are simple. Strawberry growing and processing has a very high requirement for labor, ingredients, and supplies.

Labor costs in Mexico, both on the farm and in the plant, are less than 10 percent of such costs in the United States, Mexican sugar prices are about 53 percent, and 30-pound containers are roughly 94 percent of current prices in the United States.

The direct result of these and other similar advantages has been the extremely rapid growth of a fledgling industry in Mexico, based almost entirely on an export market, principally the United States.

Canada has also become an important export outlet for this production, and this export volume has almost completely replaced that formerly enjoyed by U.S. exporters.

The U.S. strawberry industry is not subsidized, nor is it asking for a subsidy. It has made every effort to help itself, but it cannot control imports.

The import duty has been lowered from 35 to 14 percent, which encourages imports.

Representatives of U.S. processors and growers met with Mexican processors and growers in 1963, and the Mexicans agreed to limit imports to quantities that would not unduly upset the balance of the U.S. market.

However, this voluntary approach was not successful, and imports continued to rise sharply.

This situation has resulted in instability in the American market, and uncertainty among growers.

This industry realizes that the U.S. must share its markets, but proposes that this share be limited to a formula based on a moving 5-year average of annual disappearance.

The average disappearance in the United States for the most recent 5-year period, 1962–63 through 1967–68, is 273 million pounds. During this same period, imports of frozen strawberries from Mexico have averaged 56.3 million pounds.

In the light of these figures, an annual quota of 20 percent for frozen strawberry imports would be reasonable, including fruit pastes and fruit pulps.

We suggest that a quota of, say, 20 percent of annual domestic disappearance of frozen strawberries be established for imports, based upon the average disappearance for the last 5 marketing years.

This sort of formula would enable foreign exporters to take advantage of increasing markets in the United States, or conversely, it would hold them to reasonable levels in a declining market. (See tables II and III.)

The market prices of Mexican imports in table III also reflect the growing problems of the U.S. strawberry growers and producers. These prices run 1 to 5 cents per pound below the U.S. market.

U.S. growers are faced with increasing demands for higher wages and benefits for farm labor. The grower is generally in favor of these increases, but grower returns are not sufficient to provide needed dollars without a higher market price.

Low prices of uncontrolled imported strawberries are a major factor in suppressing grower prices and the wages he can pay.

Strawberry growers and processors do provide a great many jobs for young people, both in the field, and in the processing plants. The