



Christopher A. Novak
President & CEO

August 7, 2020

The Honorable Sonny Perdue
Secretary of Agriculture
1400 Jefferson Dr SW
Washington, DC 20250

The Honorable Wilbur Ross
Secretary
U.S. Department of Commerce
1401 Constitution Ave NW
Washington, DC 20230

The Honorable Andrew Wheeler
Administrator
U.S. Environmental Protection Agency
1200 Pennsylvania Ave NW
Washington, DC 20460

The Honorable Robert E. Lighthizer
United States Trade Representative
600 17th Street, N.W.
Washington, DC 20508

Dear Secretary Perdue, Secretary Ross, Administrator Wheeler, and Ambassador Lighthizer:

I would like to thank you all for your assistance in addressing significant issues stemming from a new regulatory philosophy within Mexico that is impacting the regulation and importation of crop protection products. The efforts of you, your staff, and others in the Administration are greatly appreciated by CropLife America (CLA) and its member companies.

Recently, we have highlighted concerns regarding Mexico's Secretariat of the Environment and Natural Resources (SEMARNAT), which has cited the precautionary principle as grounds for denying import permits for glyphosate herbicide. SEMARNAT has indicated its intent to further curtail imports of a range of crop protection products. These trade restrictions have been disruptive to our member companies, but we fear even greater impacts for American agriculture if Mexico continues to adopt a European-style regulatory philosophy.

We do want to share additional details with you on another aspect of Mexico's current regulatory structure that is adversely impacting agricultural input exports from the U.S. to Mexico. The Mexican Government's Federal Commission for Protection against Sanitary Risk (COFEPRIS) within the Secretariat of Health regulates the registration of pesticide products. Unfortunately, COFEPRIS has virtually ceased processing registrations of new pesticide products and the routine renewal of existing product registrations and has cut off communication with stakeholders. The resulting significant delays in registering and renewing the registration of crop protection products has created an estimated US\$269 million loss in CLA member company sales of pesticide products from 2015 through 2019. Such losses continue to mount in 2020.

Although COFEPRIS is currently occupied with its COVID response, the delays in processing registration applications predate the pandemic. A July survey of member companies conducted by the Mexican crop protection association (PROCCYT) (many of whom have common membership in CLA and PROCCYT) identified nearly 1000 delayed pesticide regulatory applications awaiting decisions by COFEPRIS, with some applications dating back to 2014. These delayed actions include new product registrations, registration renewals, and other administrative actions. PROCCYT estimates another 1000 submissions may be in the queue from non-member companies not included in this survey. Of these 2000 actions awaiting decisions by COFEPRIS, 156 applications are for new product registrations, including new active ingredients and new product formulations. The COFEPRIS website indicates that decisions have been made on 126 of the estimated 2000 pending applications (including approvals, denials, or requests for more data) since the beginning of 2020, but these decisions have yet to be formally communicated to the applicants.

Apart from these submitted applications, company names must be changed on more than 600 product labels to account for recent mergers and acquisitions in the industry. Deadlines are approaching to make these changes in order to maintain viable product registrations, but COFEPRIS is not even open for business to receive and process these requests. We expect this backlog of simple label changes to compound the delays and significantly decrease export sales.

The failure of COFEPRIS to process pesticide registrations prevents U.S.-made crop protection products from entering or remaining on the Mexican market by denying access to the only process available to fulfill Mexican regulatory requirements. This issue, however, goes well beyond pesticide exports to Mexico, since COFEPRIS's delays are also affecting other agricultural and pharmaceutical products. CLA and its member companies believe these are all examples of Mexico's failure to adhere to the obligations it has committed to under the recently enacted USMCA. On behalf of CLA and member companies, I respectfully request that the U.S. Government include COFEPRIS pesticide registration processing delays in USMCA implementation discussions with Mexico.

We appreciate your consideration.

Sincerely,



Christopher A. Novak

cc: The Honorable C.J. Mahoney, Ambassador—USTR
The Honorable Gregg Doud, Ambassador—USTR
The Honorable Ted McKinney, Under Secretary—USDA
The Honorable Alexandra Dunn, Assistant Administrator, EPA/OCSPP
The Honorable Larry Kudlow, Director, National Economic Council