tomate Rojo 2019." https://www.inforural.com.mx/fira-panorama-agroalimentario-tomate-rojo-2019/

Table VII-11
Fresh tomatoes: Global exports by exporter, 2016-18

Exporter	Calendar year		
	2016	2017	2018
	Quantity (1,000 pounds)		
United States	459,851	448,330	476,828
Mexico	3,855,567	3,841,821	4,038,506
Netherlands	2,355,463	2,401,359	2,403,122
Spain	2,008,640	1,784,887	1,792,695
Turkey	1,071,364	1,158,946	1,168,639
Morocco	1,137,693	1,164,940	1,159,312
France	545,714	508,354	492,851
Belgium	485,954	480,844	485,355
China	454,837	586,261	449,768
Canada	424,655	445,696	421,895
India	589,922	99,274	220,930
Poland	215,349	203,437	194,588
All other exporters	4,773,844	4,433,833	2,063,866
Total	18,378,852	17,557,981	15,368,355
	Value (1,000 dollars)		
United States	351,855	333,442	325,046
Mexico	2,105,265	1,995,669	2,298,856
Netherlands	1,728,188	1,961,089	1,927,298
Spain	1,064,357	1,122,140	1,105,722
Turkey	239,949	290,272	289,723
Morocco	495,469	572,210	578,256
France	352,286	372,489	368,029
Belgium	285,926	303,907	283,267
China	170,254	217,432	207,269
Canada	375,800	416,122	411,692
India	82,273	16,719	36,417
Poland	78,697	81,689	78,203
All other exporters	1,394,287	1,367,941	903,585
Total	8,724,605	9,051,123	8,813,364

Table continued.

Table VII-11--Continued
Fresh tomatoes: Global exports by exporter, 2016-18

Exporter	Calendar year		
	2016	2017	2018
	Unit value (dollars per pound)		
United States	0.77	0.74	0.68
Mexico	0.55	0.52	0.57
Netherlands	0.73	0.82	0.80
Spain	0.53	0.63	0.62
Turkey	0.22	0.25	0.25
Morocco	0.44	0.49	0.50
France	0.65	0.73	0.75
Belgium	0.59	0.63	0.58
China	0.37	0.37	0.46
Canada	0.88	0.93	0.98
India	0.14	0.17	0.16
Poland	0.37	0.40	0.40
All other exporters	0.29	0.31	0.44
Total	0.47	0.52	0.57
	Share of quantity (percent)		
United States	2.5	2.6	3.1
Mexico	21.0	21.9	26.3
Netherlands	12.8	13.7	15.6
Spain	10.9	10.2	11.7
Turkey	5.8	6.6	7.6
Morocco	6.2	6.6	7.5
France	3.0	2.9	3.2
Belgium	2.6	2.7	3.2
China	2.5	3.3	2.9
Canada	2.3	2.5	2.7
India	3.2	0.6	1.4
Poland	1.2	1.2	1.3
All other exporters	26.0	25.3	13.4
Total	100.0	100.0	100.0

Note.--Shares and ratios shown as "0.0" represent values greater than zero, but less than "0.05" percent.

Source: Official exports statistics under HS subheading 0702 reported by various national statistical authorities in the Global Trade Atlas database, accessed July 25, 2019.

APPENDIX A

FEDERAL REGISTER NOTICES

The Commission makes available notices relevant to its investigations and reviews on its website, www.usitc.gov. In addition, the following tabulation presents, in chronological order, *Federal Register* notices issued by the Commission and Commerce during the current proceeding.

Citation	Title	Link
84 FR 38643 May 13, 2019	*Fresh Tomatoes From Mexico: Termination of Suspension Agreement, Rescission of Administrative Review, and Continuation of the Antidumping Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-05-13/pdf/2019-09786.pdf
84 FR 27805 June 14, 2019	*Fresh Tomatoes From Mexico; Resumption of the Final Phase of an Anti-Dumping Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-06-14/pdf/2019-12535.pdf
84 FR 38634 August 7, 2019	*Fresh Tomatoes From Mexico; Scheduling of the Final Phase of an Antidumping Duty Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-08-07/pdf/2019-16918.pdf
84 FR 46756 September 5, 2019	*Fresh Tomatoes from Mexico; Revised Schedule for the Subject Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-09-05/pdf/2019-19154.pdf
84 FR 49987 September 24, 2019	*Fresh Tomatoes From Mexico; Suspension of Anti-Dumping Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-10-10/pdf/2019-22214.pdf
84 FR 54639 October 10, 2019	*Fresh Tomatoes From Mexico; Suspension of Anti-Dumping Investigation*	https://www.govinfo.gov/content/pkg/FR-2019-10-10/pdf/2019-22214.pdf
84 FR 56837 October 17, 2019	*Fresh Tomatoes From Mexico; Continuation of the Final Phase of an Antidumping Duty Investigation and Revised Schedule*	https://www.govinfo.gov/content/pkg/FR-2019-10-23/pdf/2019-23073.pdf
84 FR 57401 October 25, 2019	*Fresh Tomatoes From Mexico: Final Determination of Sales at Less Than Fair Value*	https://www.govinfo.gov/content/pkg/FR-2019-10-25/pdf/2019-23341.pdf

Note.--for complete case history please refer to the case history table on page I-5 of this report.

APPENDIX B

LIST OF HEARING WITNESSES

CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject: Fresh Tomatoes from Mexico

Inv. No.: 731-TA-747 (Final)

Date and Time: October 24, 2019 - 9:30 a.m.

Sessions were held in connection with this investigation in the Main Hearing Room (Room 101), 500 E Street, SW., Washington, DC.

OPENING REMARKS:

Petitioners (**Robert C. Cassidy, Jr.**, Cassidy Levy Kent (USA) LLP)
Respondents (**Thomas B. Wilner**, Shearman & Sterling LLP)

In Support of the Imposition of Antidumping Duty Order:

Cassidy Levy Kent (USA) LLP
Washington, DC
on behalf of

Florida Tomato Exchange ("FTE")

Michael W. Sullivan, Chief Executive Officer and President, Gargiulo, Inc.; and Treasurer and Member of the Board of Directors, FTE

Anthony J. DiMare, Executive Vice President, DiMare Homestead Inc.; and Vice Chairman, FTE

Priya Singh, General Manager and Secretary, West Coast Tomato Growers, Inc.

Fred Leitz, Chief Executive Officer, Leitz Farms LLC

Michael Schadler, Executive Vice President, FTE

In Support of the Imposition of
Antidumping Duty Order (continued):

Deirdre Maloney, Senior International Trade Advisor,
Cassidy Levy Kent (USA) LLP

Robert C. Cassidy, Jr.)
James R. Cannon, Jr.)
)
Mary Jane Alves)
Jonathan Zielinski)

In Opposition to the Imposition of
Antidumping Duty Order:

Arent Fox LLP
Washington, DC
on behalf of

NS Brands, Ltd.

Bryant Ambelang, Chief Executive Officer, NS Brands, Ltd.

Skip Hulett, Vice President and General Counsel, NS Brands, Ltd.

Matthew M. Nolan)
) – OF COUNSEL
Andrew Jaxa-Debicki)

Shearman & Sterling LLP
Washington, DC
on behalf of

Confederación de Asociaciones Agrícolas del Estado de Sinaloa, A.C.
Consejo Agrícola de Baja California, A.C.
Asociación Mexicana de Horticultura Protegida, A.C.
Asociación de Productores de Hortalizas del Yaqui y Mayo
Sistema Producto Tomate

Sergio Esquer, Chief Executive Officer, Agricola Chaparral
and Agroindustrias Villa Santiago

Lance Jungmeyer, President, Fresh Produce Association of the Americas

In Opposition to the Imposition of
Antidumping Duty Order:

Michael J. Agostini, Consultant and Owner, Miago Produce

Charles C. Anderson, Principal, Capital Trade Inc.

Thomas L. Rogers, Principal, Capital Trade Inc.

Martin Ley, President, Fresh/Evolution

Eduardo de la Vega, President and Chief Executive Officer, Bioparques de Occidente

Salvador Garcia Valdez, President, San Vincente Camalu; and President, Consejo Agricola de Baja California

Mario Robles, Director, Confederación de Asociaciones Agrícolas del Estado de Sinaloa

Lisa Raisner, Government Relations, Shearman & Sterling LLP

Thomas B. Wilner)
) – OF COUNSEL
Robert S. LaRussa)

Curtis, Mallet-Prevost, Colt & Mosle LLP
Washington, DC
on behalf of

Agricola El Rosal
S.A DE C.V.
San Miguel Red Sun Farms SPR DE RL DE CV
Naturbell
S.P.R. DE R.L.
Red Sun Farms Virginia LLC
Jem-D International (Michigan) Inc.

Jim DiMenna, President, Red Sun Farms

Carlos Visconti, Chief Executive Officer, Red Sun Farms

In Opposition to the Imposition of

Antidumping Duty Order (continued):

Steve Macchio, Chief Financial Officer, Red Sun Farms

Valerie Ellis)
Daniel L. Porter) – OF COUNSEL
Kimberly A. Reynolds)

REBUTTAL/CLOSING REMARKS:

Petitioners (**Mary Jane Alves**, Cassidy Levy Kent (USA) LLP)
Respondents (**Thomas B. Wilner**, Shearman & Sterling LLP; and **Matthew M. Nolan**, Arent Fox LLP)

-END-

APPENDIX C

SUMMARY DATA

All producers

Table C-1

Fresh tomatoes: Summary data concerning the U.S. market, 2016-18, January to March 2018, and January to March 2019

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
U.S. consumption quantity:									
Amount	6,563,563	6,652,937	6,737,766	1,886,591	1,866,149	▲2.7	▲1.4	▲1.3	▼(1.1)
Producers' share (fn1)	40.0	40.7	39.3	35.9	35.4	▼(0.7)	▲0.7	▼(1.5)	▼(0.5)
Importers' share (fn1):									
Mexico	54.4	53.4	55.4	63.1	63.6	▲1.0	▼(1.0)	▲1.9	▲0.5
Nonsubject sources	5.6	5.8	5.4	1.0	1.0	▼(0.2)	▲0.3	▼(0.5)	▼(0.0)
All import sources	60.0	59.3	60.7	64.1	64.6	▲0.7	▼(0.7)	▲1.5	▲0.5
U.S. consumption value:									
Amount	3,777,999	3,725,792	3,918,660	1,104,496	1,140,203	▲3.7	▼(1.4)	▲5.2	▲3.2
Producers' share (fn1)	37.5	39.0	36.6	32.0	35.1	▼(0.9)	▲1.6	▼(2.4)	▲3.0
Importers' share (fn1):									
Mexico	54.4	51.8	55.0	66.1	63.1	▲0.6	▼(2.6)	▲3.3	▼(3.0)
Nonsubject sources	8.1	9.2	8.4	1.9	1.9	▲0.3	▲1.1	▼(0.8)	▼(0.0)
All import sources	62.5	61.0	63.4	68.0	64.9	▲0.9	▼(1.6)	▲2.4	▼(3.0)
U.S. imports from:									
Mexico:									
Quantity	3,570,887	3,554,592	3,729,998	1,190,159	1,185,984	▲4.5	▼(0.5)	▲4.9	▼(0.4)
Value	2,055,960	1,928,893	2,156,830	729,885	719,124	▲4.9	▼(6.2)	▲11.8	▼(1.5)
Unit value	$0.58	$0.54	$0.58	$0.61	$0.61	▲0.4	▼(5.8)	▲6.6	▼(1.1)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	367,332	389,066	362,211	19,112	18,775	▼(1.4)	▲5.9	▼(6.9)	▼(1.8)
Value	306,911	343,547	329,243	20,836	21,229	▲7.3	▲11.9	▼(4.2)	▲1.9
Unit value	$0.84	$0.88	$0.91	$1.09	$1.13	▲8.8	▲5.7	▲2.9	▲3.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	3,938,219	3,943,658	4,092,209	1,209,271	1,204,759	▲3.9	▲0.1	▲3.8	▼(0.4)
Value	2,362,872	2,272,441	2,486,074	750,721	740,353	▲5.2	▼(3.8)	▲9.4	▼(1.4)
Unit value	$0.60	$0.58	$0.61	$0.62	$0.61	▲1.3	▼(4.0)	▲5.4	▼(1.0)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
U.S. producers':									
Average capacity quantity	2,558,305	2,574,477	2,543,939	859,964	841,775	▼(0.6)	▲0.6	▼(1.2)	▼(2.1)
Production quantity	1,605,429	1,623,598	1,585,706	369,979	349,716	▼(1.2)	▲1.1	▼(2.3)	▼(5.5)
Capacity utilization (fn1)	62.8	63.1	62.3	43.0	41.5	▼(0.4)	▲0.3	▼(0.7)	▼(1.5)
U.S. shipments:									
Quantity	2,625,344	2,709,279	2,645,556	677,320	661,389	▲0.8	▲3.2	▼(2.4)	▼(2.4)
Value	1,415,127	1,453,351	1,432,587	353,776	399,850	▲1.2	▲2.7	▼(1.4)	▲13.0
Unit value	$0.54	$0.54	$0.54	$0.52	$0.60	▲0.5	▼(0.5)	▲0.9	▲15.7
Export shipments:									
Quantity	46,159	45,576	42,875	8,690	7,239	▼(7.1)	▼(1.3)	▼(5.9)	▼(16.7)
Value	30,432	32,639	29,300	7,300	5,858	▼(3.7)	▲7.3	▼(10.2)	▼(19.7)
Unit value	$0.66	$0.72	$0.68	$0.84	$0.81	▲3.7	▲8.6	▼(4.6)	▼(3.6)

Table continued on next page.

Table C-1--Continued

Fresh tomatoes: Summary data concerning the U.S. market, 2016-18, January to March 2018, and January to March 2019

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
U.S. producers':--Continued									
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***	***	***	***
Production workers	12,319	11,831	11,375	10,361	9,726	▼(7.7)	▼(4.0)	▼(3.9)	▼(6.1)
Hours worked (1,000s)	27,623	26,873	25,003	6,450	5,854	▼(9.5)	▼(2.7)	▼(7.0)	▼(9.2)
Wages paid ($1,000)	320,296	319,779	313,746	78,844	73,554	▼(2.0)	▼(0.2)	▼(1.9)	▼(6.7)
Hourly wages (dollars per hour)	$11.60	$11.90	$12.55	$12.22	$12.57	▲8.2	▲2.6	▲5.4	▲2.8
Productivity (pounds per hour)	58.1	60.4	63.4	57.4	59.7	▲9.1	▲4.0	▲5.0	▲4.2
Unit labor costs	$0.20	$0.20	$0.20	$0.21	$0.21	▼(0.8)	▼(1.3)	▲0.5	▼(1.3)
Net sales:									
Quantity	1,575,755	1,610,116	1,563,693	366,419	348,085	▼(0.8)	▲2.2	▼(2.9)	▼(5.0)
Value	868,626	865,346	862,101	194,633	211,249	▼(0.8)	▼(0.4)	▼(0.4)	▲8.5
Unit value	$0.55	$0.54	$0.55	$0.53	$0.61	▲0.0	▼(2.5)	▲2.6	▲14.3
Cost of goods sold (COGS)	776,873	782,183	771,436	177,486	176,669	▼(0.7)	▲0.7	▼(1.4)	▼(0.5)
Gross profit or (loss)	91,752	83,164	90,665	17,146	34,580	▼(1.2)	▼(9.4)	▲9.0	▲101.7
SG&A expenses	102,913	103,873	102,268	20,802	20,449	▼(0.6)	▲0.9	▼(1.5)	▼(1.7)
Operating income or (loss)	(11,160)	(20,709)	(11,603)	(3,656)	14,131	▼---	▼---	▲---	▲---
Net income or (loss)	(39,080)	(47,254)	(53,737)	(16,533)	7,166	▼---	▼---	▼---	▲---
Capital expenditures	57,357	135,320	22,833	4,341	3,129	▼(60.2)	▲135.9	▼(83.1)	▼(27.9)
Unit COGS	$0.49	$0.49	$0.49	$0.48	$0.51	▲0.1	▼(1.5)	▲1.6	▲4.8
Unit SG&A expenses	$0.07	$0.06	$0.07	$0.06	$0.06	▲0.1	▼(1.2)	▲1.4	▲3.5
Unit operating income or (loss)	$(0.01)	$(0.01)	$(0.01)	$(0.01)	$0.04	▼---	▼---	▲---	▲---
Unit net income or (loss)	$(0.02)	$(0.03)	$(0.03)	$(0.05)	$0.02	▼---	▼---	▼---	▲---
COGS/sales (fn1)	89.4	90.4	89.5	91.2	83.6	▲0.0	▲1.0	▼(0.9)	▼(7.6)
Operating income or (loss)/sales (fn1)	(1.3)	(2.4)	(1.3)	(1.9)	6.7	▼(0.1)	▼(1.1)	▲1.0	▲8.6
Net income or (loss)/sales (fn1)	(4.5)	(5.5)	(6.2)	(8.5)	3.4	▼(1.7)	▼(1.0)	▼(0.8)	▲11.9

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Shares preceded by a "▲" represent an increase, while shares preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data provided in response to Commission questionnaires, from USDA National Agricultural Statistics Service, National Statistics for Tomatoes, accessed August 12, 2019, and from official U.S. import statistics using HTS statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed July 18, 2019.

Related party exclusion

Table C-2
Fresh tomatoes: Summary data concerning the U.S. market excluding two U.S. producers * and ***, 2016-18, January to March 2018, and January to March 2019**

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
U.S. consumption quantity:									
Amount	6,563,563	6,652,937	6,737,766	1,886,591	1,866,149	▲2.7	▲1.4	▲1.3	▼(1.1)
Producers' share (fn1):									
Included producers	***	***	***	***	***	***	***	***	***
Excluded producers	***	***	***	***	***	***	***	***	***
All producers	40.0	40.7	39.3	35.9	35.4	***	***	***	***
Importers' share (fn1):									
Mexico	54.4	53.4	55.4	63.1	63.6	▲1.0	▼(1.0)	▲1.9	▲0.5
Nonsubject sources	5.6	5.8	5.4	1.0	1.0	▼(0.2)	▲0.3	▼(0.5)	▼(0.0)
All import sources	60.0	59.3	60.7	64.1	64.6	▲0.7	▼(0.7)	▲1.5	▲0.5
U.S. consumption value:									
Amount	3,777,999	3,725,792	3,918,660	1,104,496	1,140,203	▲3.7	▼(1.4)	▲5.2	▲3.2
Producers' share (fn1):									
Included producers	***	***	***	***	***	***	***	***	***
Excluded producers	***	***	***	***	***	***	***	***	***
All producers	37.5	39.0	36.6	32.0	35.1	▼(0.9)	▲1.6	▼(2.4)	▲3.0
Importers' share (fn1):									
Mexico	54.4	51.8	55.0	66.1	63.1	▲0.6	▼(2.6)	▲3.3	▼(3.0)
Nonsubject sources	8.1	9.2	8.4	1.9	1.9	▲0.3	▲1.1	▼(0.8)	▼(0.0)
All import sources	62.5	61.0	63.4	68.0	64.9	▲0.9	▼(1.6)	▲2.4	▼(3.0)
U.S. imports from:									
Mexico:									
Quantity	3,570,887	3,554,592	3,729,998	1,190,159	1,185,984	▲4.5	▼(0.5)	▲4.9	▼(0.4)
Value	2,055,960	1,928,893	2,156,830	729,885	719,124	▲4.9	▼(6.2)	▲11.8	▼(1.5)
Unit value	$0.58	$0.54	$0.58	$0.61	$0.61	▲0.4	▼(5.8)	▲6.6	▼(1.1)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Nonsubject sources:									
Quantity	367,332	389,066	362,211	19,112	18,775	▼(1.4)	▲5.9	▼(6.9)	▼(1.8)
Value	306,911	343,547	329,243	20,836	21,229	▲7.3	▲11.9	▼(4.2)	▲1.9
Unit value	$0.84	$0.88	$0.91	$1.09	$1.13	▲8.8	▲5.7	▲2.9	▲3.7
Ending inventory quantity	***	***	***	***	***	***	***	***	***
All import sources:									
Quantity	3,938,219	3,943,658	4,092,209	1,209,271	1,204,759	▲3.9	▲0.1	▲3.8	▼(0.4)
Value	2,362,872	2,272,441	2,486,074	750,721	740,353	▲5.2	▼(3.8)	▲9.4	▼(1.4)
Unit value	$0.60	$0.58	$0.61	$0.62	$0.61	▲1.3	▼(4.0)	▲5.4	▼(1.0)
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Included U.S. producers':									
Average capacity quantity	***	***	***	***	***	***	***	***	***
Production quantity	***	***	***	***	***	***	***	***	***
Capacity utilization (fn1)	***	***	***	***	***	***	***	***	***
U.S. shipments, included producers:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
U.S. shipments, all producers:									
Quantity	2,625,344	2,709,279	2,645,556	677,320	661,389	▲0.8	▲3.2	▼(2.4)	▼(2.4)
Value	1,415,127	1,453,351	1,432,587	353,776	399,850	▲1.2	▲2.7	▼(1.4)	▲13.0
Unit value	$0.54	$0.54	$0.54	$0.52	$0.60	▲0.5	▼(0.5)	▲0.9	▲15.7
Export shipments:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***

Table continued on next page.

Table C-2--Continued
Fresh tomatoes: Summary data concerning the U.S. market excluding two U.S. producers * and ***, 2016-18, January to March 2018, and January to March 2019**

(Quantity=1,000 pounds; Value=1,000 dollars; Unit values, unit labor costs, and unit expenses=dollars per pound; Period changes=percent--exceptions noted)

	Reported data					Period changes			
	Calendar year			January to March		Calendar year			Jan-Mar
	2016	2017	2018	2018	2019	2016-18	2016-17	2017-18	2018-19
Included U.S. producers':--Continued									
Ending inventory quantity	***	***	***	***	***	***	***	***	***
Inventories/total shipments (fn1)	***	***	***	***	***	***	***	***	***
Production workers	***	***	***	***	***	***	***	***	***
Hours worked (1,000s)	***	***	***	***	***	***	***	***	***
Wages paid ($1,000)	***	***	***	***	***	***	***	***	***
Hourly wages (dollars per hour)	***	***	***	***	***	***	***	***	***
Productivity (pounds per hour)	***	***	***	***	***	***	***	***	***
Unit labor costs	***	***	***	***	***	***	***	***	***
Net sales:									
Quantity	***	***	***	***	***	***	***	***	***
Value	***	***	***	***	***	***	***	***	***
Unit value	***	***	***	***	***	***	***	***	***
Cost of goods sold (COGS)	***	***	***	***	***	***	***	***	***
Gross profit or (loss) (fn2)	***	***	***	***	***	***	***	***	***
SG&A expenses	***	***	***	***	***	***	***	***	***
Operating income or (loss) (fn2)	***	***	***	***	***	***	***	***	***
Net income or (loss) (fn2)	***	***	***	***	***	***	***	***	***
Capital expenditures	***	***	***	***	***	***	***	***	***
Unit COGS	***	***	***	***	***	***	***	***	***
Unit SG&A expenses	***	***	***	***	***	***	***	***	***
Unit operating income or (loss) (fn2)	***	***	***	***	***	***	***	***	***
Unit net income or (loss) (fn2)	***	***	***	***	***	***	***	***	***
COGS/sales (fn1)	***	***	***	***	***	***	***	***	***
Operating income or (loss)/sales (fn1)	***	***	***	***	***	***	***	***	***
Net income or (loss)/sales (fn1)	***	***	***	***	***	***	***	***	***

Note.--Shares and ratios shown as "0.0" percent represent non-zero values less than "0.05" percent (if positive) and greater than "(0.05)" percent (if negative). Zeroes, null values, and undefined calculations are suppressed and shown as "---". Shares preceded by a "▲" represent an increase, while shares preceded by a "▼" represent a decrease.

fn1.--Reported data are in percent and period changes are in percentage points.
fn2.--Percent changes only calculated when both comparison values represent profits; The directional change in profitability provided when one or both comparison values represent a loss.

Source: Compiled from data provided in response to Commission questionnaires, from USDA National Agricultural Statistics Service, National Statistics for Tomatoes, accessed August 12, 2019, and from official U.S. import statistics using HTS statistical reporting numbers 0702.00.2010, 0702.00.2030, 0702.00.2035, 0702.00.2045, 0702.00.2060, 0702.00.2065, 0702.00.2090, 0702.00.2095, 0702.00.2099, 0702.00.4010, 0702.00.4030, 0702.00.4035, 0702.00.4045, 0702.00.4046, 0702.00.4060, 0702.00.4065, 0702.00.4090, 0702.00.4098, 0702.00.4099, 0702.00.6010, 0702.00.6030, 0702.00.6035, 0702.00.6045, 0702.00.6060, 0702.00.6065, 0702.00.6090, 0702.00.6095, and 0702.00.6099, accessed July 18, 2019.