



November 3, 2025

The Honorable Jamieson Greer
United States Trade Representative
Office of the United States Trade Representative
600 17th Street NW
Washington, D.C. 20508

RE: Request for Public Comments and Notice of Public Hearing Relating to the Operation of the Agreement Between the United States of America, the United Mexican States, and Canada (Docket No. USTR-2025-0004)

Dear Ambassador Greer,

AmericanHort appreciates the opportunity to comment on the upcoming review of the United States-Mexico-Canada Agreement (USMCA) and to highlight how the horticulture industry has benefited from this agreement over the past five years.

As the leading national trade association representing the U.S. horticulture industry, AmericanHort represents approximately 20,000 members and affiliated businesses across the horticultural supply chain, including plant breeders, greenhouse and nursery growers, garden retailers, interior and exterior landscapers, and horticultural manufacturers. While we do represent some large corporations among our members, the majority are small to medium, family-owned businesses. Our membership also includes several Canadian and Mexican companies that are active participants in the North American horticultural marketplace, underscoring how deeply integrated our three countries' horticulture sectors have become under the USMCA.

The U.S. horticulture industry contributes over \$500 billion annually to the U.S. economy and supports 3 million jobs. Our industry's integration across the North American market emphasizes the importance of USMCA's duty-free trade provisions for our continued growth and competitiveness.

North American Integration and USMCA Benefits:

USMCA established a duty-free and seamless horticulture supply chain across North America. To thrive, American horticulture businesses rely on cross-border trade to source critical inputs and deliver finished plants to consumers efficiently. Many ornamental crops are produced regionally to leverage differences in climate and seasonality, enabling growers in all three countries to meet year-round demand.

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Tariff-free trade and reduced barriers enable each nation to capitalize on its strengths: Canada's cooler climate and natural resources, Mexico's warm growing seasons, and the United States' advanced greenhouse production and strong consumer market. This integration keeps ornamental plants available year-round and secures reliable access to essential growing inputs.

For example, one U.S. horticultural company supplies thousands of small growers across the country with unrooted cuttings, seed, bulbs, bare root stock, and tissue-culture plantlets sourced from partners in Canada and Mexico. Many of these products, including pre-finished and finished crops, cannot be consistently produced in the U.S. because of climate and seasonal constraints. Access to duty-free trade under USMCA allows this business, and the U.S. growers it serves, to remain competitive, stable, and responsive to market demand. This type of regional incorporation, common across our sector, shows how open trade supports efficient, climate-adaptive production systems.

Essential Inputs Sourced from Canada and Mexico for the U.S. Market:

Through USMCA's country-of-origin tariff exemptions, critical horticultural inputs enter the U.S. duty-free, a benefit that directly supports American growers' productivity and cost-efficiency.

Below, we highlight several key categories of inputs and products that our industry *must* source from Canada or Mexico (due to environmental, climatic, or resource constraints) and thus have particularly benefited from the efficient trade enabled by USMCA:

- **Sphagnum Peat Moss (HTS Code: 2703.00.00):** Sphagnum Peat moss is a significant component of potting soil and growing media used by many greenhouse and nursery operations. North America's sphagnum peat industry is predominantly based in Canada, where roughly 450 million cubic feet of peat moss is harvested annually. About 85% of Canada's peat production is exported to the U.S., accounting for 96% of all U.S. peat moss imports.

Peatlands take centuries to form and cannot be artificially created; the U.S. has limited commercially viable peat deposits, making Canadian peat one of the only reliable sources at the scale our industry requires. Through USMCA, Canadian peat moss enters the U.S. duty-free as a qualifying origin product, ensuring our growers uninterrupted access to affordable, high-quality growing media.

- **Potash Fertilizer (HTS Code: 3104):** Potash (potassium fertilizer) is an essential input with no viable domestic substitute. The United States

must import over 90% of its potash fertilizer each year, and nearly 85% of those imports come from Canada. Canada is the world's largest potash producer and our primary supplier. Under USMCA, potash fertilizer enters duty-free as long as it meets country-of-origin requirements, helping ensure a stable and affordable supply to the U.S. horticulture industry.

- **Unrooted Cuttings and Live Plant Propagation Material (HTS Code Heading: 0601 – 0604, 1209):** The cross-border movement of young plants is one of the clearest examples of how incorporated the North American horticulture supply chain has become. Many ornamental plants are initially propagated as unrooted cuttings, seedlings, or tissue cultures in locations with optimal climate, and then shipped to the U.S. for finishing (growing to a salable size) in our greenhouses.

Greenhouse production in Mexico helps bridge seasonal gaps for U.S. growers by providing reliable winter growing conditions. Many companies source unrooted cuttings of popular annuals, such as geraniums, holiday plants like poinsettias, and flower seed crops like marigolds, from Mexican farms during the winter months. The country's higher light levels and warmer temperatures support early, uniform growth and consistent quality, allowing young plants to be ready for finishing in U.S. greenhouses by early spring. This is difficult to achieve during the short, cold days of a U.S. winter. Without access to these production farms, U.S. growers could see yield reductions of up to 70% when trying to propagate these crops domestically during the winter.

Canada, by contrast, provides the cooler summer climate needed for propagating cooler-season crops for the fall season. When high summer temperatures limit propagation in the U.S., Canadian growers can produce strong starter plants that are later finished in U.S. nurseries and sold in the fall season.

The strength of this system lies in USMCA's country-of-origin provisions, which ensure that plant materials produced within North America qualify for duty-free trade. By recognizing how production is shared across the region, the agreement removes unnecessary barriers and gives growers the flexibility to operate where conditions are best. These provisions help keep costs manageable, maintain predictable trade flows, and ensure a steady supply of plants for consumers across North America.

- **Other Related Inputs:** While sphagnum peat moss, potash, and plant propagation material represent the largest categories of horticultural

inputs sourced from Canada and Mexico, many other essential products and inputs also move freely under USMCA's duty-free provisions. *The Annex below lists HTS codes for additional materials our industry relies on for cross-border trade with our northern and southern partners.*

Policy Importance and Risk of Disruption

Disruptions to USMCA's current framework, such as altered rules of origin, new inspection requirements, or tariff reinstatements, would have immediate, measurable effects on U.S. horticultural production. Because live plants are perishable and must move within narrow shipping and planting windows, any delays or increased costs can result in crop losses, labor inefficiencies, and missed market cycles. These impacts ripple quickly through a supply chain that serves millions of consumers and thousands of businesses.

While certain segments of the horticulture industry, like equipment manufacturing, plastics production, and related input suppliers, follow a more traditional manufacturing model, the vast majority of horticultural value creation occurs through biological growth and environmental management rather than assembly or fabrication. USMCA's flexible rules of origin appropriately reflect this distinction.

If reinterpreted too narrowly, many North American horticultural products, propagated in one country and finished in another, could lose duty-free eligibility despite being integral to regional production systems. Maintaining the current interpretation is therefore essential to sustaining both economic efficiency and regulatory clarity across the North American marketplace.

Conclusion and Request:

The past five years have demonstrated the clear value of a unified North American horticultural supply chain under USMCA. Some key inputs are produced more efficiently in Canada and Mexico and, in many cases, are unavailable domestically at scale.

By eliminating tariffs and harmonizing trade rules, USMCA has allowed horticulture businesses to source inputs reliably, reduce costs, and operate within critical production windows. These efficiencies sustain domestic production, employment, and affordability for American consumers.

As USTR reviews the operation of USMCA, we respectfully ask the Administration to maintain and strengthen the existing country-of-origin provisions that allow horticultural products to qualify for duty-free trade within North America. Specifically, we request that critical inputs, such as sphagnum peat moss, potash fertilizers, unrooted cuttings, live plants, seeds, and other

essential materials, remain covered under the current tariff exemptions. Preserving these benefits is critical to sustaining the innovation, stability, and growth that define the modern U.S. horticulture industry.

We appreciate your consideration of these comments and welcome the opportunity to provide additional data or meet with USTR staff to discuss the horticultural sector's perspective further.

Sincerely,

A handwritten signature in black ink that reads "Ken Fisher". The signature is written in a cursive, flowing style.

Ken Fisher
President and CEO
AmericanHort

Annex

HTS Code Heading: 0601 – 0604

- Unrooted Cuttings and Live Plant Propagation Material

HTS 1209.30.00

- Seeds of Herbaceous Plants Cultivated Principally for Their Flowers, for Sowing

HTS 1209.91.80

- Vegetable Seeds

HTS 1209.99.20

- Tree and Shrub Seeds

HTS Code: 2703

- Sphagnum Peat Moss

HTS Heading 3105

- Fertilizer

HTS 3920.10

- Polyethylene Greenhouse Films and Sheeting

HTS 3923.90.00

- Plastic Pots

HTS 3923.90.0080

- Used plastic growing containers for recycling

HTS 3926.90.99

- Plastic Horticultural Tags

HTS 4911.10.0020

- Sales Advertising brochures and catalogs

HTS 5607.21.00 / 5607.29.00

- Binder or baler twine

HTS 6913.90.50

- Ceramic Garden Pots and Planters

HTS 8306.29.0000

- Statuettes and Other Ornaments of Base Metal

HTS 8424.82.00

- Agricultural or Horticultural Irrigation Equipment

HTS 8436.80.0090

- Horticultural Machinery

HTS 9817.00.50

- Machinery, Equipment, and Implements to Be Used for Agricultural or Horticultural Purposes

HTS 9406.90.01

- Prefabricated Greenhouses