

IDAHO POTATO PULSE



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The following editorial appeared in the Washington Times today. Cheryl clearly articulates the issues our industry faces regarding this Mexican trucking dispute.

KOOMPIN: Mexican truck hot potato by Cheryl Koompin

At my farm, we don't put a potato in the ground without a contract. We make sure every spud we grow has a home.

This system works because we trust our business partners and they trust us. If we grow high-quality potatoes, they will buy them. It's all worked out in advance.

In other words, we keep our promises, and they keep theirs.

Unfortunately, the same can't be said for Washington. Instead of living up to its promises, it's breaking an important one. As a result, potato farmers across the United States are suffering. We're collateral damage in a trade war with Mexico - innocent victims in a clash of special interests.

Sadly, Mexico is in the right and the United States is in the wrong.

The good news is that President Obama has a unique opportunity to end this destructive game of "hot potato" in about three weeks, when President Felipe Calderon of Mexico visits the White House. Solving this harmful trade dispute should rank near the top of Mr. Obama's agenda.

The controversy has deep roots. Under the terms of the North American Free Trade Agreement (NAFTA), the United States and Mexico were supposed to open their borders to each other's trucks in 1995. Despite accepting this provision of NAFTA, our government never has kept its end of the bargain. It has refused to comply, essentially because Big Labor's well-heeled bosses want special treatment. They don't want to face the kind of competition American workers in many other industries must confront every day.

The promise-breaking protectionists have claimed that Mexican trucks aren't safe enough for American roads. Nobody wants dangerous trucks driving on U.S. highways, of course. Yet this provocative claim is a sideshow - a diversion meant to stir up anxieties rather than address the central question of treaty obligations. In fact, independent studies have shown that Mexican carriers that participated in a Department of Transportation test program actually had better safety records than their American counterparts.

Washington's attempt to get out of its NAFTA commitment is a disgraceful shirking of an obligation. This was obvious from the start, but it became even clearer when an international dispute-resolution panel, which included American membership, ruled unanimously in favor of Mexico's complaint.

For more than a decade, Mexico tried to work out a compromise with Washington. It waited patiently, listening to new promises and hoping for a reasonable solution. Last year, however, it finally tired of the delays and excuses. It retaliated, imposing \$2.4 billion in new tariffs on a wide range of American-made products.

Potato farms in the Northwest have taken a direct hit because of a 20 percent tariff increase on frozen potato products. Sales to Mexico have fallen drastically. Because of this, potato prices have fallen, we're putting fewer potatoes in the ground and we're making across-the-board cuts to our farming operations. Farmers aren't the only people affected. Potato-processing plants in our area are laying off workers. The poor economic climate accounts for some of this downturn, but not all of it.

Washington's refusal to abide by its treaty obligations has taken a bad situation and made it worse. Farmers are losing income, and workers are losing jobs because public officials want to appease a special interest.

The big winner in all of this is Canada. Its sales in frozen potato products have increased almost exactly as much as ours have diminished. We've surrendered market share - and the jobs that come with it - to a foreign competitor.

With Mr. Calderon's visit to Washington on May 19, Mr. Obama ought to announce an end to the trade war. It certainly would serve his political interests. He came into office on a pledge to improve America's image in the world. And earlier this year, in his State of the Union address, he committed his administration to doubling U.S. exports in the next five years.

He should compel Washington to live up to its diplomatic commitments and create the opportunity for American farmers and manufacturers to sell more of what they grow and make to customers in Mexico.

Promises such as these are worth keeping.

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