

**NATIONAL  
POTATO  
COUNCIL**

# News Release

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FOR IMMEDIATE RELEASE

## **National Potato Council Applauds Suspension of All Retaliatory Tariffs by Mexico**

### ***Frozen U.S. Potato Exports to Mexico now Duty-Free***

**(Washington, DC – October 21, 2011)** – The National Potato Council (NPC) applauded today’s complete suspension of the retaliatory tariffs on U.S. exports by the government of Mexico. The action comes in response to last week’s approval of the first Mexico-based carrier by the U.S. Department of Transportation (DOT) to participate in the U.S.-Mexico Cross-Border Trucking Pilot Program.

“We are pleased that U.S. potato exports to Mexico are no longer subject to damaging retaliatory tariffs. For too long this unnecessary dispute had been allowed to linger, and the importance of today’s resolution cannot be overstated,” said Justin Dagen, NPC President and owner of Dagen Heritage Farms in Karlstad, Minn.

Today’s action by Mexico is the culmination of a pledge by U.S. President Barack Obama and Mexican President Felipe Calderon to end the trade dispute that has plagued the potato industry for 31 months. Since March 2009, U.S. potato growers have seen revenues from frozen potato exports to Mexico decline by more than \$70 million, or nearly 50 percent.

“America’s potato growers can now get back to the business of exporting the highest quality potato products in the world to an important trading partner and ally in Mexico. We are eager to earn back the market share that we have lost over the past 2 ½ years,” Dagen concluded.

The NPC and industry allies aggressively pressed the U.S. government to live up to its trade obligations and find a solution to the dispute since the retaliatory tariffs were imposed. As a coalition of more than 140 trade associations, organizations and companies affected by the retaliatory tariffs, the Alliance to Keep U.S. Jobs proved to be an essential part to ending the dispute. NPC is proud to have served as a co-chair of the Alliance along with the U.S. Chamber of Commerce and the National Association of Manufacturers.

Mexico is the third-largest market for U.S. potatoes. In 2008, the most recent year unaffected by the dispute, U.S. potato growers exported more than \$83 million in frozen potatoes to Mexico. In response to Congressional action to prohibit funding for a cross-border trucking pilot program, Mexico levied \$2.4

billion in retaliatory tariffs in accordance with an arbitration panel's decision in 2001. U.S. frozen potatoes were initially subject to a 20 percent tariff level on March 23, 2009. The tariff was reduced on August 17, 2010, when the tariff list was rotated to include other agricultural and manufactured goods.

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*The National Potato Council is the advocate for the economic well-being of U.S. potato growers on federal legislative, regulatory, environmental, and trade issues. Potato growers, along with the U.S. potato industry as whole, directly benefit from involvement in the National Potato Council. NPC supports the U.S. potato industry by monitoring issues affecting the strength and viability of the potato industry, influencing regulators and legislators on issues crucial to the industry's long term success, ensuring fair market access for potatoes and potato products, and bringing the unique issues and interests of diverse growing regions in the U.S. together on a national level. The National Potato Council is a voluntary organization supported by quota assessments from state organizations, allied industry memberships and sponsorships, and directly by potato growers through membership dues.*