Dear Agency Official,

We are writing as representatives, respectively, of the Canadian, Mexican and United States’ coffee industries, with respect to the forthcoming negotiations concerning NAFTA.

Each party to this letter wishes to express, jointly and separately, that we believe it to be imperative for our respective industries that the current regulations governing North American cross-border trade in coffee, in all of its forms, not be altered as a result of the forthcoming NAFTA negotiations.

We have taken the unusual step of writing collectively because we share business interests and socioeconomic goals. We wish to convey to all parties to the negotiations that maintenance of the status quo is in the best interests of the Canadian, Mexican, and U.S. coffee industries, our individual and collective economies, the millions of individuals who derive their livelihood from the coffee business, and consumers throughout North America.

The supply chain for coffee is global in nature, and complex. Mexico is an important supplier of coffee, a majority of which is imported into the U.S. and Canada for processing – or manufacturing (cleaning, roasting, and packaging) – in order for it to be sold to consumers, enjoyed as a beverage, or incorporated as an ingredient or flavor in other products.

Members of ANICAFE, representing the Mexican industry, the National Coffee Association, USA (NCA), and the Coffee Association of Canada (CAC) routinely conduct cross-border business, serving to import, export, ship, warehouse, and manufacture coffee with each other, or on behalf of one another. Furthermore, some members of the NCA and CAC are related to each other through corporate affiliations. Finally, there are retail customers for the products produced by our members which themselves are cross-border companies – retail companies serving hot coffee or selling packaged coffee.

In addition, ancillary goods critical to our members’ businesses – such as brewers, dispensers, packaging films, “to go” cups, paper products, etc. – frequently cross North American borders, as well as arrive as imports from other parts of the world. Any impact NAFTA renegotiation may have on trade in these ancillary items would also affect not only the coffee business, but other food and beverage industries as well.

The coffee sector is a significant driver of economies. The coffee supply chain includes farmers around the world; more than 25 million farming families depend on coffee for their livelihood across 60 nations, livelihoods that could be affected by a change in the duty treatment of imports to the world’s largest market. Should renegotiation of NAFTA result in amending coffee’s duty-free status, the burden on the coffee industry would be immediate and depressive. Resulting cost increases would burden cross-border trade, disrupt commodities markets, put upward pressure on retail prices, impact farmers supplying these markets, and affect literally millions of consumers.
Thus, as trade associations representing the Mexican, U.S., and Canadian industries, respectively, we are jointly expressing our support for continuing the duty-free treatment of coffee within any successor instrument to NAFTA.

The National Coffee Industry Association, A.C. Mexico (ANICAFE), represents 35 companies and Industrialists involved in the coffee business. The members of ANICAFE handle 100% of soluble coffee, 100% of decaffeinated coffee, 31% of roast and ground coffee, and 72% of green coffee. ANICAFE is also a member of the Mexican Association of the Production Chain of Coffee, A.C. (AMECAFE) to which 317,000 coffee producers are affiliated nationwide. Of the total of the Gross Domestic Product (PIB) of 2016 in Mexico, the production and industrialization of coffee represent 0.31%, generating an income of $45,098 million MXP annually, and exports represent 23%, consisting of more than 2.8 million bags, or 370 million pounds, during the 2015-16 crop year. Mexican coffee fields generate 1.3 million permanent and 1.8 million temporary jobs. The Mexican coffee industry generates 6,700 direct and 21,400 indirect jobs. Across the supply chain, then, coffee in Mexico provides a total of 3,128,000 jobs.

The National Coffee Association, USA, represents over 300 companies and organizations involved in the business of coffee. NCA members participate in all aspects of the coffee sector, which in the U.S. accounts for 1.6% of the U.S. Gross Domestic Product (GDP), contributing $225.2 billion in revenues, generating 1.7 million jobs, and contributing $28 million in federal, state and local taxes.

The Coffee Association of Canada (CAC) is a national trade association representing most of the Canadian coffee industry through its member companies, which include roasters, retailers, foodservice operators, green coffee importers, affiliated equipment makers, packaging and logistics suppliers, and other allied trades. Coffee is a $9.2 billion industry in Canada, creating over 170,000 jobs, and one of the top five Canadian agri-food imports. Coffee is the most popular beverage among adult Canadians over 16 – even more than tap water.

Jointly and individually, we thank you for your consideration of this important matter.

Very truly yours,

ANICAFE

Coffee Association of Canada

National Coffee Association, USA