

WEB EXCLUSIVE

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NatureSweet Sounds the Alarm

Jennifer Polanz

The now terminated <u>Tomato Suspension Agreement</u> could wreak havoc on tomato prices in the U.S. as a 17% tariff comes into effect on all tomatoes from Mexico, where much of the U.S. supply now comes from.

Nearly 70% of fresh tomatoes consumed in the U.S. are imported from Mexico, according to <u>NatureSweet</u>, a tomato greenhouse grower that has facilities in Mexico and the United States. An announcement on the company's website said the results would likely be less availability, higher prices and lower quality as producers look for ways to cut corners.

"As a vertically integrated greenhouse grower, NatureSweet manages every step of the process—from growing and harvesting to packaging and distribution—which gives us the ability to absorb some of the cost shocks and all of the additional administrative burden," said Rodolfo Spielmann, President and CEO of NatureSweet on the website. "But we operate in a thin-margin industry in which our model is unique, and most growers and distributors are separate. Many smaller growers



might not have this flexibility, and this new burden will push some to the brink."

The <u>CEA Alliance</u>, a trade association of indoor produce growers, expressed its disappointment in the termination with this statement:

"Unfortunately, the Department failed to take into account the voice of our members in the U.S. greenhouse tomato industry, which now grows more than one-third of all U.S. fresh tomatoes," said CEA Alliance Executive Director Tom Stenzel. "When the original dumping order was issued in 1996, the greenhouse sector was just beginning to grow, offering consumers better-tasting vine-ripe tomatoes compared with field tomatoes that are picked green."

That greenhouse market grew 69% from 2010 to 2023, according to USDA figures quoted in the CEA Alliance statement, while field-grown declined by 49%. "Because most high-value greenhouse growers farm in Canada, the U.S. and Mexico, the termination of this agreement will cause significant damage to these growers, serving as a financial barrier to new investment in U.S. greenhouses," Tom said. "Unfortunately, this became a political issue that was not resolved on the facts of what would be best for American businesses and consumers."

The CEA Alliance said it will continue to stress the critical importance of the U.S. greenhouse tomato industry. "We remain hopeful that open-field growers will reengage in discussions that could serve all parties much more effectively than this order," he said.

What can you do? If you are a tomato grower (or if you're a greenhouse grower in general), contact your Senators and Congressperson to tell them the impact this will have, and talk to them about your business. Click here to find your Congressional representatives.