

## 7 Tomatoes and Bell Peppers

Following receipt of a petition filed on March 11, 1996, on behalf of the Florida Fruit & Vegetable Association, the Florida Bell Pepper Growers Exchange, the Florida Commissioner of Agriculture, the Ad Hoc Group of Florida Tomato Growers and Packers, and individual Florida bell pepper growers, the ITC initiated an investigation, under section 202 of the Trade Act of 1974, into imports of fresh tomatoes and bell peppers.

On August 16, 1996, the ITC determined that even though imports of fresh tomatoes and bell peppers had increased, they were not being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat thereof to the domestic industry producing an article like or directly competitive with the imported article.

The ITC found that although a significant number of tomato and bell pepper growers and producers faced economic difficulties, acreage planted and harvested was steady; production was steady or rising; industry employment had risen; prices, while varying with the weather and supply/demand, showed no discernible trend; and there was no evidence that Mexico (the chief supplier of imported tomatoes) was about to expand tomato acreage, production or exports to the U.S. market.

### 7.1 Canadian Government Activity

The Government of Canada filed a submission at the ITC hearing held on May 30, 1996, to ensure that the ITC was aware of the minimal share of the U.S. import market held by Canadian exports of tomatoes and bell peppers.

## 8 Wheat Gluten

Following receipt of a petition filed on September 19, 1997, on behalf of the Wheat Gluten Industry Council, the ITC initiated an investigation under section 202 of the Trade Act of 1974 into imports of wheat gluten. On March 25, 1998, the ITC unanimously determined that wheat gluten was being imported into the United States in such increased quantities as to be a substantial cause of serious injury or threat thereof to the domestic industry producing an article like or directly competitive with the imported article. Pursuant to the NAFTA Implementation Act, the ITC made a negative finding with respect to imports of wheat gluten from Canada and Mexico.

The ITC determined that virtually all the factors relevant to industry performance were negative. Industry capacity utilization had declined significantly, production and shipments had declined, and inventories had more than doubled. The industry had gone from being profitable to operating at a loss by the end of the period under review. At the same time, unit costs were rising, hourly wages were relatively flat, worker productivity had declined because of the reduction in