



October 14, 2010

President Barack Obama
The White House
1600 Pennsylvania Ave., N.W.
Washington, D.C. 20500

Dear Mr. President,

Just as American apple growers harvest this fall's crop, they face a new serious problem in Mexico, our largest export market. Mexico recently imposed a 20 percent retaliatory import tariff on fresh and dried apples which will increase the cost of our apples there and jeopardize sales.

On behalf of the nation's apple growers, I urge you to resolve the cross-border trucking dispute between the U.S. and Mexico which led to imposition of this 20 percent tariff. It is urgent that a solution be reached *as soon as possible* to prevent significant market disruption. Since imposition of the tariff in August, we have met with various members of your Administration to express our deep concerns.

USApple applauds your pledge to double American exports in the next five years. Exports account for more than \$1 of every \$4 in apple revenue, with 27 percent of our fresh crop sold overseas. Mexico purchased approximately 1 billion apples (11.5 million bushels) last year worth \$206 million. U.S. apple exports to Mexico have enjoyed a steady increase over the past five years. Apple growers have invested significant amounts of their own income to expand this market in partnership with the U.S. Department of Agriculture under the successful Market Access Program. Imposition of the 20 percent Mexican import duty threatens to reverse the important gains made in this price-sensitive market and thrust our industry into financial peril.

We are also concerned that Chile, which enjoys duty-free apple access into Mexico, will increase its exports there at our expense. Once market share is lost, it is extremely hard to regain.

In addition, American trucks and their drivers are important to the U.S. apple industry. They transport apples from rural communities to Mexico and Canada, to U.S. ports for export, and to consumers across our country. A decline in apple exports to Mexico will mean less work for American truckers hauling to our largest export market.

The human impact of the new 20 percent Mexican apple tariff is direct and powerful.

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A 4th generation apple grower in Virginia, who spent tens of thousands of hard-earned dollars from his business obtaining Mexican import certification, worries he has lost his ability to sell to price-conscious Mexican consumers.

Across the country in Washington state, a 3rd generation apple grower who exports much of his crop each year to Mexico believes he may now be priced out of that market. He faces great uncertainty about how, when and where to sell this fruit. (Yet he still must pay sizeable production and packing costs.) If he cannot sell his apples to Mexico, they will remain in our domestic market, along with apples from other growers facing the same problem, upsetting the delicate balance between profitability and sizeable losses across apple producing states.

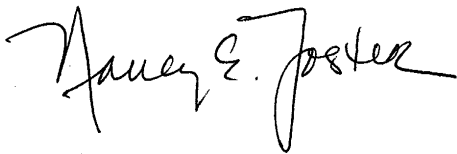
A 5th generation young apple grower in New York, who recently took over his family's orchard, worries that if Mexico does not import its expected 1 billion apples, those apples will remain here, threatening prices and income for his farm family.

In Michigan, a 3rd generation apple packer and his growers face double jeopardy. He invested tens of thousands of dollars to retro-fit his large apple storage facilities to meet Mexican import requirements and to build customer relationships in Mexico. He now faces threat of direct market loss for apples produced by his growers and lower prices for all their fruit. This packer also sees the likely waste of thousands upon thousands of state and federal grant dollars that have built the foundation and opened the door for selling Michigan apples to Mexico.

There are thousands of apple farmers across the country who share these deep frustrations. If you would like more details about these real individuals, their families and their orchards, I would welcome the opportunity to share them.

American apple growers respectfully urge you to restore their opportunity to sell apples freely into Mexico and sustain jobs. Please resolve the cross-border trucking dispute to help make this a reality. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Nancy E. Foster". The signature is written in a cursive, flowing style.

Nancy E. Foster
President & CEO

Cc: Secretary Tom Vilsack, U.S. Department of Agriculture
Ambassador Ron Kirk, U.S. Trade Representative
Secretary Ray LaHood, U.S. Department of Transportation
Secretary Gary Locke, U.S. Department of Commerce