

August 5, 2019, Hearing on the Possible Imposition of Increased Duties on the Products Included on the Section 301 Committee's Supplemental Proposed Retaliation List of July 5, 2019; USTR-2019-0003

Testimony of Michael Silveira, Olive Growers Council of California

Members of the Committee, I am Mike Silveira, Chairman of the Olive Growers Council of California. I am also a long-standing grower of California olives, where virtually all US olives are grown.

With me today is Dennis Burreson, a member of OGCC and one of our largest olive growers in California. Like myself and many other OGCC members, Mr. Burreson has been in the olive industry for several decades and is dedicated to ensuring a strong California-based industry.

In the interest of time, let me briefly summarize the central message of our Pre-Hearing Submission. Mr. Burreson will help me answer any questions the Committee may have.

For those on the Committee who may not be familiar with ripe olives, the California industry invented ripe olives over a century ago and worked hard to build the US market over many decades. Like all farm sectors, our growers have faced weather-related challenges over time. Historically, we always overcame the difficult years. But unfairly priced Spanish ripe olives changed that. Over many years, we have watched dumped and subsidized ripe olives from Spain systemically seize our institutional markets and, more recently, our retail markets.

By the time the ripe olive AD and CVD actions were filed in 2017, import relief had become a survival imperative for the California industry. Last August, when the US Government announced an average AD and CVD rate of 35%, our industry could not have been more grateful. That import relief holds our hope for the future. We thank the Administration for its continuing aggressive efforts to defend and sustain it.

Unfortunately, even as our Government works to defend those rates against Spanish and EU challenges, a Spanish olive company has just invested in a US ripe olive processor. The combined company has now terminated nearly all its contracts with US growers, enabling it to import provisionally prepared bulk olives from Spain. Because provisionally prepared bulk

olives are a category of olives that falls outside the scope of the import relief rulings, the combined company hopes to avoid paying the AD/CVD rates, even as many California growers find themselves with nowhere to sell their crop.

OGCC is therefore extremely grateful for the attention this Committee has given olives, including bulk olives, in its April 12th and July 5th proposed retaliation lists. I will not read all the eight-digit numbers laid out in our Pre-Hearing Submission, but suffice it to say that OGCC strongly endorses the four olive subcategories included on the April 12th list and the five olive subcategories included on the July 5th list.

We are also asking that, because the Spanish industry is working overtime to find every possible pathway to try to avoid the AD and CVD duties, the Committee add to any final retaliation list two other groups of olive items, the details of which are spelled out in our Pre-Hearing Submission. One group covers three other potential bulk olive subcategories, and the other covers 16 ripe olive categories. For the bulk categories on the April 12th and July 5th lists, and for the three other bulk categories we request, we are asking that these be subject to prohibitive tariffs from all EU origins. For the 16 ripe olive categories, we are asking that these also be blocked from all EU origins or, at a minimum, blocked from all EU countries other than Spain to prevent Spanish ripe olives from being transshipped through other EU countries to try to avoid the AD and CVD rates.

OGCC believes that retaliatory tariffs on all the olive HTS numbers listed in our Pre-Hearing Submission will help protect the integrity of our AD and CVD relief and ensure a promising, enduring future for our California-grown-and-processed industry.

That concludes my remarks. We thank this Committee and the US Government for your excellent work on behalf of California olives. Mr. Burreson and I would be happy to take any questions.