

Testimony of Mr. Dave Puglia, President and CEO Western Growers

House Committee on Agriculture, Nutrition and Forestry

Agricultural Perspectives on the Future of the USMCA

June 10, 2026, 10:00 a.m.

Introduction

Thank you Chairman Thompson, Ranking Member Craig, and members of the Committee.

My name is Dave Puglia and I am the President and CEO of Western Growers. Western Growers' members are small-, medium- and large-sized businesses that produce, pack and ship fruits, vegetables and tree nuts from our home states of California, Arizona, New Mexico and Colorado. Beyond our home states, Western Growers members produce in – and directly contribute to the economies of – more than 30 states as well as around 25 foreign countries. In total, our members account for roughly half of the annual fresh produce grown in the United States, providing consumers with healthy, nutritious food. For 100 years, Western Growers has been proud to represent the farmers who grow the best medicine.

I am pleased to provide you testimony today from the perspective of our members regarding the review of the US-Mexico-Canada- Agreement (USMCA).

Maintain tariff-free access and formal trade dispute resolution

Tariff-free access for fresh produce into our northern and southern neighbor markets was first gained under NAFTA. Since 1993, fruit and vegetable exports from the United States to Mexico and Canada have more than tripled, reaching over \$7 billion in 2024. Collectively, these two markets rank first (Canada) and second (Mexico) in terms of exports and represent roughly two-thirds of all global U.S. fresh produce exports.

I should add that these export numbers underrepresent the trade between our countries since there is also a substantial amount of U.S.-grown produce that is exported into both countries for additional value-added processing before it is re-imported back into the United States. This supply chain is valuable and has provided North American consumers with even more healthy options, so it is vital the flow remains undeterred by tariffs and additional barriers.

These three markets have been integrated for so long that many of my members speak about their sales into Canada and Mexico in the same way they speak about sales within the U.S. That is certainly not the case when I speak with them about their sales to our trading partners in other parts of the world.

Western Growers thus strongly supports maintaining this crucial tariff-free access; while there may be some exceptions tied to trade adjudications or other specific cases, the general rule should be duty free access for produce between our countries. Western Growers also urges the United States and its partners to affirm that any renewed USMCA's framework and tools should be the primary vehicle to address trade issues between the signatory nations.

We urge the Administration to conclude this work as quickly as possible in order for trade flows between our countries to normalize and for trade tension to abate. This is important because some of our members are experiencing commercial disruptions due to trade tensions between our country and Canada, which is by far our largest fresh produce export market. Some of our products have been placed on Canadian retaliation lists which have resulted in blocked exports at times, but just as critically, the trade tension between our countries has resulted in Canadian consumers – and by extension Canadian retailers – looking to diversify away from American produce. While the impacts on our sector are nowhere near as severe as what our friends in the California wine industry are experiencing, the fact is we need normal trade and a reduction of tension as soon as possible to maintain the Canadian market.

Improvements to USMCA

While Western Growers strongly supports the continuation of a free trade agreement with our North American neighbors and opposes any withdrawal or reversal of our long-standing trade commitments, we also believe improvements should be made to USMCA to ensure fair competition for our domestic industry and safe fresh produce for all consumers. I will highlight a few discrete areas for improvement in my testimony here today:

A. Labor Law Enforcement in Mexico

As Members of this Committee know, growing and harvesting fresh produce requires a huge amount of human labor. Indeed, labor's share of the cost of production is nearly 40% for fruit and vegetable growers.¹ Moreover, average hourly earnings of U.S. agricultural workers increased 16 percent between 2001 and 2019, outpacing that of non-agricultural wages (5 percent growth) and affirming the distinct challenges of finding sufficient labor for our farms.² More recently, agricultural wage growth has been even more staggering as evidenced by H-2A wage increases of 28% between 2021 and 2025.³ Given this reality, one of the biggest persistent disadvantages U.S. producers can and do have when competing against imports is the disparity in labor costs and standards.

Western Growers previously raised this as a top issue during the NAFTA renegotiations under President Trump's first administration. Ultimately, significant labor reforms were enshrined to

¹ [Subedi and Giri, "Specialty crop farms have highest labor cost as portion of total cash expense", USDA- ERS October 15, 2024](#)

² [Martin and Simnitt, "U.S. Fruit and Vegetable Industries Try To Cope With Rising Labor Costs", USDA-ERS. Dec 28, 2022](#)

³ H2A Adverse Effect Wage Rates, historical data for California, <https://flag.dol.gov/wage-data/adverse-effect-wage-rates>

primarily address Mexico’s comparatively lax standards. This included wage increase commitments, stronger collective bargaining protections and pathways for each country to sanction each other for violations.

We should acknowledge that there have been successful changes to Mexican labor laws and positive results for certain sectors through the Rapid Response Mechanism since USMCA came into force. Nevertheless, there continue to be barriers in place for the promise of USMCA to be fully fulfilled. Mexican government oversight remains underfunded, and various budget reductions or reallocations have challenged the rapid and full implementation of promised labor law reforms.

This Administration has made it a priority to support U.S. agriculture and bolster “Buy American”, and rightly so. It is therefore imperative to recognize this labor cost gap is a key pressure forcing domestic production to decline, as well as an incentive to ‘offshore’ it to Mexico and increase our citizens’ reliance on imported food.

Reinforcing and building upon USMCA’s labor requirements will not only promote better conditions for Mexican workers but also foster fairer competition with the United States. Western Growers strongly supports efforts to reinforce and build upon USMCA’s labor provisions, particularly as it relates to wages and worker protection laws.

In addition, the Department of Labor continues to express concerns that Mexico has not fulfilled its obligations in terms of child labor including in the produce sector. We urge that USMCA should be used to strengthen child labor provisions including by Mexico agreeing to adopt some of the recommendations made by the Labor Department about how Mexico can improve its systems.⁴

B. Bankruptcy protection and reciprocity

Among the key challenges in perishable agricultural trade across North America is the issue of payment security and specifically the absence of a reciprocal, enforceable mechanism to protect growers and shippers of fresh produce against non-payment stemming from bankruptcies or insolvencies.

In the United States, Congress provided a trust mechanism as part of the Perishable Agricultural Commodities Act (PACA)⁵ that grants fresh produce shippers first-priority creditor status in the event of a buyer bankruptcy. This protection is essential, as highly perishable products cannot typically be reclaimed or resold. After years of advocacy, in 2024 Canada adopted a similar mechanism with the passage of Bill C-280, creating a PACA-like deemed trust and establishing reciprocal protection for producers on both sides of the U.S.-Canada border.⁶

⁴ Bureau of International Labor Affairs, *Child Labor in Mexico: Findings from the U.S. Department of Labor*, U.S. Dept of Labor

⁵ *Perishable Agricultural Commodities Act*. 7 U.S.C. Chapter 20A.

⁶ *C-280*, the *Financial Protection for Fresh Fruit and Vegetable Farmers Act*. Parliament of Canada.

Western Growers now urges that the USMCA contain a commitment from Mexico to adopt a similar mechanism – modeled on the USDA PACA Trust and Canada’s Bill C-280 – to provide equivalent protection for exporters of perishable agricultural commodities. Such a tool would establish trilateral safeguards, ensuring fair and secure trade across all three North American markets.

C. Enhancing food safety in North American produce trade

We have the most rigorous and effective food safety protocols in the world. Every day, 342 million Americans consume multiple meals with the confidence that the food they are buying, preparing and eating is safe and nutritious. Nonetheless, food-borne illnesses do occur too often and demand our fullest commitment to science-driven continuous improvements in the way we grow, harvest, process, package and deliver fresh produce. Our industry makes major investments in food safety. As an example, Western Growers is one of the two largest financial backers of the Center for Produce Safety, which has funded nearly \$50 million in scientific research to enable these continuous improvements.

However, we know that anytime a fresh produce item is the subject of a food borne illness event, not only is there a human toll but every grower and processor of that item will feel the effects of the fear created by media reports. The economic consequences include the actual cost of recalls but especially the cratering of demand for the implicated item. Given our increased reliance on imported produce, it is not all that surprising that CDC data shows that between 1996 and 2014 more than half of all produce-related foodborne outbreaks were caused by produce sourced from foreign countries.⁷

Because of this historical record of outbreaks, the U.S. government has increased its engagement and oversight in the produce sector. This has resulted in increased government inspections of domestic farms and significant private investment by the producers themselves in enhanced food safety systems.⁸ However, food safety compliance cannot stop at the border. In 2021, roughly 60% of all fruit consumed in the United States was imported and nearly 40% of all vegetables.⁹ Mexico is by far the largest exporter of produce to the United States accounting for 34% of all fresh fruit and 73% of fresh vegetable imports.¹⁰ USMCA renewal presents an opportunity for the United States to ensure that food safety oversight and standards are as vigorous in Mexico as they are domestically.

⁷ Gould, L. Hannah, et al. "Outbreaks of disease associated with food imported into the United States, 1996–2014." *Emerging infectious diseases* 23.3 (2017): 525.

⁸ Hamilton and McCullough. [Two Decades of Change: Evolving Costs of Regulatory Compliance in the Produce Industry](#). Cal Poly, San Luis Obispo. Jan 2025. (Regulatory costs comprised just 1.24% of production costs in 2006, then rose to 8.9% of production costs in 2017, and are now calculated at 12.6% of production costs) Note: Food Safety Modernization Act exempts certain smaller operations from mandatory FDA compliance, but USDA engages those operations on a voluntary basis to improve their food safety systems.

⁹ Zahniser, Steven. [Imports make up growing share of U.S. fresh fruit and vegetable supply](#). USDA-ERS. Jul 31, 2023

¹⁰ Riberia and Young. [Outlook of Fresh Fruits and Vegetables in the United States](#). Texas A&M. March 2024

Closing

In conclusion, the trade partnership between the United States, Canada, and Mexico is highly valuable for our members. At a time of unprecedented trade uncertainty in markets around the world, losing this agreement and the longstanding zero-tariff access for U.S. product into our top two export markets would be a severe blow to our members' livelihoods. Western Growers strongly supports a renewed and improved USMCA to ensure our producers can continue to supply the best and most affordable fresh produce to consumers throughout North America.

I look forward to your questions,

Sincerely

A handwritten signature in black ink, appearing to read "D. Puglia", with a stylized flourish at the end.

Dave Puglia
President and CEO
Western Growers