



ANNUAL REPORT

2022

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BOARD OF DIRECTORS



**LEONARDO
TARRIBA**
CHAIRMAN
Farmer's Best International



**ROD
SBRAGIA**
CHAIRMAN ELECT
Crown Jewels Produce



**SCOTT
VANDERVOET**
PAST CHAIRMAN
Vandervoet & Associates, Inc.



**BOBBY
ASTENGO**
BOARD MEMBER
Peppers Plus



**GONZALO
AVILA**
EXEC. COMMITTEE
Malena Produce, Inc.



**CHRIS
CIRULI**
BOARD MEMBER
Ciruli Brothers



**RAQUEL
ESPINOZA**
EXEC. COMMITTEE
Produce House



**JUAN MANUEL
IBARRA**
EXEC. COMMITTEE
Marengo Foods



**DEMETRIO
KYRIAKIS**
BOARD MEMBER
Nogales CHB Association



**MARTIN
LEY**
BOARD MEMBER
Shipley Sales



**OMAR
LOSOLLA**
BOARD MEMBER
Seeded Produce



**MATT
MANDEL**
EXEC. COMMITTEE
SunFed



**JAMES
MARTIN**
BOARD MEMBER
Wilson Produce, LLC



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EXEC. COMMITTEE
Frello Fresh



**JOSE ANTONIO
MARTINEZ**
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Divine Flavor



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MCGRATH**
BOARD MEMBER
Tricar Sales Inc.



**ERIC
MEYER**
BOARD MEMBER
Prime Time International



**JUAN PABLO
MOLINA**
BOARD MEMBER
Fresh Farms



**JIMMY
MUNGUIA**
BOARD MEMBER
Del Campo Supreme



**WALTER
RAM**
EXEC. COMMITTEE
Giumarra Companies



**JOHN
PANDOL**
BOARD MEMBER
Pandol Bros. Inc



**ALEJANDRO
SUAREZ**
BOARD MEMBER
Surarez Brokerage



**MIKEE
SUAREZ**
BOARD MEMBER
M.A.S. Melons & Grapes LLC



**LESLEY
SYKES**
BOARD MEMBER
Sykes Co.



**CHUCK
THOMAS**
BOARD MEMBER
Thomas Produce Sales

MEET OUR TEAM!



LANCE JUNGMEYER

President



ALLISON MOORE

Executive Vice President



GEORGINA FELIX

Director of Operations & Foreign Affairs



EMMIS YUBETA

Director of Membership & Events



CONCHITA SINGH

Accounting & Human Resources

A MESSAGE FROM THE PRESIDENT

Dear Members,

The challenges of maintaining market access are becoming deeper and broader. The implementation of USMCA has brought with it an emphasis on enforcing labor standards and trade rules. Meanwhile, the Fresh Produce Association of the Americas is still working to maintain tariff-free access for the various Mexican produce items that came under investigation of the U.S. International Trade Commission.

In this world, a body needs friends. More specifically, a great network of friends.

It is via the power of networks that the FPAA represents your needs as importers, helping to influence regional, national, and international policy in the realm of fresh fruits and vegetables.

Within the past year, one of the most fundamental challenges to your business came in the form of Texas Gov. Greg Abbott imposing 100% inspections of produce trucks. When this issue arose, bringing produce imports to a crawl-and-halt for nearly 10 days, FPAA mobilized to scream from the rooftops. In so doing, we tapped into a network of friends in Texas, including within the Border Trade Alliance, to hasten the Biden Administration to intervene. U.S. Customs and Border Protection issued a rare statement criticizing the Texas inspections.

We quickly tapped into our virtual rolodex of journalist contacts made over many years to elevate this issue nationally. During the course of a week, FPAA was quoted by the Wall Street Journal Editorial Board, CNN, Fox TV, CBS Morning News, the Washington Post, Politico and more. FPAA Members and Staff were all over the airwaves and internet, doing our best to bring urgency toward a resolution.

In the end, the inspections were lifted, but not before \$100 million or more in produce was lost. The threat remains that inspections might return in Texas or be put in place any other state.

FPAA has been working with our network in Arizona and California to communicate the need for policies that do not unnecessarily interrupt the flow of perishable fresh produce.

This is why, in my role as Chairman of the Board of the Border Trade Alliance, I presented a slate of action for 2022-24 that leans heavily on educating Southwest state leaders and Washington, DC, about the risks that come anytime border commerce is disrupted. In this way, FPAA's voice is amplified by the many other border industries that share our viewpoint.

In June of 2022, in Washington, DC, at the Eighth Annual "Building a Competitive U.S.-Mexico Border" Conference, I was honored to be a panelist, speaking about these very issues. During the event, I was able to thank both Mexican Ambassador Heriberto Moctezuma and US Ambassador to Mexico Ken Salazar for their leadership, and I reiterated the importance of the fruit and vegetable trade between the nations.

By reaching out, making networks, the FPAA is able to continue to serve your needs and maintain market access for your fresh fruits and vegetables.

As we move forward, I encourage you to get involved in the FPAA network. Join us on an advocacy trip to Washington, DC, Mexico City, Phoenix, Austin or anywhere that our – your – voice is needed.

Sincerely,



LANCE JUNGMEYER
President



LETTER FROM THE CHAIRMAN

LEONARDO TARRIBA, *FARMER'S BEST*



Chairman

Dear Members,

I want to say that I have thoroughly enjoyed the experience of fighting alongside you for two years as Chairman. Never would I have believed we would endure so many challenges ... and yet we live to fight another day.

We work together because we need one another. We recognize that while our individual voices are small, together we roar like a lion.

When COVID stopped the gears of the economy, we kept on going. Fresh produce does not sleep, and the association and our Member companies took the necessary steps to persist in the face of adversity. FPAA was there, paying attention to our needs and the situation. I am proud of the efforts and time we all (staff and members) invest to keep our mission strong and healthy.

When the Southeast growers use politics to try to engineer the game in their favor, we push back with reason and intelligence. Our professional staff and external advisors are recognized experts, and we have a strong bedrock for future success. But we will always have challenges, which we must face. Speaking of challenges and opportunities, it has become clear the FPAA must have a presence in Texas. It has become clear too, that FPAA should expand its coverage and membership.

The Texas commercial truck inspections were a tragedy, and simply one example of what we can do for our industry, I'm glad that FPAA brought attention to the issue. One more time, it was evident that we must keep on educating everyone in the Southwest states and Washington, DC, that when international trade is hindered, the whole economy suffers.

To be successful, the FPAA needs to be present and active in the halls of government, whether DC, Mexico City, Arizona, Texas, or California. For this, we need your commitment and support and that of many future new members.

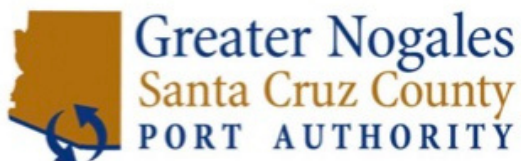
We are serious about success, which is why we have spent 2022 performing a Strategic Planning Review. I know that many of you have participated in the surveys and interviews. I'm confident that the path we are setting forth will make a difference in your business and the strength of our association.

Reflecting on the past, the FPAA is 78 years old, but we have to stay young and strong. New ideas and new participation are necessary to any success story. I am confident we are aiming for that path. Let's keep on fulfilling our duty to keep our association in great shape for future generations of leaders.

Sincerely,

Leonardo Tarriba

INDUSTRY PARTNERS



LEGAL & 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 HAVE STRONG RELATIONSHIPS WITH OUR ADVOCACY AND LEGAL TEAMS, ENSURING EFFECTIVE, EFFICIENT, AND STRONG REPRESENTATION FOR OUR MEMBERS.

VERIDUS



JEFF SANDQUIST



JEREMY GERLACH



JASON BARRAZA

Arizona-based 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.

COOGAN AND MARTIN P.C.



ROBERT "KIP" C. MARTIN

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").



DANIEL J. COOGAN

HARRIS BRICKEN

Lee brings a wealth of knowledge to Harris Bricken's international trade practice. He is adept at quickly evaluating strategic options and developing the best comprehensive legal approach in light of relevant policy and case law. Lee supports the FPAA and its members by providing an insightful and knowledgeable perspective on complex issues.



ADAMS LEE

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 MULLEN

ARIZONA ADVOCACY



The 55th Legislature, 2nd Regular Session, was another long, contentious journey at the Arizona State Capitol.

Shortly after midnight, on the 166th day of a marathon regular session, the Legislature adjourned sine die. At 166 days, the 2021 session tied for the 3rd longest in history. A whopping 1,851 bills were introduced (second highest of all time) and of those, 388 bills were signed into law and 4 were vetoed.

Thus concludes Governor Ducey's eighth regular session, a rare feat in Arizona. Not since Governor Jack Williams five decades ago has Arizona seen its Governor complete two full terms in elective office. Sparring this session between Gov. Ducey and GOP legislators gave credence to the axiom about familiarity and contempt.

This also marked the Capitol's first fully in-person legislative session since the Before Times ... aka pre-COVID. Things were business-as-usual at the Capitol for all but a couple of Democratic legislators – Rep. Athena Salman and Sen. Juan Mendez – who said they were staying away in order to safeguard their newborn.

The 2022 General Fund spending package represents the first bipartisan budget deal since 2008, when Democratic Gov. Janet Napolitano and the GOP-led House and Senate cobbled together a compromise. Lawmakers reached a bipartisan agreement on an \$18 billion General Fund spending plan, a record. The deal includes over \$525 million additional for K-12 schools, \$335 million for border security and partial "build the wall" construction, \$1.5 billion to pay down state debt, and \$2 billion for water, roads, and other infrastructure.

Lawmakers approved a Water Infrastructure Finance Authority. The entity will oversee the development of water projects, possibly including desalination, necessary to confront falling water supplies across the state.

Shortly after passing through the Legislature, Gov. Ducey issued a statement saying the plan "makes strategic and fiscally-responsible investments in areas that matter most to all Arizonans: education, border security, public safety, infrastructure, saving for our future, reducing taxes and paying down debt."

On the agriculture and natural resources side of the budget, we were pleased to see many of agriculture's priorities included. A sales tax exemption for used farm equipment, salary increases for state employees, particularly those at the Arizona Department of Agriculture, \$30 million for irrigation efficiency pilot projects, and a \$1 billion investment in water augmentation and rural water projects were all included in the final budget.





On the transportation and infrastructure side, we were very happy to see the budget includes \$50 million to ADOT for the State Match Advantage for Rural Transportation (SMART) fund. The SMART Fund consists of monies appropriated to the fund by the Legislature for the purposes of assisting political subdivisions outside of Maricopa and Pima counties and the Arizona Department of Transportation with costs associated with applying for and securing federal transportation grants for projects outside of Maricopa and Pima counties. The fund will allocate available monies as follows:

- 40% to counties, with half going to counties larger than 100,000 persons, half to smaller
- 40% to municipalities, with half going to municipalities larger than 10,000 persons, half to smaller
- 20% to ADOT for projects on the system outside of Maricopa and Pima counties

ADOT may utilize 1% of the total funding from the ADOT portion for administrative costs to manage the grant program. These grants can be utilized for one of the following:

- Shovel-ready costs for a project that meets federal requirements
- Application fee to apply for the competitive grant, and
- The matching portion to draw down the competitive federal funding.

Furthermore, Rep. Daniel Hernandez (D-Tucson), a longtime champion of the FPAA and our issues, was able to secure a \$3 million appropriation from the General Fund in FY 2023 for ADOT to improve Ruby Road Bridge in Nogales.



FPAA played a big role in the \$135 million SR-189 flyover



FPAA's 2022 regulatory highlights:

- The Executive approved an increase in ongoing funding (\$978,400) to create a Commercial Vehicle Enforcement (CVE) task force between the Department of Public Safety (DPS) and the Arizona Department of Transportation (ADOT). Until January 2022, DPS CVE and the ADOT Enforcement and Compliance Division Enforcement Security Bureau (ESB) were operated and managed separately by two State agencies. This funding will help consolidate DPS CVE and ADOT ESB under a single management structure. The two agencies have entered into an interagency service agreement (ISA) to facilitate the consolidation.
- FPAA and Veridus solicited letters of recommendation from Arizona Department of Agriculture Director Mark Killian on behalf of members, Chris Ciruli and Matt Mandel, for their applications for nomination to the USDA Fruit and Vegetable Industry Advisory Committee. The Director was gracious and expedient in his providing letters.
- Arizona Broadband Statewide Middle-Mile Strategic Plan – In February of 2022, the Arizona Commerce Authority released the Arizona Broadband Statewide Middle-Mile Strategic Plan. This follow-up to the 2018 Strategic Plan aims to continue to reduce barriers to commercial broadband development, leverage existing infrastructure for communities, and coordinate local, state, and federal funding efforts to promote fast, affordable, and reliable broadband service across the state. The Statewide Middle-Mile Network aims to increase broadband service along I-17 and I-19 and future expansion along the additional interstate and state highways. Designated corridors for fiber optic conduit installation for the Middle-Mile Network include 141 miles for I-17 between Flagstaff and Phoenix and 60 miles for I-19 between Tucson and Nogales. Combined, both routes will add 200 miles of broadband conduit by early 2023.

Looking ahead to 2023, water (again), election integrity (again), K-12 education spending, and an America/Arizona First agenda are expected to be front and center issues.



FPAA hosts the Spring Policy Summit every March. Here Demetrio Kyriakis discusses port issues with CBP Field Director Guadalupe Ramirez



WASHINGTON D.C. ADVOCACY

The FPAA spends considerable time and energy working with elected leaders, agency staff, and allied groups in Washington, DC on your behalf. Some of our key issues are fought out on the steps of Congress or working with key agency officials. On any given week, we are speaking on panels, hosting visits for elected officials along the border, flying staff and FPAA members to DC for face-to-face meetings, meeting on Zoom and Teams, attending conferences, and more, and these efforts make the FPAA a recognized expert on trade and agriculture issues as we advocate for your businesses.

Washington, DC Visits

June and September Washington, DC Advocacy Trips

Several FPAA members and staff traveled to Washington, DC in September and June to have face-to-face meetings with Members of Congress from Texas and Arizona. Some of the key issues the FPAA continues to discuss with the Members and their staff include:

- Opposition to any changes to trade law to allow for seasonal, regional dumping cases,
- Support of border staffing increases for CBP at ports of entry
- Tomato Suspension Agreement issues
- Food safety and needed improvements in food oversight integration at the Food and Drug Administration,
- The importance of trade and needed improvements in USMCA cooperation.



The FPAA in DC



Greg Stanton at the FPAA office

Some of the Congressional offices we regularly meet with:

Senator John Cornyn, (R-TX)
Congressman Ruben Gallego (D-AZ)
Congressman Vicente Gonzalez (D-TX),
Congresswoman Kay Granger (R-TX),
Congressman Raul Grijalva (D-AZ)
Senator Mark Kelly (D-AZ)
Congresswoman Ann Kirkpatrick, (D-AZ)
Congresswoman Debbie Lesko (R-AZ),
Congressman David Schweikert (R-AZ),
Senator Krysten Sinema (D-AZ),
Congressman Greg Stanton (D-AZ)

WASHINGTON D.C. ADVOCACY



continued

Hosting Regulatory Staff and Elected Officials in Nogales, Arizona

FPAA Meets with Senator Sinema and Staff Throughout 2021-2022

The FPAA staff and members participated in several meetings with Senator Sinema and her staff over the course of the year to talk about key issues like the Tomato Suspension Agreement, CBP staffing and reopening plans for non-essential travelers impacting the ports of entry during COVID-19, the need to continue a strong push to elevate Arizona businesses despite ongoing challenges from Florida and others in the Southeast, and important supply chain and infrastructure needs in the region.



FPAA met with Senator Sinema in Washington, D.C. and Santa Cruz County

FPAA Hosts Meeting with Congressman Greg Stanton

The FPAA hosted Congressman Greg Stanton and his team in Santa Cruz County to discuss topics ranging from trade to infrastructure to labor, trucking and the overall economy. Stanton, who has signed various letters supporting the FPAA position, said he understood the importance of the industry to Arizona and the nation. Stanton, who serves on the House Transportation and Infrastructure Committee, asked about infrastructure needs in Nogales.

FPAA Meets with Senator Kelly

The FPAA has held several meetings with staff from Senator Mark Kelly's office to discuss the need to fund infrastructure and port of entry enhancements and increase CBP officer staffing. The FPAA also talked to the Senator's staff about support for important nutrition programs for school feeding programs and the WIC program.

Acting Deputy Administrator for AMS Specialty Crops Visits Nogales

The FPAA and several members met with Acting Deputy Administrator Ken Petersen on his visit to Nogales during the week of the Spring Policy Summit. The FPAA and members talked about the need to revisit grade standards for certain types of grapes, the importance of Market News and needs to improve that reporting process, updates from USDA on their electronic inspection program that will soon be rolled out to states, and the need to have better representation on marketing order boards where imported product is subject to inspection but where importers currently have no seat at the table on the boards governing the orders.

WASHINGTON D.C. ADVOCACY



continued



FPAA Meets with USDA Specialty Crop Inspection Division (SCI) Leadership

Members and staff of the FPAA met with Nathaniel “Chip” Taylor, Director of the Specialty Crop Inspection Division, and Nate O’Connor, Assistant Chief of the USDA SCI Federal-State Inspection Management Branch to talk about the ongoing grape season and steps for increased improvements in upcoming seasons.

The FPAA reiterated the importance of USDA having a presence in Nogales to oversee the Arizona Department of Agriculture. Additionally, the FPAA reiterated how important it was to have the additional 12 USDA inspectors and supervisors in town from the Fresno office and other areas to augment AZDA inspectors and supervisors.

Commerce Visit to Nogales

The Department of Commerce was in Nogales from May 23 through May 25, 2022. As part of their visit, Commerce held a Tomato Suspension Agreement (TSA) Refresher to go over the requirements of the TSA and answer industry questions. Over 130 members attended the event with Commerce.

While they were in town, Commerce conducted spot checks of individual importers during the three-day visit. They visited 10 companies in total, 6 on the first day and 4 on the last day. FPAA attorney Adams Lee and the team from Akin Gump representing the growers were attended the Commerce visits. They also coordinated closely with FPAA attorney Kip Martin and Allison Moore during the visits.

Tomato Suspension Agreement

Commerce Releases Post-Trip Report Following Nogales Auditing Visits

The Department of Commerce published their Nogales Monitoring Trip report following their trip to Nogales in late May for Tomato Suspension Agreement monitoring. During the monitoring visits, Commerce says it identified some “inadvertent noncompliance” that it needs to see addressed, and suggested that they will be following up to ensure that necessary adjustments are made.

Commerce stated: “We emphasize that we did not find evidence to indicate that any Signatory or Selling Agent intentionally engaged in noncompliant conduct.”

FPAA Ensures Fair Interpretation of FOB Pricing Under the TSA

On December 22, the U.S. Department of Commerce issued their final ruling in the issue of the definitions of “FOB U.S. Shipping Point” and “Near the Border” that the Florida Tomato Exchange (FTE) attempted to change in order to find a backdoor way to increase the reference prices in the Tomato Suspension Agreement.

Commerce maintained their preliminary determination that the FOB U.S. Shipping Point is the U.S. sales agent facility near the border, which is the position that the FPAA supports. Commerce’s ruling means that FOB Shipping Point is not at the actual land border itself, which is what FTE argued despite industry norms and the intent when negotiating the Agreement. The Commerce ruling ensures that the FOB U.S. Shipping Point price includes all handling charges to the sales agent facility.

Commerce says, “Specifically, all expenses up until the tomatoes are loaded onto the truck at the U.S. shipping point warehouse for onward delivery to the first unaffiliated customer in the United States may be included in the FOB U.S. shipping point price.”

WASHINGTON D.C. ADVOCACY



continued

FPAF Fights Against Border Stoppages in Texas

International trade was brought to a stop in 2022 by the actions of the Texas Governor. After more than a week and significant harm to U.S. businesses and the food supply chain, the Governor of Texas ceased duplicative inspections on trucks leaving U.S. ports of entry along the Texas/Mexico border after signing agreements with the four Mexican states that border Texas. Many of our members reported trucks were stuck in line from 24 hours to 100 hours after bottlenecks caused by the Texas inspections halted trade and caused many people to divert loads to other ports and other states along the border.

The FPAF worked closely with allied organizations, Federal and state elected officials, and other parties to try and end the harm to the food supply and U.S. companies impacted by these inspections. The FPAF brought national attention to this issue through our outreach to keypress outlets that were unaware of this issue. The FPAF and allied groups spoke with reporters from state and national news media including the Washington Post, the Wall Street Journal, Politico, the New York Times, and more.

CBP and Ports of Entry

CBP Staffing

The FPAF and BTA earlier this year extended its support to legislation co-sponsored by Michigan Sen. Gary Peters (D-MI) and Sen. John Cornyn (R-TX) to authorize an increase in CBP staffing levels of no less than 600 additional officers a year until the agency's staffing needs are met.

FPAF Conveys to DHS the Needed Improvements on CBP Forced Labor Enforcement Mechanism

The FPAF has held meetings with CBP and has submitted comments on two separate occasions this year outlining concerns and needed improvements to the CBP Forced Labor Enforcement Mechanism and the Withhold Release Orders (WROs) that prevent imports from companies under investigation with CBP. This issue is especially important as the Department of Labor and CBP expand their presence in Mexico to investigate possible claims of labor violations and in light of recent actions against a Mexican exporter of agriculture goods.



CBP often meets with FPAF

WASHINGTON D.C. ADVOCACY



continued

USMCA, Seasonality

FPAA Rebuts Misleading Florida Study

FPAA President, Lance Jungmeyer, commented to *The Packer* about a University of Florida study that makes misleading claims about tomato imports from Mexico. The assertions made about Mexican tomatoes in a study by Dr. Zhengfei Guan have been taken out of context, resulting in conclusions that are misleading and unrealistic, according to the Fresh Produce Association of the Americas.

The paper's topline finding suggests a 50% increase in Mexican tomato imports "in the coming years," while a chart (Figure 1) in Dr. Zhengfei Guan's study shows that Mexican tomato imports climbed about 20% in the decade from 2009 to 2019.

"Mexico has become the main source for vine-ripened round and Roma tomatoes during the late fall, winter, and early spring seasons and the market share is reflective of that. Consumers prefer flavorful vine-ripened tomatoes over gassed green tomatoes," said Lance Jungmeyer, President of the FPAA. "While we expect consumers to continue to choose Mexican vine-ripened tomatoes, we are beyond flattered that Dr. Zhengfei Guan suggests 50% growth. However, that simply is unrealistic, especially considering that volumes have grown only 20% during the past decade."

The paper, entitled "*How trade affects the US produce industry: The case of fresh tomatoes*," goes on to discuss increasing costs of harvesting in Florida and elsewhere, a factor that FPAA agrees is caused by some U.S. states more than doubling the minimum wage in recent years. Indeed, rising wage rates are hitting every business, including U.S. distributors like FPAA companies that employ tens of thousands in the U.S.

"For over a hundred years, American jobs have been built by U.S. distributors of Mexican tomatoes. A 2019 University of Arizona study showed that more than 33,000 U.S. jobs were created by imports of Mexican vine-ripened tomatoes, which for obvious reasons are generally preferred over field-grown gassed-green tomatoes such as we see from Florida," Jungmeyer added.

<https://news.arizona.edu/story/ua-study-imported-tomatoes-mexico-worth-48b-us-economy>

FPAA does indeed predict further growth for imported Mexican tomatoes, which by and large are grown in protected and greenhouse environs. "Large buyers are voting based on many factors, including climate change and impact on the environment. Mexican tomatoes check all the boxes when it comes to reducing water use, slashing chemical inputs and reducing carbon footprint," Jungmeyer said. "Tomatoes from Florida cannot say the same thing, and that's why you see so many large Florida tomato companies that are also large growers and purchasers of vine-ripened tomatoes from Mexico."

Jungmeyer added: "It is inappropriate to blame Mexican imports for shortages in available U.S. agricultural workers and increased wages, just as Mexican imports are not responsible for hurricanes and tropical storms or real estate development pressures in Florida that also have harmed Florida tomato growers."



WASHINGTON D.C. ADVOCACY



continued

FPAA Rebuts FL Delegation Letter

The FPAA released the following statement after a Florida Delegation sent a letter to President Biden spreading false information about produce from Mexico and demanding protections for Florida growers.

Sen. Marco Rubio may be looking after his fruit and vegetable grower constituents, but once again he is short on facts

New Rubio Letter Parrots Florida's Previous Debunked Rhetoric

Sen. Marco Rubio and some members of the Florida Congressional delegation continue to parrot the same inflammatory rhetoric as their constituents, but they should take a good look in the mirror if they are blaming Mexico for the woes of Florida's fruit and vegetable growers.

In a letter to President Biden, Senator Rubio demanded "immediate action" against Mexican produce imports, repeating baseless claims of "unfair trade" that have never held up.

Meanwhile, ironically, Florida companies continue to prosper and profit because of their business operations involving imported Mexican fresh produce.

It is well known that Texas, Arizona and California represent the three largest importing states of Mexican produce, which is natural considering the land border with Mexico. It is less well known that Florida is the fourth-largest importer of Mexican fruits and vegetables. In 2020, Florida imported more than \$726 million dollars of Mexican fresh fruits and vegetables. This level of imports makes Florida the:

- Third-largest importer of Mexican blueberries, behind California and Texas.
- Fifth-largest importer of Mexican tomatoes.
- Sixth-largest importer of Mexican strawberries and watermelons, and Seventh-largest importer of Mexican bell peppers.

Despite a giant body of water between the Florida Peninsula and Mexico, Florida distributors of fresh produce know that certain consumer demands can only be met by vine-ripened tomatoes, colored bell peppers and many other fruit and vegetable items which are imported or purchased by Florida companies, resulting in economic growth for the state," said Lance Jungmeyer, President of the Fresh Produce Association of the Americas.

"Southeastern growers are sourcing Mexican produce to complement their existing product line because that's what their retailers and consumers are demanding. With great climate, Mexico helps fill a crucial market window when most domestic American fruit and vegetables cannot be grown in sufficient quantities," Jungmeyer added.

Like many times before, Sen. Rubio suggests Mexican produce growers are unfairly supported by Mexican subsidies, a falsehood that has been knocked down over and over again. In a case-by-base comparison, according to a recent University of Arizona [analysis](#), since 1995, the U.S. has used up to [41% of its allowable subsidies](#), while Mexico has averaged [just 2%](#).

Rubio also fails to mention that USDA and state taxpayers support about \$30 million in tomato research per year. Oftentimes, Florida and other Southeast growers receive subsidized water, subsidized electricity and preferential property tax treatment on agricultural land.

The University of Florida study that Sen. Rubio cites contains numerous inaccuracies and misrepresentations, which were debunked by FPAA's previous statement, which is [here](#).

Moreover, as observers have noted, the danger in Sen. Rubio's request for "immediate action" by the Biden Administration is that it risks opening another trade war that would further impair the American economy.

WASHINGTON D.C. ADVOCACY



continued

USDA Updates

FPAA Works with Members Submitting Applications to Fill Vacancies on the Fruit and Vegetable Industry Advisory Committee (FVIAC)

Two members applied to sit on the FVIAC for a two-year term. The FPAA worked to secure Congressional letters of support for both members' applications to USDA.

FPAA Joins Industry Coalition Opposing Proposed Bill Giving Unprecedented Power to Organic Advisory Committee

The FPAA joined with several industry groups to oppose proposed legislation that would give the National Organic Standards Board unprecedented power in making changes to the National Organic Program through H.R. 2981, the Continuous Improvement and Accountability in Organic Standards Act.

FPAA Fights Push to Force Florida Juice Content Standards on Mexican Imported Grapefruit

Growers in Florida and Texas have been protesting a clarification, Patch #65, in the inspection procedures for grapefruit under the Florida Marketing Order for Grapefruit. The patch clarifies that imported produce subject to the Florida Marketing Order for Grapefruit is not subject to the juice content requirement as defined by Florida State regulations. However, all imported grapefruit are subject to all other aspects of the Marketing Order for inspections for quality as outlined in the U.S. Grade Standard for Grapefruit from Florida. Since a clarification in 2012 to the Arizona Department of Agriculture, citrus from Mexico has not had to comply with juice content requirements under the Marketing Order because the requirements point to specific State of Florida maturity standards for juice. There is no national juice content requirement for maturity, and the various citrus grape standards for Florida and Texas point to individual state standards, while the Arizona and California grade standards for citrus do not have a juice requirement. In response to Florida and Texas growers calling for state juice content standards to be applied to international trade, the FPAA submitted a letter to USDA outlining concerns with both the juice content requirement designed for Florida being imposed on desert-grown grapefruit. The FPAA strongly believes that any juice content requirement applied to citrus, whether domestic or imported, should be best suited to the growing regions and varieties to accurately reflect the juice content/maturity of the citrus, and that juice requirements should not be used as a non-tariff trade barrier.

The FPAA also pointed out some serious shortfalls with the current Marketing Order system in general. Marketing Orders are created by and managed by the domestic industry, and those standards also apply to U.S. companies that import those same commodities. However, U.S. importers have no opportunity for review, modification, or improvements to Marketing Orders because they do not have representation on the domestic oversight committees. The FPAA strongly suggests that legislative or regulatory changes are identified and adopted to improve the Marketing Order process to better allow for industry input from all companies impacted by the Orders themselves.

USITC Cucumber and Squash Reports

ITC Reports Confirm Mexican Imports Needed to Meet Increased U.S. Consumer Demand For Cucumbers and Squash

In January of 2022, the U.S. International Trade Commission (ITC) issued reports summarizing its findings from its investigations on the U.S. cucumber and squash industries and the effect that imports had on seasonal growers. The ITC's reports provided a comprehensive review of the U.S. and Mexican cucumber and squash industries and a thorough analysis of the key competitive market conditions.

The ITC reports do not support the U.S. Southeast growers' simplistic reaction to reflexively blame Mexican imports for all of their problems. In fact, the report notes the difficulties faced by domestic Southeast growers are largely out of anyone's control – the difficulty in finding labor and the fact that climate/weather in the Southeast does not favor advanced growing methods such as greenhouses.

WASHINGTON D.C. ADVOCACY



continued

In reviewing the ITC reports, FPAA took note of the following findings.

- *Imports are needed to meet increasing U.S. consumer demand for a broader range of cucumbers and squash*

American consumer demand for cucumbers and squash has increased or stayed strong as more Americans are eating more fresh vegetables as part of a healthier diet. U.S. cucumber and squash production cannot meet total U.S. consumer demand for cucumbers and squash year round and imports, primarily from Mexico, are needed to fill that gap. Most Mexican imports enter during November through May when domestic production is not readily available (i.e., only from Florida).

The ITC report also noted that imports have increased because of shifts in U.S. consumer demand for cucumbers and squash to prefer a broader range of varieties. Most Southeast cucumbers growers are still growing only American slicers in open fields. Mexican growers are using protected agriculture to grow burpless and snacking varieties of cucumbers, including English, Persian and mini cucumbers. Southeast growers cannot meet this growing cucumber market segment.

- No *evidence* of Mexican imports underselling U.S. cucumbers, squash

The ITC reports note that prices for domestic and imported cucumbers and squash are often very similar and tend to follow largely the same trends.

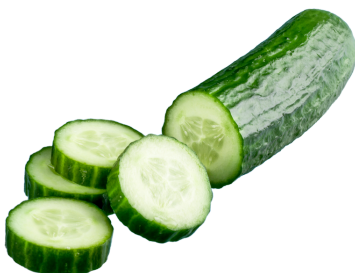


- *U.S. growers face challenges unrelated to imports*

Southeast growers blame Mexican imports as the primary source of their problems. But the ITC report clearly identifies many issues that are not related to Mexican imports that negatively impact the Southeast US growers.

Labor cost, availability – Higher labor costs and limited labor availability hinder U.S. growers by causing higher production costs, lower productivity yields, and fewer product type. US growers have increasingly used temporary migrant workers entered under the H2A visa program, but H2A workers account for only about 10% of all U.S. crop workers. The lack of domestic labor results in quality differences that make U.S. product less appealing to U.S. retail customers compared to Mexican imported products.

Difficult climate, growing conditions - The high humidity and unique climate and growing conditions Southeast U.S. brings unique challenges to cucumber and squash growers. Southeast growers must deal with climate-related pest and disease pressures that elevate production costs due to the need to apply significant amounts of pesticides and fungicides. The potential for crop damage or losses from hurricanes and tropical storms negatively impacts Southeast growers.



In addition to holding a public hearing with numerous industry witnesses presenting testimony, the ITC conducted its own independent research and interviewed many industry witnesses. The ITC's findings reflect a solid understanding of the complexities of the many different factors that affect the ever-changing supply and demand conditions of the cucumber and squash markets.

MEXICO ADVOCACY



FPAA continued to meet regularly with Mexican officials and grower associations. In the past year, we have followed closely the trade relations among Mexico, the US, and Canada.

With two years of the implementation of the USMCA we have seen consultations involving Mexico on auto rules of origin, labor complaints, and the most recent energy policies.

The US and Canada have requested dispute settlement talks under the USMCA, arguing that Mexico is violating the deal with its energy policies that prioritize energy from its state utility over private renewables companies, as well as hurting U.S. investors and jeopardizing Mexico's own climate goals. The process could lead to trade sanctions on Mexico if the three countries cannot resolve the issue through talks or litigation. The FPAA will continue working with its partners, monitor the consultations, and inform of any likely results.

This year we experienced a couple of bumps during the season. The first one was when the APHIS inspections ceased in Michoacan and the second when Governor Abbot implemented a secondary inspection of trucks crossing the Texas/Mexico border creating bottlenecks that affected the flow of produce through Texas.



FPAA brought attention to the Texas truck inspection crisis

APHIS Inspections in Michoacan:

The FPAA learned in early February that the United States Department of Agriculture's Animal and Plant Health Inspection Service (USDA-APHIS) decided to suspend, until further notice the inspection and verification for the exportation of avocados from Michoacan, after one of its officials, received a threat.

The FPAA was in communication with the Association of Avocado Exporting Producers and Packers of Mexico (APEAM). The avocado industry had enacted protocols tracing back to their orchards all avocados before continuing packing. The avocado industry was ready to resume operations and awaited APHIS determination.

FPAA also confirmed with CBP that the agency would allow avocados that were inspected and certified for export before the incident to continue to be imported. FPAA kept monitoring and informing its members and industry partners on how the situation continued to evolve; from meetings between APHIS officials and personnel posted in Mexico, and representatives from APEAM with local and state police to address the security issue; to the Mexican Ag Department continued work to verify the compliance of the program to guarantee a safe and free of pest avocado production.

A couple of days later mango inspections in Michoacan also ceased for a short period of time. The FPAA reached out to the APHIS Assistant Preclearance Director for Mexico who stated that APHIS inspectors would continue working in the rest of Mexico. FPAA was also in communication with the Association of Mango Packers of Mexico (EMEX) who later confirmed that Mango inspectors in Michoacan had resumed operations.

MEXICO ADVOCACY

continued



A week later USDA-APHIS announced the avocado exports to the United States had resumed and that “APHIS, working closely with the U.S. Embassy in Mexico’s Regional Security Officer, Mexico’s national plant protection organization (SENASICA), and the Association of Avocado Producers and Packers Exporters of Mexico (APEAM) have enacted additional measures that enhance safety for APHIS’ inspectors working in the field.”

Inspections in Texas:

After Gov. Greg Abbot from Texas announced a secondary inspection of trucks crossing the Texas-Mexico border. The FPAA among its efforts met with the Secretary of Economy and Agriculture of Mexico. Both offices were briefed, and they elevated the concerns of the FPAA members to their secretaries in Mexico. Secretary Clouthier was working with her counterparts in the U.S. Mexican Ambassador Moctezuma was also working with U.S. authorities sharing the importance and concerns of the industries affected.

The FPAA coordinated with CNA, AMHPAC, CAADES, EMEX to address the blockades at the Texas border. FPAA shared timely information with the organizations for them to share with their grower members and other organizations. Out of these communications the CNA coordinated with the Consejo Coordinador Empresarial (CCE) on a strategy to reach out to influential bilateral companies and send letters to Governor Abbott.

Other developments that the FPAA has been following in the past year has been the market access for avocados from Jalisco into the U.S. and U.S. potatoes into the Mexican market. As of May of this year both items were granted access to these markets after 10 years of talks and negotiations.

The FPAA also follows up changes in the Mexican labor law, especially the changes that affect agricultural labor, such as increases in wages, minimum age to work in the fields, agricultural worker unions, etc. As part of these efforts the FPAA continues supporting and participating with the Alianza Hortofrutícola Internacional para el Fomento de la Responsabilidad Social (AHIFORES). This year, AHIFORES communication efforts included social responsibility campaigns, seminars and workshops about outsourcing legislation reforms, social security, and labor inspections. The FPAA has been working with AHIFORES to promote social responsibility best practices and bring awareness of industry labor issues.

FPAA has been meeting with new appointed officials at the U.S. Embassy in Mexico City; USDA FAS in Monterrey, Mexico Office; Mexican Embassy in D.C.; the Mexican Consulate in Nogales AZ; and the New Mexican Customs Agency (ANAM) in Nogales.

These are just the highlights of last year’s Mexico’s advocacy efforts that FPAA does on the behalf of its members.



MEXICAN PARTNERS

Consejo Nacional Agropecuario (CNA)

www.cna.org.mx



Asociacion Mexicana de Agricultura Protegida (AMHPAC)

www.amhpac.org



Asociacion Agricola Local de Productores de Uva de Mesa (AALPUM)

www.aalpum.org



Confederacion de Asociaciones Agricolas del Estado de Sinaloa (CAADES)

www.caades.org.mx



Comision para la Investigacion y Defensa de las Hortalizas de Sinaloa (CIDH)

www.cidh.org.mx



Eleven Rivers

www.veggiesfrommexico.com



Empacadoras de Mango de Exportacion (EMEX)

www.mangoemex.com



Asociacion de Productores y Empacadores Exportadores de Aguacate de Mexico (APEAM)

www.apeamac.com



Aneberries

www.aneberries.mx



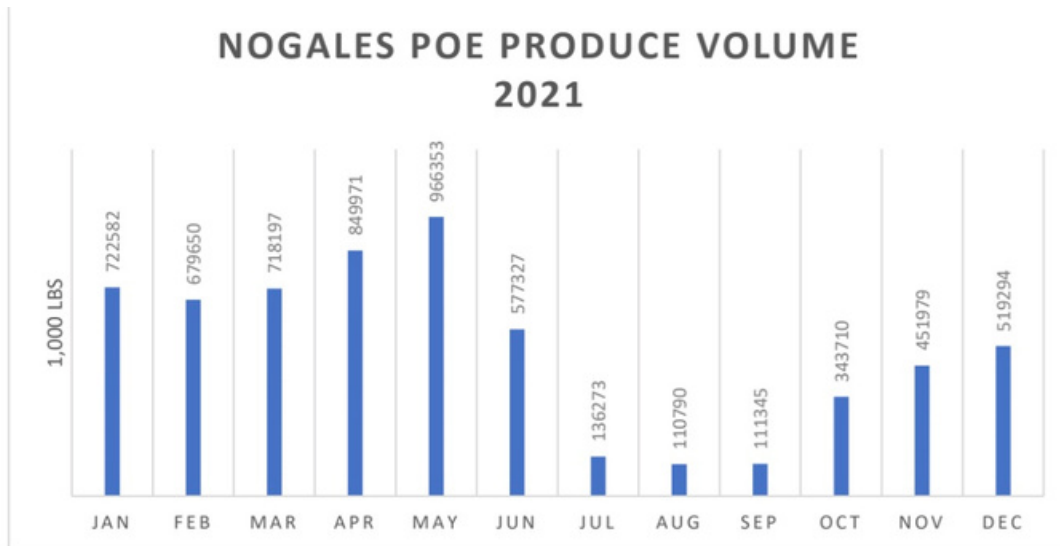
Alianza Hortofruticola Internacional para el Fomento de la Responsabilidad Social (AHIFORES)

www.ahifores.com



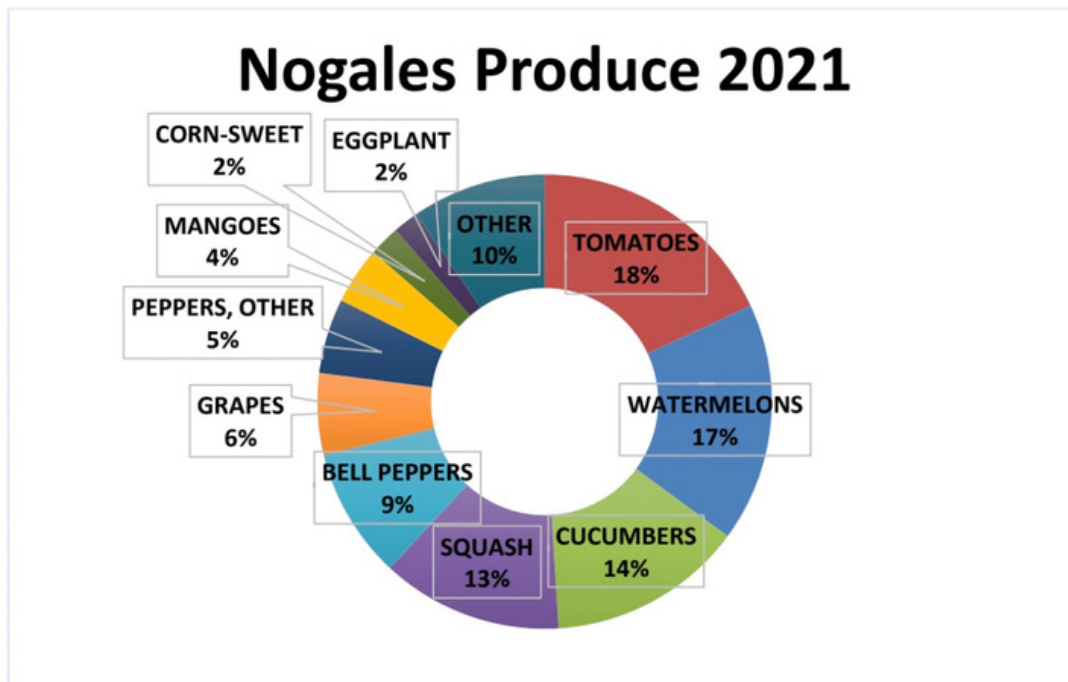
CROSSING OVERVIEW

2021



COMMODITIES

The top 10 commodities imported through the port of Nogales comprise 90% of all the produce that crosses through the POE



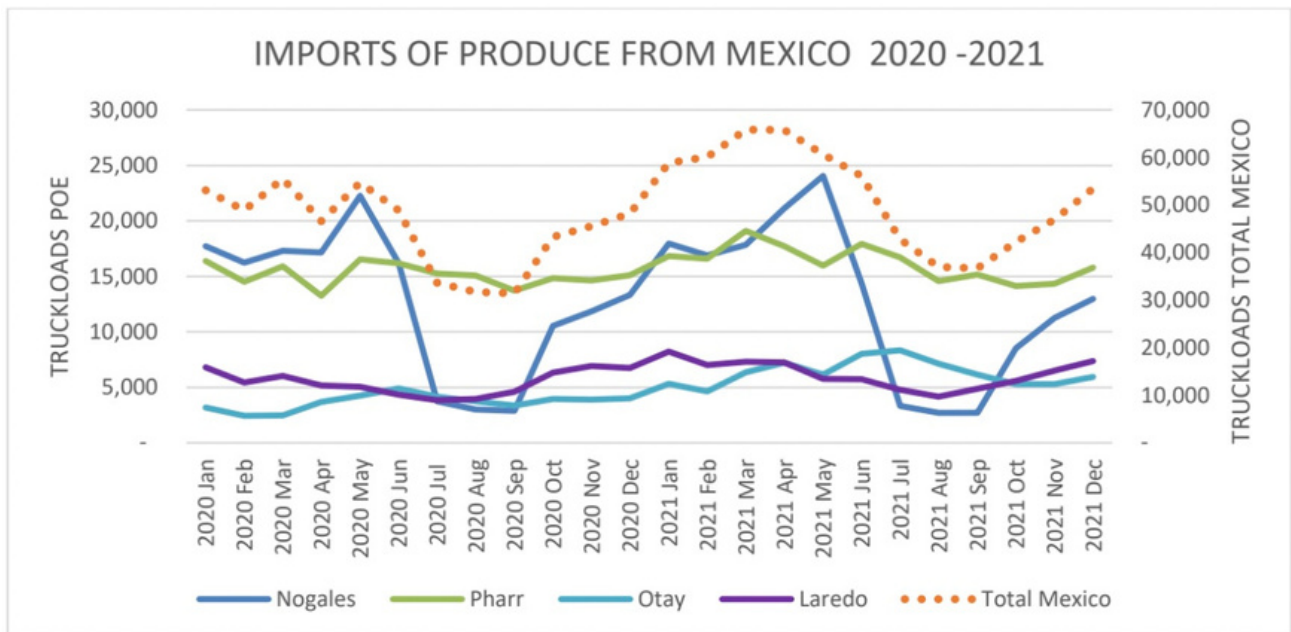
CROSSING OVERVIEW

CONTINUED

Commodity	1,000 lbs.	%
TOMATOES	1,117,489	18%
WATERMELONS	1,053,886	17%
CUCUMBERS	861,969	14%
SQUASH	798,013	13%
BELL PEPPERS	574,589	9%
GRAPES	359,879	6%
PEPPERS, OTHER	329,732	5%
MANGOES	251,938	4%
CORN-SWEET	136,606	2%
EGGPLANT	113,928	2%
OTHER	589,442	10%
Grand Total	6,187,471	100%

TRUCKLOADS

Produce Imported from Mexico by Port of Entry:



THE FPAA MAIL BAG WORKING FOR YOU

The FPAA is involved in a lot of important letters throughout the course of a year. Whether they are letters we send ourselves, letters we sign with a coalition of other industry groups, or letters we coordinate from Member of Congress to key government agencies, letters are an important part of our advocacy efforts.

Not only do letters convey important information or support for a person or position, the act of coordinating a letter or signing onto a coalition letter also helps the FPAA maintain regular contact with key allied groups, elected officials, and others. While we are advocating on your behalf with meetings and phone call, we are also getting the FPAA position out there through our letters and the letters we help coordinate. Following are some key letters from the FPAA mail bag.

Members of Congress Urge Commerce Not to Disrupt Tomato Trade

A coalition of members of Congress led by Rep. Vicente Gonzalez (D-Texas) wrote to Commerce Sec. Gina Raimondo urging her department not to reinterpret the administration of the minimum reference price in the 2019 Tomato Suspension Agreement between the U.S. and Mexico. The FPAA issued a statement about the letter and the impact this issue could have on the industry if the Florida Tomato Exchange is able to demand changes to the agreement outside of official negotiations. Cosignatories of the letter include Representatives Filemon Vela (TX-34), Marc Veasey (TX-33), Henry Cuellar (TX-28), Lloyd Doggett (TX-35) Jamie Herrera Beutler (WA-03), Greg Stanton (AZ-09), Raul M. Grijalva (AZ-03), Ruben Gallego (AZ-07), Tom O'Halleran (AZ-01) and Ann Kirkpatrick (AZ-02).

FPAA Joins Coalition Requesting Funding for Additional CBP Staffing

The FPAA and a coalition of organizations that advocate for CBP funding and staffing joined together on a letter requesting increased CBP funding to offset shortfalls from user fees during the pandemic and to ensure that CBP is able to increase staffing at ports of entry across the U.S. Following is the letter to both the House and Senate Appropriations Committees.

FPAA Submits Comments to Commerce on Quarterly Audit Selection

The FPAA submitted comments in several quarterly audit selection processes to Commerce urging the agency to select companies that import from Mexico that are also members of the Florida Tomato Exchange. The FPAA continues to reiterate to Commerce that they cannot ignore a significant part of the industry importing Mexican tomatoes by excluding importers that also happen to be Florida FTE companies.

FPAA Submits Letter to USDA on Grapefruit Juice Content Issue

On behalf of the members, the FPAA wrote to the USDA concerning the Marketing Order for Grapefruit from Florida and imported grapefruit covered under Section 8e requirements. The FPAA raised concerns about the implementation of a juice content requirement for imported grapefruit based on a standard that applies to grapefruit grown in Florida and not specifically tailored to desert-grown grapefruit.

It is important to consider that 100% of imported grapefruit is still inspected by USDA or USDA-contracted state inspection services and must meet or exceed the requirements outlined in the Federal Marketing Order for Grapefruit from Florida. This includes meeting quality requirements and maturity standards as it relates to sugar content of the fruit. Further, the strict quality requirements from U.S. buyers also dictate the quality and maturity of fruit reaching grocery store shelves. Juice requirements on citrus exist in Florida where nearly 87% of the overall citrus crop is destined for juice processing, but like California and Arizona citrus, Mexican imports are aimed at American consumers, not juice processors.

FPAA Joins Industry Coalition Opposing Proposed Bill Giving Unprecedented Power to Organic Advisory Committee

The FPAA joined with several industry groups to oppose proposed legislation that would give the National Organic Standards Board unprecedented power in making changes to the National Organic Program.

THE FPAA MAIL BAG WORKING FOR YOU

continued

FPAA, Ag Industry Groups Sign Coalition Letter Opposing Seasonality Provisions

An agriculture industry coalition wrote to Members of Congress expressing grave concerns regarding H.R. 3926, which could facilitate the imposition of new barriers to our trading partners that could negatively impact trade with our U.S.-Mexico-Canada Agreement (USMCA) partners. In addition to raising consumer food prices, the legislation raises serious concerns with adhering to U.S. trade commitments and inviting mirror actions by other countries. The number of farmers adversely impacted by such counter actions could be much greater than the number of farmers that this legislation aims to help.

The coalition reminded Members of Congress that such proposals were discussed and rejected during negotiation of the USMCA. The organizations signing onto the letter represent a diverse U.S. food and agricultural industry, which supports nearly 20 million jobs – including more manufacturing jobs than any other U.S. manufacturing sector – and accounts for 20 percent of the U.S. economy. They also support efforts to address unfair trade practices and hold trading partners accountable but respectfully oppose protectionist changes in U.S. trade law that are sure to prompt retaliatory measures. In the case of the proposed amendments to U.S. AD/CVD law, the potential for retaliatory harm to U.S. food and agriculture exports would far exceed any benefit from protection to certain regions of the U.S. seasonal produce industry.

Beyond such amendments risking causing a net loss of U.S. food and agriculture exports, American consumers would be harmed, facing higher prices and reduced product choice and availability.

FFPAA Signs on to Ag Transportation Working Group Letter

The coalition of agricultural producer, commodity, agribusiness and food-related national organizations respectfully request the Biden administration's support to advance transportation infrastructure and policies for truck, rail, waterways and ports that will enhance the efficient and cost-effective transport of agricultural and food products.

FPAA Joins Industry Coalition to Push for Improvements to Nationwide Rail Freight Service

The members of the Agricultural Transportation Working Group (ATWG) strongly urged the Surface Transportation Board (Board) to immediately seek resolution of the current nationwide freight rail service challenges and take appropriate measures to deter, and hopefully prevent future service failures of the magnitude currently being experienced.

The farmers, ranchers, food and beverage manufacturers, processors, package suppliers, farm supply dealers and agricultural product marketers that comprise the ATWG support and sustain millions of American jobs. These companies provide safe, abundant, affordable, and sustainably produced human and animal food, fiber and agricultural products that are essential to the health and well-being of tens of millions of U.S. and global consumers. Competitive and reliable railroad freight transportation is essential to meet these objectives.

OTHER LETTERS WE SUPPORTED:

- FPAA, 33 Food & Ag Groups Sign Coalition Letter Supporting Confirmation of US Ambassador to Mexico, Senator Ken Salazar.
- FPAA, BTA, AND COALITION PARTNERS: AUTHORIZE CBP AGRICULTURE CANINE TRAINING CENTER
- FPAA, BTA Join Trade Groups Calling for Preparedness Plan for COVID-19 and Border Reopening
- Ag Coalition of 170 Members Send Letter Supporting Nominee for Chief Ag Negotiator
- FPAA Joins Farmer's for Free Trade on Tariff Elimination and Ag Export Outreach

EVENTS

52ND CONVENTION

The FPAA celebrated its 52nd Nogales Produce Convention and Golf Tournament on November 4th -6th, 2021 at the historic Tubac Golf Resort and Spa. This year, the event welcomed over 400 attendees, including produce industry members from California, Washington DC, Florida, Iowa, Kansas, New York, Oregon, Tennessee, Texas, and Mexico. On Friday's Gala, the Pillar of the Industry recognition award highlighted accomplishments for a member who has exhibited a history of volunteering time, effort, and impactful contributions to support the association and the fresh produce industry. This year, the FPAA was honored to announce Walter Ram, Vice President of Food Safety at Giumarra Companies, as the 2021 recipient. With over 45 years of experience, Ram is considered a food safety expert among his peers. In addition to his role at The Giumarra Companies, Ram has dedicated countless hours working with various government agencies to develop food related plans and guidelines for the entire produce industry. Throughout his career, Ram has been active with many groups including the United Fresh Produce Association's Food Safety and Technology Council, the Center for Produce Safety Technical Committee, and the CPMA Food Safety Committee.



ESSENTIAL WORKER BREAKFAST

The FPAA proudly honored and celebrated the 2021 Member of the Year - The Essential Worker! Member companies had the opportunity to celebrate their teams at our breakfast event!



ADVOCACY TRIPS

WASHINGTON D.C. ADVOCACY



MEXICO ADVOCACY



STUDIES

- Impact of COVID-19 on U.S. Fresh Tomato Markets – Story Map
- Inspections and Non-Tariff Barriers on “Perishable Imports” at the Mexico-US Border: Legal Limits and Best Practices
- Mexican Fresh Tomatoes: Agribusiness Value Chain Contributions to the U.S. Economy
- Examining Agricultural Support and Subsidies in the U.S. and Mexico
- Impact of COVID-19 Pandemic on Fresh Tomato Shipments and Prices
- Potential Economic Impact of Cold Inspection Facility Upgrade at Mariposa Port of Entry, Nogales, AZ
- Bi-National Business Linkages Associated with Fresh Produce and Production Sharing: Foundations and Opportunities for Nogales and Santa Cruz County
- The Fresh Produce Industry in Nogales, Arizona: Economic Impacts and Challenges
- Economic Impact of Restricting Tomato Imports to the U.S.
- U.S. Cucumber Supply Report
- U.S. Bell Pepper Supply Report

*****ALL STUDIES CAN BE FOUND AT WWW.FRESHFROMMEXICO.COM*****

ABOUT OUR MEMBERSHIP

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

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.



LEARN ABOUT OUR BENEFITS

Contact:

Emmis Yubeta

Director of Membership & Events

emmis@freshfrommexico.com

STAFF LETTER

Dear Members,

When I started with the FPAA in November of 2001, I would never have imagined all the ways this industry would evolve and change over the last 21 years. You get to know a lot about an industry and the people in it.

I have known many of you since I started with the association and have watched some of your kids come of age and start working alongside you in the family business. I have mourned with many of you as we have said goodbye to beloved industry members. I have seen new companies form, and I have watched the emergence of new import regions, new growing regions, and new commodities being grown. I have celebrated with you as each new member joins the FPAA.

I have worked with so many of you on our ongoing trade issues and new issues that arise, like the recent ITC hearings or the creation of the US-Mexico-Canada Agreement. We have traveled to Washington, DC together to tackle the issues of the day and form strong relationships with elected officials and government regulators that impact your businesses. We have all learned to weather a global pandemic, a changing workforce, and changing consumer habits.

The main constant has always been change. During my two decades of working for this industry, change is always happening. With that, I'm proud that the FPAA has been able to change and adapt as well under the leadership of our members. Our board and our members at large come together in the FPAA to make sure the association adapts and changes to be one of your strongest assets.

Our goal as always is to protect our members, to make it easier for you to do the business of bringing high quality fresh produce to consumers. We continue to advocate for the things you need to be able to operate. We will continue to answer your questions and provide you with accurate information, and we will continue to change to meet your needs.

This summer and fall, the FPAA underwent a thorough strategic planning process that involved extensive research among our members, our allies, and non-members to make sure we are poised to best meet your needs in the next 5 years and beyond. Many of you participated in interviews with our researchers, focus groups, and surveys to best guide your association moving forward. Thank you for your partnership in helping the FPAA continue to adapt and change, and thank you for all your work in continuing to provide the fresh fruits and vegetables that consumers have come to expect.

Allison Moore

Executive Vice President



STAFF LETTER

Dear FPAA Members,

Through this past year we have transitioned to provide both the online services we have offered you in the past couple of years and the in-person services that are important for many types of events. We have adapted to a hybrid environment to better serve you.

We discovered that for many of you, having a webinar or a meeting online is sometimes more convenient. Additionally, we now get to see and hear more often from those of you that are outside of Arizona or that didn't have time to come to the office for a meeting. We value your involvement! Thanks to this technology we have been able to grow our community.

We also learned that you really value getting together at the FPAA convention and other events, and this is the reason we have resumed our in-person events and we are working to make them bigger and better. Catching up with many of you and meeting some of you that I had only met online at these events has been a pleasure.

Last year we celebrated the first breakfast for the Produce Essential Workers. The breakfast was our way to commemorate the hard work of our industry workers during the pandemic. We wanted to express our appreciation by sharing a meal with your employees; without them, we would not be here. We are proud of this event, and we hope to continue having this breakfast every year.

This brings me to the point that the FPAA team has been working to meet with all of you in the coming months. If we have not knocked on your door lately, don't worry we will, regardless of where your office is located. As I mentioned, your input on how we can serve you better is very important to us. This also helps us stay up to date on the commodities that you handle and any other information that you believe will augment our services for you. One of the many benefits of your FPAA membership is that we provide seminars such as Media Training, Crisis Management, Food Safety, Tomato Suspension Agreement Updates, and more. These informational seminars enhance the growth and evolution of your ever-changing business. If you ever have an idea for a webinar or training event, let us know!

I would like to conclude by stating that we are here for you. Our mission is to foster the success of member companies, and we take this very seriously.

Sincerely,

Georgina Felix

Director of Operations
& Foreign Affairs



ACHIEVING SUCCESS

USTR AGREES WITH FPAA, REJECTS FLORIDA CONGRESSIONAL PETITION FOR SECTION 301 INVESTIGATION ON MEXICAN FRESH PRODUCE

Background:

On September 8, Members of the Florida Delegation petitioned the U.S. Trade Representative to initiate a Section 301 Investigation on Mexican fruits and vegetables. USTR had 45 days from the date of the petition to determine whether to initiate the investigation. FPAA and its partners, including the North American Produce Coalition, mounted a defense to reject the petition.

The FPAA and partners asked Members of Congress to contact the USTR to oppose the Florida Members' petition for a 301 Investigation on Fresh Produce Imported from Mexico. About two dozen U.S. Congressmen contacted USTR to register their opposition or concern about the Florida 301 petition. A group of more than 20 U.S. organizations involved in agriculture trade sent a letter to USTR announcing their opposition to the Florida 301 petition.

After extreme political pressure from the Southeast, an additional outpouring of letters and political efforts was manifested from groups opposed to the Florida petition. Groups including the Corn Refiners of America, the Northwest Horticultural Council and many others. On Oct. 23, the USTR formally rejected the Florida 301 request, instead opting to create advisory committees to review trade concerns

A Supermarket Disaster Averted

If USTR had initiated a 301 Investigation that was not supported by facts that could have resulted in tariffs or quotas, it could have drastically added to food inflation by increasing the price of fruits and vegetables at a time when Americans can least afford it. Such an action would have also resulted in retaliatory tariffs or quotas on American farmers who export to Mexico, America's second largest export market.

In its filings with USTR, the FPAA cited numerous reasons to reject the petition.

Trade Issues Between the U.S. and Mexico Should be Discussed under the Current USMCA Mechanisms, Not Unilaterally

The USMCA and its dispute settlement mechanism are designed for regional cooperation between the U.S., Mexico, and Canada. The USMCA should preempt the U.S. from taking unilateral actions like Section 301 investigations against its closest allies Mexico and Canada.

Mexico has consistently honored trade agreements, including about the use of subsidies to their own industries, research shows.

While the Florida delegation cited "unfair subsidies," they ignore the fact that U.S. agriculture is far more subsidized than Mexican agriculture. According to a recent University of Arizona analysis¹, since 1995, the U.S. has used up to 41% of its allowable subsidies, while Mexico has averaged just 2%.¹ Taking unilateral trade action against Mexican agriculture products would expose the U.S. to retaliatory action against U.S. exports of agricultural products that have similar and greater subsidies.

OUR MEMBERS

1st Bank Yuma
(520) 397-9220
www.1stbankyuma.com

A&A Organic Farms
(831) 768-0300
www.aaorganic.com

A & E Specialty Marketing, LLC
(520) 281-1369

Agri-Packing Distributors, Inc.
(520) 761-3816
www.agripacking.net

AgroSupport of México
+52 (667) 713-9592
www.agsm.mx

AgTools
(714) 366-3225
www.ag.tools

AMHPAC
+52 (667) 715-5830
www.amhpac.org

Andrew & Williamson
(619) 661-6004
www.andrewwilliamson.com

Atlas International CHB
(520) 281-4267
www.atlaschb.com

AZ Food Bank Network
(520) 281-2790
www.azfoodbanks.org

Bayer Crop Science
(520) 271-6375
www.seminis.com

Bernardi & Associates, Inc.
(209) 669-3445

C & V, LLC
(520) 377-9070

Cactus Melon Dist. Inc.
(520) 281-9294
www.cactusmelondist.com

Calavo Growers Inc.
(520) 281-2644
www.calavo.com

Certified Group
(516) 576-1400
www.certified-laboratories.com

Ciruli Brothers
(520) 281-9696
www.cirulibrothers.com

Coast Produce Company
(520) 377-0732
www.coastproduce.com

Convera
(770) 401-5505
www.convera.com

Crown Jewels Produce
(520) 281-2325
www.crownjewelsproduce.com

Del Campo Supreme
(520) 281-4733
www.delcampo.com.mx

Divine Flavor LLC
(520) 281-8328
www.divineflavor.com

Double Tree Castle, Inc.
(520) 761-1110
www.doubletreecastleinc.com

Eagle Eye Produce
(520) 377-2982
www.eagleeyeproduce.com

EarthBlend LLC
(520) 761-1135
www.earthblend.net

Edward Jones Investments
(520) 398-2785
www.edwardjones.com

Enza Zaden
(831) 754-2300
www.enzazaden.com

Farmer's Best International, LLC
(520) 281-1411
www.farmersbest.com.mx

Flavor King Farms
(520) 761-4511
www.flavorkingsfarms.com

First Interstate Bank
(520) 820-5447
www.firstinterstatebank.com

Frank's Distributing of Produce, LLC
(520) 281-0896
www.frankdist.com

Frello Fresh, LLC
(520) 394-6220
www.frellofresh.com

Fresh Farms
(520) 377-0878
www.freshfarms.com.mx

Fresh International, LLC
(520) 281- 8060

Fresh Produce & Floral Council
(714) 739-0177
www.fpfc.org

Fresh-Link Produce, LLC
(831) 264-8550
www.freshlinkproduce.com

G. Mendez & Co., Inc.
(520) 761-5000
www.gmendez.net

Georgia-Pacific
(714) 272-5629
www.gpcorrugated.com

Go Green Logistics, LLC
(520) 281-0640
www.gogreenl.com

Greenhouse Produce Company, LLC
(772) 492-1492
www.greenhouse.net

Grower Alliance, LLC
(520) 761-1921
www.groweralliance.com

Harvest Pride, LLC
(520) 377-3810

iDeal HarBest, LLC
(619) 955-3468
www.iDealHarBest.com

IFCO Systems
(813) 463-4103
www.ifco.com

International Fresh Produce Association
(302) 738-7100
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www.sunripeproduce.com

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www.producepay.com

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