

Fruit and Vegetables Outlook

Zhengfei Guan
Kuan-Ming Huang
AbdelMalek Hammami

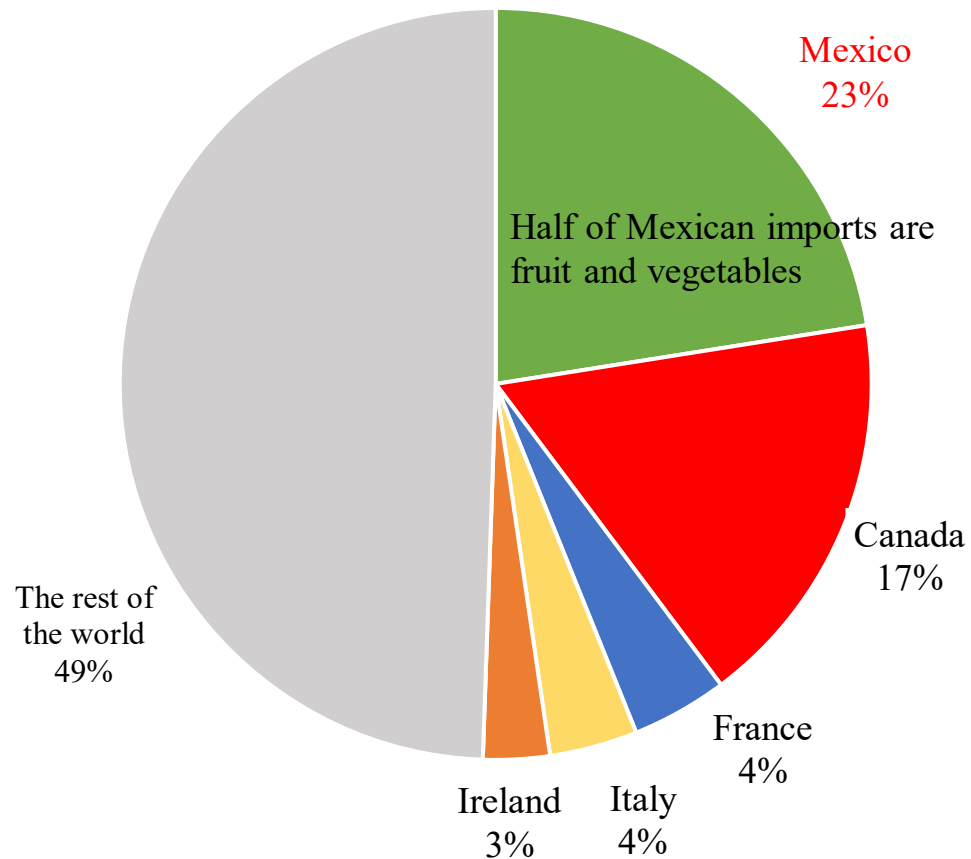
UF/IFAS Gulf Coast Research and Education Center
guanz@ufl.edu; 813-419-6590
3/21/2022

Outline

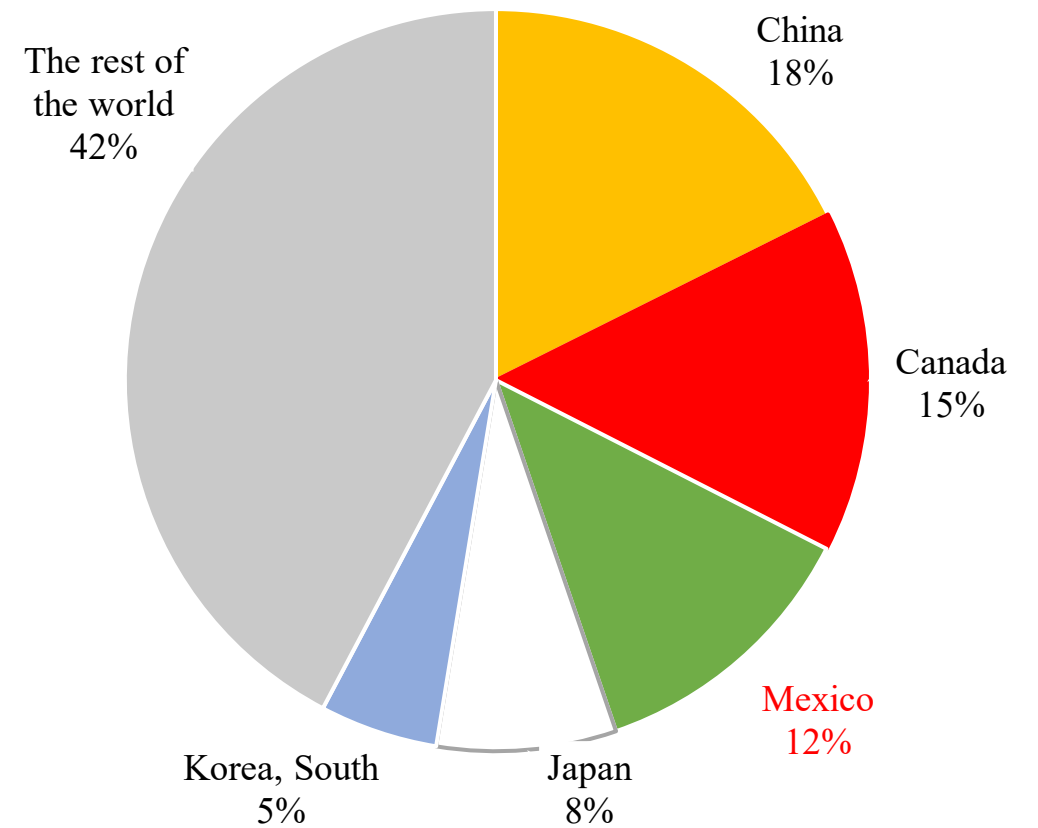
- Overview of US ag trade
- US-Mexico ag trade
- Fruit and Vegetables Outlook
- Factors driving import growth & structural changes
- Concluding remarks

US ag import and export: origins and destinations

2020 top 5 import origins

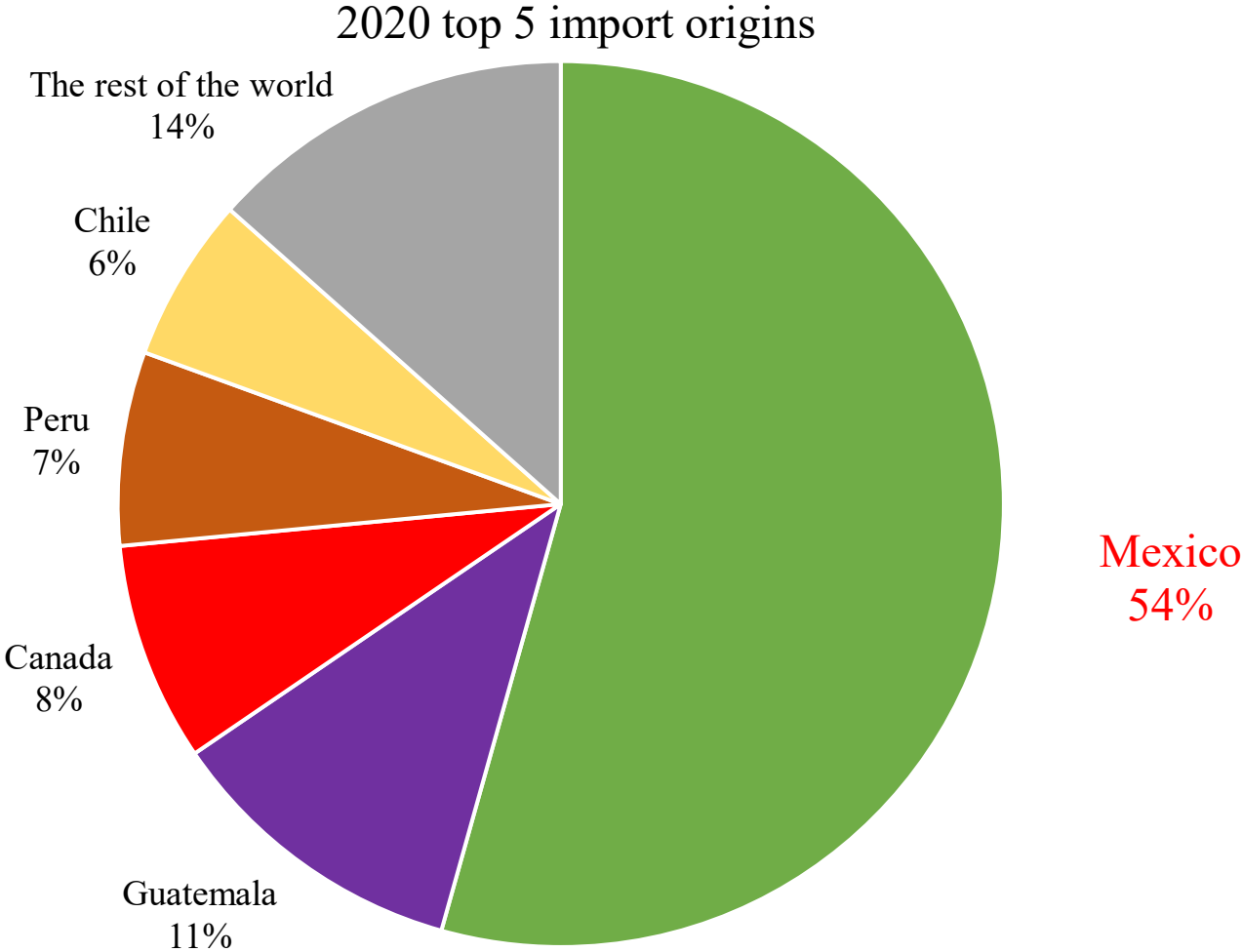


2020 top 5 export destinations



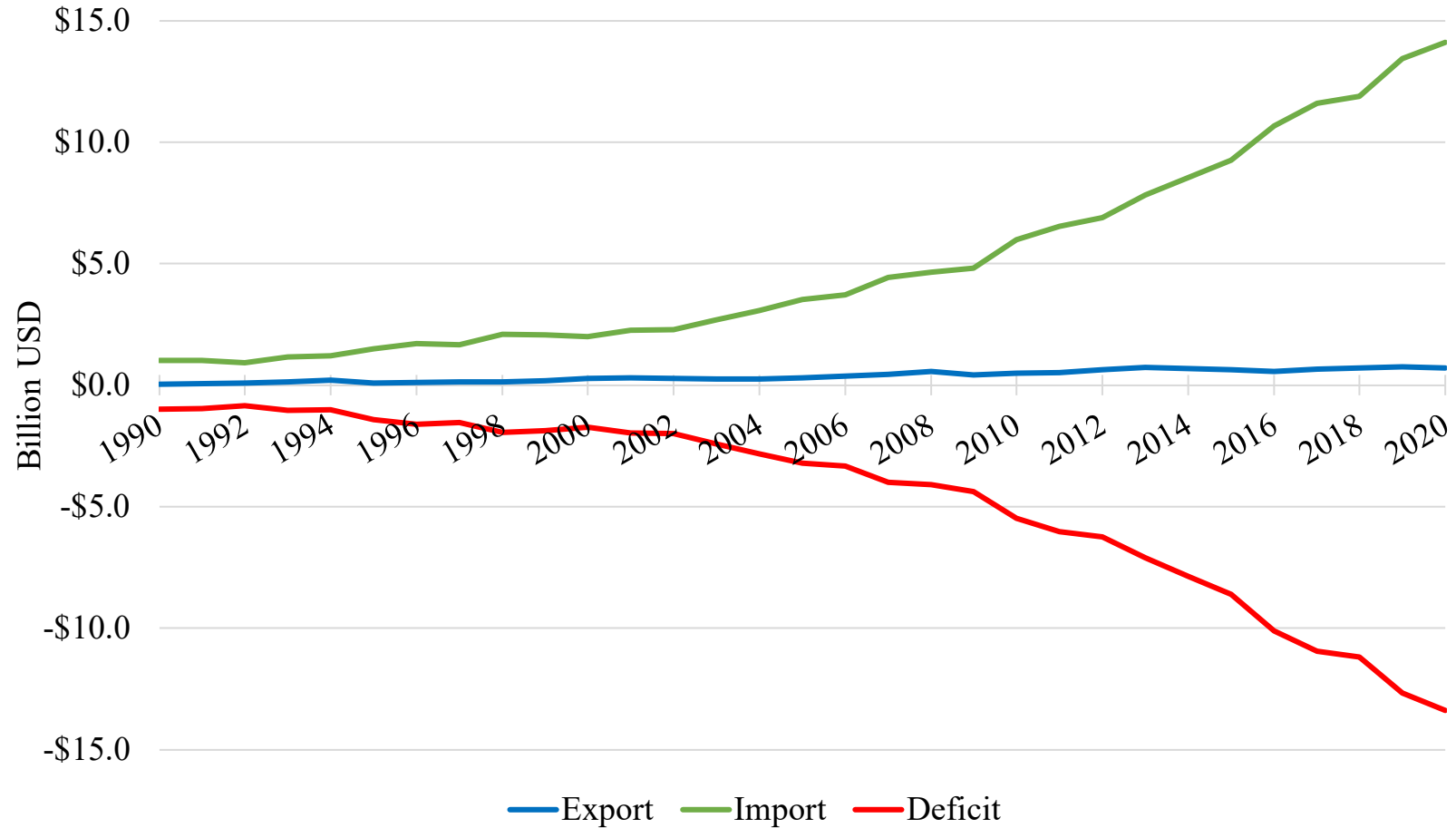
Source: USDA FAS (2021)

Top 5 U.S. fresh fruit and vegetable import origins



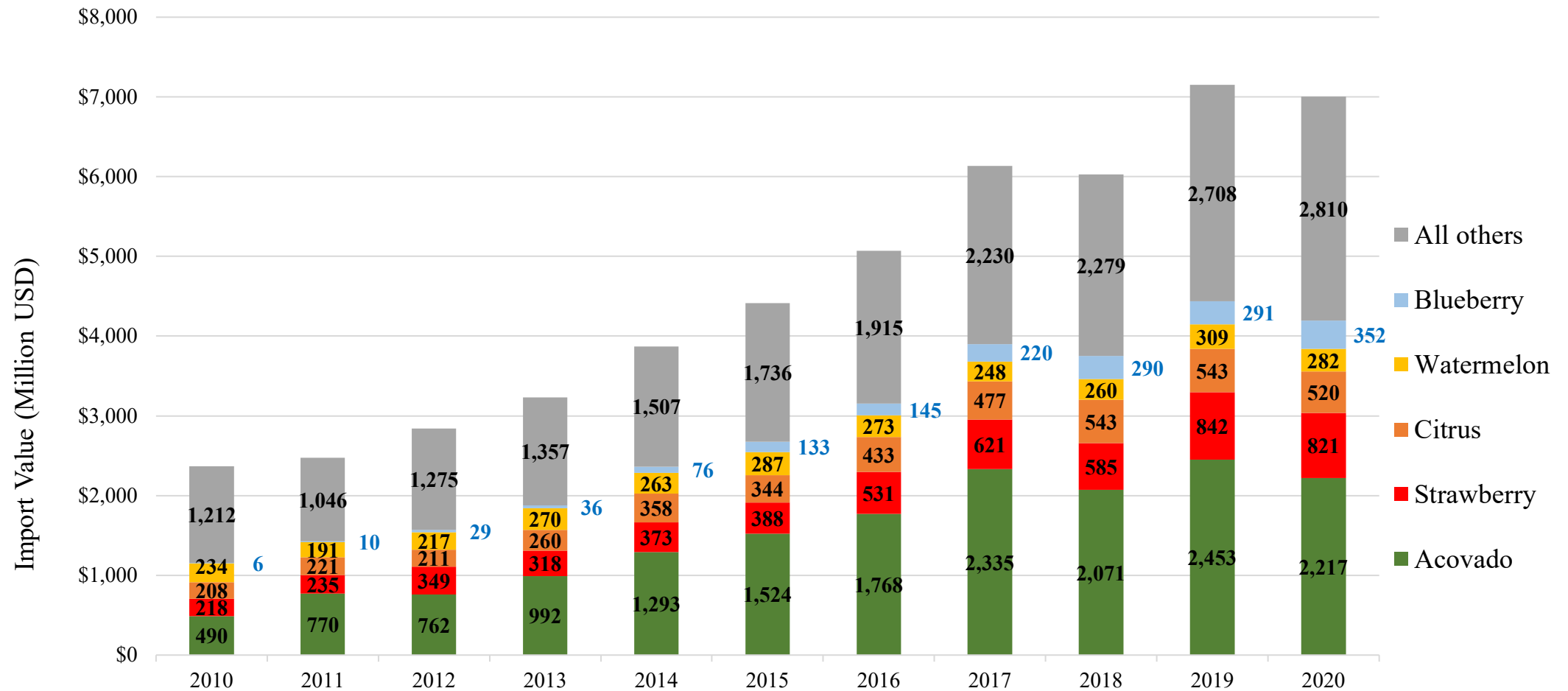
Source: USDA FAS (2021)

U.S. fresh fruit and vegetable trade with Mexico



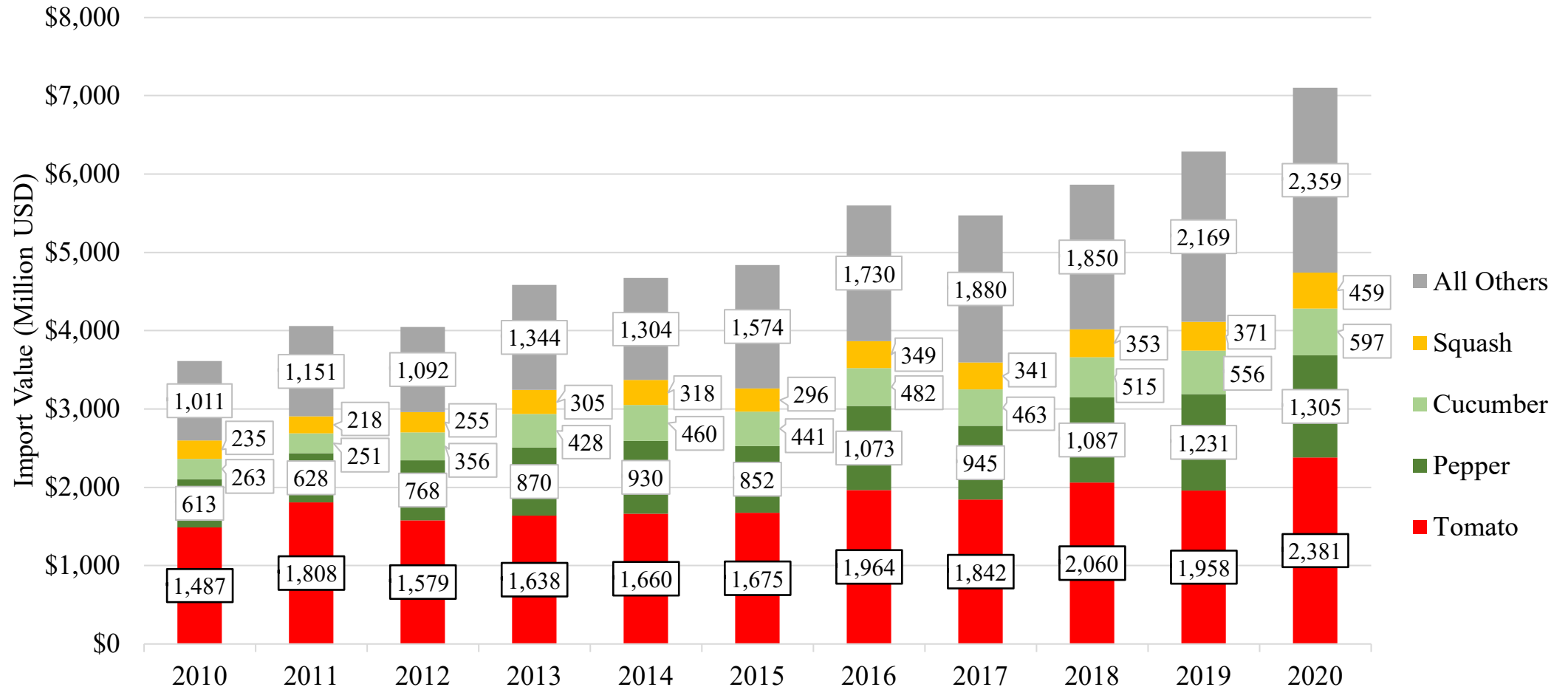
Source: USDA FAS (2021)

Value of major fresh fruit imports from Mexico



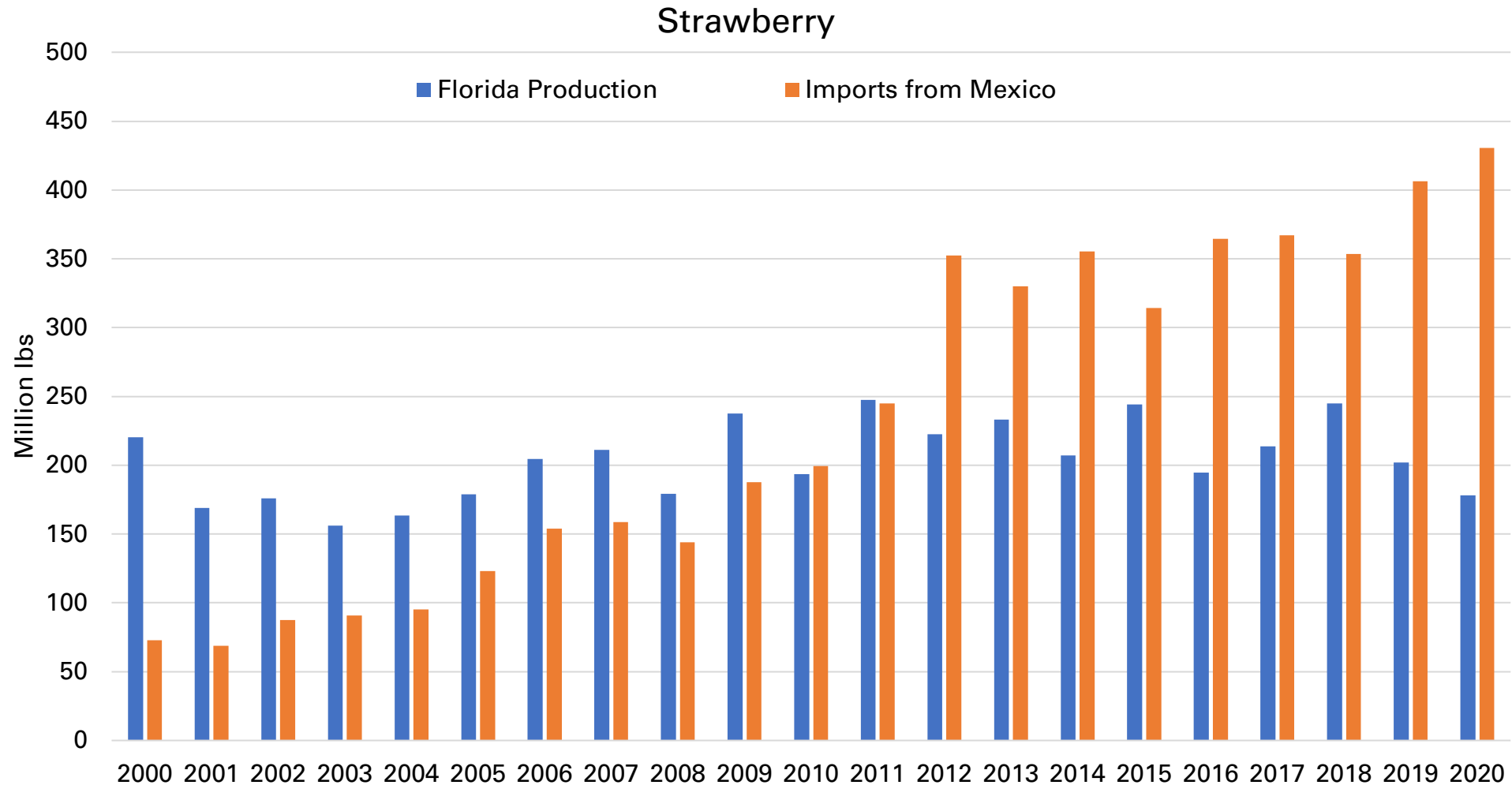
Source: USDA FAS (2021)

Value of major fresh vegetable imports from Mexico



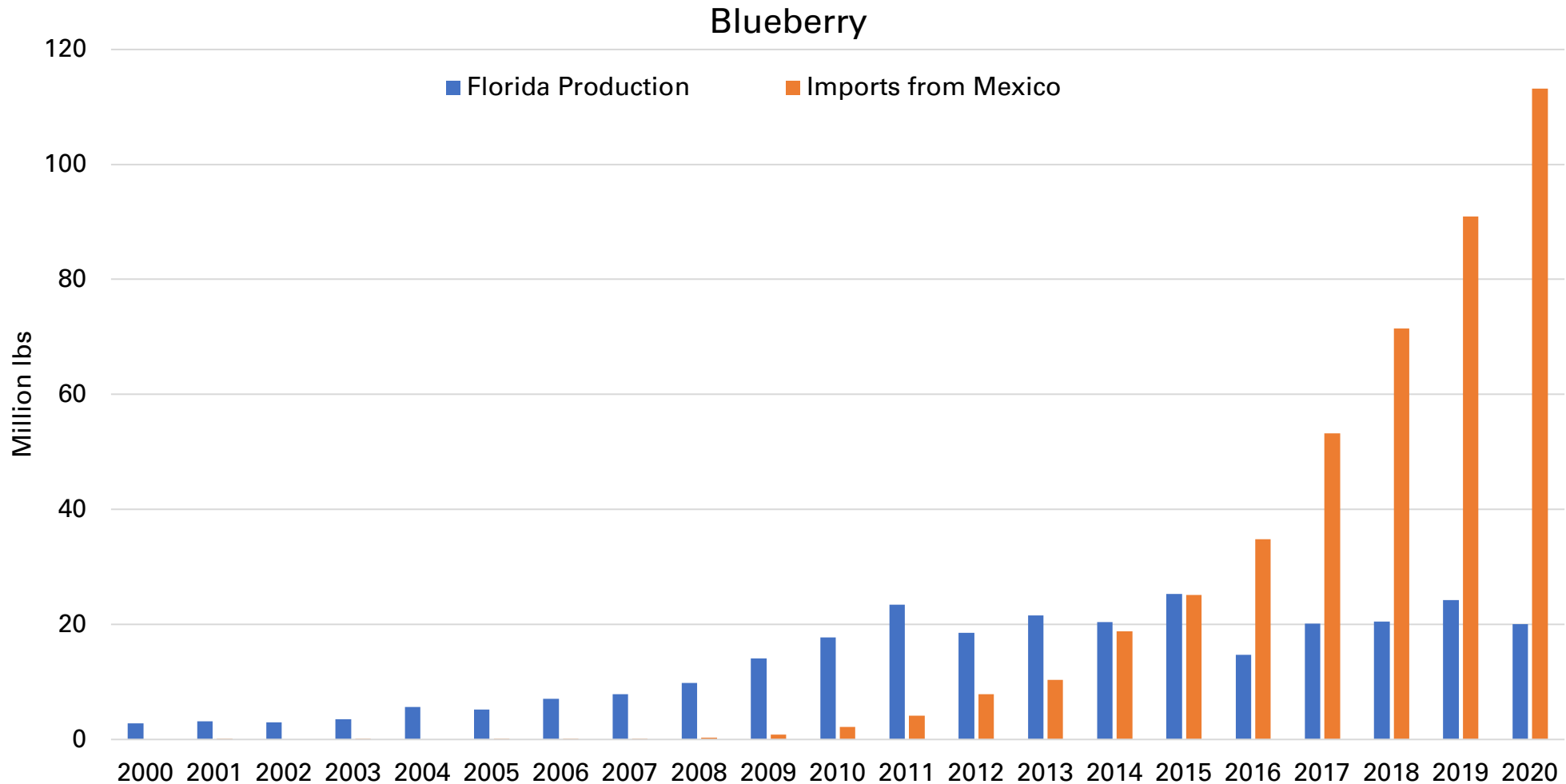
Source: USDA FAS (2021)

Florida vs Mexico: Strawberry



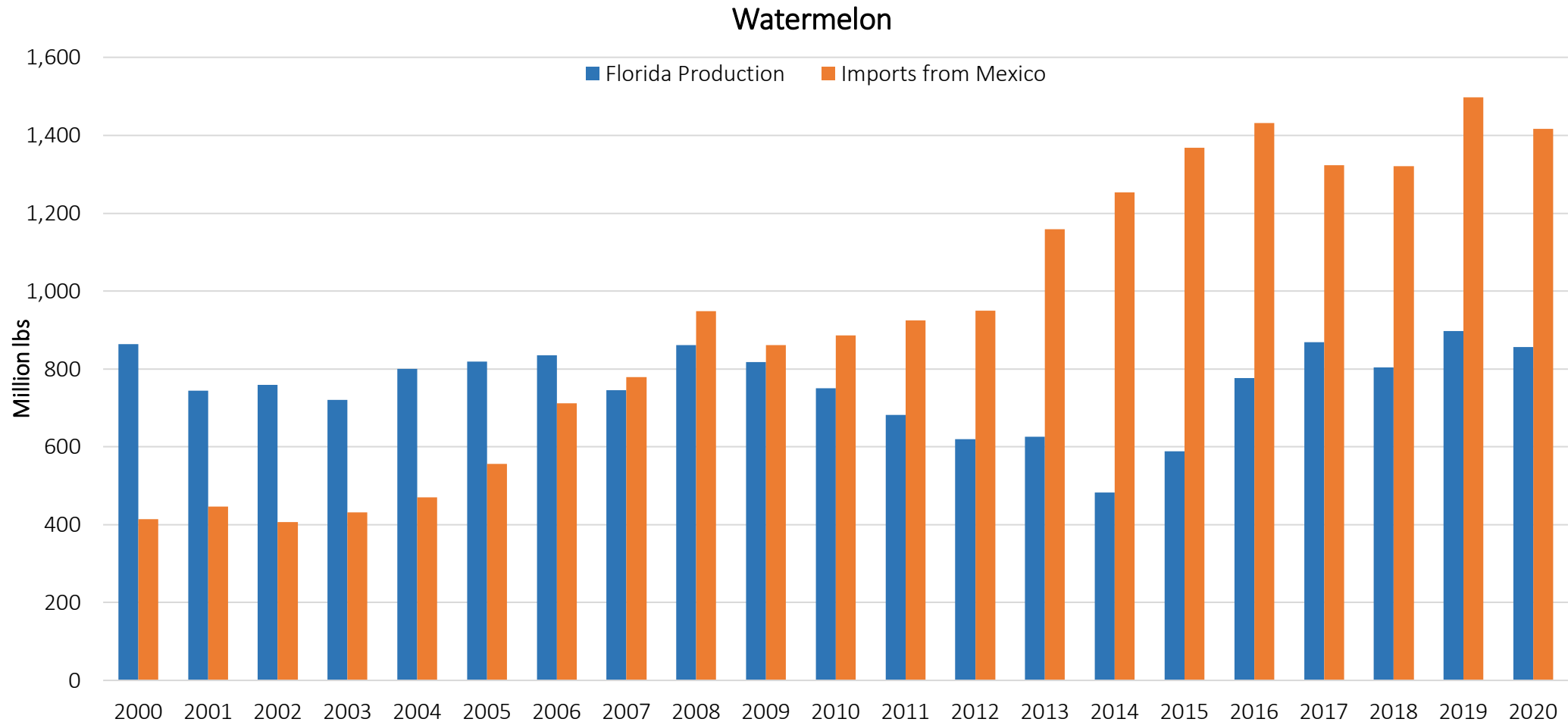
Source: USDA FAS (2021); USDA NASS (2021)

Florida vs Mexico: Blueberry



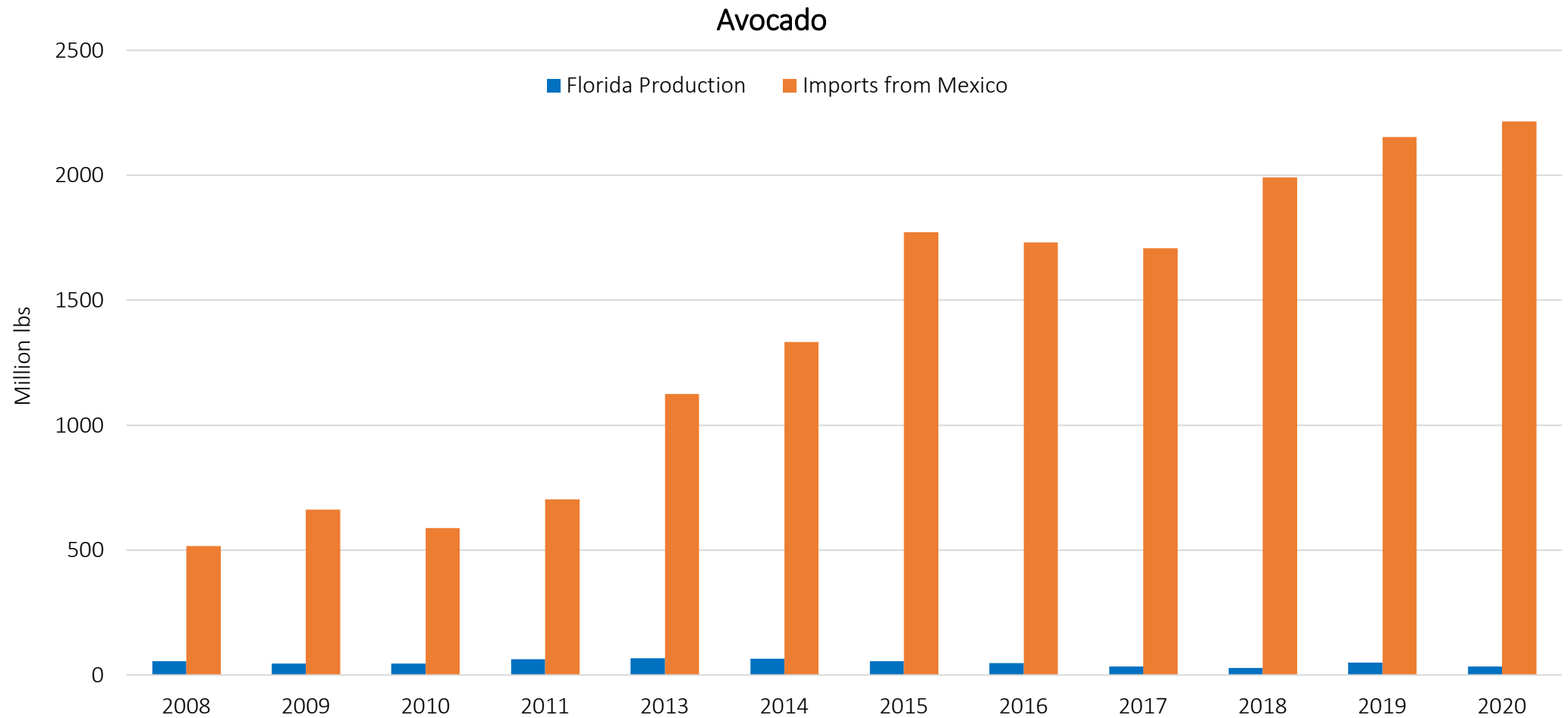
Source: USDA FAS (2021); USDA NASS (2021)

Florida vs Mexico: Watermelon



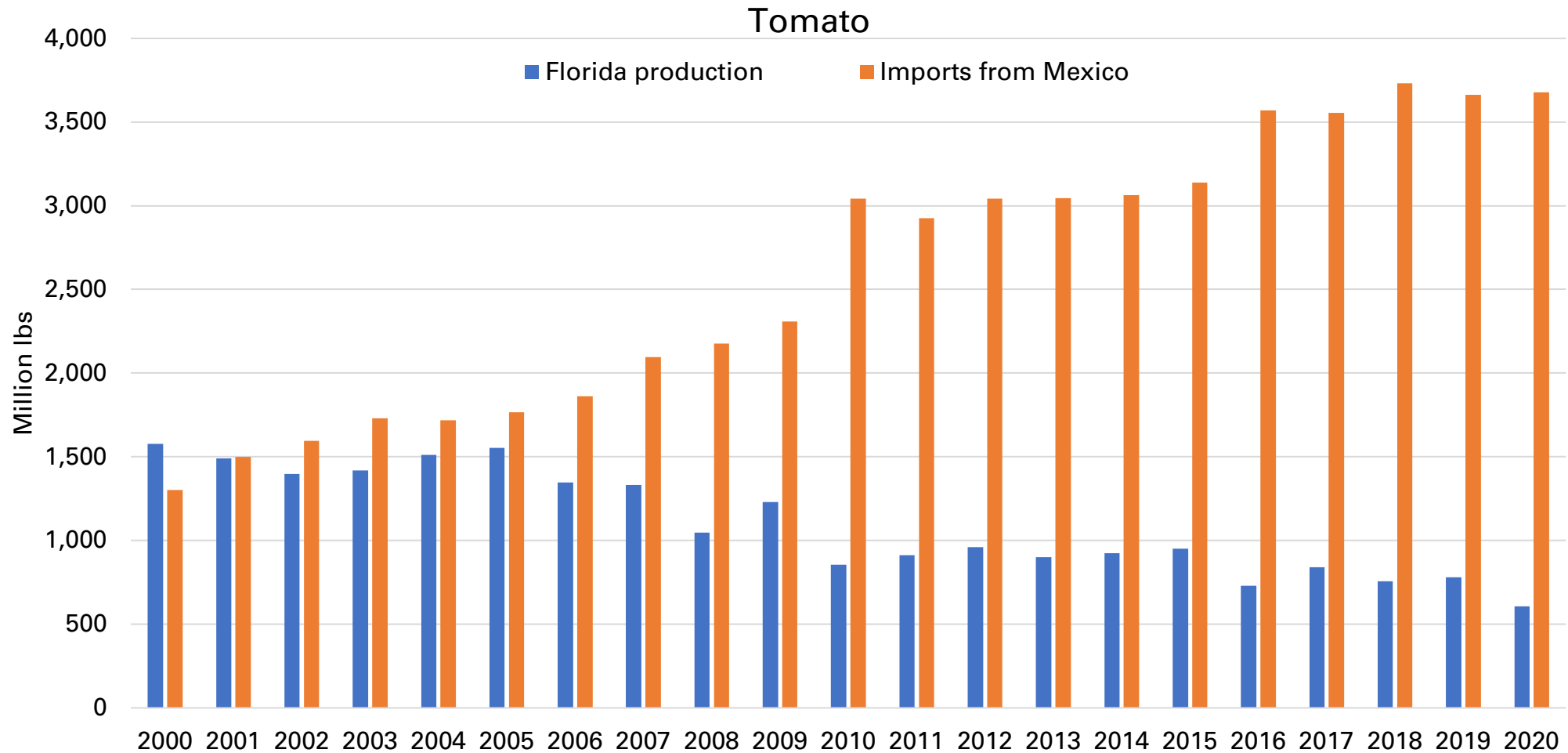
Source: USDA FAS (2021); USDA NASS (2021)

Florida vs Mexico: Avocado



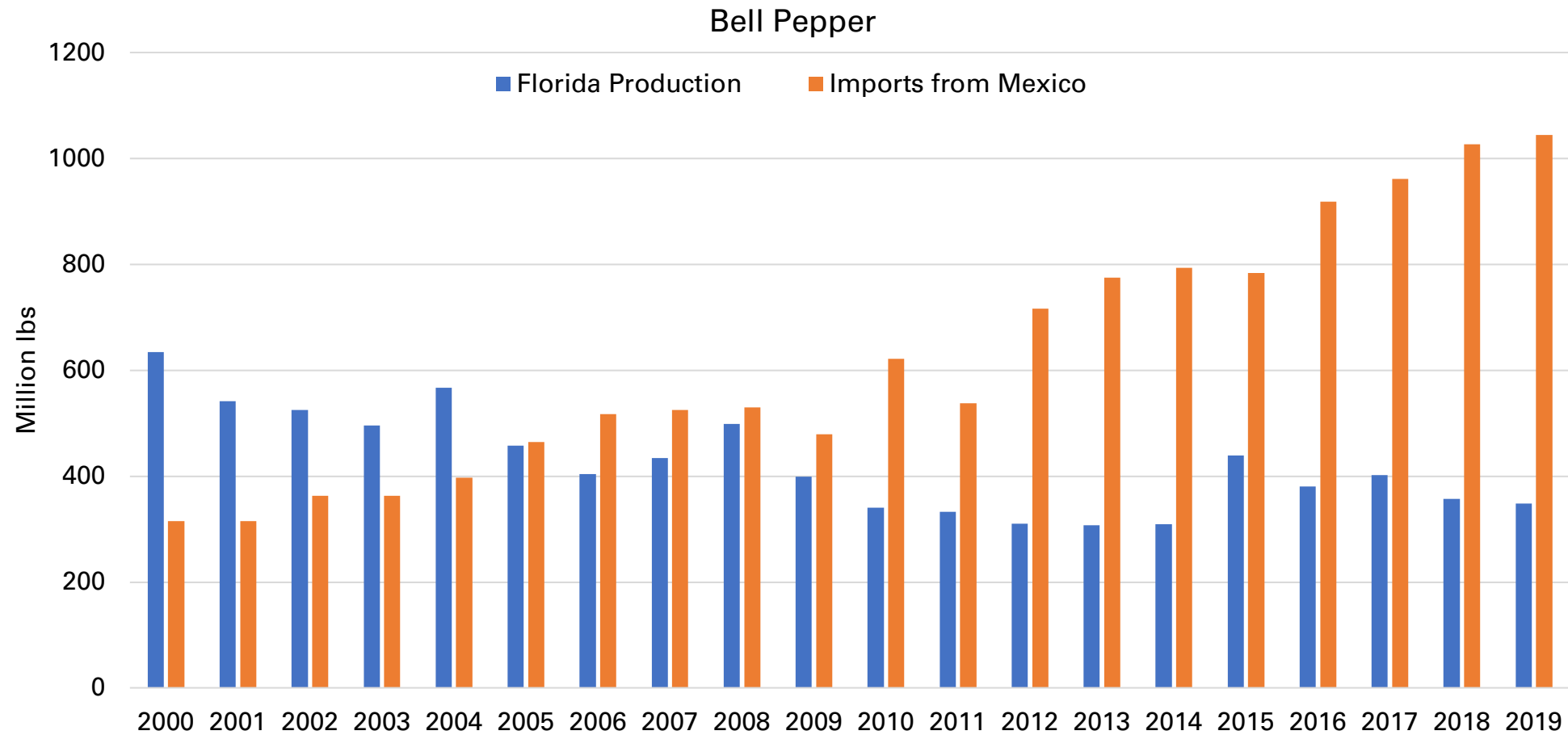
Source: USDA FAS (2021); USDA NASS (2021)

Florida vs Mexico: Tomato



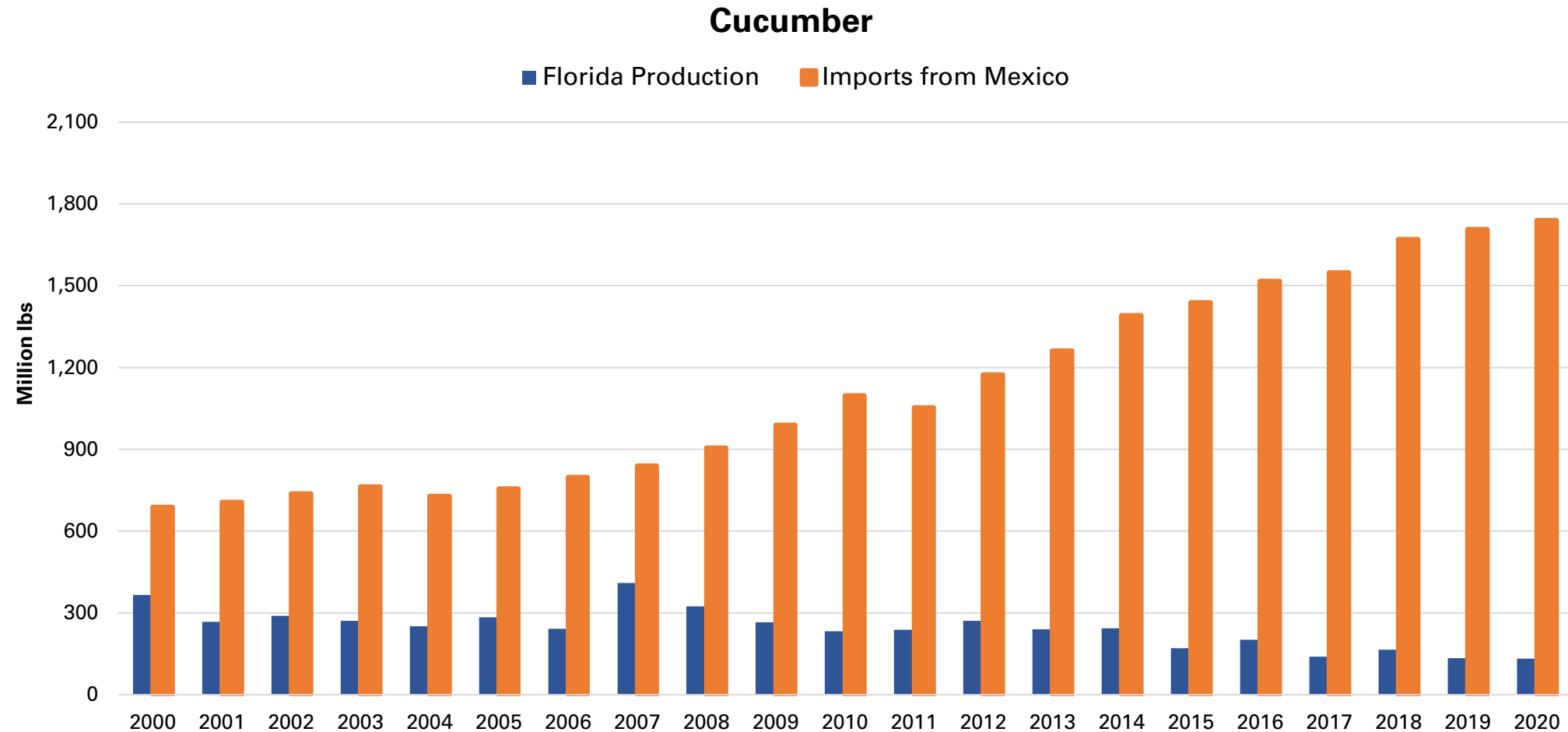
Source: USDA FAS (2021); USDA NASS (2021)

Florida vs Mexico: Bell Pepper



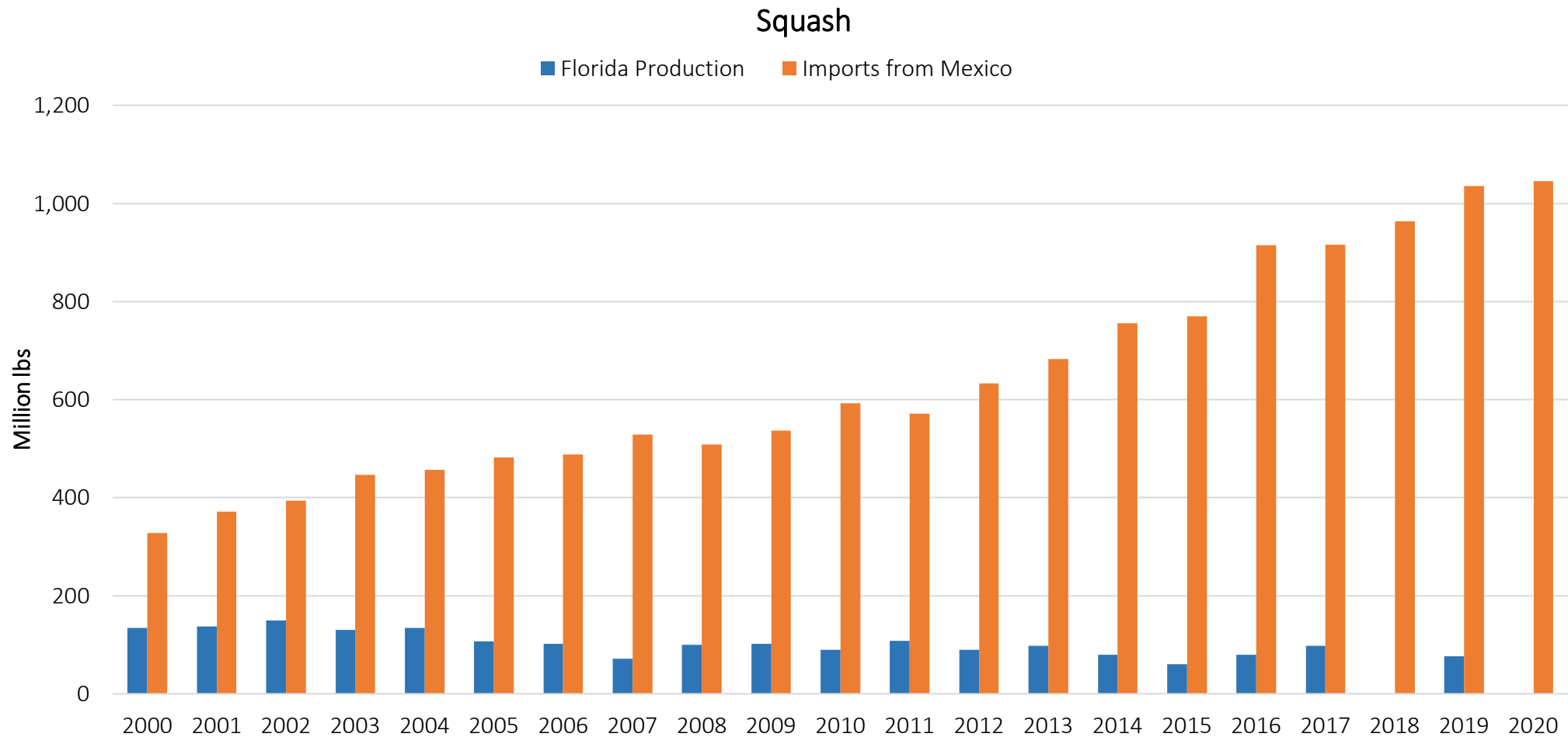
Source: USDA FAS (2021); USDA NASS (2021)

Florida vs Mexico: Cucumber



Source: USDA FAS (2021); USDA NASS (2021)

Florida vs Mexico: Squash



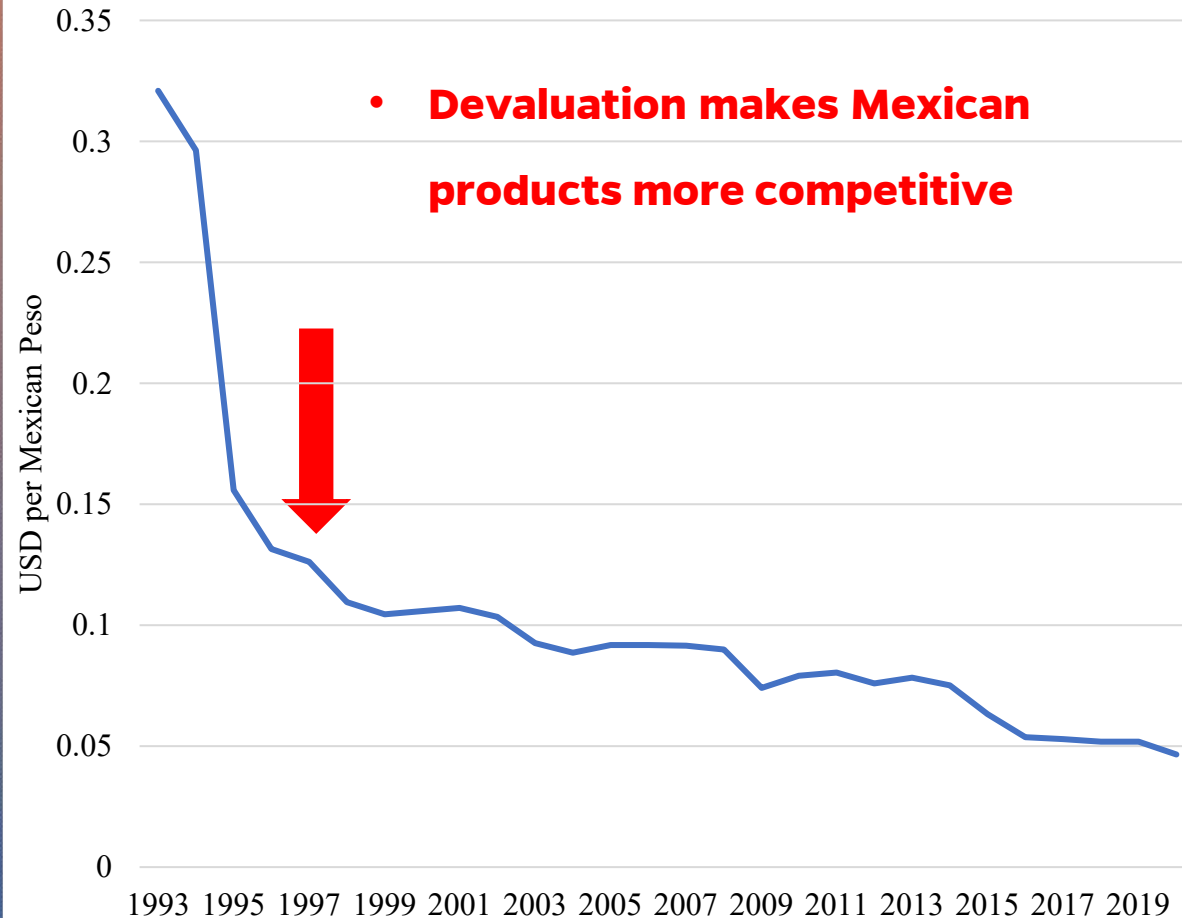
Source: USDA FAS (2021); USDA NASS (2021)

Factors driving import growth

- NAFTA
- Exchange rate
- Government support in Mexico
- Labor challenges

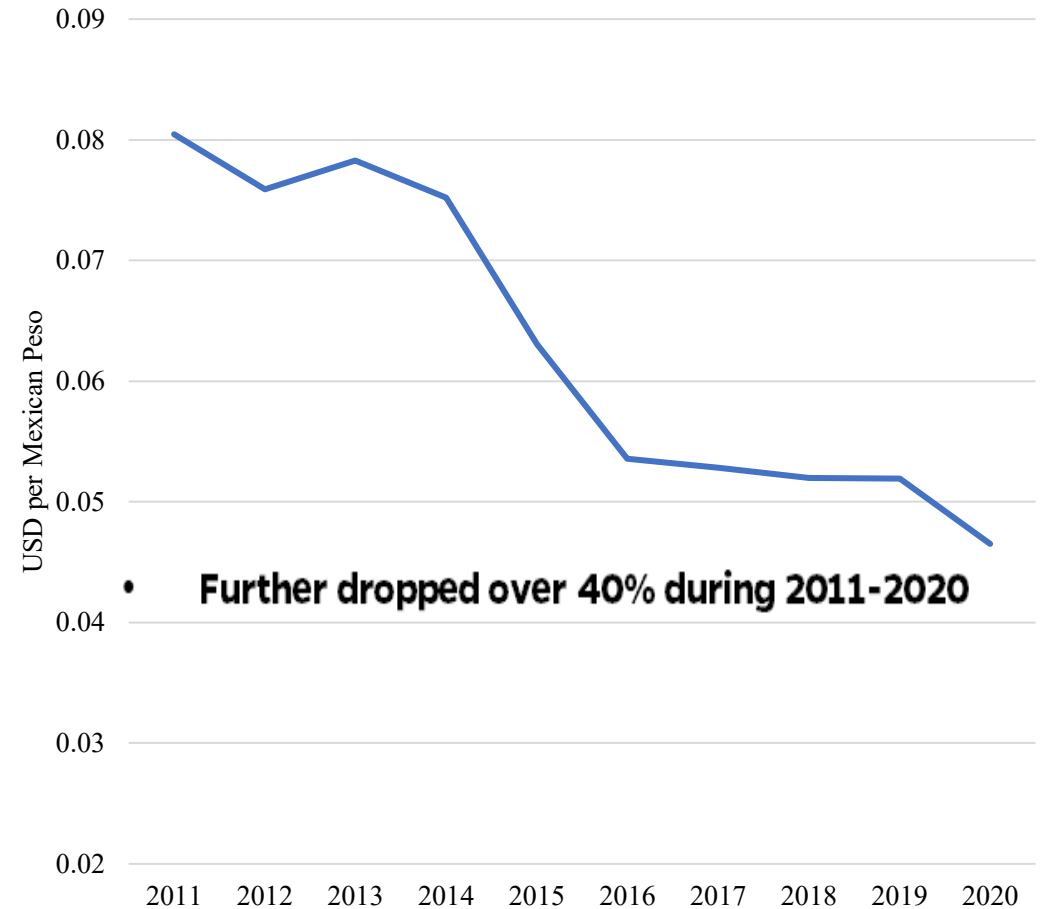
Exchange rate

Peso-USD Exchange Rate (1993-2020)

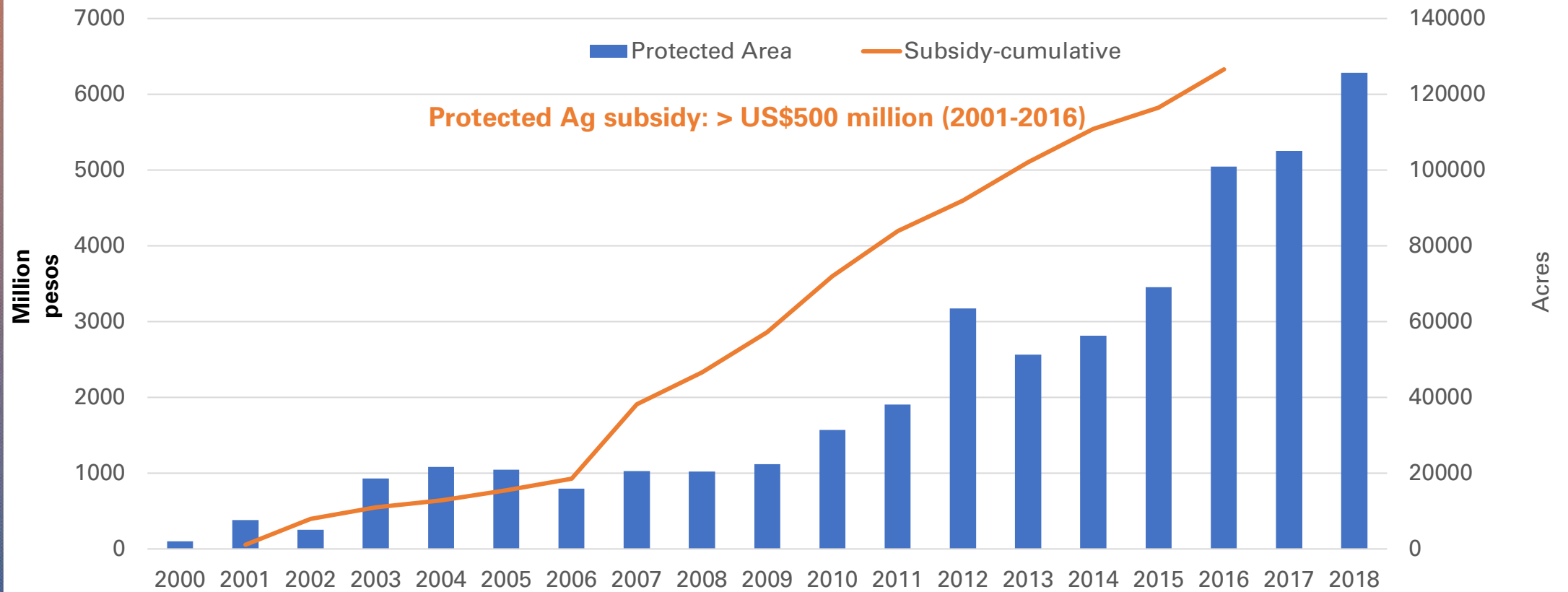


Source: OECD (2021)

Peso-USD Exchange Rate (2011-2020)

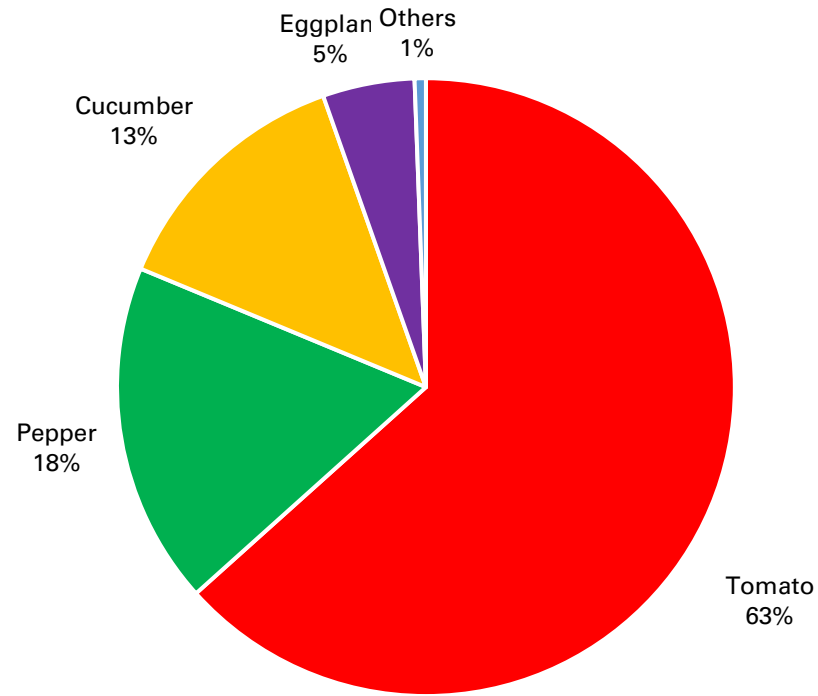


Mexican Protected Area and Subsidy

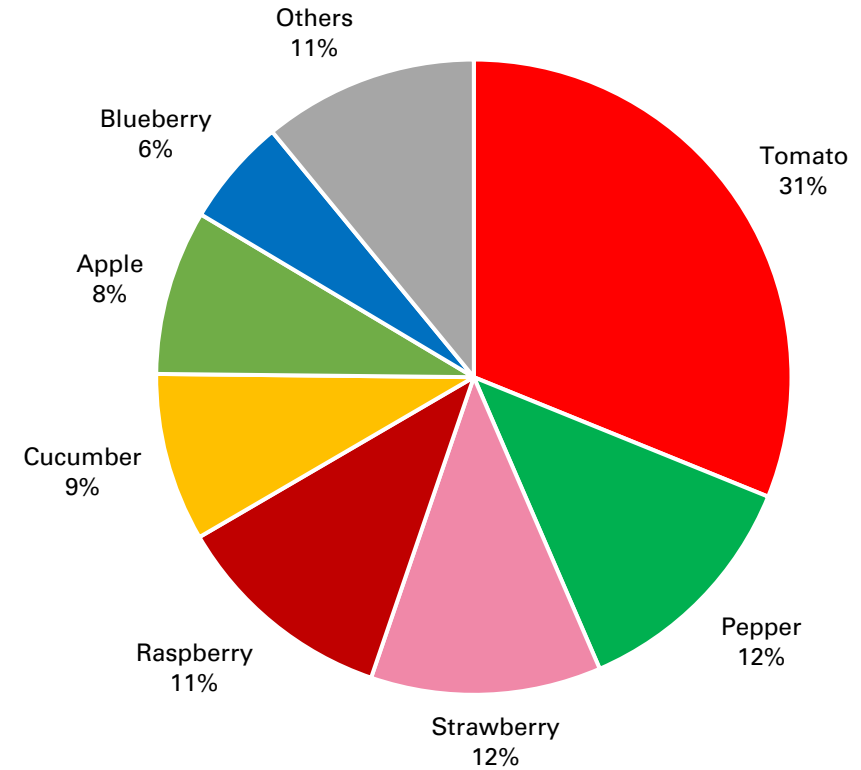


Mexican Protected Area

2012



2019



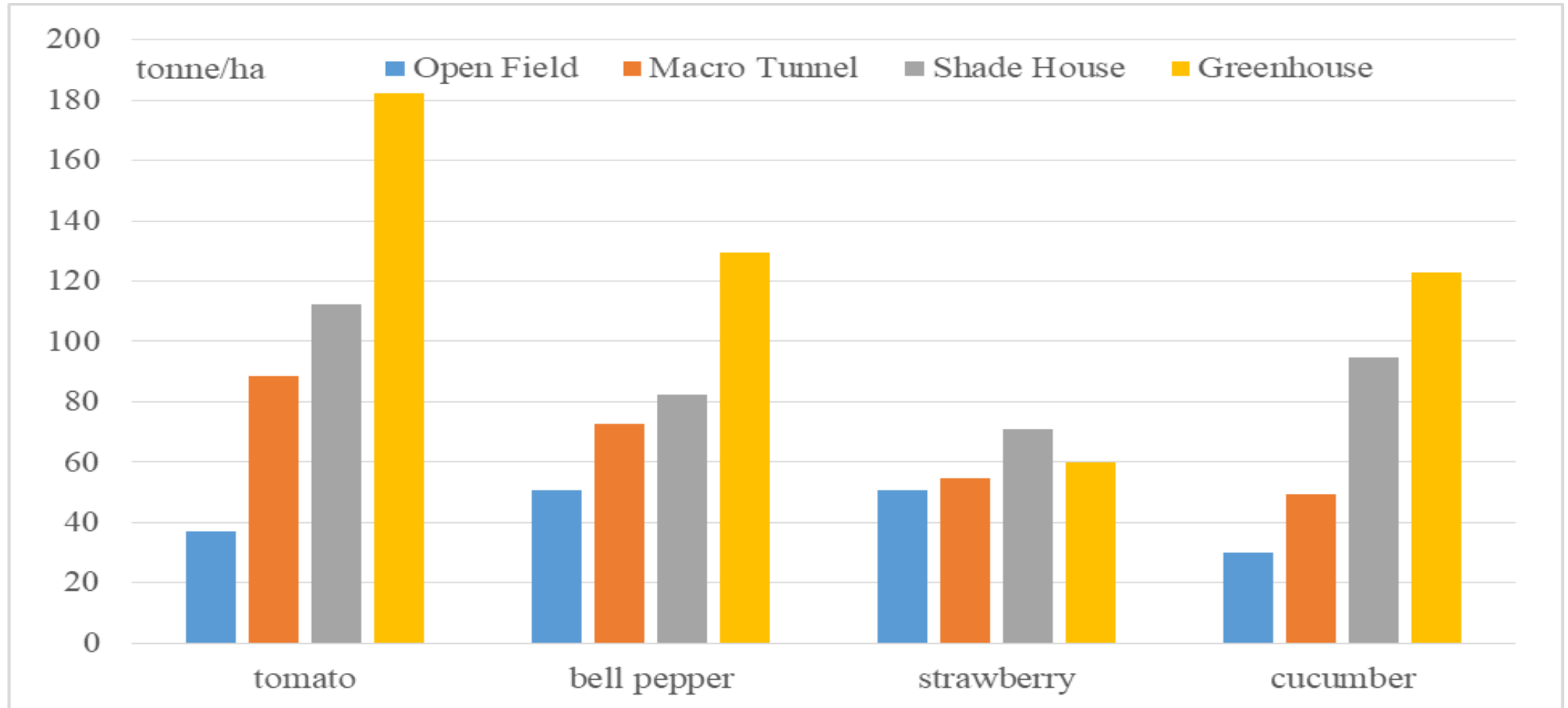
Source: Agrifood and Fisheries Information Service, Mexico, 2020

Acreeage under protected structures in Mexico

Year	2009	2012	2016	2019
Tomato	8743	35388	37135	40846
Pepper	1611	9998	11841	16235
Strawberry	0	348	12699	15385
Raspberry	0	0	12926	14903
Cucumber	1614	7450	11372	11231
Apple	0	0	798	11013
Blueberry	0	0	4636	7211
Eggplant	0	2686	1636	2627
Others	1537	329	2884	14357
Total	13504	56199	95926	133807

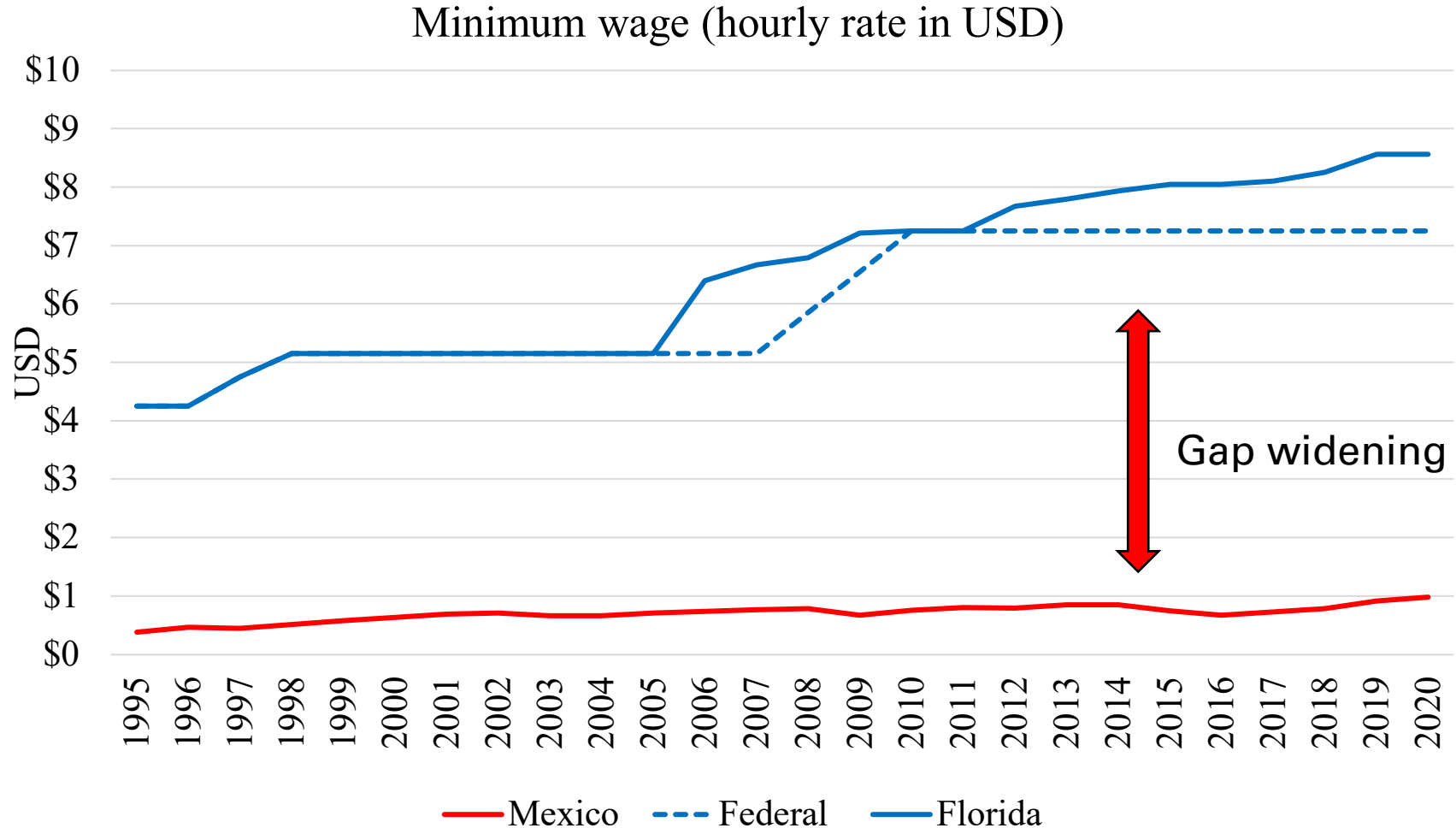
Source: Agrifood and Fisheries Information Service, Mexico (2020)

2019 average yield of major crops in Mexico



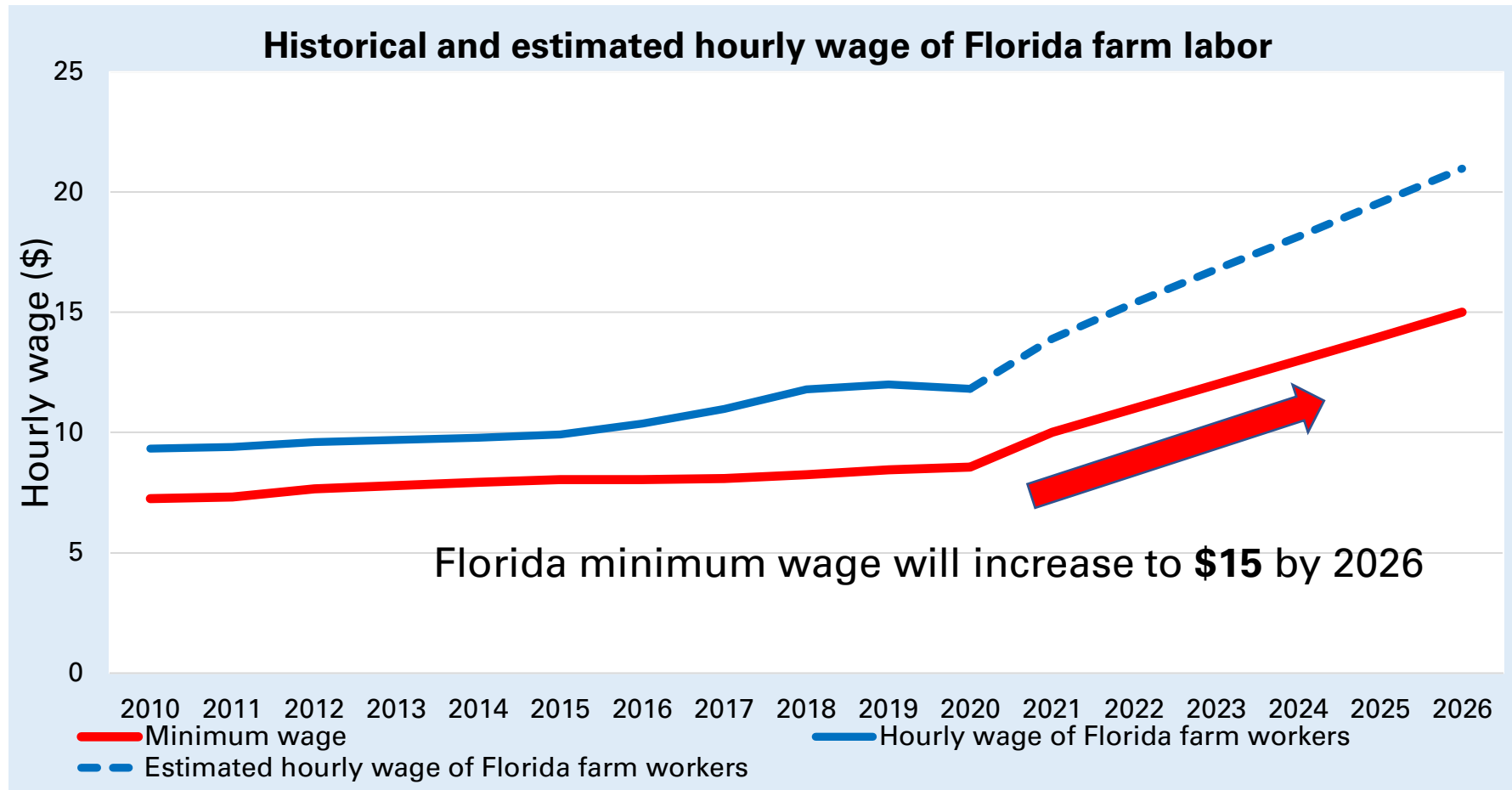
Source: Agrifood and Fisheries Information Service, Mexico (2020)

Challenges: Labor cost gaps with Mexico



Source: US DOL (2021); CountryEconomy.com (2021)

Challenges: escalating labor cost



Note: Estimated wage is based on 3-year moving average of % difference between FL average hourly wage and minimum wage

Source: US DOL (2021)

Concluding Remarks

- **Structural changes** in the US fresh produce market
- Industry trending down, and trend expected to continue
- **Policy changes** needed → Farm Bill funding priorities
- Technology: Mechanization/automation, the future of the industry

Thank You!