

Agriculture Groups Ask for End to High Tariffs on Oregon Products Destined for Mexico

[April 15, 2009] Oregon agriculture exporters whose products face steep Mexican tariffs met today with Congressman Kurt Schrader to ask for his help in resolving a trade dispute between the two countries.

On March 19, several Oregon agriculture sectors were slapped with tariffs of up to 20 percent after a pilot program allowing Mexican trucks access to U.S. highways was scrapped. Mexico reinstated the pre-North American Free Trade Agreement (NAFTA) tariffs in response to Congress' decision to stop funding the Department of Transportation's Cross Border Trucking Pilot Program.

"Ending the program clearly violated provisions of NAFTA and provoked Mexico to retaliate against a number of industries, including the many Oregon growers who depend upon the Mexican market," said Jeff Stone, Oregon Association of Nurseries (OAN) Director of Government Relations.

The nursery association, which represents Oregon's largest sector of agriculture, stressed the urgency of resolving the trade dispute before the start of summer, when most commercial buyers place their orders for Christmas trees. OAN president Tom McNabb of Yule Tree Farms noted that a failure to resolve the dispute will result in serious economic damage to Oregon Christmas tree growers. The tariff will dramatically reduce the number of trees exported to Mexico, forcing additional product on the domestic market and creating an economic downdraft due to falling prices.

"Oregon's renewable Christmas tree industry exports nearly 1 in 4 of the Douglas Fir trees grown in our state, equaling 11 percent of total sales, to Mexico," Said McNabb. "These tariffs of 20 percent will take a big bite out of a grower community that produces over 7 million trees and is worth more than \$110 million to the Oregon economy."

Stone praised Congressman Schrader for meeting with agriculture and other groups to understand the impact of the decision. "We applaud the eager and early response of Congressman Schrader and ask that he support the Oregon Association of Nurseries and our state's Christmas tree growers in the effort to remedy the situation as quickly as possible," he said.

"The role of government is to ease the lines of commerce to keep people working and the economy strong," said Congressman Schrader. "With unemployment continuing to rise at an alarming rate, Oregonians need a quick resolution to this conflict."

Delegates from the group will be heading to Washington, D.C. next week to seek a remedy from congress and the administration "We are asking the Oregon Congressional delegation to respond decisively to the tariffs threatening many of our state's family farms who can ill afford another economic blow," said Stone. "We plan to work with Congress and the Obama administration for a speedy resolution of this problem."

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The Oregon Association of Nurseries, based in Wilsonville, represents more than 1,500 wholesale growers, retailers, landscapers and suppliers. Oregon's ornamental horticulture industry is the state's largest agricultural commodity, with annual sales of more than \$1 billion. For information visit our Web site at www.oan.org or call 503-682-5089.

CONTACT: Elizabeth Peters, Director of Communications
503-582-2010 (direct)
503-250-2235 (cel)
epeters@oan.org