Duties: One very important cost factor is the matter of American import duties, which on tomatoes ranges from 1.5¢ per lb. during December, January and February to 2.1¢ per lb. during the heavy shipping season. On the basis of 22 to 24 lbs. per two layer flats this amounts to approximately .46¢ per flat or approximately .70¢ per three layer lug of 33 lbs. Statistics show that Mexico ships more or less half each two layer flats and three layer lugs which will average roughly .58¢ per container for American duty. This is in addition to approximately 5¢ per lug for Mexican Export Tax. This of course is a cost that American growers do not have.

Freight costs: A most important cost factor which should not be overlooked is the transportation freight costs from the shipping point in Mexico to the U.S. border. From the Culiacan area which is 600 miles south of Nogales, Arizona the freight amounts to $520.00 U.S. Cy. per trailer, which on a load of half each flats and three layer lugs will average around .43¢ per package U.S. Cy. As freight to the middle West and eastern destinations in the U.S. is the same from either Nogales, Arizona or California, the California farmer would have another .43¢ per lug advantage. From the standpoint of a shipper in the State of Florida, he would likewise have an advantage due to the shorter distance and less freight costs to the large metropolitan cities and distribution outlets in the U.S. It has been estimated by many that the American farmer can grow an acre of tomatoes for what it costs the Mexican farmer in American duties, Mexican duties and freight from growing areas to the border alone.

Border crossing and handling charges: In this area we again have costs which the U.S. grower does not have. The handling of the crossing of a shipment of vegetables from Mexico requires the services of both a Mexican Customs House Broker and an American Customs House firm. They naturally charge a commission and take care of all the necessary paperwork and labor involved in getting a load cleared through the various inspections they must undergo. Some of the expenses covered by the Mexican Customs broker for the shippers account are Mexican Federal Export Taxes, Confederation charges, Production Taxes, Association fees, truck compound parking fees in addition to their commission. As for the American Custom House Broker who takes over the task at the point of entry as far as clearance through the U.S. Customs is concerned he of course makes a charge for commission and in addition pays the U.S. Import duties for the shippers account along with labor charges for Inspection in Nogales, Mexico and in Nogales, Arizona, plus a charge for entry documents and certificates of inspection.

Marketing and distribution: During the primary shipping season from the West Coast of Mexico (November–June) the only large source of fresh tomatoes for the U.S. and Canada are Mexico or Florida. Each year the USDA Consumer and Marketing Service publishes a report which shows totals of fresh fruit and vegetables unloaded in 41 key cities of the U.S. These figures do not show total movements from origins shown however, they do provide the best nationwide information that is available which indicates sources of supply for the various commodities. These cities represent over 60% of the total population living in urban areas. It was found that 71.1% of the population of these 41 cities lives east of the Mississippi River. 28.9% live between the Mississippi River and the West Coast. This same report showed that of the total of 37,729 tomato unloads in 1966, 11,436 or 30% came from Florida, 11,329 or 30% came from California, 6,259 or 16.5% came from Mexico and the rest, 23.5% came from many other areas of the U.S. When this is further reduced to a seasonal study and we take into consideration only the period of November to June, Florida and Mexico are the only important sources of tomatoes. During 1966, 82% of all Mexican tomato unloads went to cities west of the Mississippi. Only 18% went east of the Mississippi. That same year, 90% of all Florida tomatoes went east of the Mississippi River with 10% shipped to areas in the West. In view of these facts it becomes clear and apparent that we are not in competition with Florida shippers. Simply, Mexican tomatoes supply the west. Florida tomatoes supply the east.

Summary and conclusions: It cannot be denied that statistics show a sizable increase in the last ten years of imports of fresh fruits and vegetables from Mexico for consumption in the U.S. and Canada, however, it is a well known and established fact by those in the industry that the production of fresh fruits and vegetables in the U.S. during the winter months, when West Mexico is in production. will not begin to supply the domestic needs and were it not for