



Fresh Produce & **The Path Ahead**



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What is TIPA



Mission

TIPA educates, advocates, promotes and represents the more than \$12 billion of fresh fruits and vegetables that are either grown in Texas or consider Texas their first point of arrival for domestic distribution.

- Founded in 1942
- Represents all fresh fruit & vegetable (FFV) items
- Represents entire FFV supply chain
- Almost 400 member companies
- Present at Local, State, Federal & Int'l levels

MX Imports on the Rise



- **2022: US imported \$16.6 billion FFV from MX**
 - 54% vol entered via TX; +\$9B value
 - TX @ 13.2B pounds (USA @ 24.6B pounds) or 329,786 truckloads
 - MX FFV thru TX, YoY vol growth = 3%; 10yr = 107.4%
 - **Laredo Bridges, 2022 @ 3 billion pounds (75,388 truckloads)**
- **2022 Study by Texas A&M CNAS**
 - MX FFV imports thru TX = \$25.4B economic impact & 168,196 jobs
 - By 2030 = \$34.1B economic impact & 204,519 jobs
- **2/3 of FFV consumed in or shipped from TX is imported**
- **50% fresh fruit & 20% fresh vegetables in US = Imported**

Growing and growing



- **2007**
 - TX crossed 101,000 truckloads of FFV from MX
 - AZ crossed 112,355 truckloads of FFV from MX
- **2011**
 - TX crossed 148,331 truckloads
 - AZ crossed 118,389 truckloads
- **2012 = Durango-Mazatlan Bridge is completed**
 - Reduces OTR travel from Western MX to TX by 12-18hrs
- **Regular Growth of TX Crossings**
 - 15yr, 2007 to 2022: MX FFV = 129.4%, TX X-ings = 226.4%
 - 5yr, 2017 to 2022: MX FFV = 24.9%, TX X-ings = 39.5%

What's on the Menu



- **2022: Top 5 MX FFV items thru TX by Vol**
 - Tomatoes, 2.19 billion pounds
 - Avocados, 1.99 billion pounds
 - Limes, 1.14 billion pounds
 - Cucumbers, 703 million pounds
 - Bell Peppers, 651 million pounds
 - 6.68 billion pounds = 51% total volume of Texas crossings
- **2021: Top 5 MX FFV items thru TX by Vol**
 - Avocados, 2.32 billion pounds
 - Tomatoes, 1.99 billion pounds
 - Limes, 1.21 billion pounds
 - Cucumbers, 699 million pounds
 - Bell Peppers, 606 million pounds
 - 6.83 billion pounds = 53% total volume of Texas crossings

Berries & Grapes



- **2022**
 - Strawberries @ 14,325 loads
 - Blueberries @ 16,134 loads
 - Blackberries @ 4,124 loads
 - Raspberries @ 6,904 loads
 - Table Grapes @ 10,224 loads
- **2016**
 - Strawberries @ 5,228 loads
 - Blueberries @ 757 loads
 - Blackberries @ 3,415 loads
 - Raspberries @ 3,018 loads
 - Table Grapes @ 7,303 loads

Domestic Industry



- **Texas grows +60 items**
- **Local (RGV) Season = October thru May**
 - TX grows FFV year-round
 - Additional of CEA (greenhouse) making TX more critical
- **Largest Crops**
 - Grapefruit, Watermelons, Onions & Cabbage
- **Importance to Region**
 - Combination of Local + Imported
 - Very valuable to national buyers; needs domestic + international to fill store shelves
 - Makes Texas an important loading point year-round

Texas Challenges



- **Labor**
 - Issue in West & Central TX last 20yrs
 - Became an issue in South TX over last 8yrs
 - H2A (guest worker visa program) use among Tx FFV producers growing rapidly
- **Insects & Disease**
 - Foreign pests & disease
 - Warm winter = low insect die off rate
 - Humidity (esp Spring rains) = potential higher disease rates
- **Weather**
 - Rains + Clay/Soft soil = terrible harvesting conditions
 - Heat: 100+ degree days starting March
 - Drought
- **Urbanization**
 - TX population grows 850ppl every day ($\frac{1}{2}$ = born, $\frac{1}{2}$ = move to TX)
 - Rising land costs = prevent new entries into ag
 - Water access & rights

US Industry Challenges



- **Insufficient infrastructure (in US)**
 - Aging roadways
 - Traffic congestion
 - Hi-Speed internet
- **Regulatory burdens**
 - H2A
 - Food Safety Modernization Act (FSMA)
- **Labor shortages throughout US**
- **Increasing Invasive Pest Pressures**
- **Consumer demand patterns**
 - Fad diets
 - Category confusion: Organic, Conventional, GMO, Local
 - Matching FFV items w/ consumer behavior (ex HelloFresh)

Mexico Challenges



- **Border Crossings**
 - 2022 = multiple issues
 - Migrant Surges, DPS Inspections in April, Changes in MX Aduana's
 - Lack of Federal Resources @ POEs
- **US-MX Relationship**
 - USMCA; MX GMO Corn ban, energy policies, & labor disputes
 - 2019 Tomato Suspension Agreement
 - “Seasonality”
- **Labor**
 - Quality of life in MX improves = better jobs = smaller pool of ag labor
- **Militarization**
 - New CDMX airport managed by Marines
 - Key trade oversight posts go to military or former military

Texas Advantage



- **Freshness**
 - Texas shipments can reach any point in the US in 3 days and any point in Canada in 4 days
- **Transportation**
 - Fewer shipping miles means lower freight bills
 - Texas vs Arizona
 - Save \$500 on Mexico freight to Arizona or...
 - Save \$3000 on US freight from Texas to Northeastern USA
- **Width of Products**
 - Coupled w/ TX grown produce, national buyers can source from one geographic location for entire “grocery list”
- **Economics**
 - Cost of labor significantly less than AZ or CA
 - Cost of land significantly less than FL, AZ, CA
 - State regulations are friendly to businesses

American Consumption



- **Post-COVID**
 - People want **HEALTHY!**
 - Consumers read/learn about their food
- **Government Support**
 - **Changing FDA & USDA food guidelines**
 - **Recommending MORE Fresh Fruits and Vegetables**
 - 40% to 50% the plate
 - **Produce Prescriptions**
 - **WIC increases for juice, canned, frozen and fresh fruits & veggies**
- **Food Is Medicine!**

Questions?



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