

possibility of even higher earnings on double pay overtime. Based upon this it can be seen that beside the actual cost of labor the cost of housing and training of the workers is considerable. Beside this there is a cost for schools, not only for the training of labor, but the cost of education for the children of the workers as well. The cost of building and maintaining these schools is borne by the growers with teachers furnished by the government. Added to this is the cost of land for housing plus half the cost of the actual house and the fact that some personnel are paid on a yearly basis even though the season is of six months duration. During the peak of the season many of the workers are brought in each morning from as far away as thirty to fifty miles and returned to their homes each evening, which is expensive as many of the growers in the United States who have to haul their workers for these distances very well know. It should be pointed out that from the standpoint of output the Mexican worker is inferior to the farm labor in use in the United States and that it takes several of the Mexicans to equal one of the workers normally employed in the U.S.

Equipment costs: Another very important cost factor to be considered is the cost of the equipment required in the growing of a crop in Mexico. These costs are exorbitantly high. This is an area where the U.S. grower enjoys a tremendous advantage. The government program on machinery and auto imports puts purchase prices for trucks, tractors, and parts 60-100 per cent higher than the U.S. prices. For a pick-up truck the U.S. farmer can buy in the U.S. for \$1,800.00 to \$2,000.00 the cost in Mexico may run \$3,200.00 Dls. and added to this the approximately 40 per cent higher cost for autos, cultivating equipment and tractors plus the 30-40 per cent additional cost for parts and the fact that each grower has to practically carry his own inventory of spare parts for repair and maintenance, because there is no telephone to reach to call the non-existent dealer a few blocks away as is enjoyed by the American farmer.

Packing materials: The American farmer has another distinct advantage when the packing material factor is considered. In the U.S. the material, or shook handlers, set up their own box making machinery, or independent operators make contracts for making up the boxes at the shippers shed, and the suppliers call on the shippers every day or so to see what materials will be required, with the shipper being billed at the end of the month for the supplies he has already used. In Mexico, this is not possible and the grower has to purchase at least half or at times his entire requirements for the season even before the crop has been fully planted. In the case where a Mexican shipper who ships half a million or more packages during the season, and most of the large operators generally have all needed materials on hand before the season starts for which their costs are the same as in the U.S. and in Mexico, the terms are cash on delivery. This involves a large investment plus extra warehouse space for storage.

Production and packout: In this area we will endeavor to point out some of the factors involved as to the reason for less production and packout than can be realized by a grower in the U.S. In the case of Tomatoes, which is the principal vegetable produced for export, the average production on the West Coast of Mexico is 1,500 boxes per hectare which at 24 pounds per box results in 14,400 kilos or 36,000 pounds per hectare or 14,400 pounds per acre of exportable tomatoes. While the production could reach as high as 25,000 kilos it would have to be with the addition of the culls. However, Mexico does not have the market for second grade tomatoes or culls that prevails in the U.S. due to the fact that export and import duties, freight and other charges make it prohibitive. For this reason the growers associations in Mexico establish and maintain a strict quality control which permits only shipment of first quality fruit resulting in the packing of only 30-45 per cent of the fruit picked, which in some cases may only be 25 per cent but perhaps will average 40 or less. The balance of 60 per cent or more, classified as culls or No. 2's are sold on the domestic market at from 8.00 to 12.50 pesos (.64¢ to \$1.00 U.S. Cy.) for a 65 to 70 pound crate. This price includes the cost of the crate which is a very crude container costing around 4.00 pesos (.32¢ U.S. Cy.). It can readily be seen that this is far from being a profitable operation. The growers associations in Mexico have placed a great deal of emphasis on high quality and as a matter of fact the export quality and grade restrictions are higher than those specified by the U.S. Department of Agriculture in their import requirements. Penalties are imposed on the growers for violations which are enforced by the representatives of the Associations at U.S. ports of entry. The growers in the U.S., if one considers the factors mentioned, can realize a far greater production and resulting packout and are in a position to find a market for their No. 2's in far greater returns.