



2018-2019

ANNUAL REPORT



THE FRESH PRODUCE ASSOCIATION OF THE AMERICAS (FPAA) and its members help to ensure North America's uninterrupted access to fresh, high-quality, healthy and delicious Mexican-grown fruits and vegetables.

In 1895, the first rail car carrying fresh produce from Mexico crossed the border at Nogales, Arizona. Today, Mexico has become the top supplier of fresh fruits and vegetables for the United States – and the FPAA is the leading agent of produce trade at the U.S.-Mexico border and across the country.

Founded in Nogales, Arizona, in 1944, the FPAA has grown to become one of the most influential agricultural groups in the United States. Today, the FPAA provides a powerful voice for improvement and sustainability, serving the needs of more than 100 North American companies involved in the growth, harvest, marketing, import, and distribution of produce.

Our efforts, combined with the support of our members, yield positive results. We initiate and support major changes that benefit the produce industry.

Our mission is to provide industry expertise and informed advocacy to foster the success of member companies.

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FRESH PRODUCE ASSOCIATION



@FRESHPRODUCEAA

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PRESIDENT'S REPORT

What a year it has been. And what a year it is shaping up to be. On behalf of the Board of Directors, I am pleased to report that we successfully prevented the inclusion of a seasonality tariff provision in the new USMCA that was signed in the fall of 2018.

Simultaneously, I am displeased to report that the threat of seasonality has not gone away. Sen. Marco Rubio of Florida has gathered together with over 30 other Congressmen from Florida and Georgia to insist that USMCA include seasonality protection for regional growers, or that the government should somehow otherwise impose trade restrictions on your businesses. This could come in the form of prohibitive duties or quotas.

And, of course, there is the issue of tomatoes. With a threat of duties looming, the FPAA has been as vital a voice as ever – in Washington, DC, in Mexico City, in Phoenix. Wherever anyone will listen, we speak up about the importance of jobs. We speak up with facts, such as how 33,000 U.S. jobs come from the Mexican tomato value chain, as shown in the University of Arizona's study "Mexican Fresh Tomatoes: Agribusiness Value Chain Contributions to the U.S. Economy."

As the chief employers in your community, you bear a responsibility for not only your bottom line, but also for the many families who rely on your paychecks to keep food on their own tables. In the coming year, your business will be tested. The FPAA will be tested. In order to succeed, we must bring more like-minded companies into the association.

Let this be a challenge for all of us- in order to continue moving forward in our own businesses, we must also move forward together.
- Lance Jungmeyer, President



CHAIRMAN'S REPORT

Brick by brick, dollar by dollar, the FPAA is building a better future for your business. Our efforts will result in you being able to add new items and expand your season, and you also will achieve quicker deliveries and pickups to your warehouses.

First, a small project that could deliver huge dividends. FPAA has pledged monies, along with Santa Cruz County and the State of Arizona, to construct a \$1 million cold inspection facility at the Mariposa Port of Entry in Nogales. This means that Nogales importers can have the confidence to import temperature-sensitive items like berries, grapes and leafy items without the produce losing shelf life when CBP calls for a secondary inspection. The University of Arizona conducted an economic impact analysis of the cold facility, showing that it would increase imports by \$150 million or more, resulting in more than 200 jobs. This conservative analysis examined only the CANAMEX trade corridor (Arizona, Utah, Nevada, Idaho, and Montana), and we believe the impacts will be far greater when you consider future sales to California, Washington and Oregon.

A much bigger project will have an impact on your business, every day that you are open. Within the next year, we will see commencement of the SR-189 flyover project. This \$135 million highway interchange improvement is the largest investment in rural Arizona infrastructure in decades, and it wouldn't be possible without the support and leadership of FPAA. When complete, this improvement will speed trucks to your warehouse, saving about 13 minutes going North and 8-9 minutes going South. Think of the system-wide supply chain savings! While these are important advances, our work at FPAA is not done. Next, we must find the wherewithal to fund interchange improvements at the I-19 exits of Ruby Road and Rio Rico Drive. Both of these serve the Rio Rico Industrial Park, which already faces major bottlenecks. We are already working with Santa Cruz County on creative solutions.

These are just a few examples of how FPAA delivers value to your company. We welcome your ideas about how to make a better future for the industry. Brick by brick, dollar by dollar, we can build it. - Scott Vandervoet, Chairman



FPAA LEADERSHIP



BOBBY ASTENGO-PEPPERS PLUS LLC., OWNER

Mr. Astengo has worked for the produce industry for over 35+ years and is a part of the FPAA as a member of the current Board of Directors, and a member of PMA.



GONZALO AVILA- MALENA PRODUCE, INC., CEO

Mr. Avila has worked in the produce industry since 1999. Malena was founded in 1984, and his family has been growing since 1954. Mr. Avila is the FPAA's Past Chairman and he is also a part of the PMA, DRC, Blue Book, and Red Book.



BRIAN BERNAUER- CALAVO GROWERS, DIRECTOR OPERATIONS & SALES-FRESH TOMATO

Mr. Bernauer has worked in the produce industry for over 30 years. After graduating, Mr. Bernauer started his produce career as a buyer with a major retailer. For the past 20 years Mr. Bernauer has worked in the grower/shipper side as a director of operations, sales and marketing.



ALEJANDRO CANELOS- APACHE PRODUCE LLC., CEO

An FPAA former chairman, Mr. Canelos is the CEO of Apache Produce as well as one of the founding partners of International Greenhouse Produce. Mr. Canelos has 22 years of experience and leadership in the produce industry.



JAIME S. CHAMBERLAIN- CHAMBERLAIN DISTRIBUTING INC., PRESIDENT

He is a former chairman of the Board of Directors of the FPAA & is the incoming chairman of the Nogales/Santa Cruz County Port Authority. He is Chairman Emeritus of the St. Andrews Children's Clinic Board of Directors & an active member of the Nogales Boys and Girls Club. He was recently appointed by Governor Ducey to the Board of Directors of the Arizona Mexico Commission.



CHRIS CIRULI- CIRULI BROTHERS, LLC COO

Mr. Ciruli grew up alongside his brother and father in the fields and offices of Ciruli Brothers and Amex Distributing Company. He is a Board Member of the FPAA; he is part of the Texas International Produce Association, PMA, Board Member of United Fresh Fruit and Vegetable Association, Board Member & Treasurer of the National Mango Board, Board Member of the Boys and Girls Club of Santa Cruz County, and part of First Things First.



ENRIQUE GRACIA- FLAVOR KING FARMS, PRESIDENT

With more than 15 years of experience in the produce industry, Mr. Gracia has worked at Flavor King Family Farms for over 6 years. Flavor Kings was founded in 2008 by a family of citrus growers and entrepreneurs who saw opportunity and potential in helping other growers in the state of Sonora, Mexico to improve their farming practices for a better world.



SABRINA HALLMAN- SIERRA SEED COMPANY, CEO/SIERRA SEED INTERNATIONAL, PRESIDENT & IVERNADEROS SIERRA, PARTNER

Sabrina Hallman serves as President and CEO for the seed business and is a partner in Invernaderos Sierra. Ms. Hallman remains active in the industry and the community serving on boards with the Fresh Produce Association, Seed Trade of Arizona and Santa Cruz Community Foundation.



MARTIN LEY- SHIPLEY SALES

Martin Ley has over 30 years of produce industry experience. He is a Board Member for FPAA, and is the U.S. Spokesperson for AHIFORES. Mr. Ley has also received the FPAA's Member of the Year Award.



MATT MANDEL- SUNFED, VICE PRESIDENT OF OPERATIONS

Mr. Mandel has worked in the produce industry for over ten years. He is a Board Member for FPAA & he is a past Chairman. Mr. Mandel is part of PMA, United Fresh, CPMA, Western Growers, Texas International Produce Association, and Southeast Produce Council.



ERNESTO MALDONADO- STAR PRODUCE US LP/GENERAL MANAGER, GROWER RELATIONS

Mr. Maldonado worked as Agricultural Minister Counselor at the Mexican Embassy in Canada. Served as Director General of the Fruit and Vegetable Dispute Resolution Corporation (DRC). Worked as Director of Export Trade and Foreign Market Development/Ministry of Agriculture of Mexico. In 2013 Star Produce US LP recruited him to serve as the company's Director of Grower Relations.



JAMES MARTIN- WILSON PRODUCE, LLC., DIRECTOR OF SUSTAINABILITY

Mr. Martin is part of the 4th generation of family farms at Wilson Produce. He has studied at universities in the US, Cuba, and Denmark. He received dual BA degrees in Analytic Philosophy and Latin American Studies. He founded a University contingent of No More Deaths/No Mas Muertes. He has helped lead Wilson Produce to be recognized as Arizona's Greenest Workplace in 2014 and Mexico's Best Renewable Energy Collaboration in 2015.



JOSE ANTONIO MARTINEZ- DIVINE FLAVOR LLC., GENERAL MANAGER & COO

Mr. Martinez has worked since 2014 as General Manager and Chief Operating Officer of Divine Flavor LLC, distributor of Mexican and South American agricultural products in the United States, Canada and the rest of the world. He has worked in the office of the Governor of the State of Sonora, as General Coordinator of Management Control.



BERT MONTEVERDE- H.M. DISTRIBUTORS, INC., COO

Mr. Monteverde has worked in the produce industry since he graduated from the University of Arizona in 1993. H.M. Distributors, Inc. is a member of United, Western Growers and Blue Book. Mr. Monteverde was also selected as part of Class 9 of United Fresh Leadership Program in 2003.



JIMMY MUNGUIA- DEL CAMPO SUPREME, SALES MANAGER

Mr. Munguia has been in the produce industry for over 30+ years. He is the current chairman for the FPAA Tomato Division.



JOHN PANDOL- PANDOL BROTHERS, DIRECTOR OF SPECIAL PROJECTS

Director of Special Projects for Pandol Brothers, John ties together crop production, sourcing and retail merchandising, observing all points of the supply chain. Grape Division Chairman since 2002, John comments frequently in public forums and volunteers to escort visitors into Mexico, including trade, press, and governmental officials.



FERNANDO SANDOVAL- MARTINEZ US CUSTOMS BROKERS & PRESIDENT OF CUSTOMS BROKERS ASSOC.

Licensed Customs Broker with 25 years international logistics experience, including Rubbermaid, Kellogg's, Del Campo, and Coca-Cola bottler. Current focus is on US Customs operations/compliance, InBond cargo, and C-TPAT certification supply chain security. Member of the Rotary Club and Arizona Mexico Commission.



WALTER RAM- GIUMARRA COMPANIES, VICE PRESIDENT OF FOOD SAFETY

Mr. Ram has worked in the produce industry for 40 years and is a part of many organizations such as; the FPAA Board of Directors, Center for Produce Safety at UC Davis Technical Committee, United Fresh, PMA, CPMA, Center for Produce Sustainability Advisory Board, Produce Safety Alliance (FDA), Harmonized GAP Standard Steering Committee, Harmonized GAP Standard Technical Working Group, and Washington Blueberry Commission Food Safety.



MIGUEL "MIKEE" SUAREZ- M.A.S. MELONS & GRAPES, SALES MANAGER

Mikee has been with MAS Melons and Grapes since 2012, where he works in sales management and marketing. At 24 years old, he was elected onto the board of directors for the FPAA and is now on his second 2 year term and first term as a part of the executive committee.



LEONARDO M. TARRIBA- FARMER’S BEST INTERNATIONAL, CEO

Leonardo Tarriba has been working for 25 years in the industry. Mr. Tarriba is and has been part of multiple industry boards. He is serving for FPAA, United Fresh Fruit Grower -Shipper Board, National Mango Board and CAADES. Recipient of the Produce Business award “40 under 40,” he is proudly and currently appointed as the Vice Chairman at FPAA and will become our Chairman in 2020.



CHUCK THOMAS- THOMAS PRODUCE, CEO

Chuck Thomas is a third generation produce grower, distributor and broker with roots in NC and Florida. He attended Virginia Tech, and after graduating in 1978 came to Nogales to help in the family business on a seasonal basis. Chuck also worked seasonally in Michigan, Ohio, Florida and CA over the years, but roots were planted in Nogales for the future.



SCOTT VANDERVOET- VANDERVOET & ASSOCIATES, INC. TREASURER/SECRETARY

Scott Vandervoet works alongside his father, Brian, in the family operated company that was started in 1994. Vandervoet & Associates, Inc. focuses on selling watermelon and other melons out of Sonora. Scott has participated with the FPAA Board of Directors since 2012 and was awarded member of the year in 2015. In his free time Scott volunteers with local non profit Friends of the Santa Cruz River, as well as coaching AYSO youth soccer.



Pictured Above: 2018 outgoing Board members

The Fresh Produce Association of the Americas is governed by a 22-member Board of Directors. The Board of Directors acts on behalf of the institutional members to create and maintain a vision for FPAA and to determine and ensure that the organization adheres to appropriate standards of performance. The Board governs on behalf of the members of FPAA as defined in the FPAA constitution and is committed to guaranteeing accountability of FPAA to the membership.

- Who elects the Board? FPAA Membership
- How can I become a Board member? Ask a peer to nominate you.
- When are Board elections? The Annual Meeting, typically in May.

Please email Emmis Yubeta at emmis@freshfrommexico.com if you would like to learn more about being on the Board of Directors!

FPAA MEMBER COMPANIES

1st Bank Yuma	Delta Fresh Sales, LLC	iDeal HarBest, LLC
A & E Specialty Marketing, LLC	Divine Flavor LLC	IFCO Systems
Agri-Packing Distributors, Inc.	Double Tree Castle, Inc.	International Paper
Agrosupport of México	Eagle Eye Produce	IPR Fresh
AMHPAC	Edward Jones Investments	iSolve Technologies, Inc.
Andrew & Williamson	Farmer's Best International, LLC	J & J Family of Farms
Apache Produce Imports, LLC	Flavor King Farms	Jeong & Lizardi, P.C.
Atlas International CHB	Frank's Distributing of Produce, LLC	Joffroy Group CHB, LLC
Bayer Crop Science	Fresh Farms	K & K International Logistics, LLC
Bernardi & Associates, Inc.	Fresh International, LLC	Kaliroy Fresh LLC
C.M.M.V., LLC	Fresh Produce & Floral Council	Kingdom Fresh Produce, Inc.
Cactus Melon Dist. Inc.	Fresh-Link Produce, LLC	L & M Companies, Inc.
Calavo Growers Inc.	G. Mendez & Co., Inc.	M.A.S. Melons & Grapes, LLC
Carcione's Fresh Produce Co., Inc.	Great Western Bank	Malena Produce, Inc.
Chamberlain Distributing, Inc.	Greenhouse Produce Company, LLC	Marengo Foods LLC
Ciruli Brothers	Grower Alliance, LLC	Masterstouch Brand, LLC
Coast Produce Company	H.M. Distributors, Inc.	Mayer Group
Cropper's Nogales Auto Center	Harvest Pride, LLC	Mayer Martinez y Asociados
Del Campo Supreme		

MexFresh	Port of Tucson	Suarez Brokerage Co. Inc.
Naumann/Hobbs Materials Handling Service	Prime Time International	SunFed
Nexustek	Primus Labs.com	Sykes Company
NFP Property & Casualty	Produce House, LLC	Tepeyac Produce, Inc.
Nogales Community Food Bank	Produce Marketing Association	The Giumarra Companies
Nogales U.S. Customs Brokers Assn.	Produce Pay	The Produce Exchange
Omega Produce Co., Inc.	R.L. Jones Customhouse Brokers	Thomas Produce Sales, Inc.
P.D.G. Produce, Inc.	Red Sun Farms	Tricar Sales, Inc.
Pacific Brokerage Co., Inc.	Robinson Fresh	Triple H Produce
Pacific Heartland	Shannon Brokerage Co.	UniSource Energy Services
Pack Right, LLC	Shiplely Sales Service	Vandervoet & Associates, Inc.
Pandol Brothers, Inc.	Sierra Seed Company, LLP	Western Growers Association
Peppers Plus, LLC	Sigma Sales Co., Inc.	WestRock
Performance Produce	Sinclair Systems International, LLC	Wholesum Family Farms, Inc.
Port Devanning Services, LLC	Star Produce Us Lp	Wilson Produce, LLC

FPAA STAFF

Lance Jungmeyer, President

Allison Moore, Vice President

Erika Dominguez, Political Analyst/ Communications Coordinator

Georgina Felix, Foreign Affairs Director

Marlene Lopez, Director of Membership Affairs

Conchita Singh, Accounting and H.R. Director

Emmis Yubeta, Membership Programs Coordinator

OUR MISSION:

“To provide industry expertise and informed advocacy to foster the success of member companies.”

INDUSTRY PARTNERS

We are constantly seeking ways to strengthen our efforts by partnering with organizations with whom we share a common interest and goal. Our mutual support and collaboration are important elements to our success. Some of these partners are:



LEGAL AND PROFESSIONAL TEAM

In order to properly serve our members and advocate for their interests, the FPAA often utilizes teams of experienced legal and advocacy professionals. We're always on the lookout to expand our team while ensuring efficiency and proper representation for our members.

VERIDUS

Veridus has a proven track record of achievement. The team shares more than an in-depth knowledge of the legislative process and decades of experience in lobbying, government relations, and public affairs, they bring dedication, creativity, and a focused pursuit of excellence that drives every project that Veridus takes on.



Jeff Sandquist



Jeremy Gerlach



Jason Barraza

BC CONSULTING

BC Consulting is a bipartisan, full-service government affairs and strategic consulting firm located in Washington, D.C. BC Consulting represents clients before the federal government, specializing in transportation, cross-border trade, agriculture and tax issues. BC Consulting is results-oriented with proven success in strategically positioning public policy initiatives on Capitol Hill and federal agencies.



Britton Clark



Daniel J. Coogan



Robert "Kip" C. Martin

COOGAN AND MARTIN P.C.

In 2001, Kip Martin and his law partner, Daniel J. Coogan, formed Coogan & Martin, P.C. Throughout its history, the firm has been closely connected with international agricultural trade and with the produce industry in Nogales, Arizona. Mr. Martin and Mr. Coogan are also two of a handful of lawyers in the United States with an intimate working knowledge of administrative regulations and procedures under the Perishable Agricultural Commodities Act of 1930 ("PACA").

MEMBERSHIP RECOGNITION

Our members are recognized among the industry and the community by their outstanding contributions!

FPAA Member of the Year Award 2018 Bobby Bennen Jr. and Gerardo Ritz

The Member of the Year is someone who goes above and beyond in working for the betterment of the membership. The 2018 recipients were Bobby Bennen, Jr. of Ta-De Distributing and Gerardo Ritz of Ritz Produce. Bobby and Gerardo served the industry for many years on the FPAA Board, contributing their energy and commitment to the FPAA's ideals. Their spirit embodies the legacy of FPAA. Bobby and Gerardo passed away in early 2018 and they had both been recently re-elected as board members in 2017 for a two-year term.



FPAA Pillar of the Year Award Rosie Cornelius



Every year during the Nogales Produce Convention's Gala Dinner, the FPAA grants this award to someone whose work and contributions have greatly shaped the industry. The association honors individuals who have met and exceeded the following criteria:

- Individual has been involved in importation and distribution of fresh produce from Mexico
- The individual exhibits a history of volunteering time and effort to the association or industry
- Consideration is given to members who have contributed innovations in the handling or marketing of fresh produce
- The individual has demonstrated integrity throughout her career

This year the FPAA decided that the member who deserved it the most was Rosie Cornelius. Rosie has not only shown commitment, perseverance, and sacrifice, she's done it all for decades unflinchingly and without complaint. Rosie continues to dedicate herself to her work and the community. Her reputation for kindness and integrity in an industry that's always throwing curveballs has transformed professionalism. Her ability to stay positive is a legacy.

"She always makes a point to be involved in as many community organizations as possible. She's even one of the founding members of the Nogales Boys and Girls Club."

MEMBERSHIP



A United Voice

FPAA is the united voice for members when working toward the enhancement of member access to North America markets. We continually develop and nurture strong, healthy relationships with U.S. and Mexican government agencies to facilitate the development of laws and regulations related to food safety, trade, and agriculture.

Commitment To Infrastructure

FPAA is committed to ensuring transportation infrastructure for its constituents that will support growth. We actively participate in lobbying efforts of The Greater Nogales and Santa Cruz County Port Authority to improve the port of entry and regional transportation infrastructure.

The FPAA welcomes membership applications from like-minded companies interested in continued access to produce from Mexico. Membership provides you with an abundance of resources and exclusive benefits. Our constituency is diverse, and includes companies collectively focused on continued fair access for fresh produce from Mexico.

The FPAA provides the tools you need to help make your business prosper and grow. Join the FPAA for:

- Relief in times of company crisis as well as in times of industry crisis
- Aid in addressing a particular issue with government agencies
- Support in meeting your business goals
- Updates about important industry legislation
- Custom press releases and media relations services for your business



Our most recent new member companies are:

MEXFRESH
GREAT WESTERN BANK
IDEALHARBEST
PRODUCE PAY
SINCLAIR SYSTEMS INTERNATIONAL, LLC

For more information, contact:

MARLENE LOPEZ
mar@freshfrommexico.com
Call 520-287-2707
www.freshfrommexico.com

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FRESH PRODUCE ASSOCIATION



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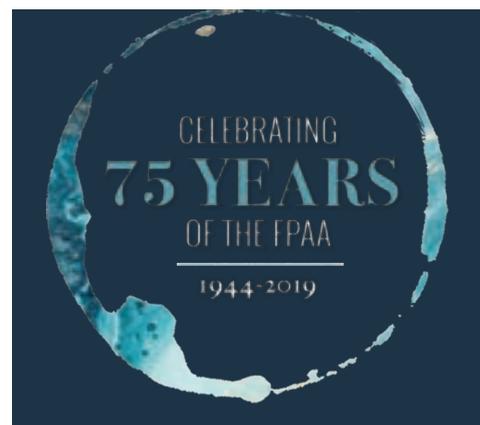
CELEBRATING 75 YEARS

This year the Fresh Produce Association of the Americas is celebrating its 75th year anniversary.

Long ago, some Nogales shippers decided to celebrate the arrival of the produce season. In 1935-36, Harry Nick, owner of the Manhattan Café on Morley Avenue, announced a small party to celebrate the arrival of the first carload of tomatoes. By 1943, the celebration had grown large enough to be recognized by the community as “La Fiesta de los Tomateros,” which appeared in the Nogales Herald on February 19, 1943. In 1944, four distributors, Rose Parks, Carlos Benen, Manuel “Shorty” Martinez and Walter Holm formed the West Mexico Vegetable Distributor’s Association in Nogales, still in operation today as the **Fresh Produce Association of the Americas**. In 1953 refrigerated trucks come into regular service. Over the next decade, the transition from railcars to refrigerated trucks occurred, forever changing how Mexican produce is shipped. Since then, the industry has continued to innovate and expand. Now, the FPAA has a strong voice in Washington D.C, Mexico City, and many points in between.



Pictured Left: 2019- Board Members and staff.



MEMBERSHIP BENEFITS

Being part of the FPAA gives you leverage and strength when voicing issues that affect the well-being of your business and your people. In addition FPAA has been able to negotiate other important services and discounts for members.



C.H. Robinson offers competitive rates to all FPAA members. The FPAA Transportation Program offers our members access to consultative account management, tailored pricing options, national surge capacity and business intelligence. All of these resources are provided without any fees or commitment of freight. Lauren Singh: 831-333-5803



FPAA members receive anywhere from 5 – 15% off a variety of Office Depot products. Collectively, members saved over \$10,000 in the first year alone! Contact: jennifer.hanson@officedepot.com



A special rate has been offered to FPAA members' of \$64 one bedroom \$69 double beds. It includes hot breakfast buffet, and a bar coupon. Please call Maru Mazon, Sales Coordinator at telephone: 520-287-7211



Whatever your rental needs, the FPAA program has you covered. From bobtail trucks to rental cars across the country, Enterprise and National offer great discounts to members. Members are automatically eligible to join National's Emerald Club which allows you to bypass the counter and to pay mid-size rental fees while selecting any car you'd like in the Emerald Aisle. Contact: Abraham Sneed 520-281-0425



Custom Web/Mobile App Development: FPAA members receive discounted pricing on custom web sites and mobile app development by lawrence-mcdaniel.com Fixed project pricing and guaranteed results. Lawrence McDaniel 415-766-9012



FPAA members simply need to indicate that they are eligible for the FPAA's \$149 weekdays and \$169 weekends corporate rate at the time of booking the reservation. This is a \$30/night discount! Please keep in mind that this rate is for a standard room, is subject to availability and is not valid for leisure travel or group events. Reservations can be made by calling the hotel directly at: 520-398-2211 or 800-848-7893



NCBA and PDS will provide FPAA Distributor members with a discount, Just mention to your Custom House Broker that you are an FPAA Distributor member and direct them to specify that PDS handle your devanning services. PDS: 520-761-9955



As an allied partner and member of the FPAA, WGA Insurance works with individual companies to find a variety of policies and rates for FPAA members. Matt Bigham 602-757-7869



FPAA members receive great discounts at both convenient locations. Holiday Inn's rate is \$94 for one Bedroom, \$115 on Suites and includes a free breakfast. Candlewood Suites offers a rate of \$89, \$110 on a One or Double Bedroom, Suite is \$110. Holiday Inn: 520-281-0123; Candlewood Suites: 520-281-1111



FPAA members receive a 10% discount off printing from WestPress. Deana Lopez: Deanna@westpress.com



FPAA members receive PMA convention discounts when badges are purchased through the FPAA.



Residence Inn Tucson Airport: FPAA members receive discounted rates on different seasons throughout the year. For reservations please call 1-800-291-9434.

EDUCATIONAL SESSIONS

The FPAА always seeks ways to improve the well-being of our business members. We strive to provide high quality trainings and educational opportunities to meet the needs of our members. These seminars are designed to positively impact all levels of member's companies, from warehouse operations to accounting, sales, and more.

- May 08, 2018** Rio Rico High School Students-Job shadowing with Jesus Siqueros
- May 09, 2018** Food Waste Seminar with JB Shaw of Arizona Dept. of Environmental Quality
- May 17, 2018** Sustainability Expo
- May 30, 2018** Blue Book Seminar
- June 05, 2018** Health Insurance Seminar with Maria Losoya from the U of A
- June 06, 2018** USDA Specialty Crop Inspection Meeting
- June 07, 2018** Hands on Workshop: Prep for & Experience an FDA Inspection
- June 13, 2018** CH Robinson Services Seminar
- June 19, 2018** USDA MOAD Meeting
- Aug. 28, 2018** AZ Department of Agriculture Discusses Inspection Service Updates
- Sept. 21, 2018** Women's Leadership Invitational
- Oct. 4-5, 2018** Zira Food Safety Seminar
- Oct. 19, 2018** Eller College U of A Visit
- Dec. 04, 2018** AZ Border Economic Summit- Phoenix
- Dec. 11, 2018** NHS FBLA Warehouse Tour- Divine Flavor
- Dec. 14, 2018** Women's Leadership Invitational Part 2
- Dec. 18, 2018** Toastmasters Informational Meeting
- Dec. 20, 2018** Center For Growing Talent Lunch & Learn



Jan. 16, 2019 Savvy Digital Marketing For Produce Lunch & Learn

Jan. 22, 2019 Citrus Inspections Meeting

Feb. 6-7, 2019 CREO Pathways Mentoring Program

Feb. 27, 2019 AZ Dept. of Agriculture Inspections Meeting

Mar. 06, 2019 Media Training

Mar. 07, 2019 Olli Tour- Adult Continuing Education Group

Mar. 08, 2019 CPR Training

Mar. 12, 2019 Watermelon Market Trends

Mar. 21, 2019 Women's Leadership Invitational Series Presentation

Mar. 22, 2019 Mayor's Forum at the Santa Cruz Center

Mar. 27, 2019 Dr. Robert Robbins, U of A President, Visit

Mar. 27, 2019 Sinclair Presentation on Packing Systems

Mar. 28, 2019 USDA/AMS Meeting

Apr. 04, 2019 Recall Seminar with Western Growers Insurance Services

Apr. 05, 2019 Produce Diversion from Landfill Stakeholders Meeting

Apr. 11, 2019 Tomato Duties Meeting

Apr. 16, 2019 Sen. Krysten Sinema Visit

May 01, 2019 Tomato Duties FAQ Meeting

May 10, 2019 AZ Chamber Visit

May 14, 2019 Great Western Bank Meet-and-Greet

May 21, 2019 Women's Leadership Invitational Empowerment Seminar

May 30, 2019 Produce Pay Seminar

May 29, 2019 Annual Meeting

COMMUNITY INVOLVEMENT

The FPAA participates in a variety of community organizations and initiatives both as FPAA representatives and for their own personal causes. The FPAA is making a difference in our local community to improve business opportunities and to strengthen social programs and initiatives. In addition to the groups and boards where staff participates, staff members also volunteer their time to assist with the Annual Boys and Girls Club Carne Asada.



FPAA Promotes Healthy Habits

At the Gala Night event during the 49th Annual Nogales Produce Convention, this year's recipient of the salad bar equipment was Little Red Elementary School.

Boys and Girls Club Produce Carne Asada

FPAA members and staff volunteer every year at the Boys and Girls Club Carne asada. This year the carne asada took place on May 3, 2019. All proceeds go to the Nogales B&G Club.



Fresh Produce Association Attends Launch of Santa Cruz Compost Center

FPA staff attended an event by The University of Arizona Cooperative Extension Compost Cats program and Santa Cruz Valley Unified School District 35 (SCVUSD 35), which celebrated the launch of the Santa Cruz County (SCC) Compost Center. The event also celebrated the award of a \$91,519 grant from the North American Development Bank (NADBank) under a partnership with the US Environmental Protection Agency (EPA) US-Mexico Environment Border 2020 Program (Border 2020). The SCC Composting Center will provide multifaceted job training to Santa Cruz County youth while producing valuable soil amendments from thousands of tons of would-be produce waste diverted from the Rio Rico landfill.

Program stakeholders from Compost Cats, SCVUSD 35, Fresh Produce Association of the Americas, Santa Cruz County, Community Food Bank of Southern Arizona, and UniSource Energy Services, along with the grantors NADBank and EPA described the economic, educational, and environmental benefits of the program and provided a brief demonstration of on-site activities associated with future SCC Compost Center operations, including student training and diversion of excess quality produce to local food banks.



Olli Tours

The FPA hosts several tours for OLLI-UA throughout the year. OLLI-UA (Osher Lifelong Institute at the University of Arizona) is a non-credit lifelong learning program open to all adults over the age of 50.

Several warehouses host tours for the organization. If you would like to host a tour please get in contact with Erika Dominguez at erika@freshfrommexico.com.

FALL CONVENTION



The FPAА celebrated 50 years of conventions in 2018. More than 800 people attended the 50th Nogales Produce Convention & Golf Tournament on Nov. 1-3, 2018. The convention opened on Thursday morning with Educational Sessions that included a variety of speakers from transportation to food safety. In the evening we kicked off the Nogales Produce Convention with the Opening Fiesta and Networking Event where we had close to 600 people enjoy food and drinks as they met with others involved in the produce industry.

On Friday, Nov. 2 we began our day with golf at the Tubac Golf Resort. It was a beautiful day to golf and many people enjoyed the beautiful Arizona mountains. The 3rd Culinary Showcase took place from 11am to 2pm and incorporated food made with fresh fruits and vegetables donated from local produce companies! People loved the food choices and music. We can't wait for the 4th Annual Culinary Showcase!

This event wouldn't be possible without the help of our sponsors. Thank you for being part of our special event.

Later that afternoon attendees had the opportunity to ride on a helicopter for a tour of the United States/ Mexico border. Friday evening at the Convention Gala, Rosie Cornelius was awarded the Pillar of the FPAА Award for her commitment to the produce industry. We concluded the Nogales Produce Convention with golf at the Tubac Golf Resort on Saturday, Nov. 3. Thank you to all who attended the convention!

3RD CULINARY SHOWCASE

The Consulate General of Mexico and the Fresh Produce Association of the Americas celebrated the 3rd Annual Culinary Showcase! Attendees had the opportunity to sample appetizers, learn about different dishes and taste the fresh produce incorporated in the recipes. Chefs from Arizona and Mexico took center stage as they incorporated flavors of fresh produce from Nogales.

This year we also had James Beard Award winning host of the PBS Television series PATI'S MEXICAN TABLE, Pati Jinich.

Born and raised in Mexico City, Pati Jinich is the James Beard Award winning host of the PBS Television series PATI'S MEXICAN TABLE. Pati is also resident chef at the Mexican Cultural Institute in Washington D.C. and author of two cookbooks, Pati's Mexican Table: The Secrets of Real Mexican Home Cooking and Mexican Today: New and Rediscovered Recipes for the Contemporary Kitchen.



WOMENS LEADERSHIP INVITATIONAL

This year we also had the very first Women's Leadership Invitational. Speakers (below right) included, Sabrina Hallman of Sierra Seed Company, who moderated the panel; Pati Jinch, host of PBS series Pati's Mexican Table; Cathy Burns, CEO of the Produce Marketing Association; and Rosie Cornelius, Winner of this year's Pillar of the FPA Award.



For those of you who were able to celebrate with us, Thank You! We look forward to the 51st Nogales Produce Convention set for November 7-9, 2019. We hope to see you there!

STAFF LETTERS



We live in an industry that relies on strong personal relationships. Like you, a lot of my job is about people:

Helping people by advocating for their business needs- It is a pleasure and honor to work on behalf of our members. I believe in what you do day in and day out to create jobs and ship fresh produce across North America. When I hear your passion about what you do, it makes me want to work even harder for you. When I have a question, you are there to help answer it. This helps me be a better advocate for you. Thank you for sharing your expertise.

Educating people on changes in government requirements- In an ever-changing regulatory environment, it is so important to bring tools to our members that help you stay up to date on government requirements. This has been especially challenging during the last several months as we prepare for anti-dumping duties on tomatoes from Mexico.

Bringing people together to tackle our common issues - I always brag about our industry, telling people we are unique because our members are competitors but also strong allies. You don't hesitate to work with each other through common issues. Nowhere else would you see the level of cooperation and support as we see in our members.

Establishing connections with people in Washington, DC and Phoenix- The world is run by the people that show up, and we continue to show up at the doorsteps of our elected representatives and government agency officials. Our ongoing outreach has created strong connections in Washington and Phoenix that continue to pay dividends for our members. We make sure that we keep our members' issues front-of-mind with the people that impact our lives every single day.

I hope you see what a truly unique, strong, and unified community you have created through your association. Here's to another year of working together for positive changes. **-Allison Moore, Vice President**

During this season we have experienced changes in various areas that affect or will affect the way business are carried out in our industry. In an unprecedented election in our neighboring country, Mexico, a new political party took over the presidency and the majority of both legislative chambers. As a result of this election the federal government of Mexico continues to be restructured and new programs created, and old ones discontinued or modified to address the priorities of the new government. I have continued establishing a relationship with the new government, meeting with Mexican Customs locally and in their central offices, SENASICA, the New Agriculture Department, ASERCA, local SEDENA and Federal Police, and the Mexican Consulates in Nogales and Tucson. Like in past years, we are planning to have our yearly advocacy trip to Mexico City in the month of August to meet with these agencies and others. If you are interested in attending this trip to personally raise your issues please let me know.



Earlier in the year the U.S. Department of Commerce (DOC) finally succumbed to the pressure of the Florida tomato growers and withdrew from the 2013 Tomato Suspension Agreement, and we will face antidumping duties on Mexican tomatoes. The FPAA has been working on the tomato issue and has had meetings with Mexican Ambassador to the U.S. Martha Barcena and with Mexican Agriculture Secretary Victor Villalobos to express your concerns.

Given the humanitarian crisis at the southern border with asylum requests, U.S. Customs had to reallocate some of their officers to support immigration processes and as a result Nogales had to stop Sunday service right before the peak of the watermelon and grape season. Other ports of entry along the southern border are experiencing long hours on their waiting times. Be assured that we at the FPAA are on top of these and any changes that affect your business; we will always keep you informed, and we will continue to work on your behalf and represent your best interest with the U.S. and Mexican governments and their federal agencies to ensure that your business keeps growing.

Thank you for being part of this important organization, and taking the time to send us an email, a phone call, and participate in meetings. Your input shapes the future of our industry! **-Georgina Felix, Foreign Affairs Director**

COLD INSPECTION FACILITY

In order to encourage economic development, FPAA has been working with local and state partners to create a cold inspection facility at the Mariposa Port of Entry.

Figure 1. Annual Value of Imports of Vegetables from Mexico by Port of Entry, 2003-2017

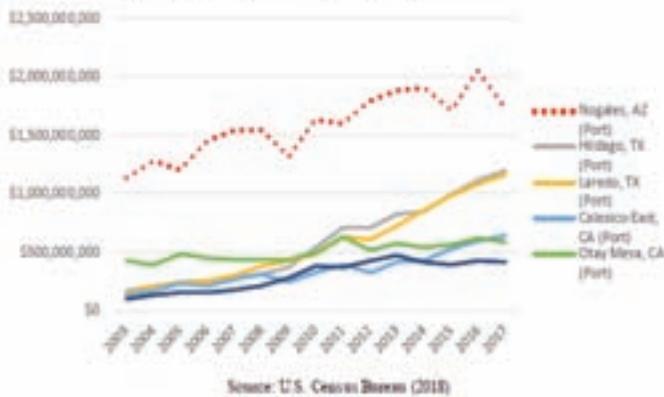
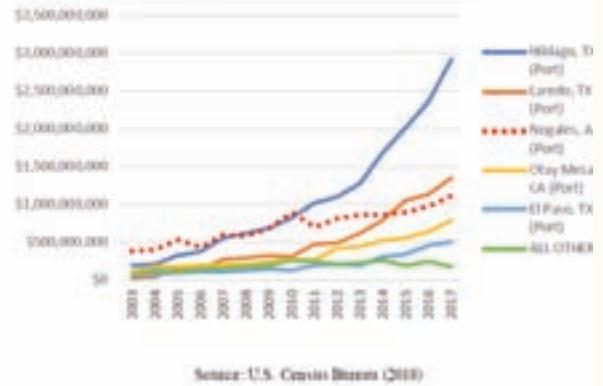


Figure 2. Annual Value of Imports of Fruits and Nuts from Mexico by Port of Entry, 2003-2017



In recent years, Nogales vegetable imports have leveled off, meanwhile Texas POEs are seeing much larger growth in fruits. Some Texas ports of entry have cold inspection facilities, which allows CBP to conduct secondary inspections during warm months without harming the shelf life of the produce. By adding a cold inspection facility in Nogales, FPAA members in Arizona will be able to confidently import items like berries, sensitive leafy greens and more.

THE BACKDROP

Nogales, Arizona's Mariposa Port of Entry is one of the most important ports of entry into the U.S. for shipments of fresh fruits and vegetables from Mexico. Mariposa Port of Entry has been the focus of millions of dollars in infrastructure investment and modernization. One notable exception is development of cold room storage to better accommodate temperate-sensitive products, including berries, avocados, seafood, and pharmaceuticals. Importation and handling of fresh produce is a key driver of the Santa Cruz and Arizona's economy. The facility is a necessary improvement to compete at a national level.

FACTS & BUDGET

FPAA, Santa Cruz County and the State of Arizona have pledged up to \$1.2 million toward construction of the cold inspection facility. Once completed, the cold room facility will enable Arizona to compete with border states by attracting new imports.

THE NUMBERS

The University of Arizona conducted a study into the economic activity associated with an increase. Increasing the share of imports from Mexico flowing through Nogales for temperature-sensitive products to meet the demand of the U.S. population living in the CANAMEX trade corridor (Arizona, Utah, Nevada, Idaho, and Montana) would lead to an increase of between \$108 million and \$121 million pounds of produce imported through Nogales. Representing \$134 million and \$150 million per year in addition imports by value. The new net economic activity would lead to the following estimated annual economic impacts to the state economy:

- Between \$43 million and \$48 million in additional output (sales)
- Between \$27 million and \$30 million increase in gross state product (value added)
- Between 214 and 241 additional jobs
- Between \$15 million and \$17 million in labor income (wages and business owner income)
- Between \$3.7 million and \$4.1 million in additional state and local tax revenues.

OUR GRATITUDE

FPAA appreciates the dedication of our partners, including Arizona Governor Doug Ducey, who included \$700,000 in the preliminary Executive Budget, and Santa Cruz County, which has pledged up to \$250,000 toward the project. These important partners in economic development have demonstrated their commitment to growing your business.

ARIZONA ADVOCACY

Arizona lawmakers and regulators have continued to see the value of the fresh produce importing community to the economy and well-being of the state. Through the efforts of FPAA Members, staff and consultants, we have continued to engage state leaders in their support of industry initiatives.

FPAA Advocates for State Investment of \$134 million in SR 189/ Mariposa Road:

This year the FPAA celebrated a major victory for members in enhanced infrastructure investments vital in getting fresh produce from the border and into consumers' hands. In June 2018, the Arizona State Transportation Board announced they will fund the full build-out and expansion of State Route 189 to the tune of \$134 million. This is the culmination of many years of hard work in unifying support from groups across Arizona about this important roadway. Because of the FPAA's advocacy, communities from Flagstaff to Phoenix and Tucson were all talking about the importance of funding this much-needed expansion.

The project will fund important enhancements to the entire length of SR 189 and will also construct a flyover ramp connecting SR 189 to I-19, which eliminates stoplights and left-hand turns that currently hamper movement of heavy trucks onto the interstate. The project is also designed as a crucial safety measure by separating the ingress and egress of local high school traffic from the intersection where it meets with the commercial traffic on SR 189. The project has been fast-tracked to begin in 2019.

SR 189, also known as Mariposa Road, is the main thoroughfare for trucks crossing the Mariposa Port of Entry in Nogales and

heading northbound on I-19 to area warehouses. The road improvement should speed roundtrip delivery from the port of entry to some warehouses by 20 minutes or more per truck, giving companies a valuable incentive to locate their operations in Nogales.

Nogales and Santa Cruz County are committing approximately \$45 million over the course of several years from their share of a fee paid by produce trucks crossing the border. The State Legislature committed \$25 million of general fund money to this project. The road is also recognized as vital on a Federal level as well, as evidenced by the investment of \$25 million for the project through the award of a Federal Tiger Grant.

FMCSA Inspections:

We were also able to work closely with the Arizona Department of Transportation to better align FMCSA inspection procedures and selecting trucks for inspection at the border. This will help eliminate duplicative inspections and will better manage the number of inspections and flow of trucks through the ADOT inspection facility. This was a complicated process that will bring benefits to the members as their trucks will cross more efficiently while maintaining high safety standards on the trucks hauling fresh produce to U.S. distributor warehouses.

Outreach to Arizona Legislature FPAA Border Summit:

In addition to one-on-one meetings with members of the Arizona Legislature, the FPAA coordinates to host or participate in several events that enable us to stay engaged with State Legislators. The FPAA hosted the 2018 Border Economic Summit in Phoenix on December 4. Started in 2010, this event is designed to bring together newly elected and returning Arizona Legislators with government officials and members of the business community to talk about the border and the important economic impact ports of entry have on Arizona. There were approximately 85 attendees at the event, and featured speakers included Armando Goncalvez of the Tucson Field Office of U.S. Customs and Border Protection (CBP); Juan Ciscomani from the Arizona Mexico Commission, Director John Halikowski from the Arizona Department of Transportation, and Matthew Contorelli from the Arizona Commerce Authority, and much more.





FPAA works with partners in the community, such as the Port Authority, CBP, and ADOT to advance key port and border crossing issues.

FPAA Member Participation on Arizona Citrus, Fruit & Vegetable Advisory Council:

Miguel “Miky” Suarez (pictured below) was appointed by Governor Ducey to the CFV Advisory Council! The FPAA worked closely with our Phoenix representatives to make sure Miky’s name was advanced to fill the Santa Cruz County seat on this council. The Council currently oversees the implementation and training for the Food and Drug Administration (FDA) Food Safety Modernization Act (FSMA) Produce Safety Rule that became effective November 2015. The Council provides an integral link between the industry and the CFV program which ensures the program operates in an efficient and effective manner. Under a cooperative agreement between USDA and the AZDA, CFV oversees all Mexican import inspections. The CFV program also administers and provides USDA auditing services to the Arizona Leafy Greens Food Safety program.



AZ Agriculture Luncheon:

FPAA also co-hosted the 2019 Arizona Agriculture Luncheon on Tuesday, March 5, 2019. The event took place on the Arizona State Capitol Senate. This event was excellent chance to build more awareness for FPAA’s issues and priorities with stakeholders at the Capitol. Other associations that generally participate include: Agribusiness & Water Council of Arizona, Arizona Cattle-men’s Association, Arizona Cotton Growers Association, Arizona Crop Protection Association, Arizona Farm Bureau, Arizona Nursery Association, United Dairywomen of Arizona, Western Growers

Association, Western Plant Health Association, and Yuma Fresh Vegetable Association.

Testifying Before State Legislative Committees: In addition to the larger gatherings, FPAA often testifies in front of key Legislative Committees. On Thursday, March 28, 2019, FPAA Board Member, Jimmy Munguia, presented to the House Committee on State & International Affairs at the Arizona State Legislature. The presentation highlighted the Department of Commerce’s announcement to terminate the Tomato Suspension Agreement and the potential consequences for Arizona jobs and businesses. The presentation was well received by the committee and the Chairman, Tony Rivero, offered to have the committee author and sign a letter to the Department of Commerce urging them to negotiate an updated Tomato Suspension Agreement.

Continuous Monitoring for Proposed Legislation that Would Negatively Impact FPAA members:

An important part of our Arizona advocacy is watching for bills presented in the Arizona State Legislature that could have negative impacts for FPAA members. Because of this, the FPAA was successful in stopping SB1203 which would have repealed statute authorizing the Department of Transportation to establish axle fees on nonresidents operating a foreign vehicle or foreign vehicle combination that enters Arizona by crossing the border between Arizona and Mexico in the furtherance of a commercial enterprise. FPAA member Jaime Chamberlain and Jeff Sandquist of Veridus spoke against the bill in a committee hearing reiterating that the bill would unnecessarily remove a funding mechanism from the toolbox that could directly impede the facilitation of infrastructure improvements.

Governor’s Luncheon:

FPAA sponsored a table at this year’s AMC Governor’s Luncheon. Chairman Scott Vandervoet and President Lance Jungmeyer were joined by Representatives Daniel Hernandez, Alma Hernandez, Arlando Teller, Amish Shah, Senator Sine Kerr, Katie Fischer (Governor Ducey’s Director of Legislative Affairs), and Veridus. Governor Doug Ducey and special guest, Ambassador Bárcena, recognized the Arizona-Mexico Commission’s 60 years of relationship-building, recent economic growth and the United States-Mexico-Canada Agreement (USMCA).

WASHINGTON ADVOCACY



FPAA Members and staff at the annual trip to Washington , D.C.

This year in Washington has been fruitful and challenging. From meeting our newly elected Members of Congress, a government shutdown, NAFTA renegotiations, improvements to USDA inspections, better transportation coordination on inspections and hours of service tweaks that benefit members, fights over the Tomato Suspension Agreement, and the reallocation of CBP officers from our ports to help with migrant crossings in Texas, just to name a few, the FPAA has been working on many fronts to help our members. FPAA staff has been in Washington, DC more and leveraging our connections to help members' businesses continue to succeed. Here are a few key areas we have been focusing on.

Saving Our Tomatoes:

Our members continue to out-compete tomato growers in Florida by bringing high-quality, flavorful tomatoes to U.S. consumers. Instead of trying to compete in the marketplace, Florida continues to try and shut down the competition by restricting your ability to import tomatoes. The latest attempt as been to highjack the Tomato Suspension Agreement renegotiation process, pushing Commerce to terminate the agreement and to put duties on Mexican tomatoes while Commerce resumes an antidumping investigation from 1996. The FPAA has been working closely with our Congressional Delegation to save Arizona companies by telling the Department of Commerce that they must come to a new agreement with Mexico. In the meantime, we continue to work with our members to educate them about how to comply with duty requirements when the Tomato Suspension Agreement is terminated in early May. There are big changes coming in the tomato industry, and we are working to make sure that our members have all the tools they need to successfully navigate these new requirements.

Returning Allies, New Faces, and Opportunities:

The 116th U.S. Congress convened on January 3, 2019, composed of many new Members in the Arizona Delegation and in key leadership roles on important committees for our issues. We spent a lot of time getting to know the new people in Congress while continuing to strengthen relationships with our returned elected officials. These relationships continue to benefit members. In just the last few months, we have had our Members of Congress publish op-eds talking about the importance of our tomato industry, make phone calls to CBP officials about port delays, call the Department of Commerce and the U.S. Trade Representative on trade issues, and more. We have a strong advocate working on our behalf in Washington, DC as well. Our eyes and ears in Washington, Britton Clarke, continues to put us in front of key decision makers in Congress every single day.





Port of Entry Improvement:

Staffing: We continue to fight for additional CBP officers at our ports of entry. The FPAA works with many groups like the Airports Council, the Border Trade Alliance, the U.S. Chamber of Commerce, and the Cargo Airline Association to push for additional CBP officers to facilitate the legitimate trade and travelers.

In the face of ongoing shortages, CBP this spring reallocated CBP officers to assist with the humanitarian crisis of migrants crossing the border in Texas. The FPAA was in touch with each and every member of the Arizona delegation to let them know of our concerns to divert resources away from our ports of entry. We continue to work on mitigating problems caused by this policy and are actively engaged with allied groups to bring back CBP officers to the ports of entry.

U.S. Department of Agriculture:

The FPAA worked closely with the USDA this past year to continue to implement improvements to the inspection process for 8(e) quality inspections which are mandatory for commodities like grapes, citrus, avocados, and other items under minimum quality requirements from U.S. Marketing Orders. We were able to continue a pilot program for grapes that creates super lots for more efficient inspections. We also saw several improvements within the Arizona Department of Agriculture that conducts the inspections on behalf of USDA, including hiring significantly more inspectors during grape season to avoid inspection delays. We continue to work with USDA as they take internal steps to create a new electronic inspection program that would allow inspectors to use tablets to record inspection results and generate electronic inspection certificates. The FPAA also spoke with USDA about improvements to Market News reporting to better service the industry with more accurate pricing and market information.

Trade Facilitation:

USMCA: This has been a hectic year on trade. On Sept. 30, 2018 the United States, Canada and Mexico reached an updated, trilateral agreement, which will be called the United States-Mexico-Canada Agreement (USMCA). The next step will be to continue to work with Congress to educate them about the agreement and ensure that it is passed without any additional provisions that could harm our members.



Transportation:

Hours of Service: The FPAA successfully worked with the Federal Motor Carrier Safety Administration (FMCSA) to update their guidance document on the 150 air-mile hours-of-service exemption for agriculture commodities. Specifically, we were able to request that they update the definition of “source” in the exemption to include U.S. warehouses of imported agriculture products. This alleviates the time constraints on members’ shipments that are picking up from multiple warehouses before the truck leaves Nogales for its destination market.

Non-Intrusive Inspections, Other Government Agencies:

The FPAA has also been working closely with CBP and the U.S. Consul in Nogales, Sonora to bring non-intrusive inspection equipment to the Mariposa Port of Entry to expedite the review of trucks crossing the border while increasing the security of those trucks. In addition to CBP, we continue to push the Food and Drug Administration to match their hours of operation with the hours of the port of entry to avoid delays in clearing shipments as they cross the border.

The Seasonality Provision:

The FPAA has been engaged at every level of the process to ensure that a troubling provision that would alter dumping law to include seasonal and regional considerations did not make it into the new agreement. We were successful in our efforts. However, we continue to work with Congress to ensure that growers in the Southeast cannot continue to push for this type of harmful change either in the USMCA or in Congress.

MEXICO ADVOCACY

The Fresh Produce Association of the Americas' advocacy efforts go beyond the U.S. The FPAA meets monthly with Mexican authorities to monitor crossings through the Nogales Port of Entry and to address any concern that the FPAA members might have. Additionally, every year the FPAA organizes a trip to Mexico City for members and staff to advocate for support of the fresh produce industry with Mexican federal government agency officials and elected representatives. This trip, in addition to the many smaller trips that FPAA staff takes to Mexico City each year, ensures that our issues stay top-of-mind for key officials within the Mexican government.



Food Safety:

In 2018, FPAA visited the National Center for Diagnostic Services in Animal Health facilities; the GMO's, Pathogens and Pesticides Laboratory; the National Phytosanitary Reference Center Facility; and the K-9 School. During the tour of SENASICA's lab, FPAA saw numerous unique programs and capabilities. SENASICA is cataloging genomes of salmonella and has a library of more than 3,000 unique genetic samples, including where and when they have occurred. This enables the agency to quickly cross-reference food-borne illness outbreaks to possible source points and to determine whether a particular outbreak can be traced back to Mexico. This is part of SENASICA's cooperative approach with FDA and other international food safety agencies

In another portion of the tour, SENASICA showed an internal Web-based program that utilizes google maps and propriety software to track insect and other pest trappings. This is updated in real-time by SENASICA inspectors in the field and allows the agency to react to emerging pest threats. FPAA mentioned to SENASICA Chief Director Dr. Enrique Sanchez Cruz that this could be used to identify areas of Mexico that are free from certain actionable pests and to possibly work with CBP/APHIS to achieve reduced sampling protocol. In the past, FPAA has worked to get reduced sampling percentages for items like green beans and blueberries.



Crossing Issues:

FPAA meets regularly with local Mexican authorities involved in the process of produce exports, including Mexican Customs and the Mexican Army (SEDENA) to ensure inspections are performed quickly and efficiently as well as to address any delays at the border.

USMCA:

We were there during the Expo Alimentaria in Mexico City, where Mexican President Enrique Peña Nieto addressed an invited audience. FPAA watched as Bosco de la Vega, elected President of the Consejo Nacional de Agropecuario, implored Peña Nieto to recognize the importance of rejecting the seasonality proposal in NAFTA negotiations, a proposal pushed by Florida interests that would have harmed FPAA members. This was the result of hours and days of effort by FPAA staff and members to position our message against a seasonality provision in the new NAFTA.

In addition to attending all the negotiation meetings for NAFTA, FPAA met with Salvador Behar, Economía's Director for North America to reinforce the industry's opposition to the seasonality provision that was sought by the U.S. in the NAFTA negotiations. Behar noted that the provision was a red line for Mexico, along with dispute settlement provisions and the Sunset Clause, a concept proposed by the U.S. to have NAFTA automatically terminate every 5 years unless all three nations agree to continue. FPAA also met with Raul Urteaga, SAGARPA's head of international affairs several times during NAFTA's renegotiation, and reiterated the industry's opposition to the seasonality provision, telling Urteaga about the letter that FPAA signed along with about two dozen other U.S. agriculture, retail and foodservice associations, declaring the danger of the seasonality proposal for U.S. companies and Mexican exporters.

During the trip to Mexico City, the FPAA group met with Melinda Sallyards, Minister Counselor for Agricultural Affairs at the U.S. embassy in Mexico City, and with Erich Kuss, Director of the USDA Agricultural Trade Office in Mexico. After countless meetings, careful coordination of strategic allies, and lots of leg work from the FPAA staff and members, on Monday, August 27 the USTR dropped the seasonality proposal, resolving the most important issue for FPAA members.

**Mexican Customs:**

FPAA has met various times with Mexican Customs to talk about infrastructure at the border; in August 2018, FPAA met with Francisco Gil, General Administrator of Mexican Customs, and his team, Efrain Madrigal, Alberto Morales and Monica Morales. The group discussed the current status of the infrastructure projects for the Mexican Customs facility in Nogales, the PITA Program, and the Unified Cargo Processing. At this meeting, Alberto Morales mentioned that CBP and Mexican Customs are working together on a program called "Frontera Impenetrable" (Impenetrable Border), where CBP is testing nonintrusive technology to perform 100% inspections at the border. FPAA expressed its support of this project as long as it proves to be faster and more efficient than the current procedures. FPAA has been meeting with the U.S. Consul in Nogales, Sonora, Virginia Staab, who has been leading the project for nonintrusive inspection for Mariposa POE. The nonintrusive inspection will remove SEDENA inspections and Mexican Customs inspections at the Km. 13 point, moving all inspections to the same format of Unified Cargo Processing in Mariposa.

Nogales Corridor:

FPAA informed SCT that the concessionaire of Nogales Corridor had increased the toll charge without an apparent improvement to the corridor. The FPAA was informed that SCT does a report on the maintenance of the corridor every 6 months.

The Nogales corridor concessionaire is due to deliver a yearly maintenance program for the corridor. FPAA continues to inform SCT of the status of the maintenance of the corridor.

Cold Inspection Facility:

FPAA has been meeting with different grower organizations such as the Mexican Berry Association (Anaberries), describing the cold inspection facility envisioned at Mariposa Port of Entry through the Donations Acceptance Program. FPAA mentioned how this facility would make Nogales an appealing entry point for imports bound for the U.S. West Coast.



FPAA met with Lilly Tellez and Arturo Bours, elected Senators of the State of Sonora and provided information about the Nogales Corridor's challenges and sent additional information on the corridor status.



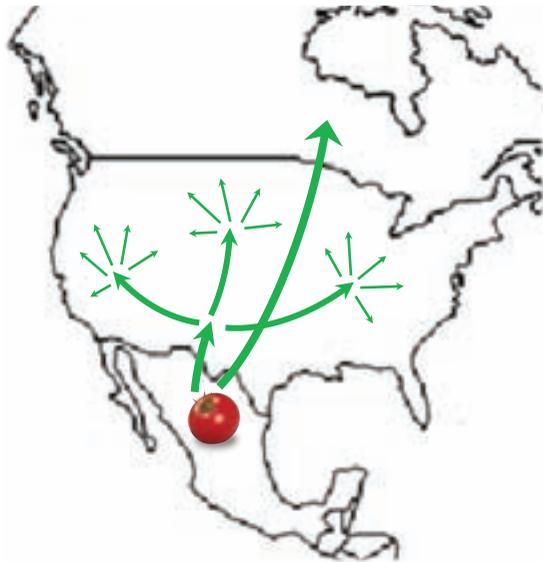
In order to demonstrate the value of Mexican tomatoes to the U.S. economy, the FPAA commissioned the following analysis from the University of Arizona:

Mexican Fresh Tomatoes: Agribusiness Value Chain Contributions to the U.S. Economy

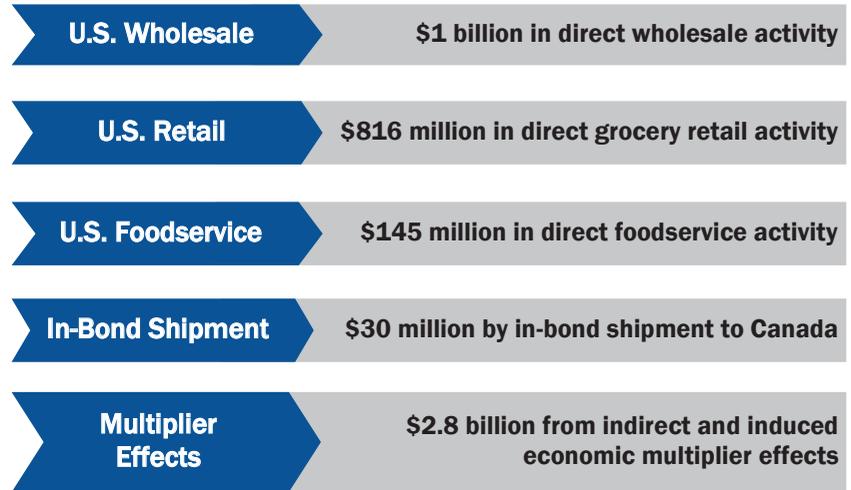
Dari Duval, Ashley Kerna Bickel, George Frisvold
Department of Agricultural & Resource Economics, University of Arizona Cooperative Extension
November 2018

What Is the Issue?

Imported fresh produce, such as tomatoes, supports economic activity, jobs, and income in the United States, even though it is grown elsewhere. In the case of tomatoes grown in Mexico, international agribusiness supply chains support forward-linked industries that deliver fresh tomatoes to end buyers in the United States and Canada, as well as backward-linked industries that supply inputs to agricultural producers in Mexico. This study estimates the total contribution of Mexican fresh tomatoes to the U.S. economy, including industries involved in delivering fresh tomatoes from ports of entry to end consumers (direct effects), and the multiplier effects in other U.S. industries through business-to-business transactions (indirect effects) and household-to-business transactions (induced effects).



The **\$4.8 billion** in total sales was generated through:



What Did the Study Find?

U.S. and Canadian fresh tomato imports from Mexico (valued at \$1.9 billion and \$255 million in 2016, respectively) contributed an estimated **\$4.8 billion in total economic activity** to the U.S. economy in 2016 including direct, indirect, and induced multiplier effects. That activity supported nearly **33,000 full- and part-time jobs** earning \$1.4 billion in employee compensation. In total, **\$2.9 billion in U.S. gross domestic product (GDP)** was directly and indirectly supported by the value chain delivering imported fresh tomatoes from Mexico to Canada and to U.S. consumers through grocery retail and foodservice industries. Over \$400 million in federal tax revenue and roughly \$350 million in state and local tax revenues were generated in 2016. Top U.S. industries affected (in terms of jobs supported) include food and beverage retail, wholesale, real estate, full-service restaurants, and employment services.

By the Numbers

17.4 lbs

... Annual per capita fresh tomato availability in the U.S. in 2015. Fueled by consumer demand over the last 25 years, per capita fresh tomato supply has increased by 32%, fulfilled largely by imports.

9.4 million

... Average pounds of tomatoes arriving to the U.S. daily from Mexico in 2016.

90%

... Share of Mexican tomato imports arriving through top 3 ports of entry in 2016—Nogales, AZ; Pharr, TX; and Otay Mesa, CA. Ports of entry support sophisticated logistics clusters in local economies.

3.4 billion

... Pounds of tomatoes imported by the U.S. from Mexico in 2016.

Imports from Mexico in 2016

Tomatoes (round)



1.7 billion pounds

Plum (Roma) tomatoes



1.5 billion pounds

Grape tomatoes



167 million pounds

Cherry tomatoes



61 million pounds

Jobs Contribution

In 2016, U.S. and Canadian import of fresh tomatoes from Mexico directly and indirectly supported an estimated 33,000 jobs in the U.S. economy. Jobs were supported directly in wholesale, grocery retail, food service, and transportation industries, as well as through multiplier effects in other industries outside the tomato value chain. The top industries in terms of jobs supported were retail food and beverage stores (12,400 jobs), wholesale trade (4,500), and real estate (1,000). Industries such as hospitals, real estate, and restaurants were supported through induced multiplier effects, or when individuals employed in the tomato value chain spend their incomes on household goods and services.

Top 10 industries accounting for the 33,000 jobs supported by Mexican tomato imports

Industry	Total Jobs	% of Jobs	Cumulative
Retail food and beverage stores	12,400	38%	38%
Wholesale trade	4,500	14%	52%
Real estate	1,000	3%	55%
Full-service restaurants	600	2%	56%
Employment services	500	2%	58%
Limited-service restaurants	500	2%	59%
Warehousing and storage	500	2%	61%
Hospitals	500	2%	63%
Truck transportation	400	1%	64%
Services to buildings	400	1%	65%
All other sectors	11,500	35%	100%

How was the study conducted?

Forward supply chain linkages (for wholesale and retail activities) were estimated using a price margin approach applied to shipping point, terminal market, and retail price data for tomatoes in the U.S. National input-output accounts were used to estimate the value of foodservice tomatoes using gross operating surplus as a share of total costs. The IMPLAN 3.1 national input-output model was used to estimate the multiplier effects of this supply chain activity to the U.S. economy.

A YEAR IN PHOTOS





CONFIANZA EN LA FRONTERA

FPAA supported a grant application for the Southwest Folklife Alliance (SFA) to the Archie Green Fellowship of the American Folklife Center at the Library of Congress. The purpose of the grant was to enable the SFA to conduct a study that looked at the history of the produce industry, the evolution of the industry, and where we are today. Nicholas Hartmann was the researcher for this folklore study, and he conducted a series of interviews with members of the industry to form the basis of the report. Following is an excerpt:

CONFIANZA EN LA FRONTERA: A CULTURAL GLIMPSE AT THE NOGALES PRODUCE INDUSTRY BY NICHOLAS HARTMANN

As a newcomer to the borderlands, I became curious about where my avocados, squash, and tomatoes came from and about what it takes to move Mexican produce on a day-to-day basis. I conducted fieldwork between August and December 2015 and interviewed 29 individuals. Most interviews took place in Nogales, Arizona or in nearby Rio Rico, where many historic produce operations have \located for closer proximity to Interstate 19. The majority of my interviewees were male and over age 50. Several were in their eighties and nineties; a few were in their twenties. The majority of them headed their own companies or had retired from their family business. Many firms were multi-generational, and workers expressed pride in being able to continue the family lineage. While I was not able to interview as many entry-level workers or women as I would have liked, the existing study of brokers and distributors offers a glimpse into the industry. Those who work to bring produce across the border are part of a historic tradition spanning over 100 years. Whether on the floor of a warehouse, as a sales manager, or a distributor, the working traditions within this industry are multi-generational, multicultural, and often familial. Like many other occupational traditions, produce work in Nogales is considered lifeblood for both families and the community as a whole.

My work explored how produce is transported, sold, and marketed, and chronicled stories of industry workers. Occupational narratives reveal how workers make sense of their own lives and experiences as well as help preserve local history and institutional knowledge. These narratives also expose larger public concerns such as food safety and local food movements. Overall, they provide localized and community-based response to a global understanding of where our food comes from and how it arrives to us.



The railway in Nogales crosses Produce Row, home to many produce warehouses. Before the advent of refrigerated semi-trucks, the Nogales produce industry was dependent upon the railroads for distribution. Today, the train no longer stops at Produce Row.

Download the full report at www.southwestfolklife.org



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