

# United States Senate

WASHINGTON, DC 20510

February 6, 2020

The Honorable David Johanson  
Chairman  
U.S. International Trade Commission  
500 E Street, SW  
Washington, DC 20436

Dear Chairman David Johanson:

We write to bring to your attention concerns raised by members of the New York State onion industry and the broader farming community regarding Canada's trade practices, specifically unfair and discriminatory pricing practices by Canadian onion exporters. Such action places New York onion producers at a competitive disadvantage, especially burdening the onion growers in Orange County's famous "Black Dirt" Region, one of the premier onion-producing regions in the nation.

The National Onion Association (NOA), which represents more than 500 member growers and suppliers throughout the country, has recently raised concerns that over the past ten years, "Canadian onions have flooded the U.S. market" at prices that domestic onion farmers are unable to compete with, particularly on a cost of production basis. According to NOA, once Canadian onions enter the U.S. market, onion prices plummet and remain low until Canadian businesses cut back on their exports.

Onion growers across the U.S., particularly in New York State, claim they are offered prices for their onions today that are highly uncompetitive and comparable to prices received more than thirty years ago. According to U.S. Department of Agriculture data, in 1984, onion growers in Orange County were receiving between \$5.25 and 5.75 for a 50-pound bag of medium yellow onions, which would amount to around \$13.00 or \$14.00 today when adjusted for inflation. Instead, those same farmers are currently offered only \$7.00 per 50-pound bag, almost the equivalent of what they were receiving at face value in the 1980s.

At the same time, the costs of production – including equipment, seed, crop protection chemicals, labor, and land – have all increased dramatically. New York farmers, including those who grow highly-prized black-dirt onions, cannot continue to sell at prices comparable to those from 30 years ago while accounting for higher production costs and expect to sustain business operations.

While we understand that allegations of unfair agricultural trade practices are a common concern for all types of growers, the action of Canadian onion exporters appears to be persistent and extreme, and warrants further investigation. Therefore, to support farmers and growers in New York and across the United States, who ensure a robust domestic supply of essential fruits and vegetable, we respectfully request that you:

1. Initiate a fact-finding investigation into the alleged unfair pricing practices of Canadian onion exporters, including:

- a. A review of any potential anti-competitive pricing practices, including the sale of Canadian onions in the U.S. market at prices below the cost of production;
  - b. A comparison of U.S. and Canadian tariffs and nontariff trade regulations that apply to onions; and
  - c. A review of Canadian government subsidy programs that support reducing the costs of shipping, fuel, imported seed and farm inputs, or crop price guarantees relating to onions through either country-wide or provincial-level support, or any other market-distorting practices;
2. Keep our offices apprised of any findings that result from such an investigation; and
  3. Work in tandem with other relevant U.S. government entities, including the Office of the United States Trade Representative as the agency moves to implement and enforce obligations as part of the United States-Mexico-Canada Agreement (USMCA) and other international trade agreements, to address and rectify any discriminatory pricing or other unfair trade practices relating to Canadian onion imports.

We thank you for your attention to this important matter and look forward to hearing your response regarding the requested investigation.

Sincerely,



Kirsten Gillibrand  
United States Senator



Charles E. Schumer  
United States Senator

cc: The Honorable Robert Lighthizer, United States Trade Representative