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International partners pine for trade normalization

By

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A pair of international panelists on a seminar devoted to politics avoided predicting who would win the upcoming U.S. presidential election but they did advocate for the end of protectionism and a return to a more free trade environment, regardless of the outcome.

“A Look at the Effects of Politics on the Fresh Produce Industry” was the topic and title of a seminar on Oct. 14 during the virtual Produce Marketing Association Fresh Summit. The four-member panel discussion was moderated by PMA’s Richard Owen with each of the speakers neither predicting who was going to win nor stating a preference. Instead, the talk centered on what the outcome might mean for the industry.

Jose Luis Bustamante of Mexico’s National Association of Berry Exporters and Jose Antonio Gomez Bazan of Camposol International in Peru stuck to the script and didn’t say who they wanted to win, but both men clearly indicated that the trade wars that have proliferated during the Trump Administration have not been good for the fresh produce industry.

Gomez-Bazan said the election is very important for Peruvian exporters. He called protectionism a double-edged sword as it protects someone but hurts others. He noted that it is the consumer that tends to suffer the most with less access to a wider range of products and a higher price for the produce they buy. The Peruvian exporter argued that growth is the only way to create wealth. He said countries, of course, have the right to protect their own industries but he does not believe that leads to expansion. Avoiding using the United States as an example, Gomez-Bazan said Australia has a protectionist philosophy which has allowed its agricultural community to survive but not thrive. And their consumers are the losers, he said.

Bustamante seemed to echo those sentiments. He said global trade benefits everyone, pointing to avocados, berries and apple as success stories and proof that international trade is also a two-way street. He noted that Mexico traditionally did not consume U.S. apples, but now the U.S. has a very strong, year-round market in Mexico for its apples.

Hunt Shipman and Alice Gomez, who are keen observers of the political arena with Cornerstone Government Affairs, a Washington, DC, firm, opined on the potential for policy shifts based on the election outcome.

Shipman said if the current polling is accurate, which points to a victory by Democratic challenger Joe Biden, there will be a major shift across a wide range of policies. He expects a more aggressive regulatory environment as well as a more wide-open trade agenda. He noted that while the fresh produce industry isn’t often the central character in trade agreements, it can suffer peripheral damage as it is caught in the crossfire.

Gomez said the current political divide in the United States includes an urban /rural division. She worries as more representation comes from urban America, there are fewer and fewer representatives with any understanding of agriculture and its needs. She noted that besides all the other issues front and center during this election season, lurking in the background is the fact that the next U.S. farm bill will be negotiated during the next presidency. She did not indicate how the industry might fare under either option.

The Cornerstone executive did say that she expected little change to the United States-Mexico-Canada Agreement regardless of who wins the presidential election. Concerning China, she expects a Biden Administration would take a more global approach while Trump would most likely continue his unilateral direction, eschewing international partners in his decision-making process. Gomez also said that the U.S. involvement in the World Trade Organization is also in the balance.

That organization is undergoing a sea-change as a new leader is in the works. The United States has not been involved in the process under Trump. A Biden Administration probably would become a

more active member of the organization.

Gomez-Bazan and Bustamante indicated that U.S. trade policies do impact their decision-making process as they search the world for trading partners. Both men said the United States has been a very good customer for their products. Gomez-Bazan said trade practices, including tariffs, are one risk factor that must be considered when determining an international marketing strategy.

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