



November 3, 2025

Re: Request for Comments on the Operation of the Agreement between the United States of America, the United Mexican States, and Canada; Docket No. USTR-2025-0004

Submitted electronically via USTR Comments Portal

Mr. Daniel Watson
Assistant U.S. Trade Representative for the Western Hemisphere
Office of the United States Trade Representative
600 17th Street NW
Washington, DC 20508

Dear Mr. Watson:

Thank you for the opportunity to comment on the Operation of the Agreement Between the United States of America, the United Mexican State, and Canada (USMCA). FMI – the Food Industry Association strongly encourages the United States to confirm its intention to extend the term of the Agreement for another 16 years when the formal joint review process begins in July 2026.

As the food industry association, FMI works with and on behalf of the entire industry to advance a safer, healthier, and more efficient consumer food supply chain. FMI brings together a wide range of members across the value chain — from retailers that sell to consumers, to producers and manufacturers that supply food and other products, as well as the wide variety of companies providing critical services — to amplify the collective work of the industry. More information about our organization is available at www.FMI.org.

FMI and the food industry share the Administration's commitment to strengthening the American economy, creating good-paying jobs, and ensuring the safety, health, and affordability of the U.S. food supply. Since coming into force in 2020, USMCA has been an important tool for achieving these goals by increasing regional integration, opening new markets for U.S. producers and manufacturers, and creating a science-based regulatory consistency that provides a stable business environment. The Agreement





maintained highly beneficial existing relationships with the U.S.'s largest food and agricultural trading partners, while modernizing a number of provisions to reflect current business models and approaches. By virtually any measure, the USMCA is one of the most important trade agreements ever negotiated.

The United States' Food System is Oriented Towards Domestic Production; Canada and Mexico Play an Important Supplementary Role

While there has been a significant focus on the role of imports in the U.S. economy, many Americans do not recognize that the vast majority of the food they eat is of U.S. origin. Domestic growth and production of agriculture and food products underpin and drive the United States's food system. In 2023, the United States Department of Agriculture (USDA) found that domestic production accounted for 85 percent of every dollar spent on food and beverages in the U.S.¹ Because of this, the food supply chain contributed more than \$1.5 trillion to U.S. gross domestic product (GDP) and accounted for 10.4 percent of employment.²

Imports do play an important supplementary role in the U.S. food system. Canada and Mexico are significant suppliers of agricultural goods, particularly during the shoulder season when U.S. product is not ready or has already been harvested and brought to market. Imports can also play an important role as inputs in U.S. manufacturing, helping to support jobs and lower prices for American consumers. While there are obviously trade tensions that can arise, Canadian and Mexican agriculture and food imports are largely complementary to U.S. production. As USDA explains, focusing on Mexico:

These imports are closely tied to a number of factors, including: Mexico's accumulated knowledge...; the popularity in the United States of certain imports from Mexico...; and Mexico's growing seasons, which largely complement those of the United States. For example, many types of produce that the United States does not grow in winter are grown during that time in Mexico.³

¹ Quinton Baker and James Chandler Zachary, "Imports accounted for less than 20% of U.S. food and beverage spending in 2023," *USDA Charts of Note*, May 15, 2025. Available at <https://www.ers.usda.gov/data-products/charts-of-note/chart-detail?chartId=112543>.

² Steve Zahniser, "What is agriculture's share of the overall U.S. economy?" December 19, 2024, and Kathleen Kassel, "Agriculture and its related industries provide 10.4 percent of U.S. employment", November 3, 2023. Available at <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/ag-and-food-sectors-and-the-economy>.

³ *USMCA, Canada, & Mexico – Mexico: Trade & FDI*, July 22, 2025. Available at <https://www.ers.usda.gov/topics/international-markets-us-trade/countries-regions/usmca-canada-mexico/mexico-trade-fdi>.





The USMCA helped develop this integration, which has benefited not just U.S. businesses but U.S. consumers in the form of a more secure supply chain; year-round availability of in-demand food products; exposure to new foods and food experiences; and, in many cases, lower prices.⁴ A recent FMI white paper focused on cucumber production⁵ found that a shift away from supplementing U.S. production with imports would raise costs for the consumer. Cucumbers are the seventh most popular vegetable in the country and require specific growing conditions, including direct sunlight and soil pH requirements that limit production to specific areas of the country, and only during certain seasons. Due to the limited availability and high cost of agricultural land, expanding domestic production would likely require the use of greenhouse or controlled indoor environments. Greenhouse grown cucumbers are significantly more expensive, priced at \$3.43 per pound, compared to \$1.41 per pound for traditionally grown cucumbers. Therefore, a shift to domestically produced cucumbers could result in significant retail price increases on a nutritious and highly popular consumer product.

As USTR begins preparation for the Joint Review of the operation of the USMCA, FMI encourages the negotiation to focus on maintaining and building upon the Agreement's success. Specifically:

- **Declare the United States' intention to extend the term of the Agreement for another 16 years.** For businesses in the food sector, one of the most important commodities needed to conduct operations is certainty. A 16-year extension will offer the reassurances needed to promote investment in new facilities and expand job creation.
- **Continue the 6-year review process established in the original Agreement.** The current state of play in the global trading system (e.g., the paralysis of the World Trade Organization) makes a regular consultative process essential to maintaining a trade agreement that reflects changing market realities.
- **Maintain the zero-tariff status of USMCA-eligible food and beverage imports.** As discussed, these imports from Canada and Mexico are complementary with and contribute to U.S. production. Zero-tariff status helps create a consistent supply and is an important buffer against inflationary pressures.⁶

⁴ FMI represents the largely consumer-facing portion of the U.S. food supply chain – retailers and product suppliers. For farmers, ranchers, and food manufacturers, USMCA has helped open and expand export markets in Canada and Mexico that have become crucial outlets for their products.

⁵ Available at <https://www.fmi.org/industry-topics/fact-sheet/reshoring-production--a-look-at-cucumbers>.

⁶ FMI and its members are particularly grateful that the Administration has maintained the zero-tariff status of USMCA-eligible products as part of the President's IEEPA tariffs.





- **Continue the science-based focus of the SPS agreement** – The USMCA chapter on Sanitary and Phytosanitary Measures created important regulatory safeguards that require the use of sound science and lays out a regulated process requiring party input on decisions around risk analysis and management. It is, in many ways, a model for creating a cross-border consistency that raises the standards of all the subject parties.
- **Maintain the dispute settlement mechanism in the Agreement.** The importance of having a formal mechanism – one that cannot be blocked by a single-subject party – is an essential component of promoting investment and creating a system for orderly resolution to conflicts that can move more quickly than negotiations.

The five areas listed above are essential to maintaining the efficacy of the USMCA and continuing the integration and development of markets in North America. There are, however, several areas where changes could improve the Agreement:

1. **Streamline/simplify the process for declaring origin.** While declaring origin for food is generally a straightforward process (an avocado is from Mexico or the United States not from a series of countries), the same is not true for areas like equipment and technology used in our members' stores and manufacturing facilities. The process is often convoluted and expensive for importers. While FMI recognizes and supports the need to impose safeguards against bad actors who may want to transship products or otherwise circumvent origin requirements, the process is often challenging for those operating in good faith.
2. **Create an exemption for aluminum and steel produced in compliance with USMCA.** U.S. smelting capacity to produce aluminum – for example - cannot currently supply domestic demand and is subject to high energy input costs. Accordingly, Canadian imports of "primary" (i.e., virgin) aluminum complements U.S. domestic production. Primary aluminum is a critical component used in aluminum rolling in the U.S., which supplies the automotive, construction and packaging industries, including aluminum cansheet (among others). High-cost primary aluminum diminishes the affordability of these value-add products.
3. **Exclude potash from tariffs.** Potash refers to a group of minerals containing water-soluble potassium, a vital nutrient for plants and a key component in fertilizers. Canada is the world's largest producer and exporter of potash, with ~85% of U.S. imports of potash coming from its northern neighbor. Given the



critical nature of this input for U.S. farmers, the Trump Administration should exclude potash from tariffs.

4. **Explore avenues for increased regulatory cooperation.** A regulatory cooperation commitment addresses access constraints that limit U.S. competitiveness and stifle U.S. innovations without violating the sovereignty of any nation. For example, in the area of infant formula, the vast majority of infant formula consumed in Canada is exported from the United States., Delays in the regulatory approval process put Canadian families and their infants at a significant disadvantage, and unjustifiably limit access of U.S. infant formula innovations and advancements in pediatric nutrition science to the Canadian market. A regulatory cooperation commitment should be prioritized for infant formula to: allow for expedited review and approvals; enable U.S. infant formula innovations and clinically supported pediatric nutrition options that are widely available in U.S. retail outlets and hospitals to be allowed timely entry to the Canadian market; and address access constraints that limit U.S. competitiveness and stifle U.S. innovations.
5. **Engage with the private sector and across the trade relationship to ensure science-based approaches to address plastic pollution.** Plastic and recycling policies should consider trade, the viability of alternatives, increased costs to consumers, and restrictions on U.S. exports, all while ensuring alignment for a circular economy across North America. Industry supports policies that align and grow a circular economy across the North American market, promote product and waste lifecycle management, and enable innovation in the collection, management, and recycling infrastructure systems. However, Canada's Zero Plastic Waste Agenda – including compostability and recyclability labeling, bans on single-use plastics, and cross-border trade restrictions – create negative impacts on trade and restrict U.S. food and agriculture exports. One of the USMCA's greatest legacies has been moving the partners away from trade restrictive policies and towards science-based collaboration; this approach should be maintained.
6. **Update the Agreement to reflect changes in food technology.** The USMCA's section on bioengineered products (BE) is groundbreaking and represents an important codification that makes this technology more available to growers in each of the three Party countries. New technologies like gene editing, to cite just one example, pose new challenges that the Agreement needs to be updated to





reflect so that market access and approvals do not stifle innovation or become subject to non-scientific objections.

The USMCA is a major economic achievement that has played an important role in expanding markets and securing supply chains for U.S. manufacturers and retailers. FMI encourages USTR to resist calls to water down or scale back the Agreement and to instead focus on maintaining the successes and seizing the new opportunities created by this review process.

The food industry stands ready to be a resource for the Trump Administration as it works to ensure the USMCA is best positioned to maximize benefits for American businesses and grocery shoppers alike.

Please contact Andy Harg, Vice President of Tax, Trade, Sustainability, and Policy Development at aharig@fmi.org with questions or for additional information.

Sincerely,

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Vice President

FMI – the Food Industry Association

