



## Update on Fruit and Vegetable Imports and Their Impact on GA Producers November 6, 2020

As many Georgia growers testified in the USTR hearings in August, fruit and vegetable imports from Mexico continue to dramatically impact US markets and threaten the future of domestic farm production of perishable produce. As the fall season in Georgia is now in full swing, it appears the problem is only getting worse. Just as growers are beginning to harvest, many are finding increasing imports from Mexico are still driving down prices well below production costs.

In the last twelve months, we have seen further growth in imports across the fruit and vegetable sectors.

U.S. VEGETABLE IMPORTS		
Crop	Import Value	Increase
Peppers	\$1.73 billion	Up 4%
Cucumbers	\$894 million	Up 10%
Squash	\$473 million	Up 27%

[Source: The Packer, based on USDA Data collect September 2019 through August 2020.](#)

Year to date load totals from Mexico for cucumbers have more than doubled from the same period in 2019. Likewise, bell pepper truck loads from Mexico have also more than doubled. Squash appears to be the next crop to follow suit with over 100 additional more loads having arrived at U.S. Markets so far this year just as southern growers have begun their squash and zucchini harvests.

IMPORT LOADS FROM MEXICO			
Crop	YTD 2020	YTD 2019	Increase
Cucumbers	18,045	8,581	9,464
Squash	11,924	11,790	134
Bell Pepper	9,070	3,809	5,261

10,000 lb. units per USDA Movement Reports through November 3, 2020.

Price has followed supply and growers are now reporting tumbling prices across the board. Prices are now well below U.S. productions costs for several crops and appear to correlate directly with increasing fall shipments from Mexico.

Adding insult to injury, data and pricing available for national markets appears to be in direct conflict to the actual prices growers are receiving. Recent national market prices for Mexican

zucchini were \$14.56 per box. However, import distributor price sheets for the same Mexican crop range from \$4.95 to \$6.95. And, U.S. growers report the real price they are being offered is as low as \$1.95 per box.

Additionally, product being sold as “price after sale” means the price may be going even lower. In October alone, prices from USDA Market reports indicate prices at Nogales have dropped from an average of \$9 to \$2.25 per box for zucchini.

<b>GEORGIA PRICE DECLINES FOR FALL VEGETABLE CROPS</b>						
	October 1, 2020		October 30, 2020		October 30, 2020	
Crop	Price	Origin	Price	Origin	Price	Origin
Cucumbers	\$15.95	Georgia	\$6.95	Mexico	\$5.10	Georgia
Squash Zucchini	\$24.70	Georgia	\$2.22	Mexico	\$4.10	Georgia
Squash Yellow	\$23.60	Georgia	\$2.22	Mexico	\$6.60	Georgia

Sizing based upon  $1\frac{1}{9}$  bushel for cucumbers and  $\frac{1}{2}$  bushel for squash zucchini and squash yellow.

Georgia growers cannot begin to sell products at these price points with any hope of profitability. It’s a losing formula. Moreover, the investigatory powers of USTR, Commerce and Agriculture are needed to shed light on what actual prices are being paid to growers. Making a meaningful determination as to the impacts of imports based on current data is not possible.

These market changes occur quickly and can make or break a grower’s season in a matter of days if import increases and the resulting price decreases coincide with our harvest. The sense of urgency is real.

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