

TOMATO IMPORT SITUATION

The imports of Mexican tomatoes have doubled since 1955.

The following table summarizes the imports from 1955 through 1966, for 3-year periods.

Annual Average Tomato Imports in U.S. From Mexico for 3-year period

Years:	(Thousand of pounds)
1955-57-----	158, 456
1958-60-----	249, 011
1961-63-----	242, 452
1964-66-----	297, 166

According to a recent report (April 19, 1968) from the U.S. Department of Agriculture, "Mexico continues to encourage expanded investment under its 5-year development plan, initiated in 1966. Government investment for 1968 is projected at 11 percent above 1967, and private outlays are expected to increase by about 16 percent. Agricultural policy goals outlined by the government in September 1967 emphasized accelerated agrarian reform, expanded irrigation facilities, and improved farm practices."²

On the basis of this projection and other reports, which we have seen in trade papers and oral reports from qualified industry leaders who have been in Mexico, we expect a continued increase in tomato imports from Mexico unless some change is made in our trade policy as it affects tomatoes.

The import of tomatoes from Mexico during the past 10 years has been our greatest competition. This unfair competition from Mexico, where labor and other production costs are much lower than similar production costs in the United States, demand some kind of quota restrictions or other import controls during certain greenhouse marketing periods.

To illustrate the wide discrepancy in labor costs, a recent U.S. Department of Agriculture publication reported:

In 1966, the wage for unskilled labor (in Mexico) including social benefits, is \$1.72 for an 8-hour day, or 21½ cents per hour.³

At the present time, many of our members are paying hourly rates equivalent to and in many instances more than the Mexican daily rate.

According to this same U.S. Department of Agriculture report, about 75 to 80 percent of these tomatoes are imported in the United States during February, March, April and May. These months coincide closely with the months when greenhouse tomatoes are in production. If we would include the Mexican shipments for December and June (other important greenhouse tomato production months) over 80 percent of the Mexican tomatoes would be coming on our markets when greenhouse tomatoes are also being marketed.

To support this point further, the official U.S. Department of Agriculture reports on vegetables unloaded at Chicago, Ill.,⁴ show for example in 1967, the following situation:

² From ERS—Foreign 222, the Western Hemisphere Agricultural Situation, Review of 1967 and Outlook for 1968, Economic Research Service, U.S. Department of Agriculture, 1968.

³ FAS—M178, Survey of Mexican Vegetable and Melon Production, FAS, U.S. Department of Agriculture, 1966.

⁴ Fresh Fruit and Vegetable Unloads in Midwestern Cities, calendar year 1967, Consumer and Marketing Service, U.S. Department of Agriculture, 1968.