



Division of Marketing and Development

Subject: Mexico's Ag-Exports Impacts on Florida Agriculture

August 1, 2022V7

August 26, 2021V6, March 18, 2020V5, January 16, 2019V4, October 25, 2018V3, June 23, 2017; V2-Updated, March 15, 2017; V1-Original

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Mexico’s Agricultural Export Expansion to the U.S. 11

Mexico’s Production Areas..... 13

Florida’s estimated employment losses to our agricultural sector 14

Florida’s estimated lost agricultural sales and associated indirect tax revenue losses 15

Florida’s estimated lost farming acreage 15

An Example of Florida’s Market Share and Competitive Challenges..... 17

Changing Market Share for Florida Farmers in the U.S.; 2001 v 2021 (Volume) 18

Point of Entry, Terminal Markets and General Shipping Costs 21

DEEPER ANALYSIS OF SIX FLORIDA COMMODITIES 22

 BELL PEPPER Analytics/Market Share Shifts 22

 TOMATO Analytics/Market Share Shifts 25

 STRAWBERRY Analytics/Market Share Shifts..... 30

 BLUEBERRY Analytics/Market Share Shifts 35

 CUCUMBER Analytics/Market Share Shifts..... 38

 SQUASH Analytics/Market Share Shifts 42

Supplement 1: Market Share Trends for all Market News Commodities as of July 2022 47

Border crossings often cited in USDA Movement data and FDACS graphics



Directive and Guidelines (National Trade Policy Agenda Objectives Highlights)

“Examine the historical changes of Florida agricultural production that may have been adversely impacted by Mexican fresh ag-exports from 2000-2022. Determine if any acts, policies or practices have burdened and/or restricted Florida commerce. Determine if there are signs of any reduced, stunted or negatively impaired Florida sales, pricing, distorted pricing positions, hampered growth, profitability and/or market share losses since the North American Free Trade Agreement (NAFTA) was implemented. Establish baseline data positions as the United States-Mexico-Canada Free Trade Agreement (USMCA) is implemented for future analysis.

With an emphasis on 2000-2022, focus on findings, trends and/or practices which distort markets, undermine U.S. (Florida) competitiveness; identify these instances and negative market conditions impacts, with a special emphasis on the last 3-5 years, that appear pertinent. Furthermore, where possible, isolate and estimate any negative impacts, unreasonable acts, policies and/or factors associated with Mexican agricultural exports to the United States (Florida) which appear particularly injurious and/or harmful to Florida Agriculture’s seasonal & perishable product sector.”

Nandkumar Divate

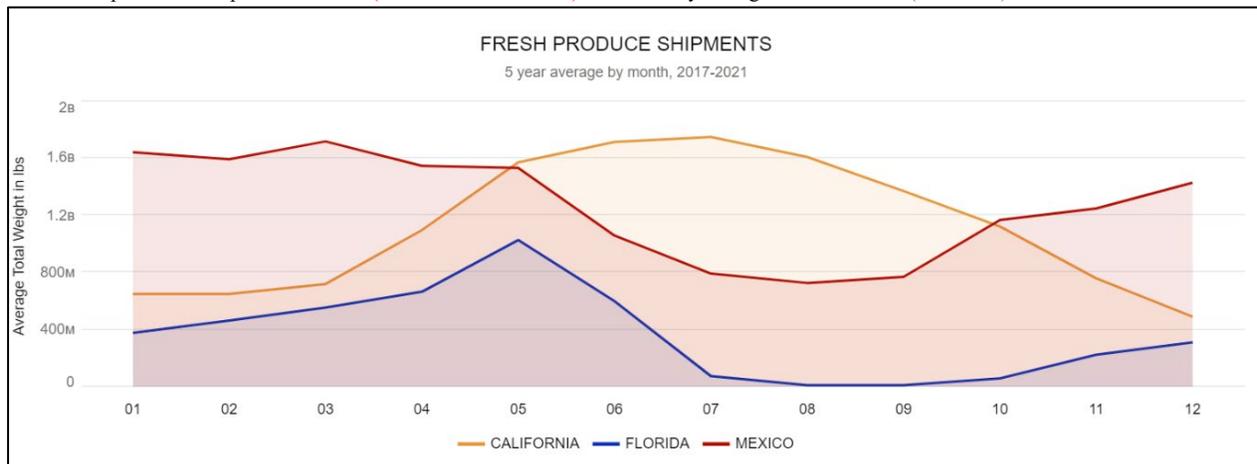
Chief, Bureau of Strategic Development, FDACS



Data Sources include:

- USDA AMS Market News; Movement and Shipping Point Data sets
- FDACS DIVISION OF MARKETING ANALYTICS
- FDACS HISTORICAL RESEARCH AND SUPPLEMENTALS
- USMCA
- U.S. Census Bureau; USATRADE database
- U.S.D.A. NASS/FASS
- USDA ERS
- GOOGLE MAP

Imports of seasonal & perishable crops from Mexico (Chart Below-Red Line) occur heavily during Florida’s season (Blue Line).



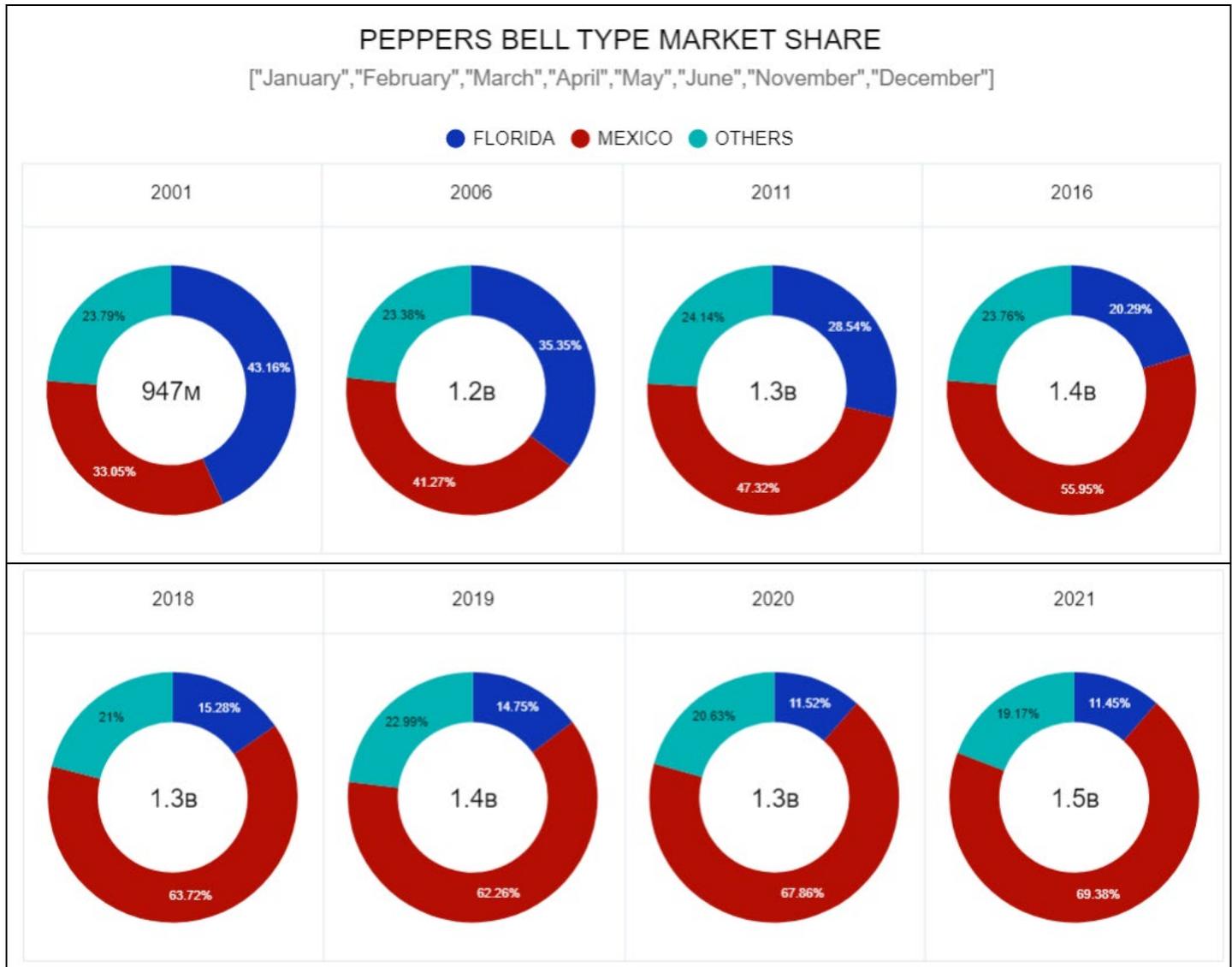
EXECUTIVE SUMMARY

Florida and Mexico produce a wide array of similar agricultural products during much of the year when most domestic U.S. producers are dormant. This report demonstrates that Florida producers continue to suffer a disproportionate economic injury. Florida values of production for 2021-2022 are included where available at the time of this writing.

- Annually, Florida agricultural producers lost sales estimated at **10-20%** or **\$1.28 – \$2.56 billion** in total economic losses due to Mexico's ag-export expansion.
- **17,408 - 34,816 Florida jobs lost** based on \$1.28 - \$2.56 billion in total economic losses annually for Florida's economy.
- **\$43.1 - \$86.2 million in lost indirect tax revenues for Florida** based on \$1.28 - \$2.56 billion in total economic losses annually for Florida's economy.
- \$1.28 - \$2.56 billion in total economic losses annually for Florida's economy has an impact of **\$1.94 - \$3.89 billion to Florida's economy overall.**
- Between 2000-2021, **596%** increase of Seasonal & Perishable crop imports from Mexico.
- **\$26.7 billion** gap currently exists between Mexican ag-exports and Florida's total ag value.
- Over the last 5 years, the value of all commodities imported from Mexico grew by **60%** between 2016 – 2021 (**\$24.8 - \$39.6Bn**). For Seasonal & Perishable crops, the value of imports from Mexico grew **46%** in the last 5 years (**\$12.05 – 17.58Bn**).
- Florida's farmers have **80-92% domestic market share** for many Seasonal & Perishable crop commodities during **November to April growing season**. Any unfair competitive disadvantages during this period disproportionately affect Florida.
- Florida's market share (volume) declined in each of the six primary commodities examined between 2001 - 2021:
 - **Bell Peppers** - Florida lost **73%** Market Share between 2001 and 2021 from November – June. Mexico gained **110%** Market Share during that same time frame. The change in total U.S. supply between 2001 and 2021 is **534** million pounds, an expansion of **56.4%**.
 - **Tomatoes, Rounds** - Florida lost **54%** Market Share between 2001 and 2021 from November – June. Mexico gained **99.5%** Market Share during that same time frame. The change in total U.S. supply between 2001 and 2021 is **185** million pounds, a decline of **7.95%**.
 - **Strawberries** - Florida lost **32%** Market Share between 2001 and 2021 from November – March. Mexico gained **239%** Market Share during that same time frame. The change in total U.S. supply between 2001 and 2021 is **491** million pounds, an expansion of **179%**.
 - **Blueberries** - Florida lost **68%** Market Share between 2001 and 2021 from November – March. Mexico gained **1,197%** Market Share between 2011 and 2021 during those same months. The change in total U.S. supply between 2001 and 2021 is **195** million pounds, an expansion of **2,954%**.
 - **Cucumbers** - Florida lost **72%** Market Share between 2001 and 2021 from October – May. Mexico gained **23%** Market Share during that same time frame. The change in total U.S. supply between 2001 and 2021 is **758** million pounds, an expansion of **117%**.
 - **Squash** - Florida lost **59%** Market Share between 2001 and 2021 from November – May. Mexico gained **9%** Market Share during that same time frame. The change in total U.S. supply between 2001 and 2021 is **609** million pounds, an expansion of **127%**.
- Florida and Mexico approximate U.S. domestic share of market comparing **2006 to 2021**:
 - **-36%** Florida
 - **+160%** Mexico

OUR COMPETITIVE ENVIRONMENT: ANALYTICS AND MARKET SHARE

The following six pages utilizes analytics to examine where the weight of Mexican competition falls as it relates to Florida production in six (6) commodity areas focused on in this study; bell peppers, fresh tomatoes, strawberries, blueberries, cucumbers, and squash. Additionally, researchers explored the changes occurring over the last two (2) decades as they relate to market share positions between Florida and Mexico and any notable differentials in the last 3 years.



-73.47% **Loss of Florida Market Share between 2001 and 2021**

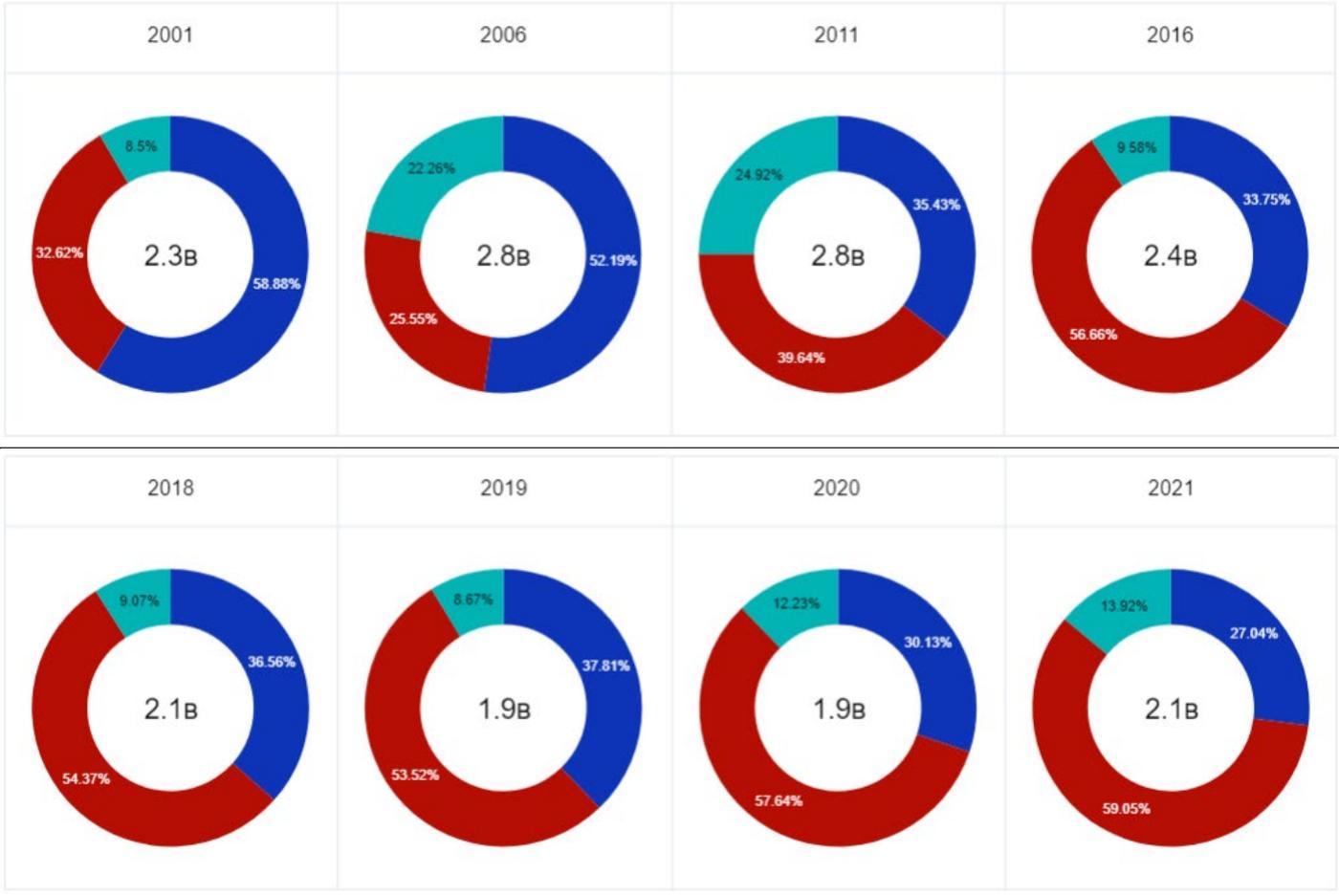
+110% **Mexico's increase in Market Share in the U.S. between 2001 and 2021**

+56.4% **Change in total U.S. supply between 2001 and 2021 is 534 million pounds**

TOMATOES MARKET SHARE

["January", "February", "March", "April", "May", "June", "November", "December"]

● FLORIDA ● MEXICO ● OTHERS



-54.1% **Loss of Florida Market Share between 2001 and 2021**

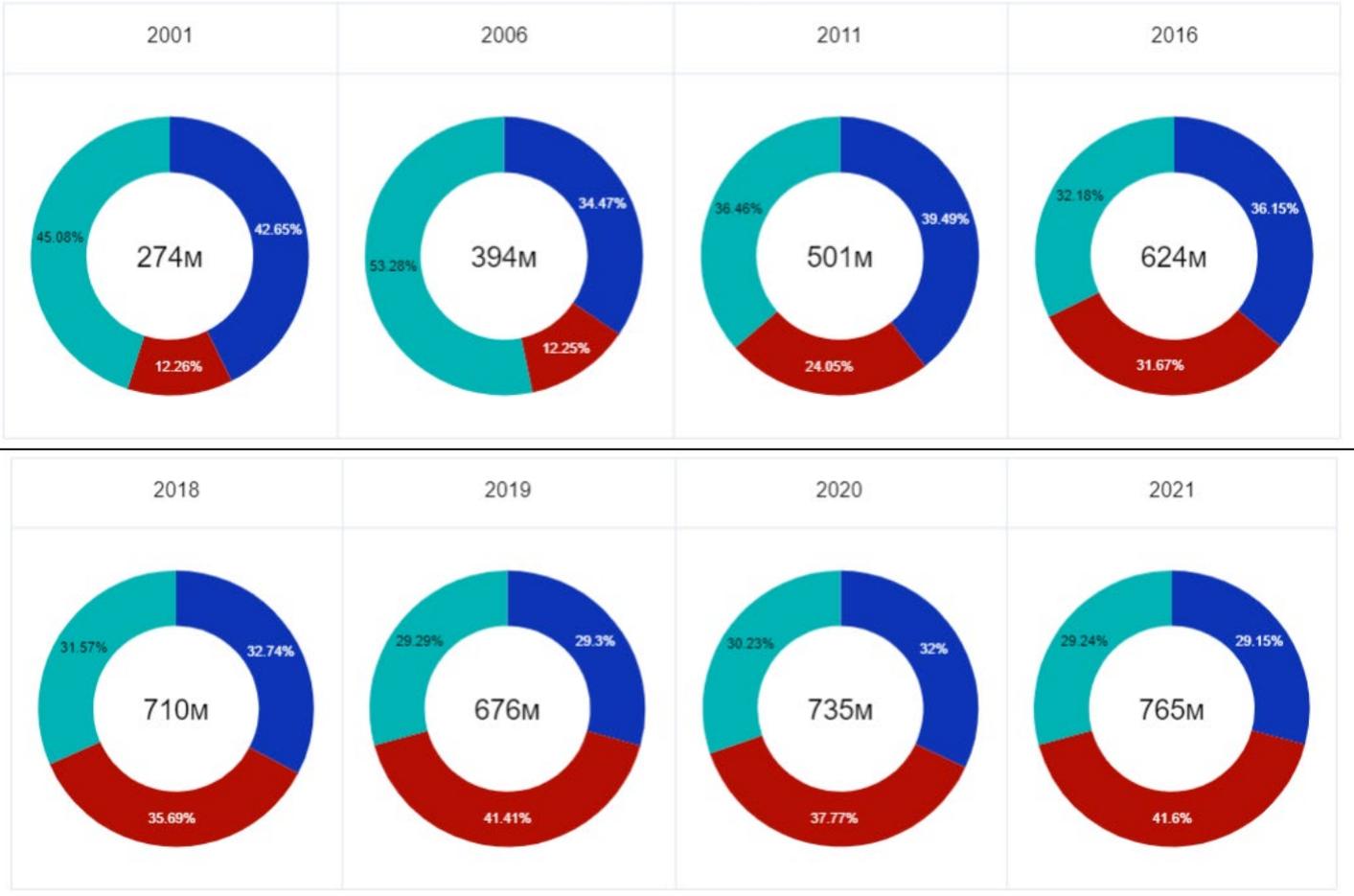
+99.5% **Mexico's increase in Market Share in the U.S. between 2001 and 2021**

-7.95% **Change in total U.S. supply between 2001 and 2021 is down 185 million pounds**

STRAWBERRIES MARKET SHARE

["January", "February", "March", "November", "December"]

● FLORIDA ● MEXICO ● OTHERS



-31.65%

Loss of Florida Market Share between 2001 and 2021

+239%

Mexico's increase in Market Share in the U.S. between 2001 and 2021

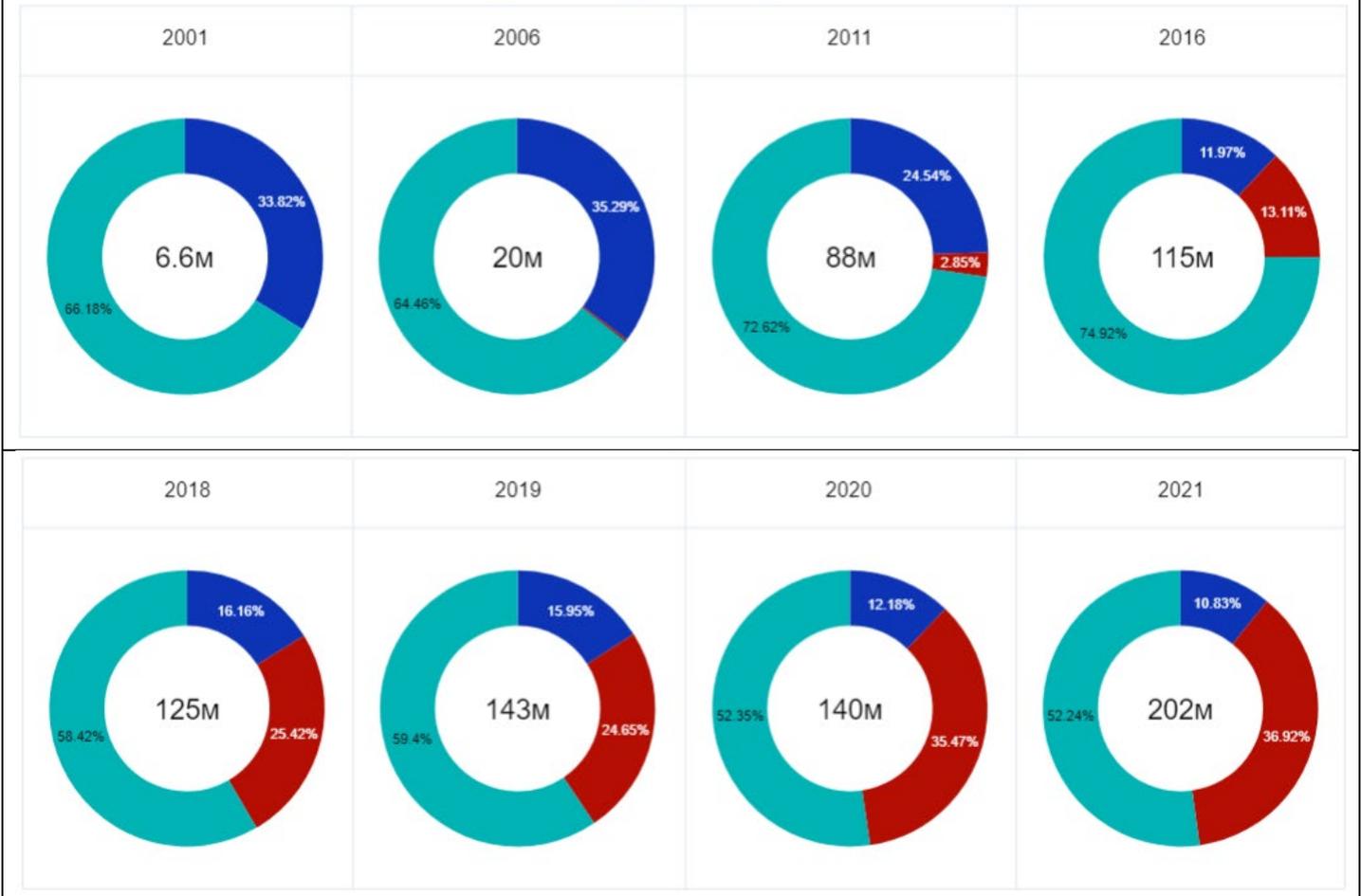
+179%

Change in total U.S. supply between 2001 and 2021 is 491 million pounds

BLUEBERRIES MARKET SHARE

["March", "April", "May"]

● FLORIDA ● MEXICO ● OTHERS



-67.97% **Loss of Florida Market Share between 2001 and 2021**

+1,197% **Mexico's increase in Market Share in the U.S. between 2011 and 2021**

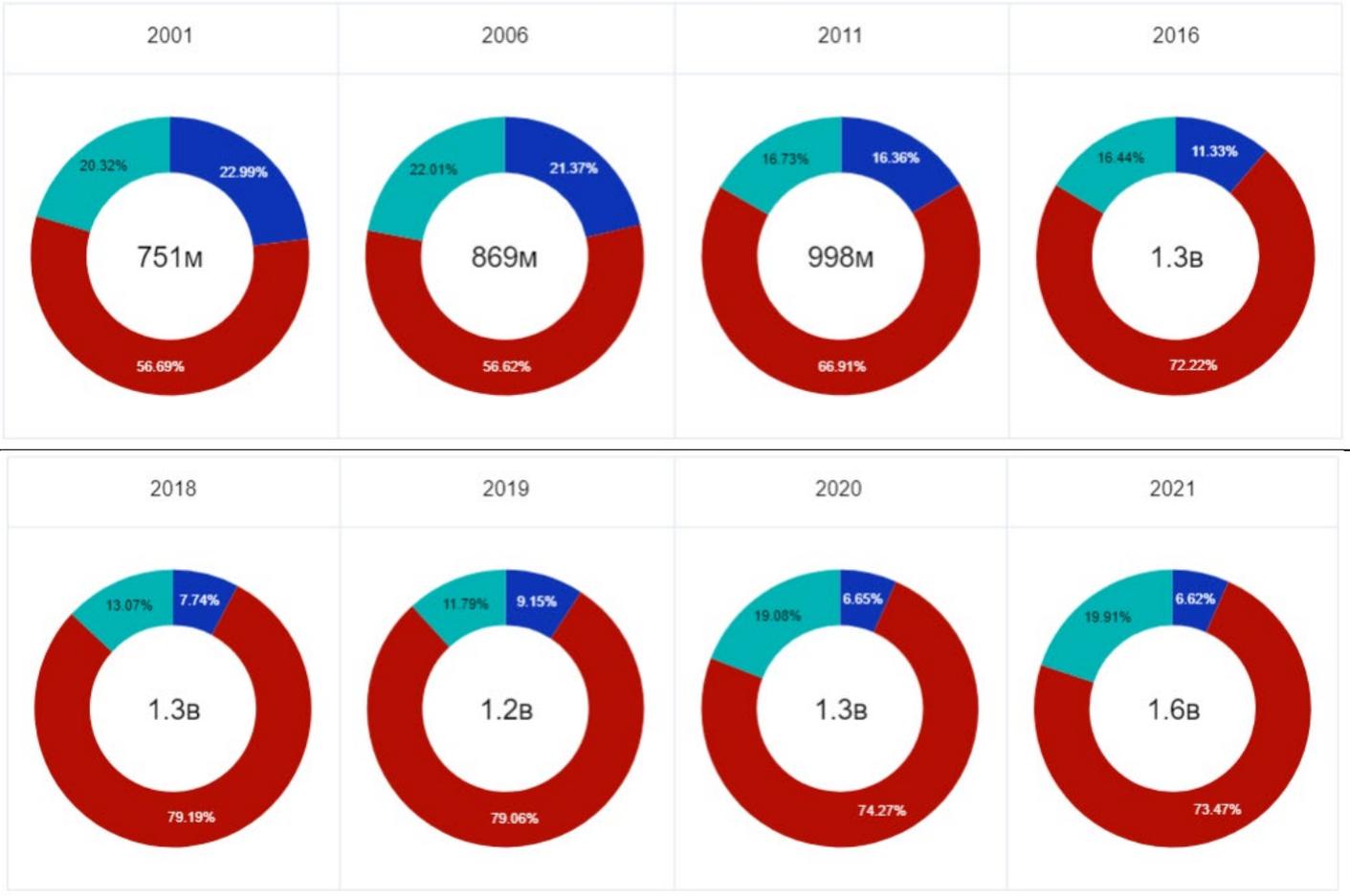
+2,954% **Change in total U.S. supply between 2001 and 2021 is 195 million pounds**

Noteworthy increase **Within 12 years of entering the market in 2009, Mexico expanded from 1.35%MS to 36.92%, 2,954%**

CUCUMBER MARKET SHARE

["March", "April", "May", "October", "November", "December"]

● FLORIDA ● MEXICO ● OTHERS



-71.94% **Loss of Florida Market Share between 2001 and 2021**

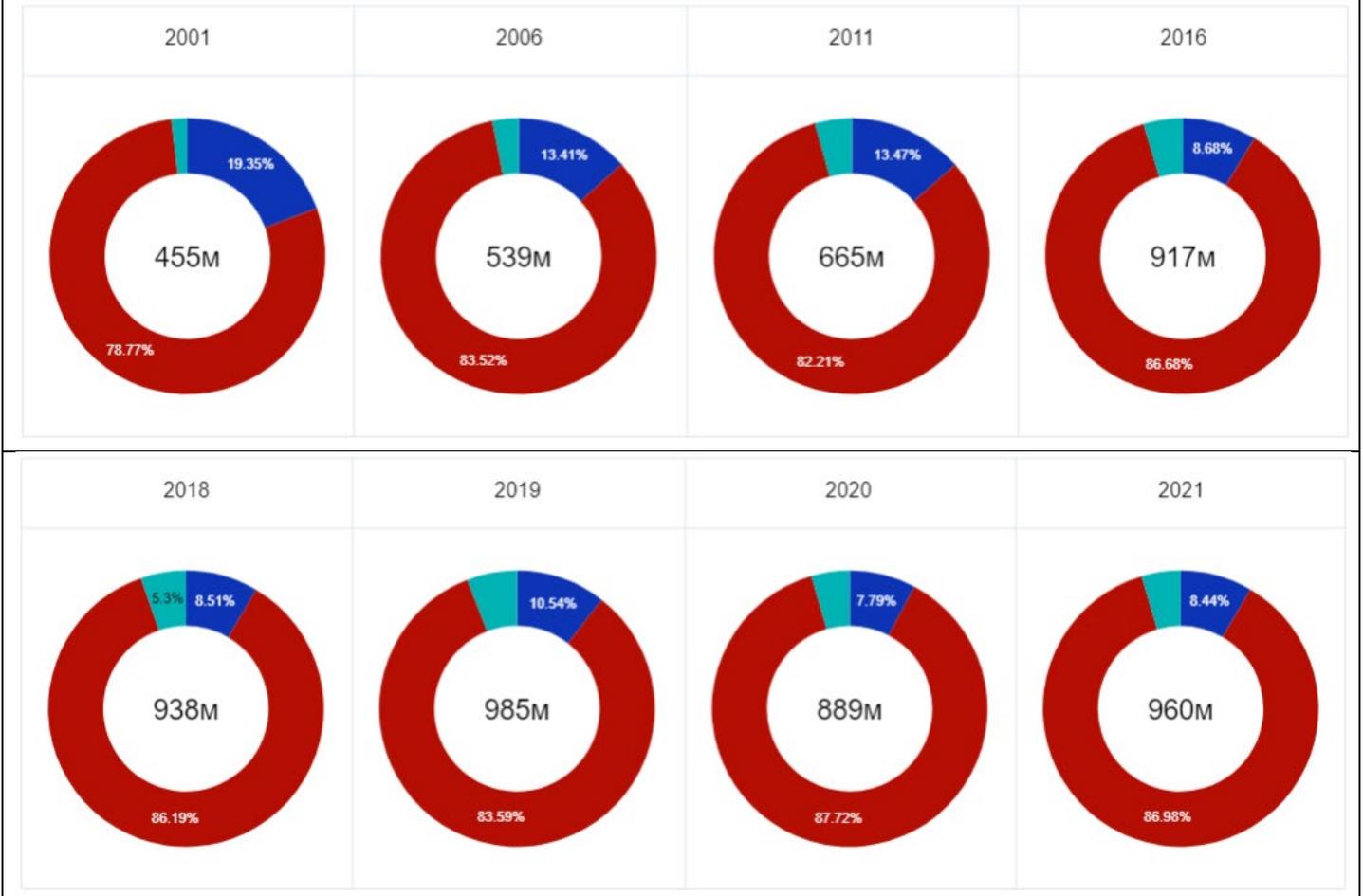
+23.19% **Mexico's increase in Market Share in the U.S. between 2001 and 2021**

+117% **Change in total U.S. supply between 2001 and 2021 is up 758 million pounds**

SQUASH MARKET SHARE

["January", "February", "March", "April", "May", "November", "December"]

● FLORIDA ● MEXICO ● OTHERS



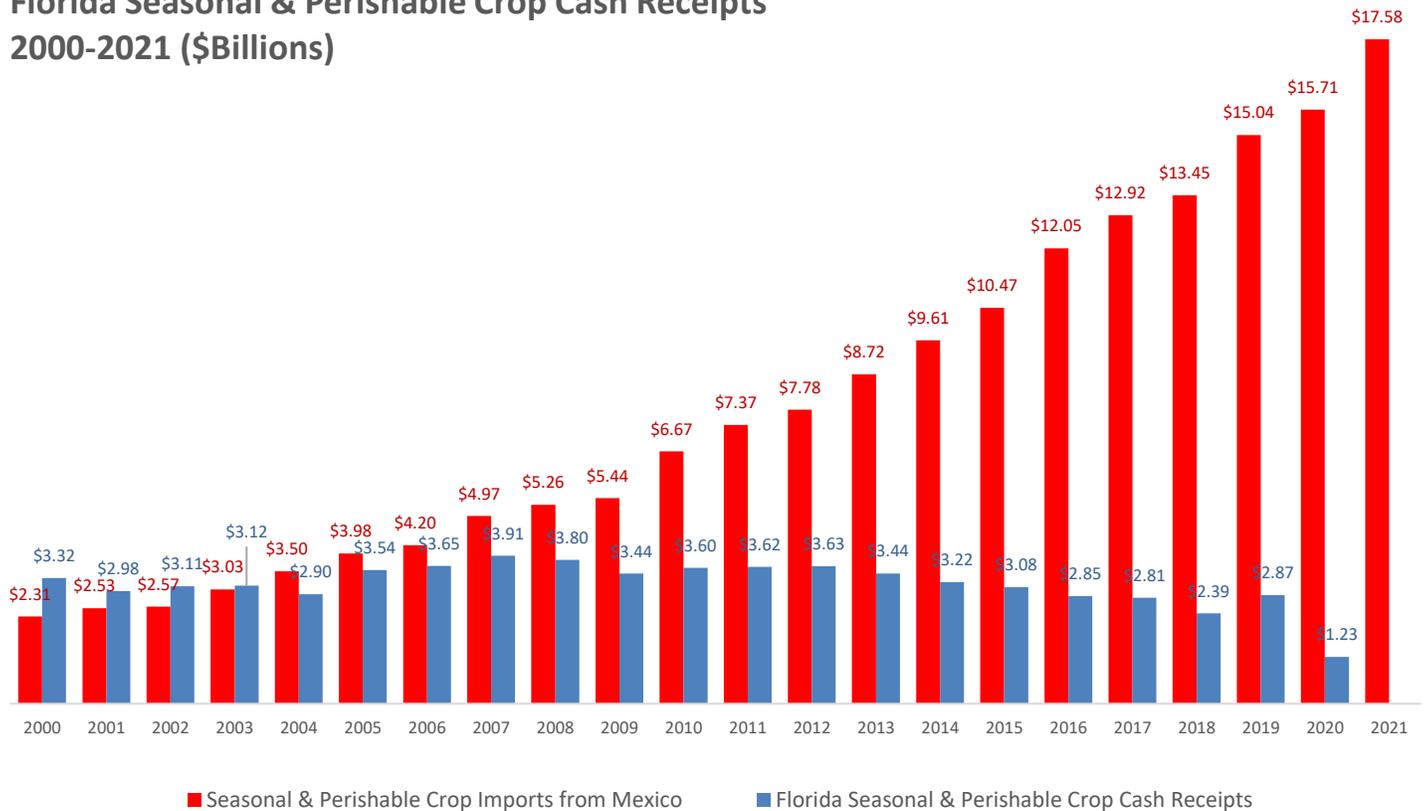
-59.33% **Loss of Florida Market Share between 2001 and 2021**

+9.31% **Mexico's increase in Market Share in the U.S. between 2001 and 2021**

+126.5% **Change in total U.S. supply between 2001 and 2021 is up 609 million pounds**

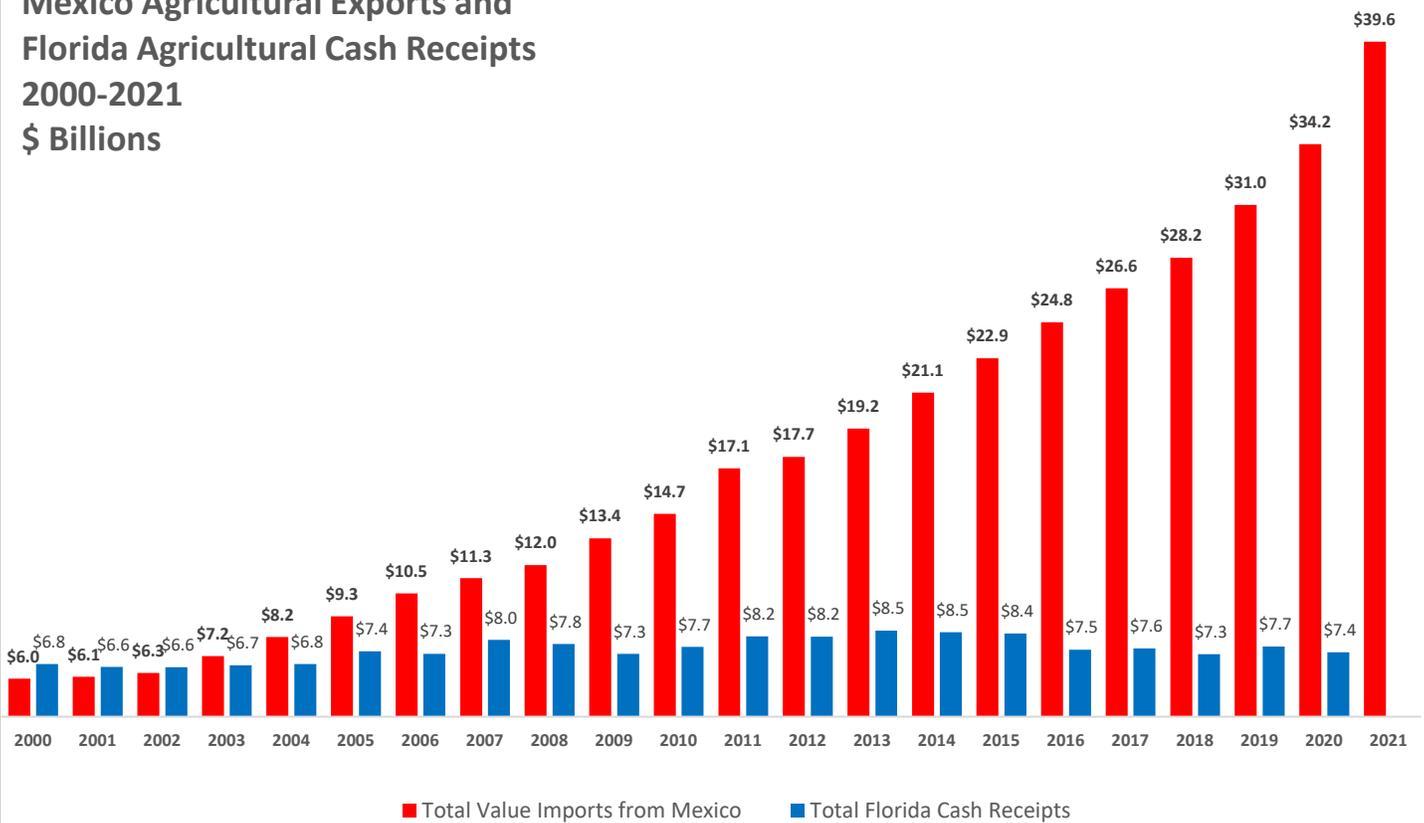
Mexico's Agricultural Export Expansion to the U.S.

Seasonal & Perishable Crop Imports from Mexico and Florida Seasonal & Perishable Crop Cash Receipts 2000-2021 (\$Billions)



- 1999: Five years after the signing of NAFTA, Florida Seasonal & Perishable crop production value was 44% higher than the value of Seasonal & Perishable crop imports from Mexico.
- 2004: Five years later, the value of imported Seasonal & Perishable crops from Mexico was 21% higher than the value of production for Florida Seasonal & Perishable crops.
- 2014: A decade later, the value of Seasonal & Perishable crop imports from Mexico was 198% higher than the value of production for Florida Seasonal & Perishable crops.
- 2001-2021: 596% increase in value of Mexican ag imports from 2001-2021 (\$2.5 - \$17.58Bn).
- \$12.8 billion: Gap between value of imported Seasonal & Perishable crops from Mexico and Florida Seasonal & Perishable crop value of production in 2020.

**Mexico Agricultural Exports and
Florida Agricultural Cash Receipts
2000-2021
\$ Billions**



- 2000: Six years after the signing of NAFTA, Florida’s value of production for the selected commodities was 25% higher than the value of products imported from Mexico.
- 2003: Three years later, the value of imports from Mexico was 22% higher than the Florida value of production for the selected commodities.
- 2011: The value of imports from Mexico was more than double the Florida value of production for the selected commodities in 2011.
- 2001-2021: 548% increase in the value of imports from Mexico for all agricultural commodities (\$6.1 - \$39.6Bn).
- \$26.7 billion Gap between value of all agricultural commodities imported from Mexico and Florida value of production for the same commodities in 2020.

Mexico's Production Areas

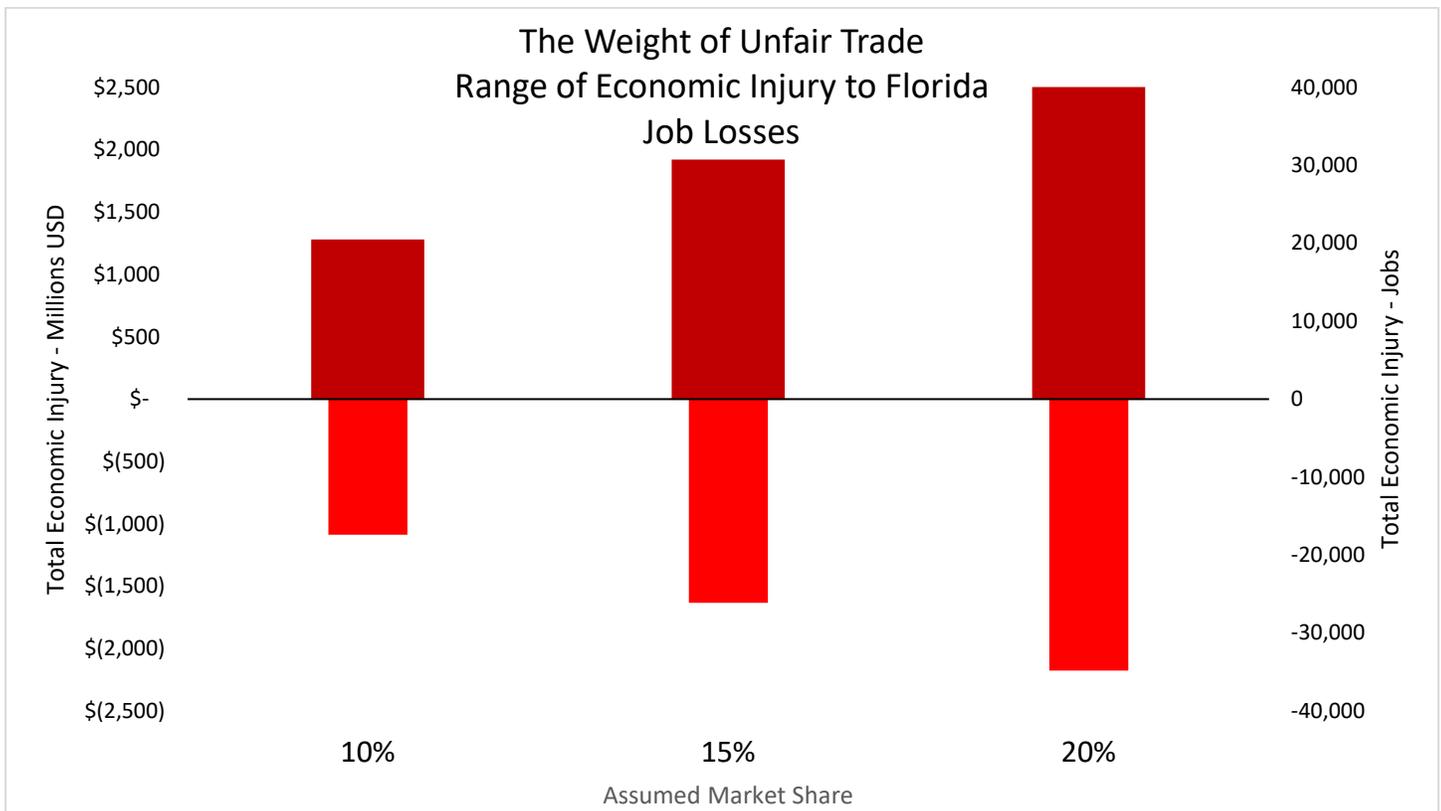


1: Map of seasonal & perishable crop production areas in Mexico based on research done by University of California, Davis (<https://migration.ucdavis.edu/farm-labor/blog/2018/05/03/mexican-fruit-vegetable-exports-farm-labor/>)

Florida’s estimated employment losses to our agricultural sector

A substantial portion of Florida and Mexico’s ag-production and exports is categorized as Seasonal & Perishable crops; berries, fruits, vegetables and citrus as well as other items. Conservatively, a proportion, ranging from 10-20%, of the \$12.8 billion gap between Florida Seasonal & Perishable crop value and the value of seasonal & perishable crop imports from Mexico could have been added to Florida seasonal & perishable crop cash receipts. This amounts to a loss of agricultural cash receipts of between \$1.28 and \$2.56 billion annually to Florida.

- 10-20%: Conservative range of the percentage of annually sustained lost sales from the \$12.8 billion gap between Mexico’s seasonal & perishable crop exports to the U.S. and Florida’s current seasonal & perishable crop cash receipts.
- \$1.28-\$2.56Bn: Annual loss of Florida cash receipts to multiple agricultural sectors producing an assortment of seasonal & perishable crops throughout the state.
- 17,208-34,816: Annual range of the total job losses in Florida ag based upon direct, indirect, and induced employment injuries from the loss of proportional estimates of unrealized agricultural sales.
- \$1.94-\$3.89Bn: Annual total economic effects injury to Florida’s economy based upon direct, indirect, and induced impacts from the loss of unrealized agricultural sales.



FDACS regularly communicates cash receipts values or value of production in terms of jobs supported, indirect tax revenue, and overall economic impact to stress the importance of the Florida agriculture industry to the state’s economy. These estimates are simple transformations of the value of production using multipliers derived from the University of Florida’s annual study on economic contributions of agriculture and related industries to Florida’s state economy.

\$1 million in additional cash receipts for Florida growers supports 13.6 jobs in the state, generates \$33,688 in additional tax revenue, and contributes \$1.5187 million in overall positive effects on the state economy.

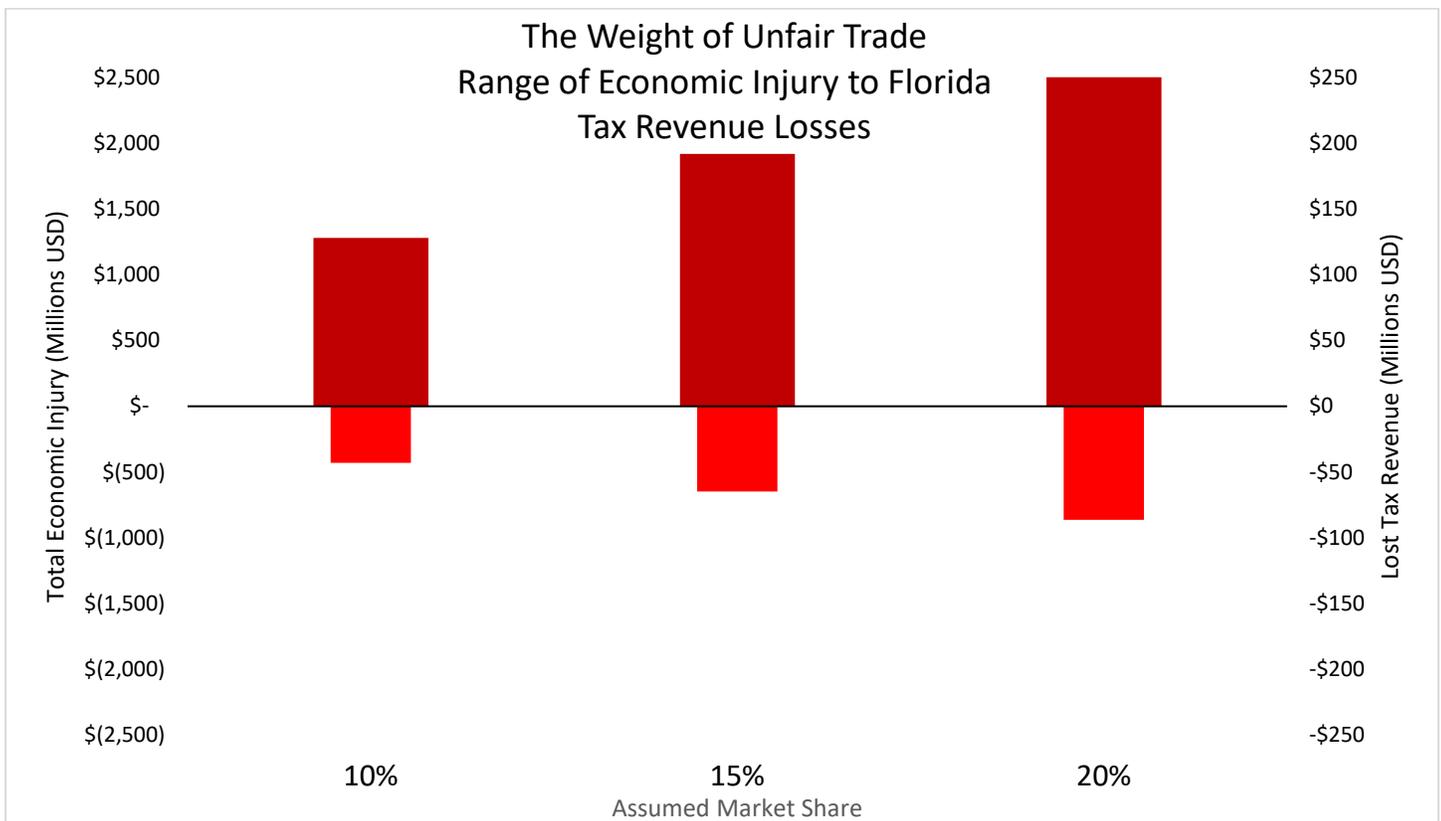
Florida’s estimated lost agricultural sales and associated indirect tax revenue losses

A secondary injury occurs to Florida’s state, county, and local governments as millions of dollars are lost from the sales revenues in the form of unrealized indirect tax revenues. Most of these injuries will be focused in 20 or so of the state’s 67 counties; however, every county has some amount of seasonal & perishable crop production. This amounts to a loss of agricultural indirect tax revenue receipts of between \$43.1-\$86.2 million annually to Florida.

10-20%: Conservative range of the percentage of lost indirect sales revenues from the \$1.28-\$2.56 billion which would have naturally evolved as part of the total annual Florida seasonal & perishable crop cash receipts.

\$1.28-\$2.56Bn: Annual loss of Florida cash receipts to multiple agricultural sectors which produce an assortment of seasonal & perishable crops throughout the state.

\$43.1-\$86.2Mn: Annual range of the total indirect tax revenue losses in Florida ag based upon injuries from the loss of unrealized agricultural sales.



FDACS regularly communicates cash receipts values or value of production in terms of jobs supported, indirect tax revenue, and overall economic impact to stress the importance of the Florida agriculture industry to the state’s economy. These estimates are simple transformations of the value of production using multipliers derived from the University of Florida’s annual study on economic contributions of agriculture and related industries to Florida’s state economy. \$1 million in additional cash receipts for Florida growers supports 13.6 jobs in the state, generates \$33,688 in additional tax revenue, and contributes \$1.5187 million in overall positive effects on the state economy.

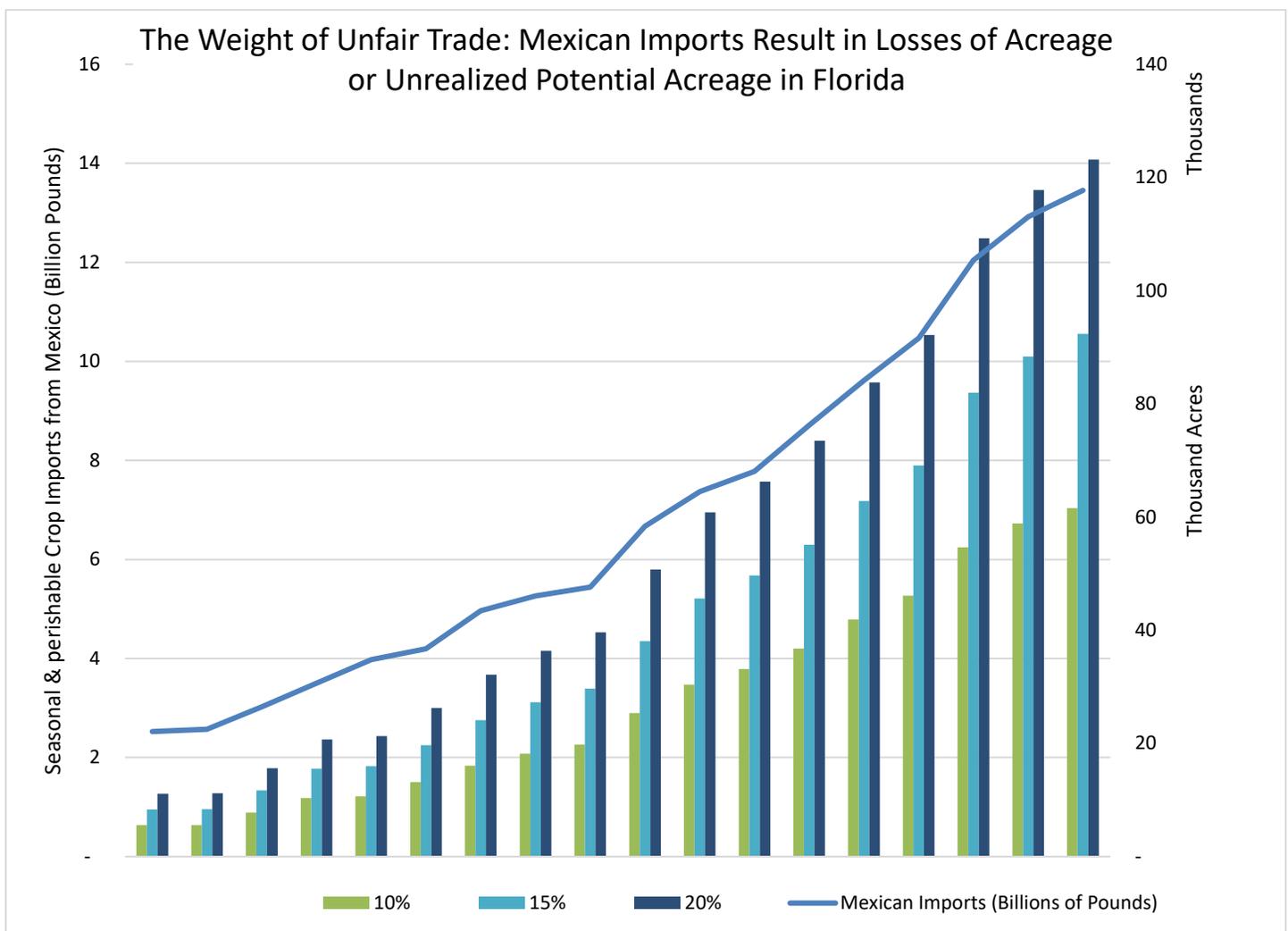
Florida’s estimated lost farming acreage

A long term and potentially irreversible loss and injury occurs to Florida’s state, county, and local governments over time as agricultural land that could have been retained, developed, or added to the existing agricultural sector is lost. These injuries occur from the artificial underutilization of farming acreage that Florida farmers would have naturally engaged in adding as seasonal & perishable product demand increased. Of the 737,000 seasonal & perishable crop acres throughout Florida between 62,000 and 123,000 extra acres would be required to meet the 10-20% demand.

10-20%: Conservative range of the percentage of lost indirect sales revenues from the \$1.3-\$2.6 billion which would have naturally evolved as part of the total annual Florida seasonal & perishable crop cash receipts.

\$1.3-\$2.6Bn: Annual loss of Florida cash receipts to multiple agricultural sectors which produce an assortment of seasonal & perishable crops throughout the state.

62-123k: Range of required Florida acreage needed to produce 10-20% of the difference in weight between seasonal & perishable crop imports from Mexico and Florida seasonal & perishable crop production.



An Example of Florida’s Market Share and Competitive Challenges

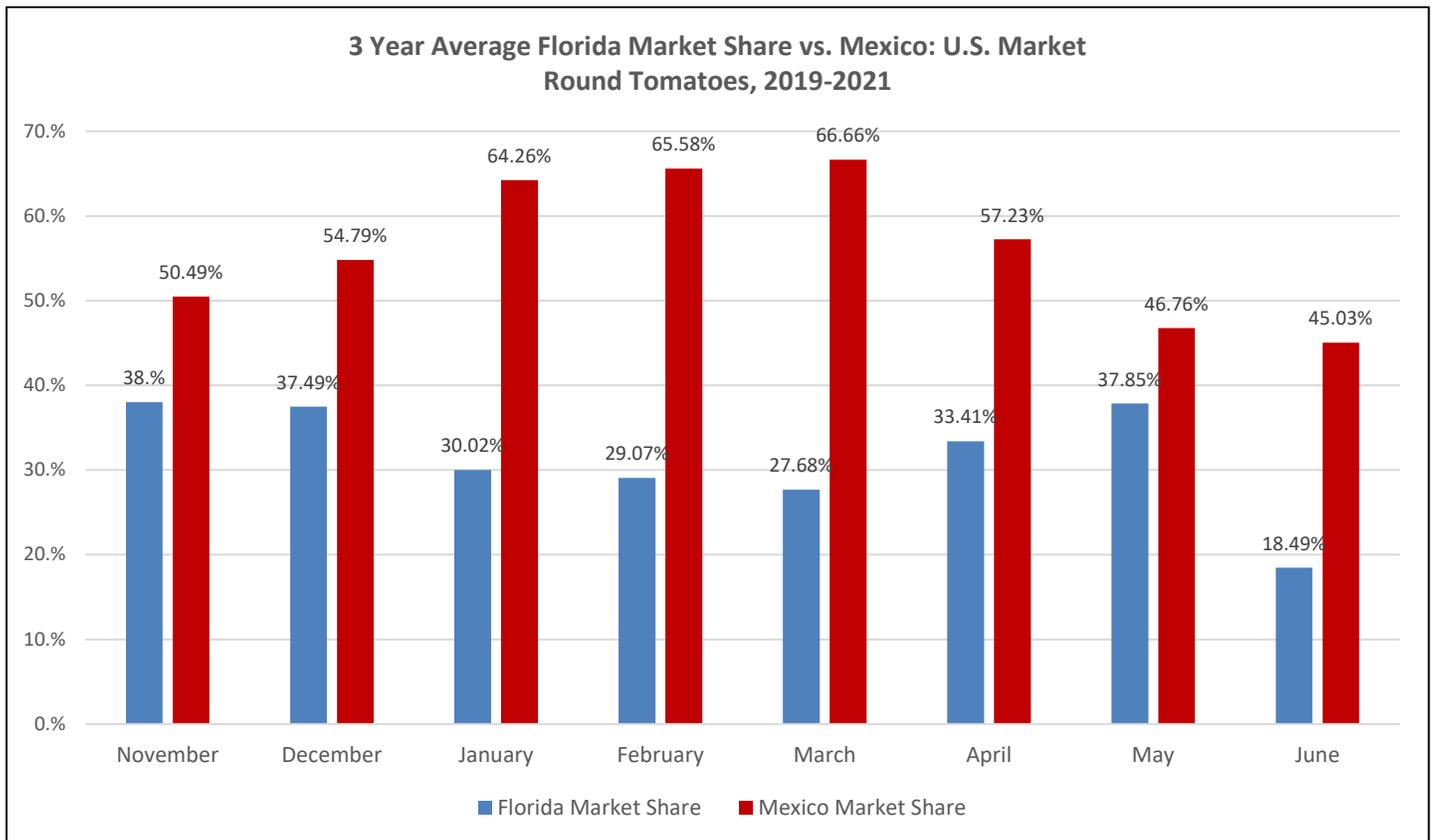
Florida has significant production of a wide variety of seasonal & perishable crops at different times of the year. However, scrutinizing certain commodities reveals only two major suppliers of the U.S. fresh market during certain months - Florida and Mexico. Florida often stands alone as our nation’s primary domestic producer, facing all international competition.

85-95%: Percent of combined market share held between Florida and Mexico of fresh round tomatoes from November - May. Similar positions exist for many other important commodities in the state, including: bell peppers, cherry tomatoes, cucumbers, eggplant and sweet corn.

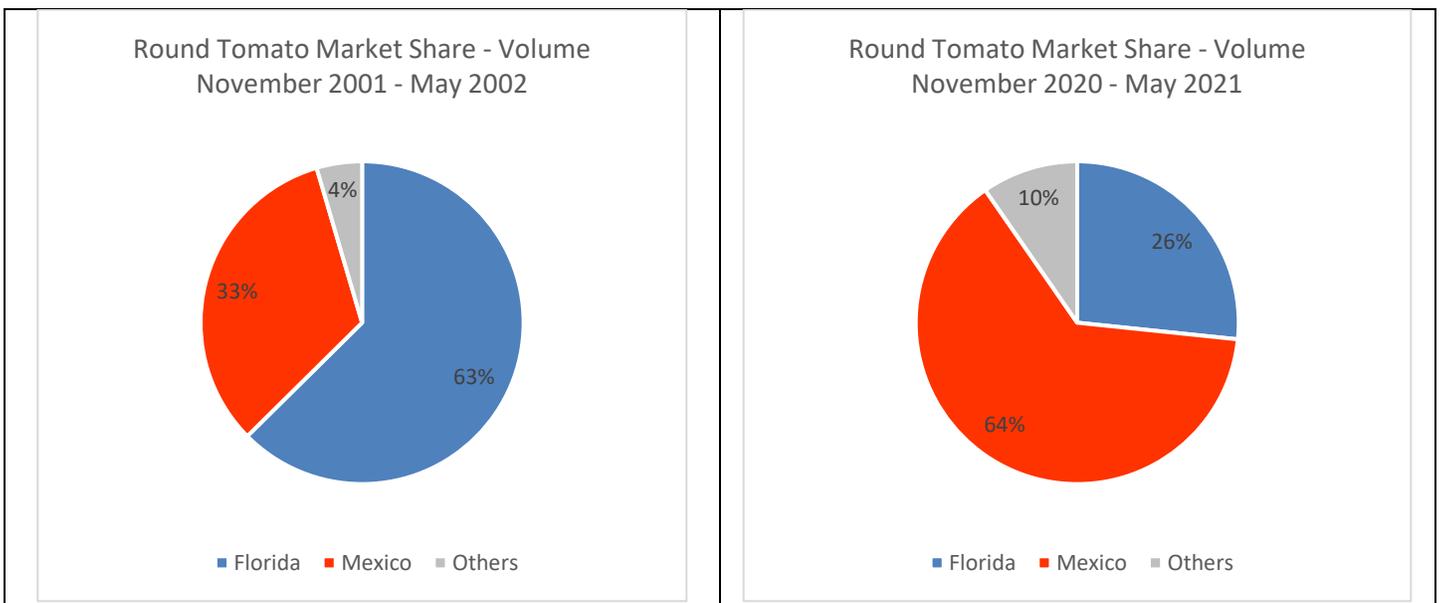
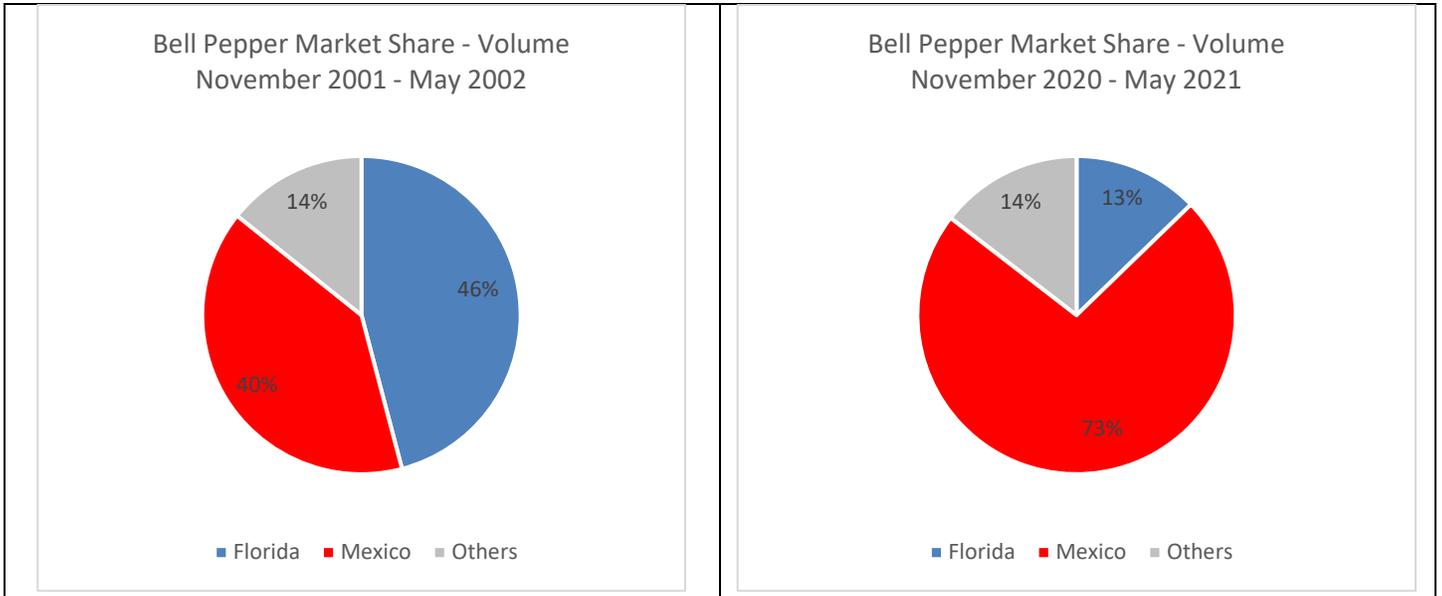
76-92%: Percent of domestically produced fresh round tomatoes that Florida grows from the months of November – May annually. The state continues producing in lower levels during all but August.

25-50: Cents per case farmers may or may not receive on a range of products which can make the difference between failure, struggling and a successful year.

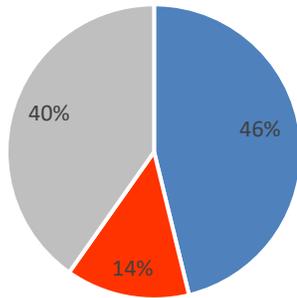
39%: The 4 Mexican states of Baja California, Baja California Sur, Sonora, and Sinaloa alone have 50% more land area than the state of California and one quarter the population. Given the advantage in land and migrant labor available in Mexico, we estimate that production in Mexico could grow another 39% if demand in the U.S. permits, more than 20 billion pounds of produce per year.



Changing Market Share for Florida Farmers in the U.S.; 2001 v 2021 (Volume)

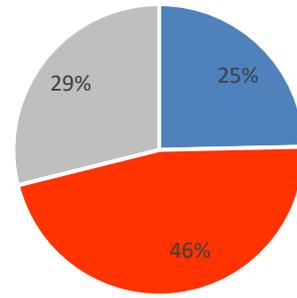


Strawberry Market Share - Volume
November 2001 - February 2002



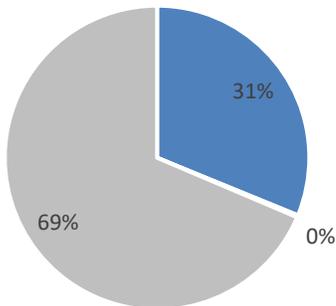
■ Florida ■ Mexico ■ Others

Strawberry Market Share - Volume
November 2020 - February 2021



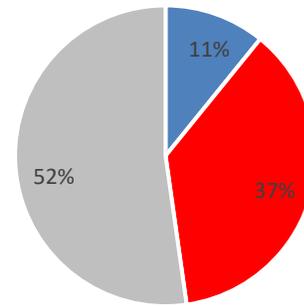
■ Florida ■ Mexico ■ Others

Blueberry Market Share - Volume March
2007 - May 2007



■ Florida ■ Mexico ■ Others

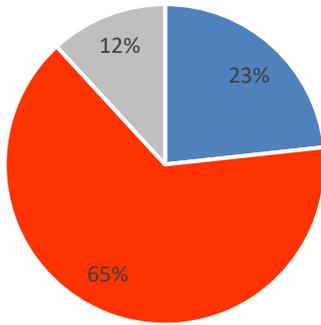
Blueberry Market Share - Volume March
2021 - May 2021



■ Florida ■ Mexico ■ Others

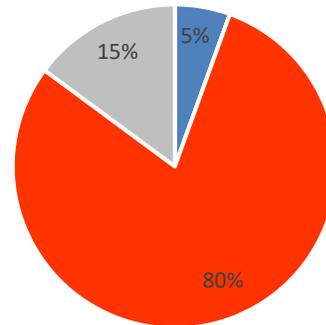
Changing Market Share for Florida Farmers in the U.S.

Cucumber Market Share - Volume
November 2001 - May 2001



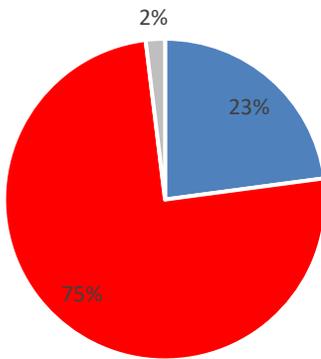
■ Florida ■ Mexico ■ Others

Cucumber Market Share - Volume
November 2020 - May 2021



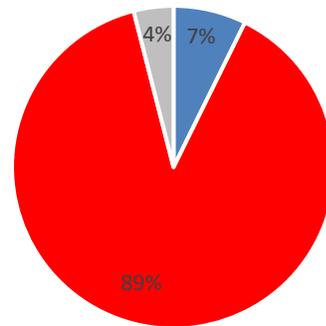
■ Florida ■ Mexico ■ Others

Squash Market Share - Volume November
2001 - May 2001



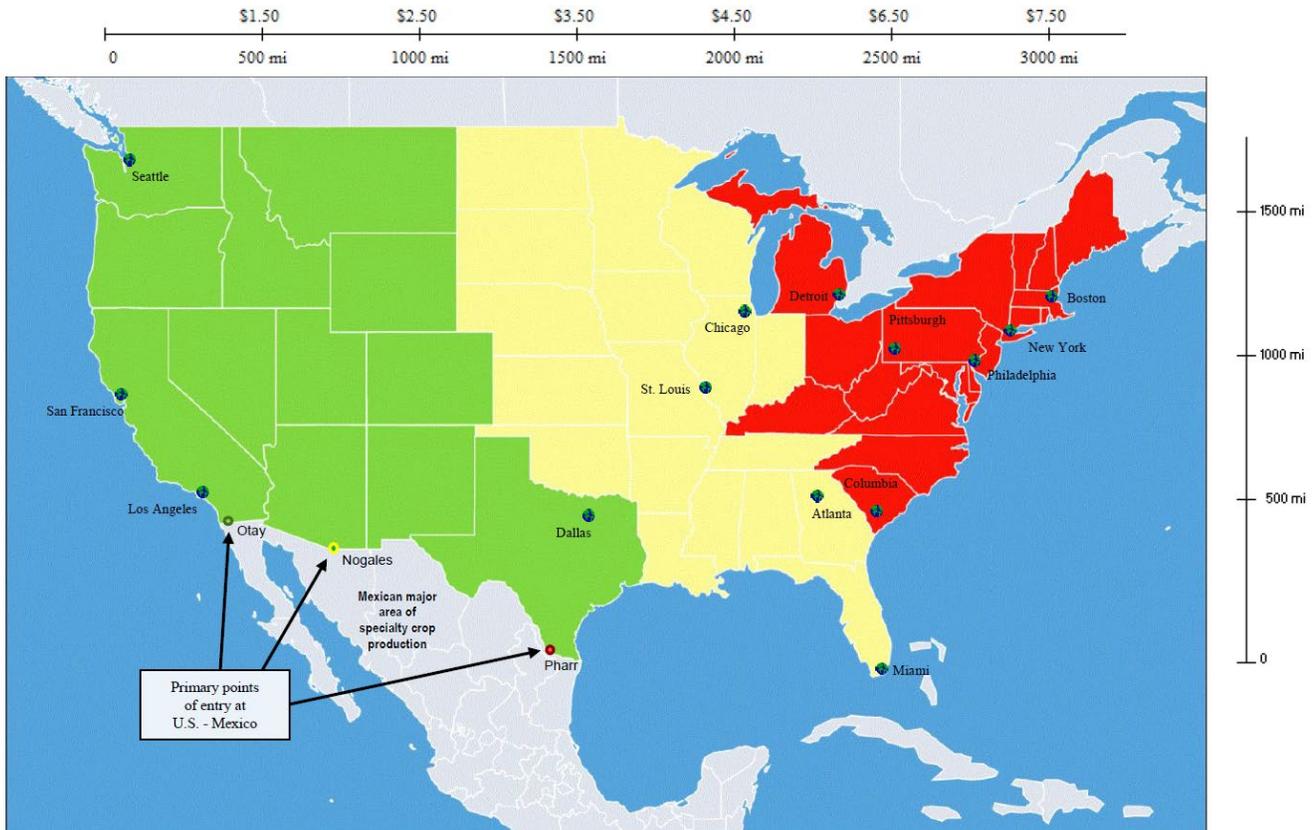
■ Florida ■ Mexico ■ Others

Squash Market Share - Volume November
2020 - May 2021



■ Florida ■ Mexico ■ Others

Point of Entry, Terminal Markets and General Shipping Costs



14 U.S. Terminal Markets (Distribution Centers) where product from around the country and world is delivered for sale to operations ranging from independent grocery stores to restaurants. USDA measures these deliveries in 40,000 pound truck units or 800-50 pound cases. Note: Major retail chains operate their own distribution centers that supply their respective stores and facilities with fresh product and their prices are not published.

3 Three of the major “Points of Entry” into the United States from Mexico, which are where seasonal & perishable product is identified, and pricing is examined. Logistics (the cost of fuel, labor and trucks required to deliver product) is highly competitive, costly and is meticulously managed. For example, a sweet corn shipment traveling through Otag Mesa, would be less likely of being shipped across the U.S. from that point and firms would opt for the most efficient route.

- Otag Mesa is the westernmost entry point of the three and product entering at this point would more than likely be supplied to the entire western coast and as far north as Canada.
- Nogales is the central point of entry and product entering at this point would more than likely be supplied to areas throughout the central-midwestern area of the U.S. as well as into eastern areas and as far north as Canada.
- Pharr is the most eastern point of entry and product entering at this point would more than likely be supplied to areas in Texas, the southeastern areas of the U.S. and east coastal states and as far north as Canada

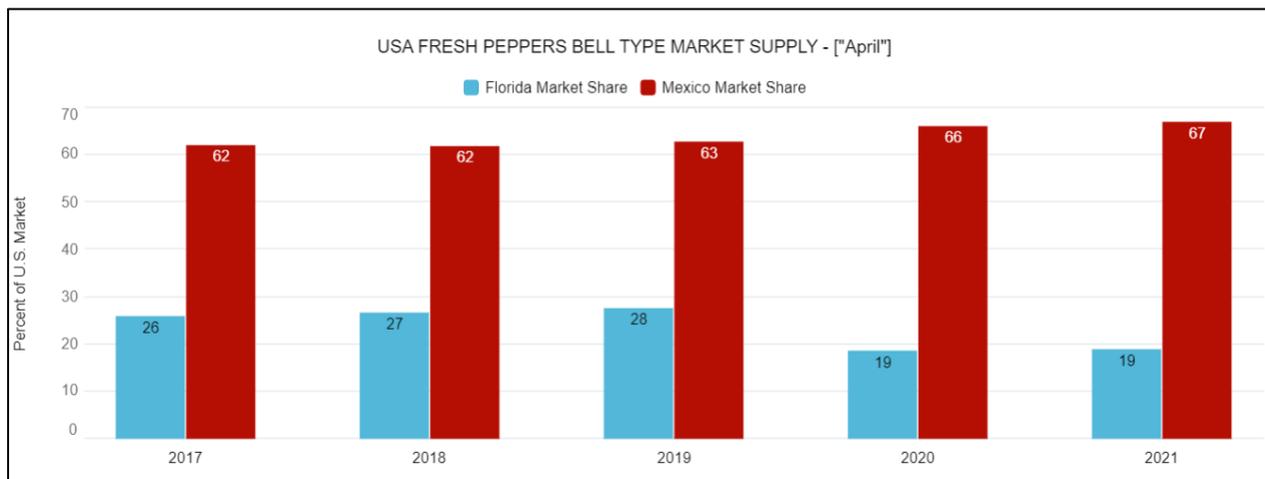
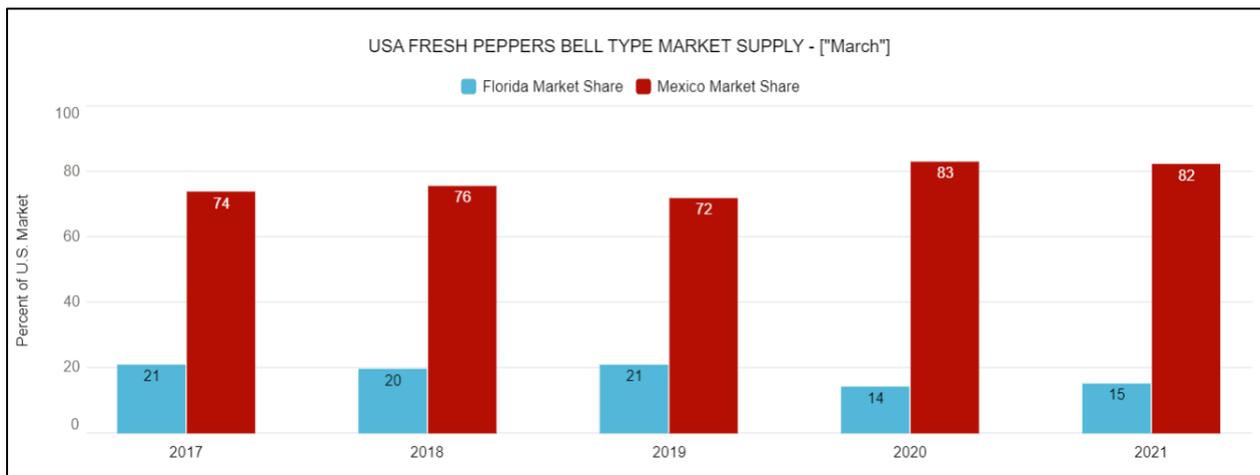
\$1-\$7 Logistics costs are about \$1.50 per 500 miles. As product is shipped to different destinations, these costs rise accordingly and are equally passed on to the total number of cases, cartons, or flats being shipped. For ease of processing, 800 fifty-pound boxes carried on one 40,000-pound truck are used as a standard measurement.

DEEPER ANALYSIS OF SIX FLORIDA COMMODITIES

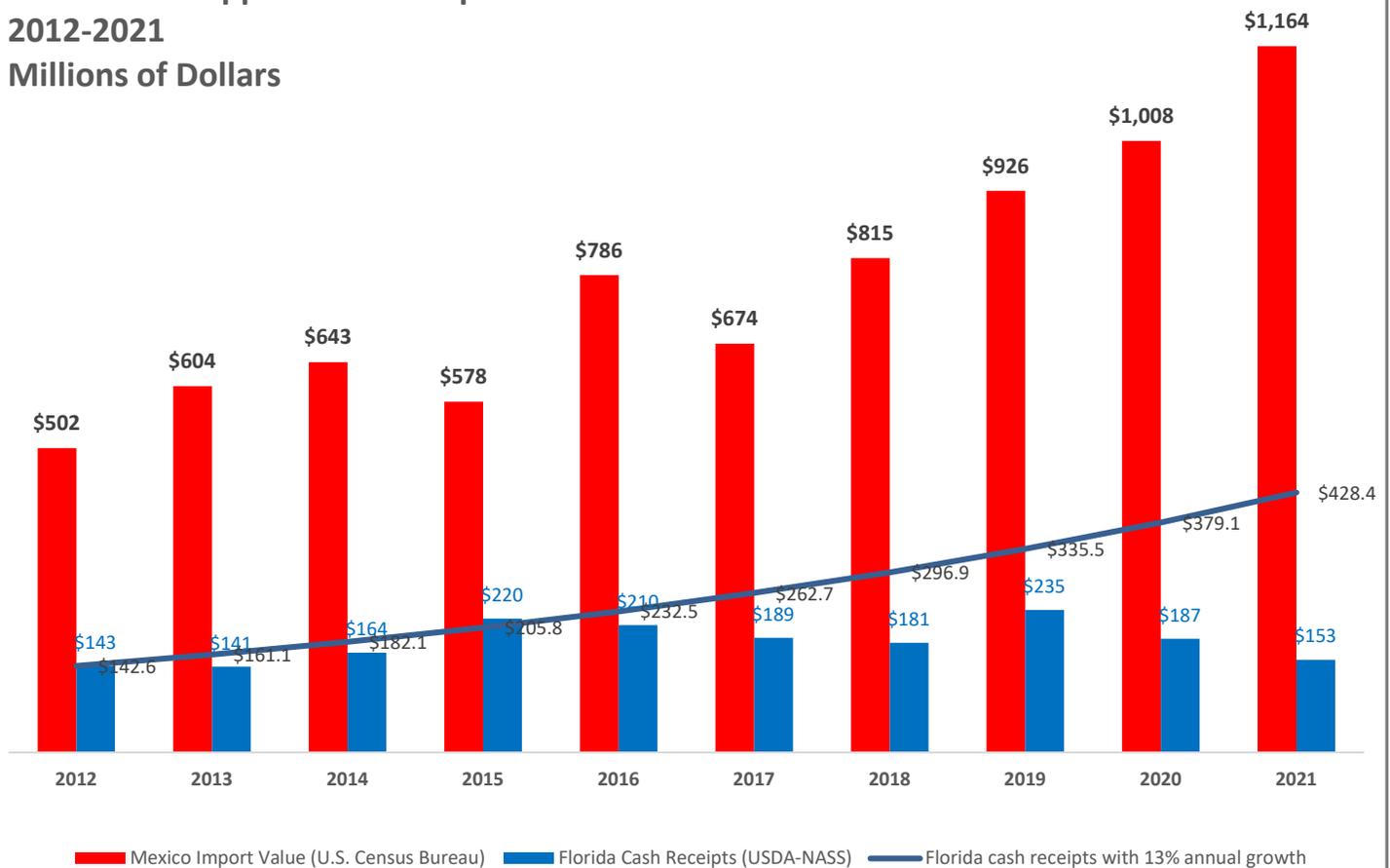
BELL PEPPER Analytics/Market Share Shifts

Examining the fresh bell pepper market competitive environment provides insight into how price and supply are used aggressively/leveraged in the marketplace by Mexico. From December through March, Florida and Mexico provide 93% of the U.S. supply of bell peppers, nearly 72 million cases. Florida's lowest shipping point prices from November – May of 2015-2020 averaged \$15.14 per case.

Peppers imported from Mexico through Nogales, AZ (for western U.S. market) averaged a low price of \$11.70, and product imported through Texas (for eastern U.S. market) averaged \$9.29 per case. Mexican product imported through Texas destined for areas 500-2,500 miles eastward, with added logistical costs (shipping) ranging from \$1.50-\$4 per carton, should reasonably have been marketed with the additional shipping cost at approximately \$14.50, yet they were priced 36% below that level. In east coast areas, Mexican aggressively priced product in this range would force Florida product to charge similar prices minus shipping, effectively setting minimal entry price positions, reducing market share, revenues and profitability.



**Mexico Bell Pepper Exports and
Florida Bell Pepper Cash Receipts
2012-2021
Millions of Dollars**



The economic injury to Florida is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

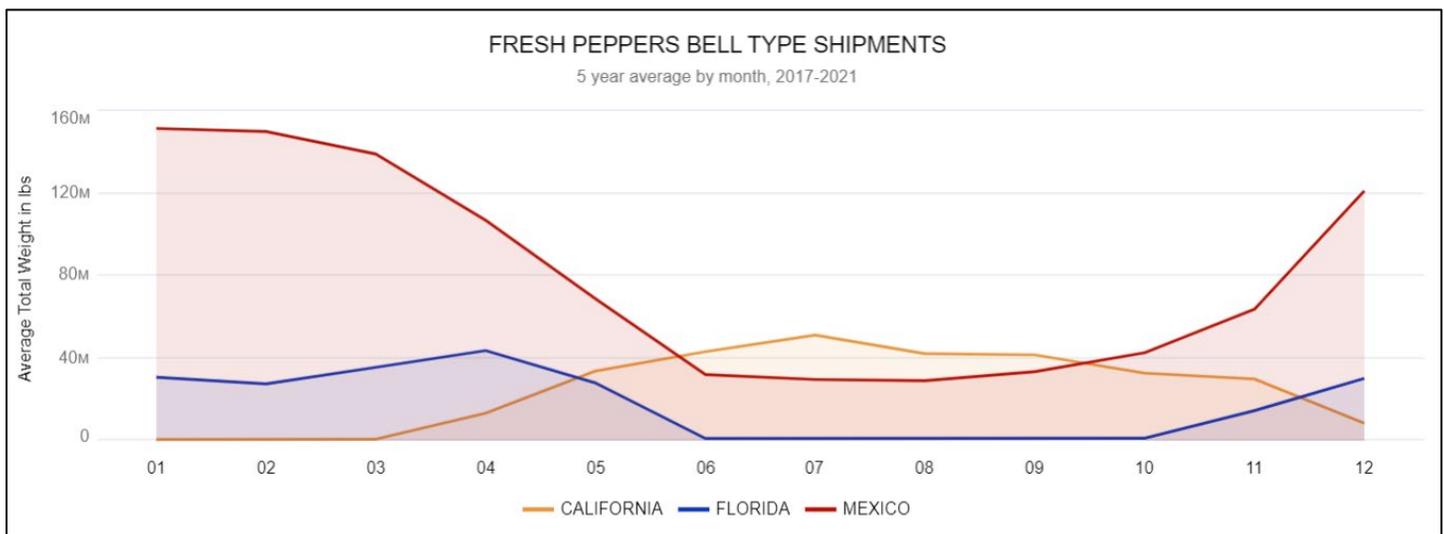
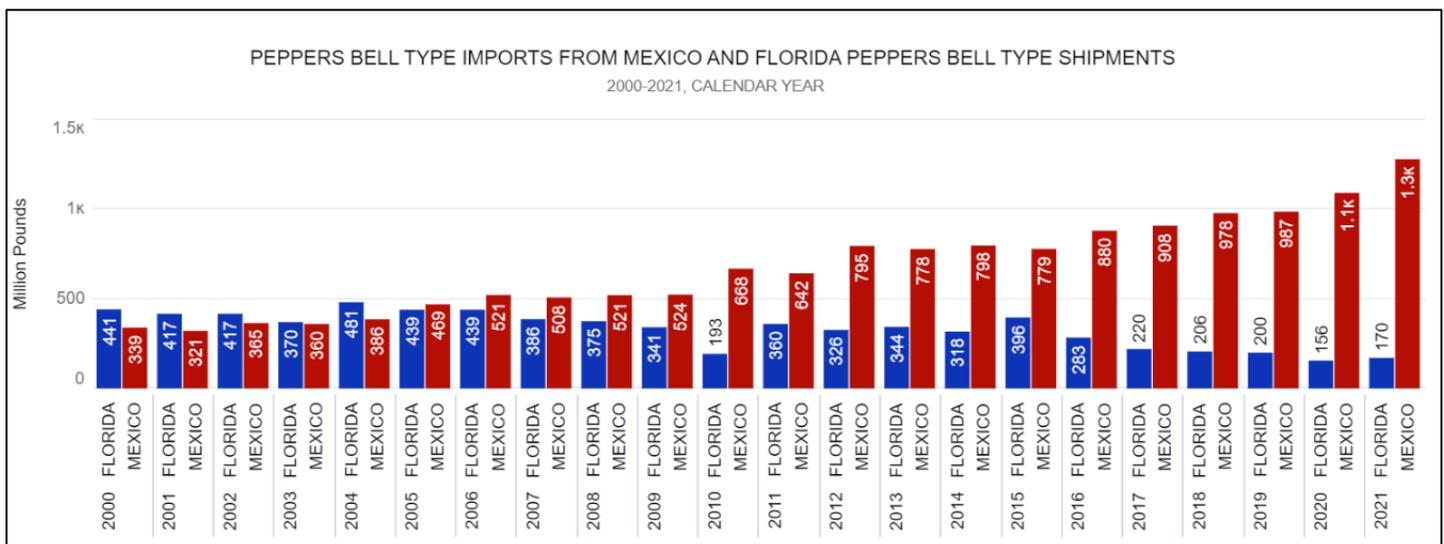
- The value of Mexican imports to the U.S. grew 13% per year on average between 2012 and 2021. The 2021 value of production was 132% above 2012 production.
 - Average sales (2016-2021) annually of \$895 million.
- Florida’s average year-on-year growth during the same period was 2%, with 2021 production at 7% below 2012 production.
 - Average cash receipts (2016-2021) annually of \$192 million.
- \$428 million: cash receipts in 2021 of bell peppers, if the growth rate (13%) experienced by Mexico is applied to Florida’s bell pepper value of production.

Historical supply of Florida production and Mexican bell pepper exports to the U.S.

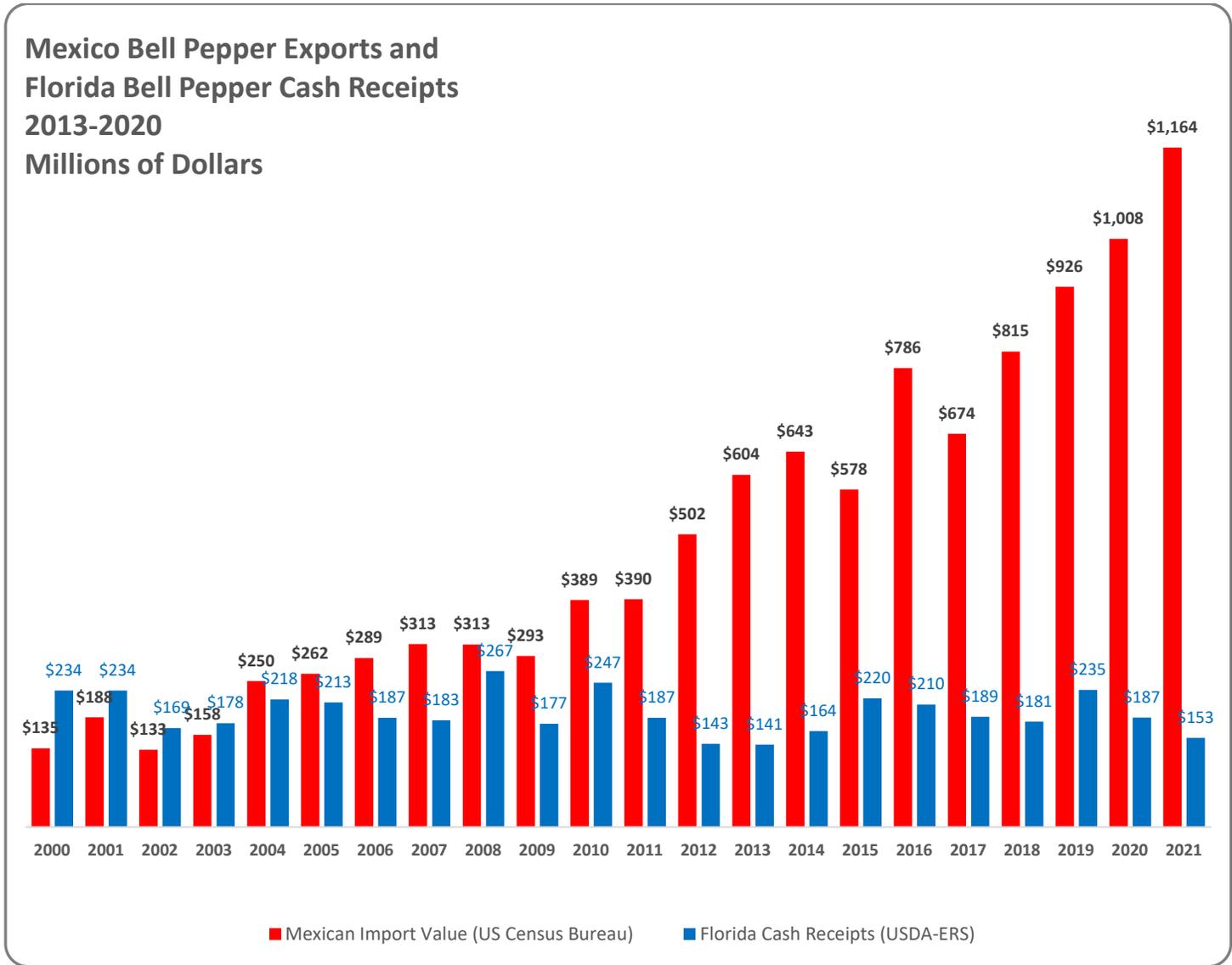
Mexican exports remained between 300-400 million pounds from 2000-2004, more product began flowing into the U.S. beginning in 2006 (surpassing 500 million pounds) and continued to expand, exceeding 600 million pounds by 2010. For each additional 50 million pounds, about 1,000 supermarkets could be supplied for a year, or some 9,600 stores by 2019. Comparing the relative supply positions of Florida and Mexico; in 2000 (FL=46% v. MX=43%) and they are significantly reversed by 2017 (MX=73%; FL 14%). Total demand for the product expanded as well.

**Values on the graphs for 2022 were not used in calculations as only partial year values are currently available. 2022 values below are year to date shipments through June 2022.*

- 251%: Expansion of Mexican product from 2001 to 2021
- 925Mn pounds: Mexican average number of pounds exported from 2019-2021
- 61%: Decline of Florida product from 2015 to 2020
- 174Mn pounds: Florida average number of pounds produced from 2019-2021



Historical value of Florida production and Mexican bell pepper exports to the U.S.



520%: Expansion of the value of Mexican product from 2001 to 2021

\$895Mn: Mexican average value exported from 2019-2021

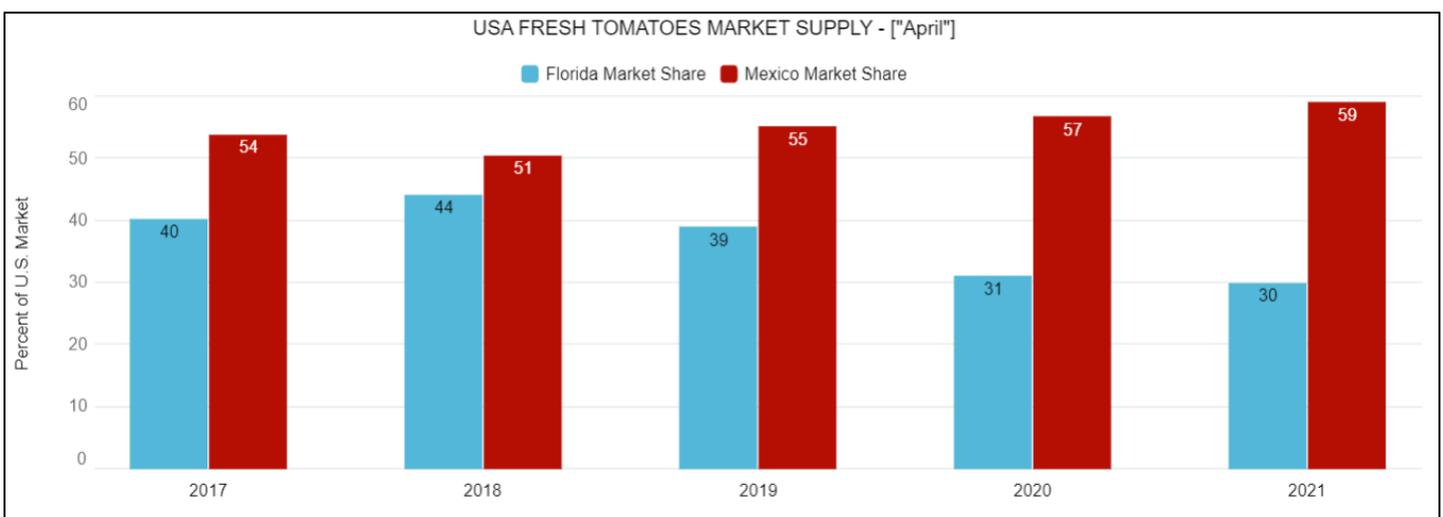
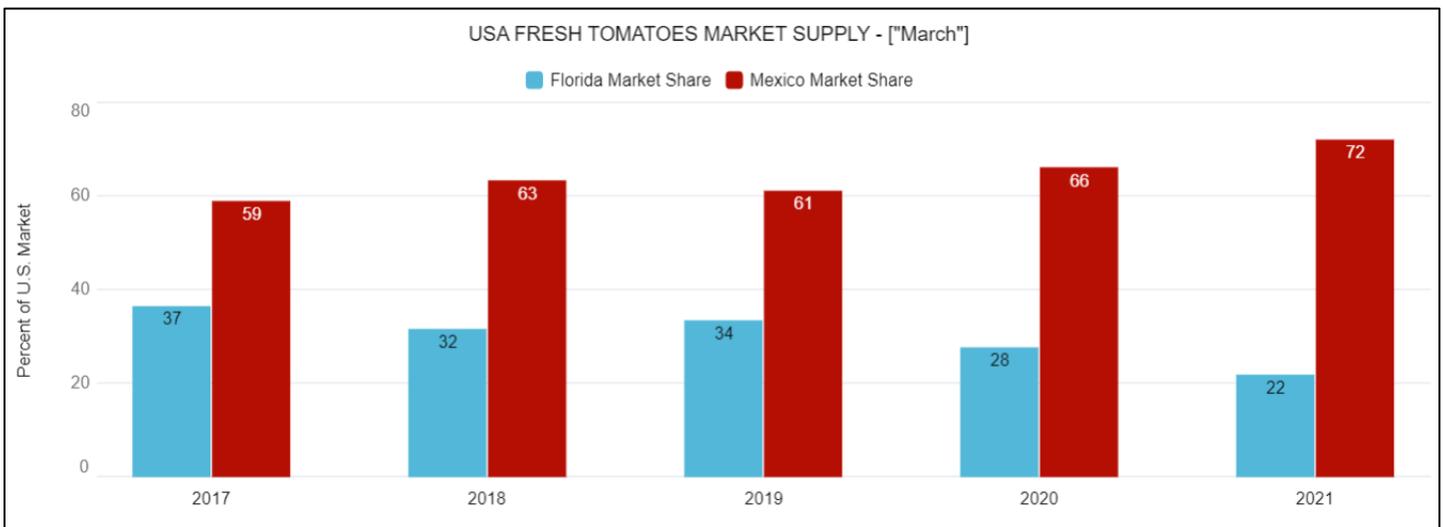
0.23%: Average expansion of the value of Florida product from 2001 to 2021

\$189Mn: Florida average production value from 2017-2021

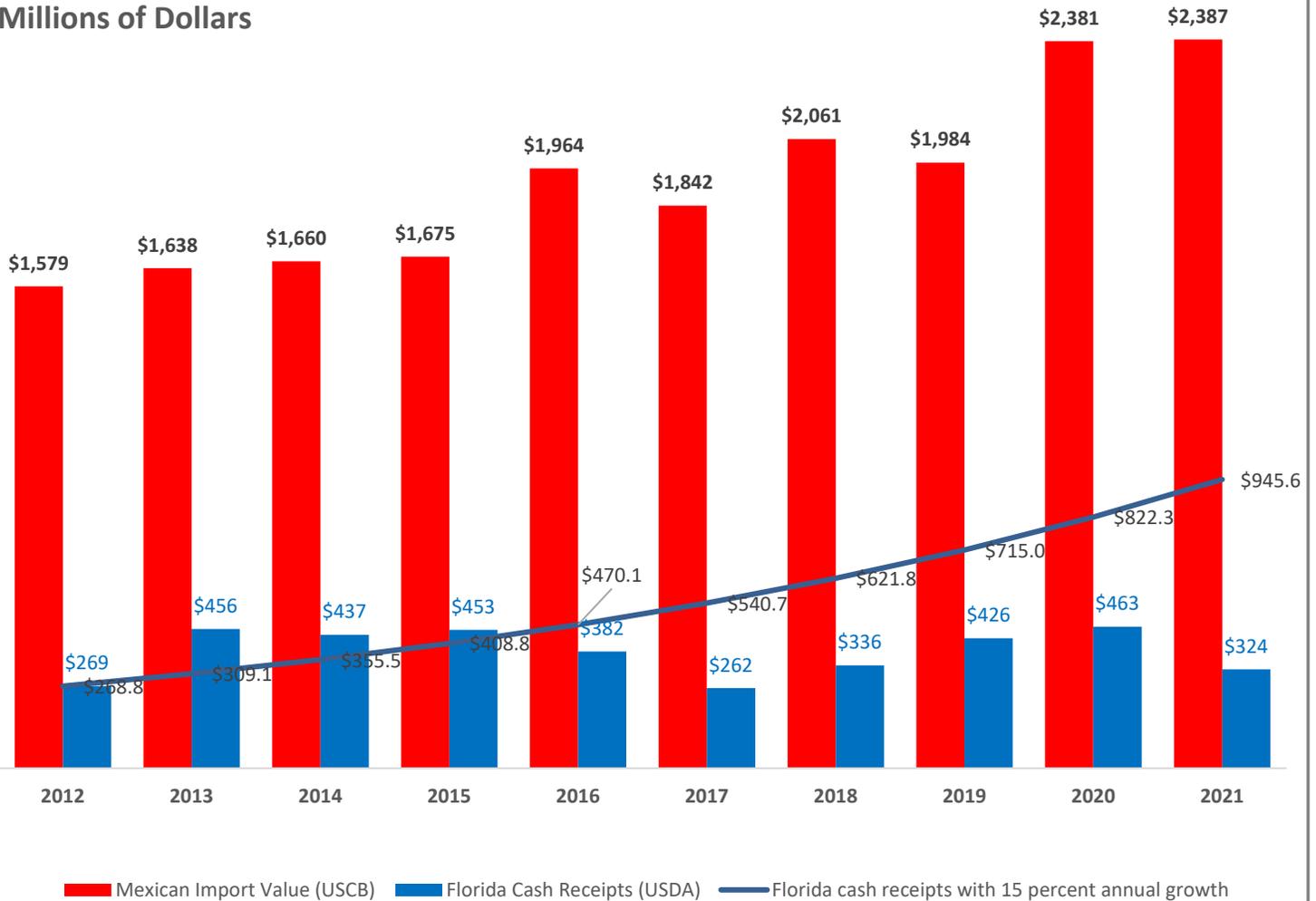
Examining the fresh tomato (rounds) market competitive environment provides insight into how price and supply are used aggressively/leveraged in the marketplace by Mexico. From December through March, Florida and Mexico provide 95% of the U.S. supply of tomato (rounds), nearly 124 million cartons. Shipping point prices for Florida product during November – May of 2015-2020 averaged a low of \$13.49 for Florida.

Mexican tomatoes averaged a low price of \$13.42 into the western U.S. through San Diego--Otay Mesa and \$10.66 per unit/case through Nogales, AZ; product likely destined to central regions in the U.S., priced 50% below (\$17.35) and low enough to distort market pricing and eliminate competition. Mexican tomatoes entering through Texas were priced at \$12.09—product destined for the eastern U.S. Each of the Mexican low prices here, precludes shipments from competing from Florida when shipping costs are added into Florida priced product (\$12.24-\$12.44) traveling potentially westward.

Conversely, Mexican product imported through Texas destined for areas 500-2,500 miles eastward, should see an increase in price as shipping adds from \$1.50-\$4 per carton. In east coast areas, Mexican aggressively priced product in this range would force Florida product to charge similar prices minus shipping, effectively setting minimal entry price positions, reducing market share, revenues and profitability.



**Mexico Tomato Exports and
Florida Tomato Cash Receipts
2012-2021
Millions of Dollars**



The economic injury to Florida is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

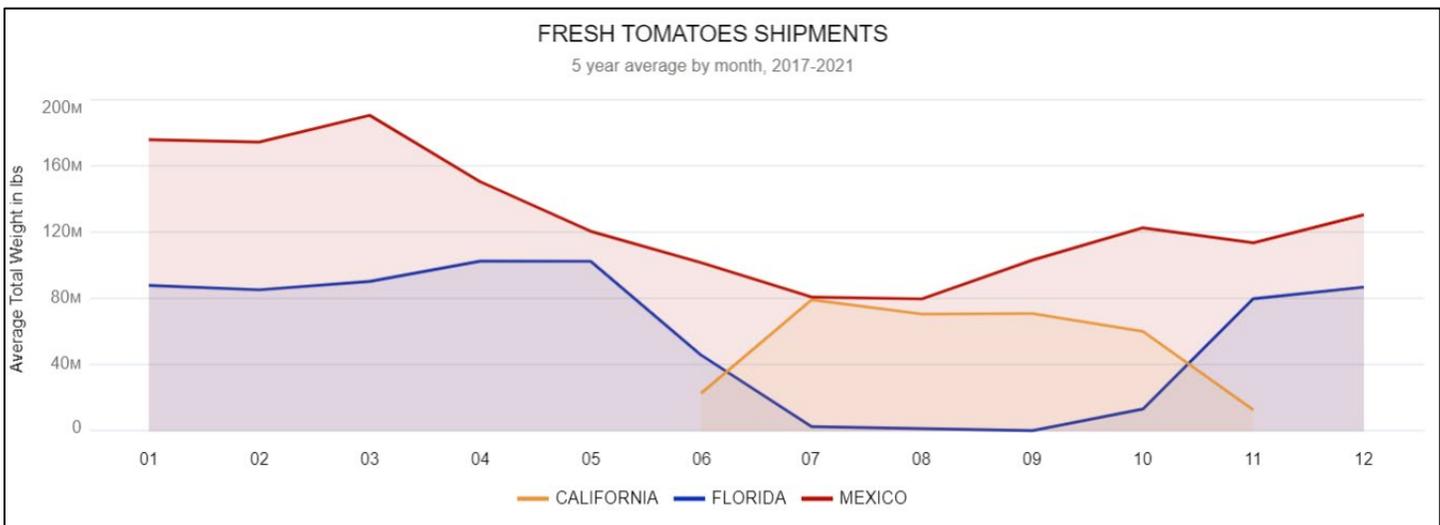
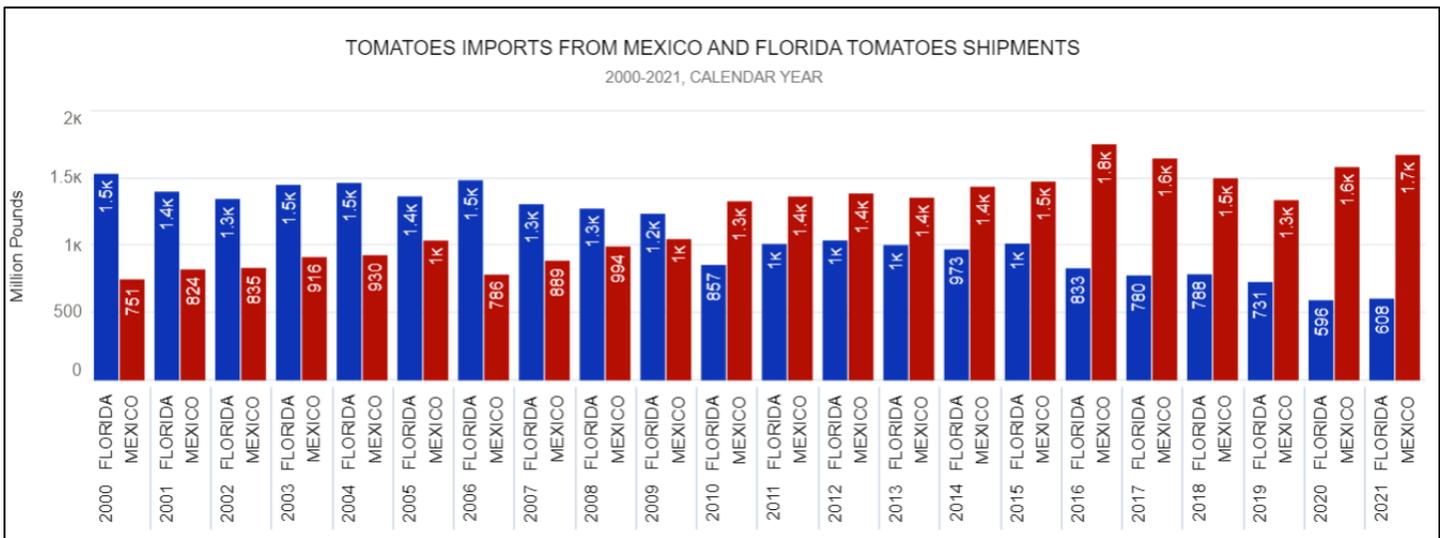
- The value of Mexican imports to the U.S. increased 51% from 2012 to 2021.
 - Mexico average sales (2016-2021) annually of \$2.103 billion.
- Florida’s tomato sales increased by 3% during the same period.
 - Florida average cash receipts (2016-2021) annually of \$365 million.
- \$945.6 million; cash receipts in 2021 of Florida tomatoes, if Florida growers had experienced the same growth rate Mexico experienced between 2000 and 2021.

Historical supply of Florida production and Mexican tomato exports to the U.S.

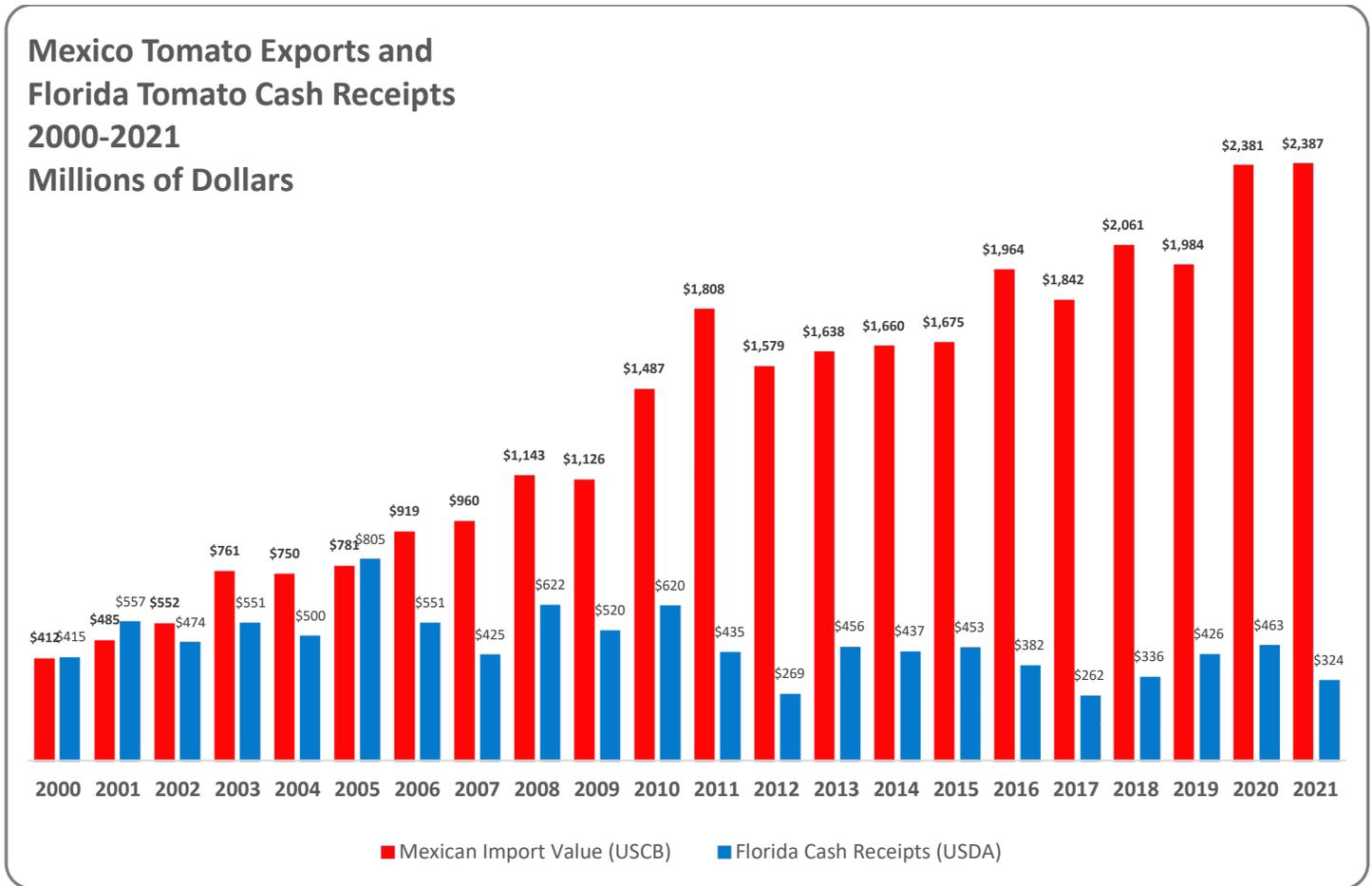
Mexican exports remained on a steady course of expansion for much of the period between 2000-2016 and first exceeded Florida in 2010, which was also a year that a freeze curtailed significant production in Florida. Comparing the relative supply positions of Florida and Mexico; in 2000 (FL=67% v. MX=33%) and they are nearly perfectly reversed by 2017 (MX=68%; FL 32%). Total demand for the product expanded as well.

**Values on the graphs for 2022 were not used in calculations as only partial year values are currently available. 2022 values below are year to date shipments through July 2022.*

- 113%: Expansion of Mexican product from 2006 to 2021
- 1.58Bn pounds: Mexican average number of pounds exported from 2016-2021
- 59%: Decline of Florida product from 2006 to 2021
- 722Mn pounds: Florida average number of pounds produced from 2016 – 2021



Historical value of Florida production and Mexican tomato (rounds) exports to the U.S.



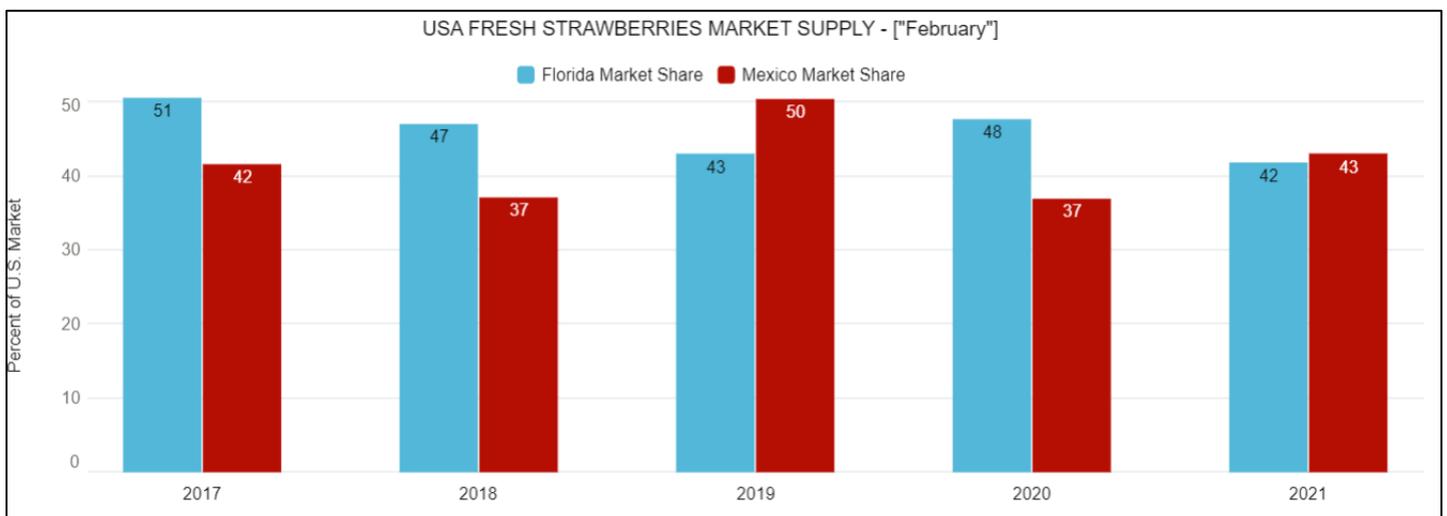
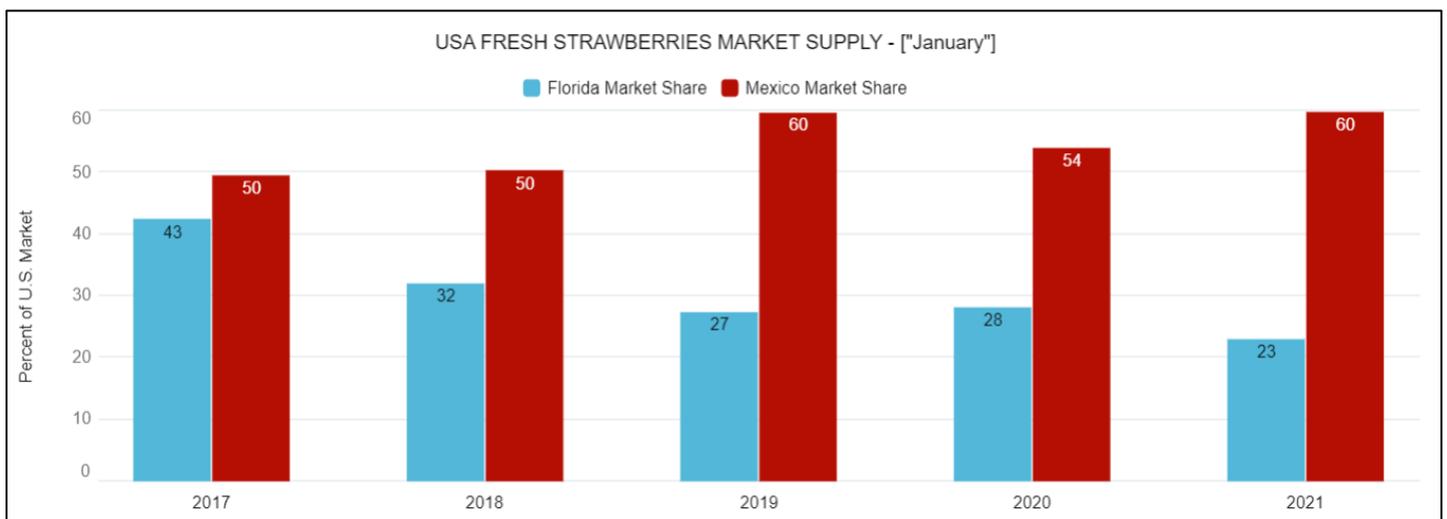
- +480%: Expansion of the value of Mexican product from 2001 to 2021
- \$2.103 billion: Mexican average value exported from 2016-2021
- 28%: Decrease in the value of Florida product from 2001 to 2021
- \$365.5 million: Florida average production value from 2016-2021

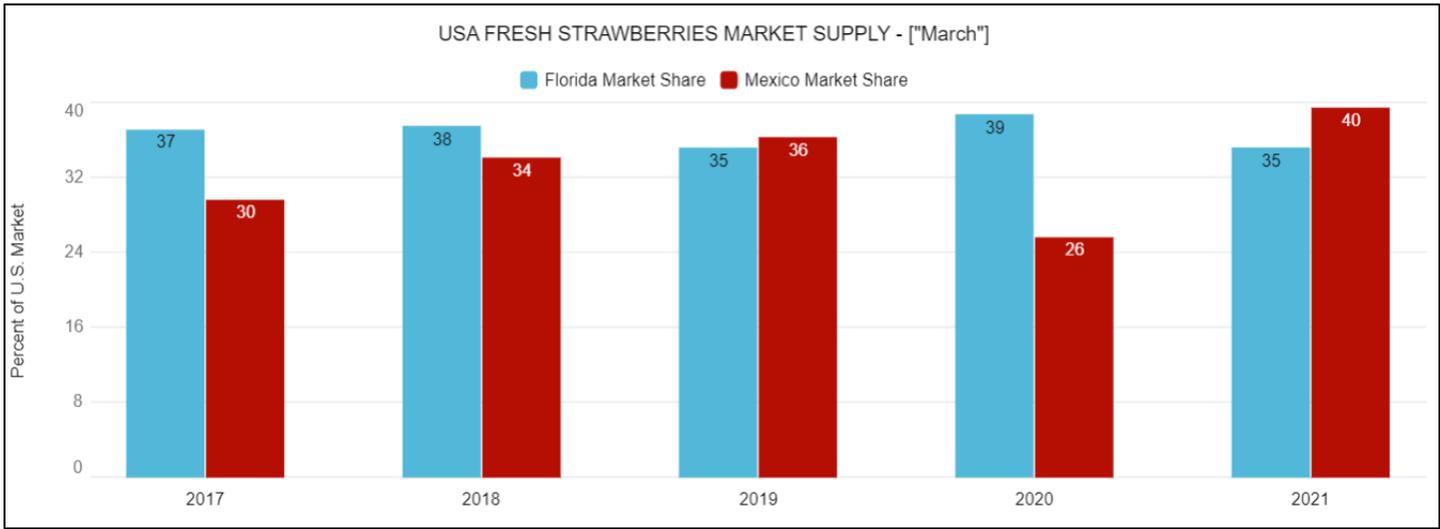
STRAWBERRY Analytics/Market Share Shifts

Examining the fresh strawberry market's competitive environment provides insight into how price and supply are used aggressively/leveraged in the marketplace by Mexico. From December through February, Florida and Mexico provide 84% of the U.S. supply of strawberries, nearly 30 million cartons.

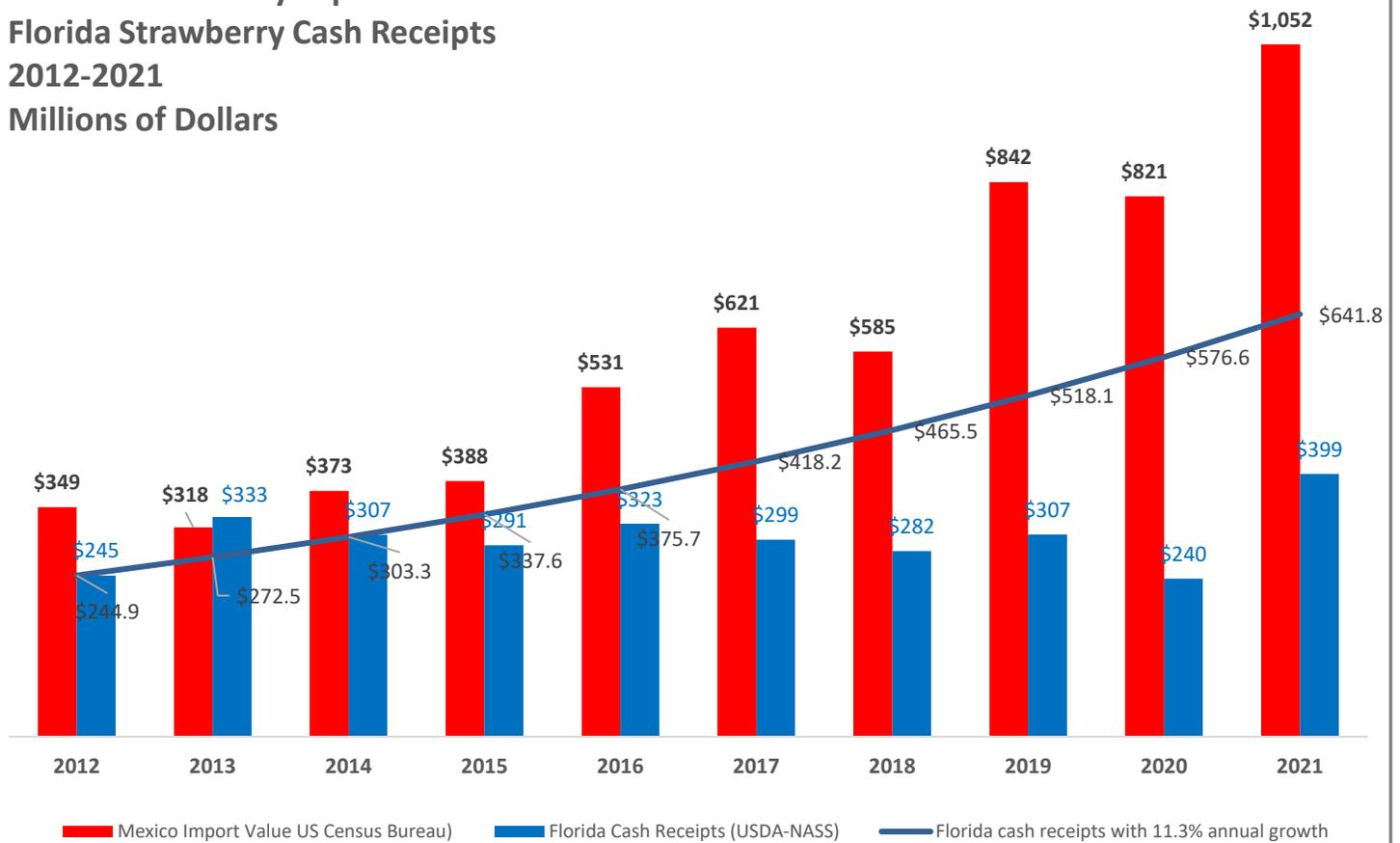
Average low shipping point price per flat for Florida berries from December through March of the years 2016 – 2021 was \$18.99. Mexican imports into the western U.S. through San Diego-Otay Mesa, average low price of \$16.09. The Mexican east coast prices skew towards the \$12-\$15 range, 20+% below the western U.S. average.

Mexican product imported through Texas destined for areas 500-2,500 miles eastward, should see an increase in price as shipping adds from \$1.50-\$4 per unit, so above \$18.00; however, Mexico eastern low prices average \$12.61. In east coast areas, Mexican aggressively priced product in this range would force Florida product to charge similar prices minus shipping, effectively setting minimal entry price positions, reducing market share, revenues and profitability.





**Mexico Strawberry Exports and
Florida Strawberry Cash Receipts
2012-2021
Millions of Dollars**



The economic injury to Florida is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

- The value of Mexican imports to the U.S. grew 14.46% per year on average between 2012 and 2021 or 201.8% from 2012 to 2021.
 - Average sales (2012-2021) annually of \$742 million.
- Florida’s average year-on-year growth during the same period was 8.26% and ended up -7.66% lower comparing 2012 to 2021.
 - Average cash receipts (2012-2021) annually of \$302 million.
- \$642 million; cash receipts in 2021 of Florida strawberries, if the growth rate (12.75% average annual) experienced by Mexico is applied to the value of production of Florida strawberries.

Historical supply of Florida production and Mexican strawberry exports to the U.S.

Mexican exports remained between 60-100 million pounds from 2000-2005. More product began flowing to the eastern U.S. beginning in 2006. By 2010, a new trend was emerging with significantly more Mexican product being shipped eastward across the U.S. Comparing the relative supply positions of Florida and Mexico; in 2000 (FL=66% v. MX=34%) and Mexico shipped 113 million pounds more in 2019 than did Florida. Total demand for the product expanded as well.

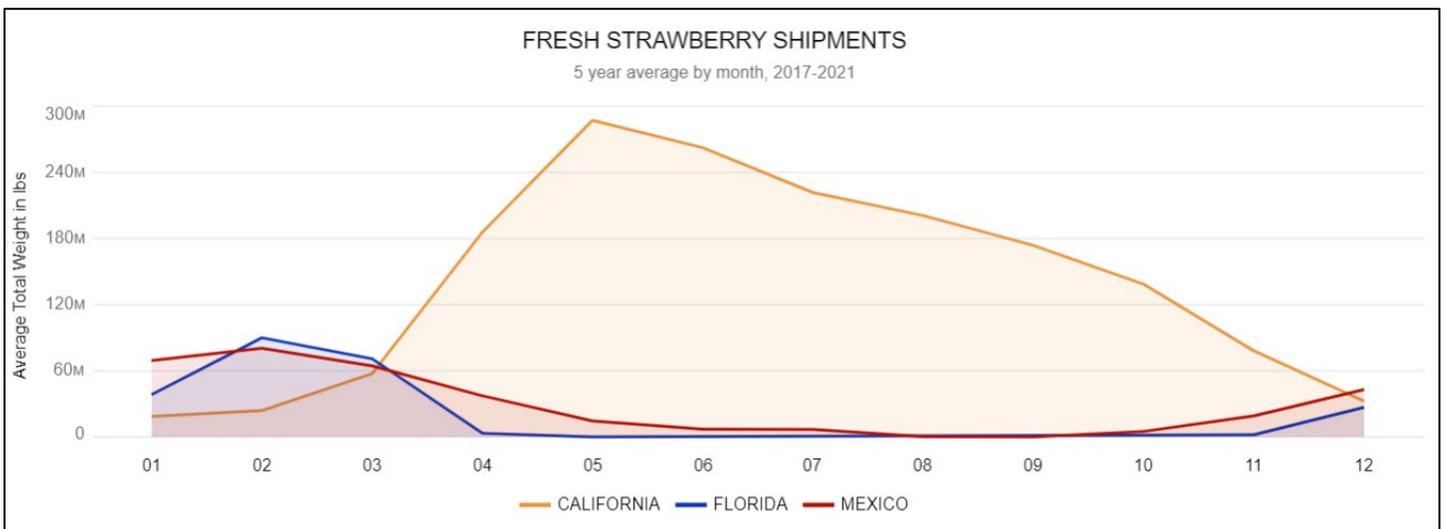
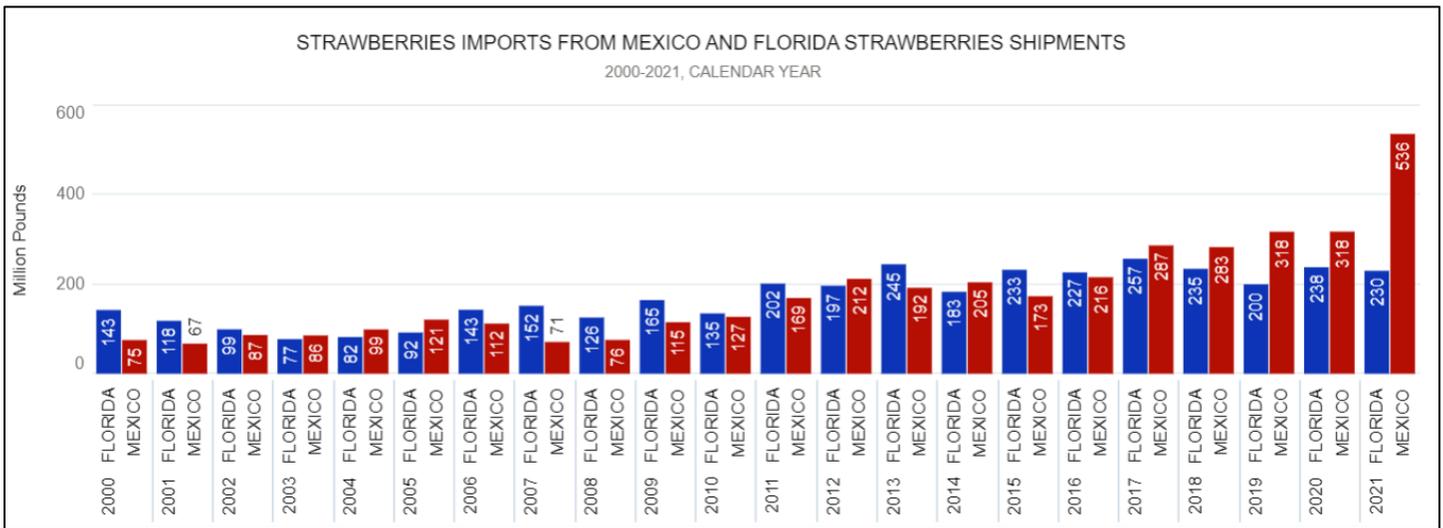
**Values on the graphs for 2022 were not used in calculations as only partial year values are currently available. 2022 values below are year to date shipments through July 2022.*

+697%: Expansion of Mexican product from 2001 to 2021

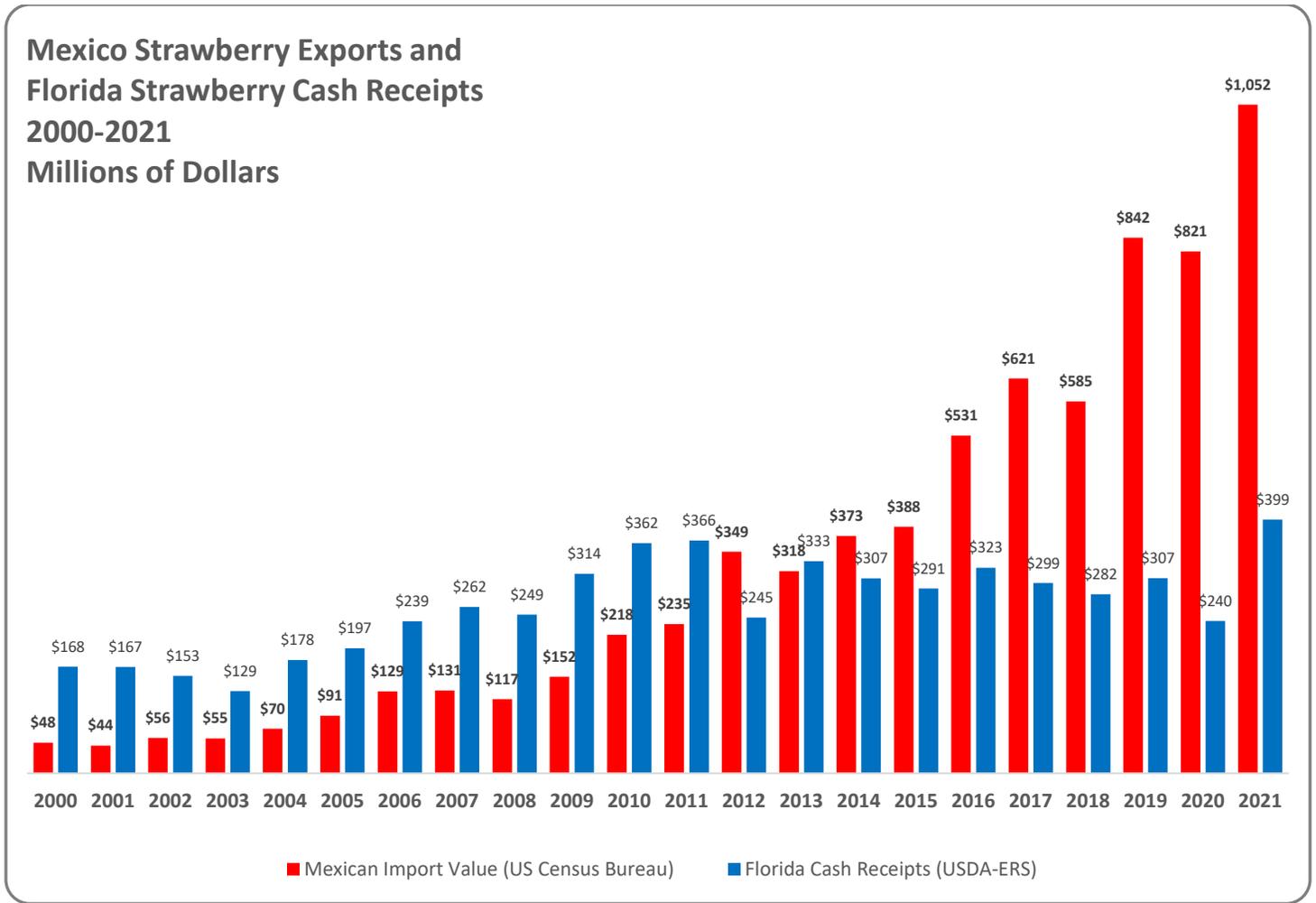
326Mn pounds: Mexican average number of pounds exported from 2016-2021

+95%: Expansion of Florida product from 2001 to 2021

231Mn pounds: Florida average number of pounds produced from 2016-2021



Historical value of Florida production and Mexican strawberry exports to the U.S.



2,308% : Expansion of the value of Mexican product from 2001 to 2021

\$741 million: Mexican average value exported from 2016-2021

139%: Expansion of the value of Florida product from 2001 to 2021

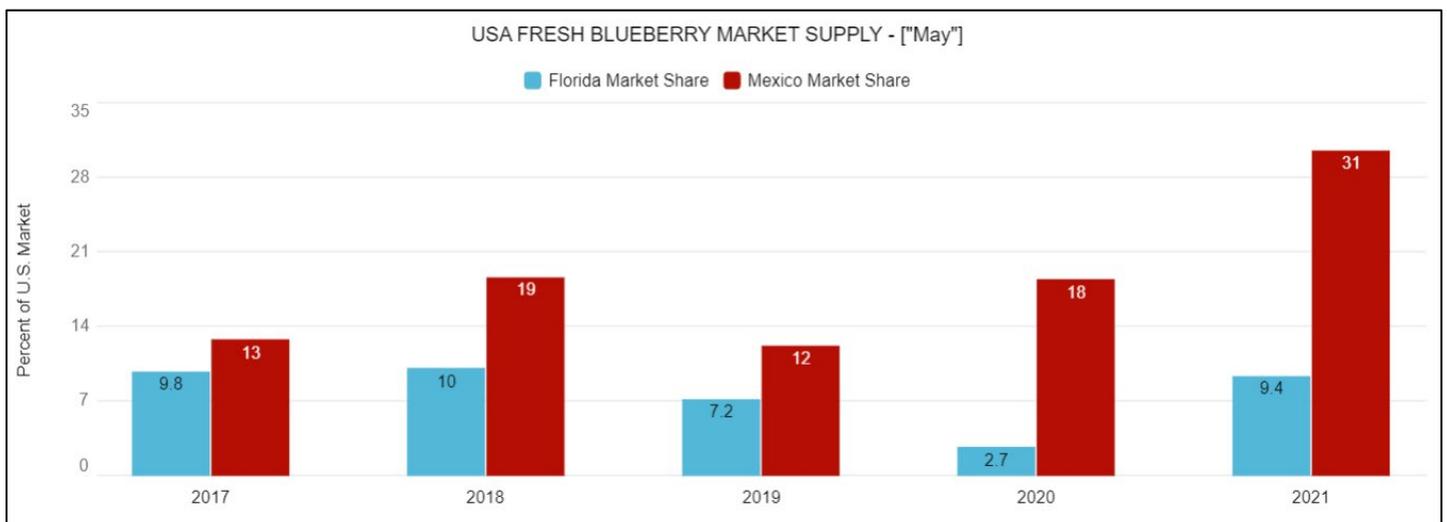
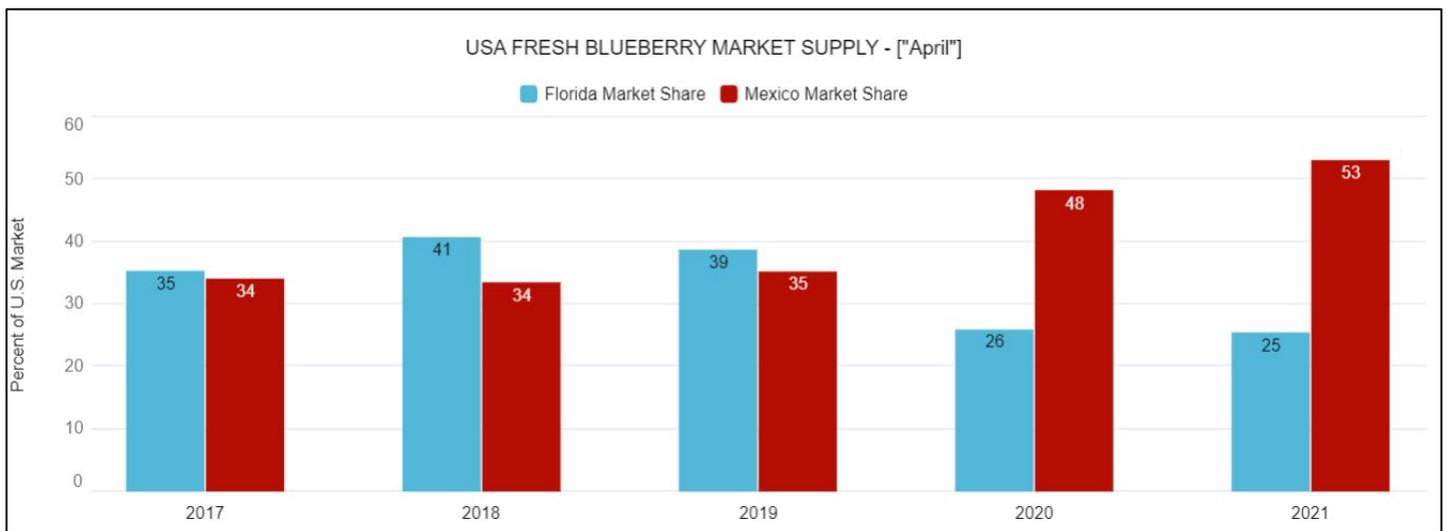
\$308 million: Florida average production value from 2016-2021

BLUEBERRY Analytics/Market Share Shifts

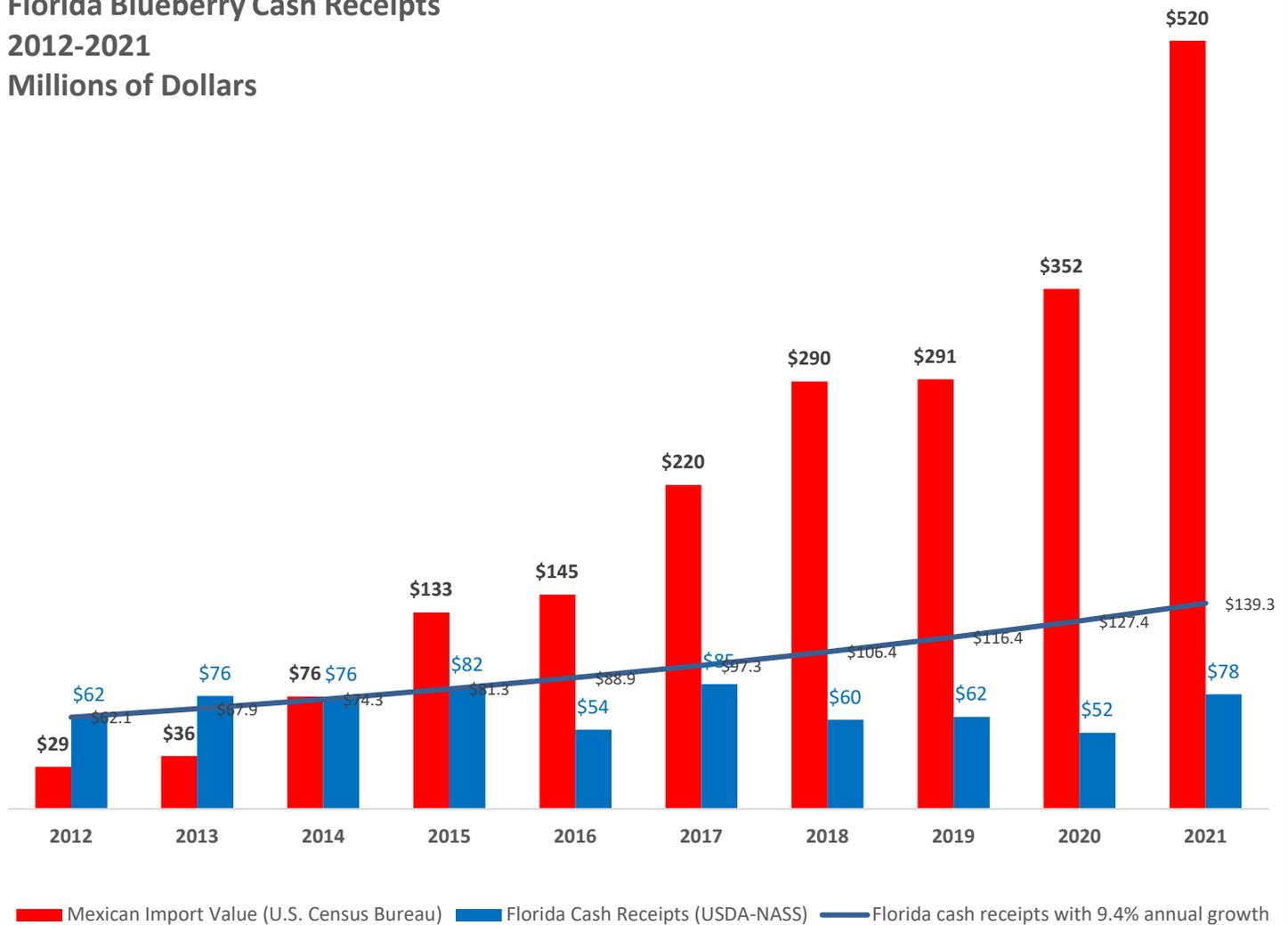
Examining the fresh blueberry market competitive environment provides insight into how price and supply are used aggressively/leveraged in the marketplace by Mexico. From April – May, Florida and Mexico provide 41% of the U.S. supply of blueberries, about 4.1 million flats between the two regions.

Florida product averaged \$23.64 per flat between 2015 and 2021 and Mexican averaged \$24.72, near parity. Mexican pricing skews to the lowest reported prices during April and May, Mexico's low range at approximately \$10-\$15 per flat, these prices would be 50% below their average.

Aggressively priced Mexican product continuously in the lower ranges imported through Texas destined for areas 500-2,500 miles eastward, should see an increase in price as shipping adds from \$1.50-\$4.00 per carton. In east coast areas, Mexican aggressively priced product in this range would force Florida product to charge similar prices minus shipping, effectively setting minimal entry price positions, reducing market share, revenues and profitability.



**Mexico Blueberry Exports and
Florida Blueberry Cash Receipts
2012-2021
Millions of Dollars**



The economic injury to Florida is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

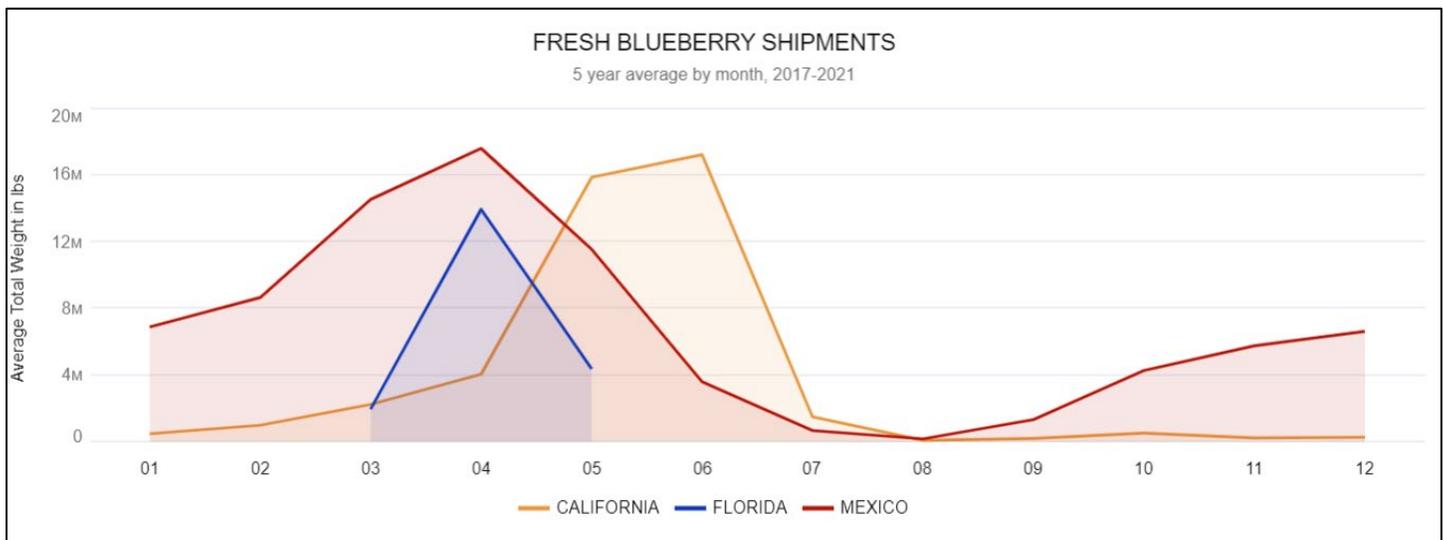
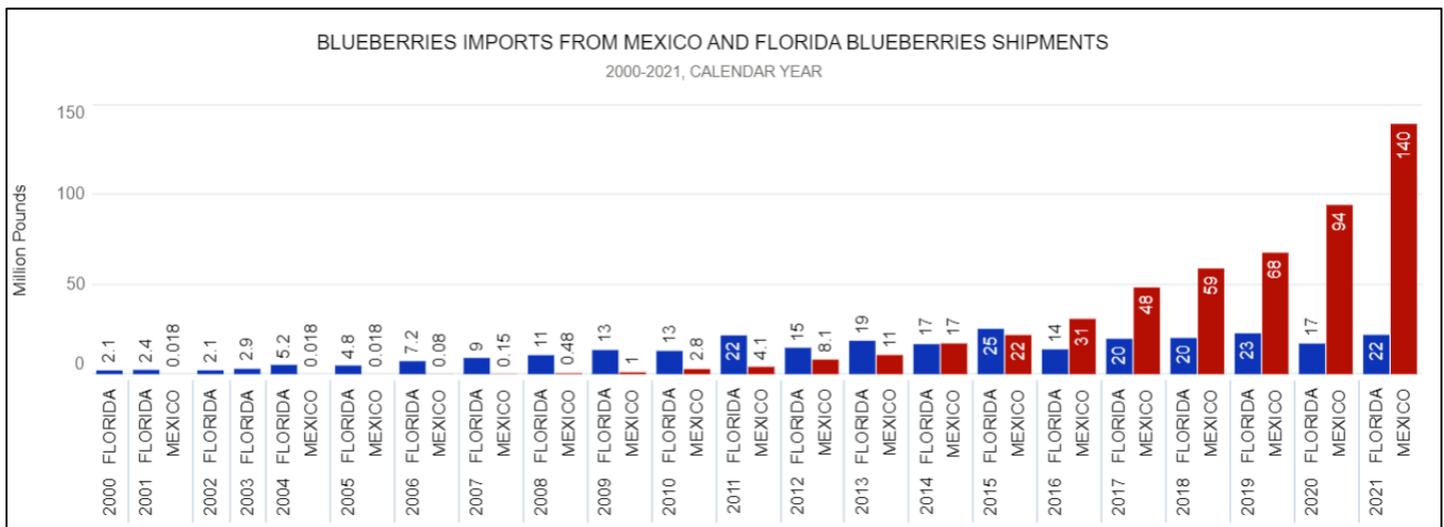
- The value of Mexican imports to the U.S. grew 1,725% from 2012 to 2021. Average annual growth was 42%
 - Mexico average sales (2016-2021) annually of \$303.0 million.
- Florida’s blueberry sales decreased by 31.4% during the same period.
 - Florida average cash receipts (2016-2021) annually of \$65.1 million.
- \$139.3 million; cash receipts in 2021 of Florida blueberries, if Florida growers had experienced the same growth rate Mexico experienced between 2000 and 2021.

Historical supply of Florida production and Mexican blueberry exports to the U.S.

Mexican exports remained relatively minor from 2000-2009, when an accelerated expansion of product began flowing into the U.S. Growth in Florida blueberry production shows signs of injury by 2011, which continues as Mexican product achieves parity with Florida in 2014. Continued saturation from Mexico appears to have damaged Florida's market. Comparing the relative supply positions of Florida and Mexico; in 2007 (FL=31% v. MX=0%) and they are reversed by 2017 (MX=25%; FL 16%). Total demand for the product expanded as well.

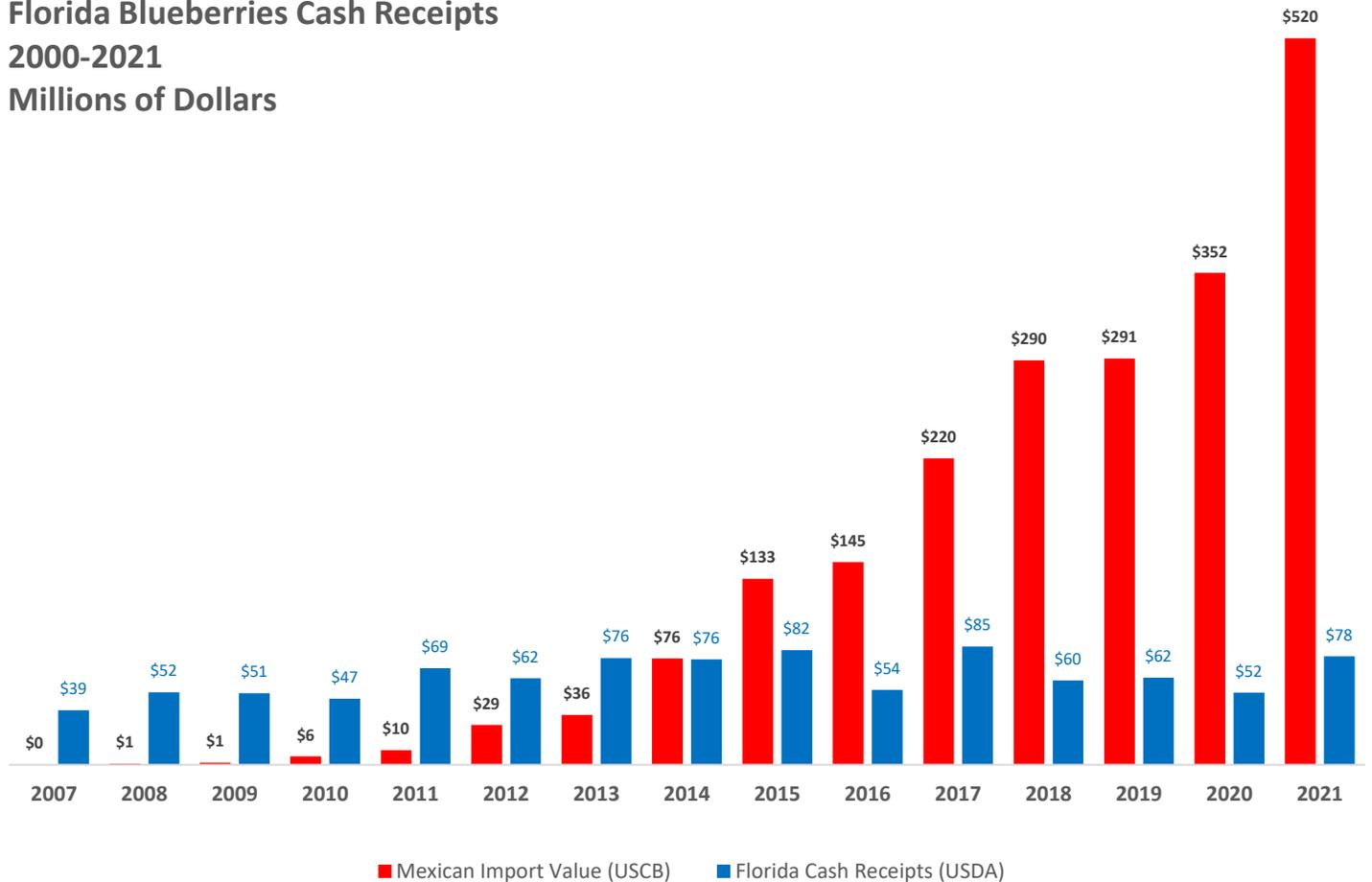
**Values on the graphs for 2021 were not used in calculations as only partial year values are currently available. 2021 values below are year to date shipments through July 2021.*

- 3,329%: Expansion of Mexican product from 2011 to 2021
- 46Mn pounds: Mexican average number of pounds exported from 2016-2021
- 60%: Expansion of Florida product from 2011 to 2021
- 19Mn pounds: Florida average number of pounds produced from 2016-2021



Historical value of Florida production and Mexican blueberry exports to the U.S.

**Mexico Blueberries Exports and
Florida Blueberries Cash Receipts
2000-2021
Millions of Dollars**



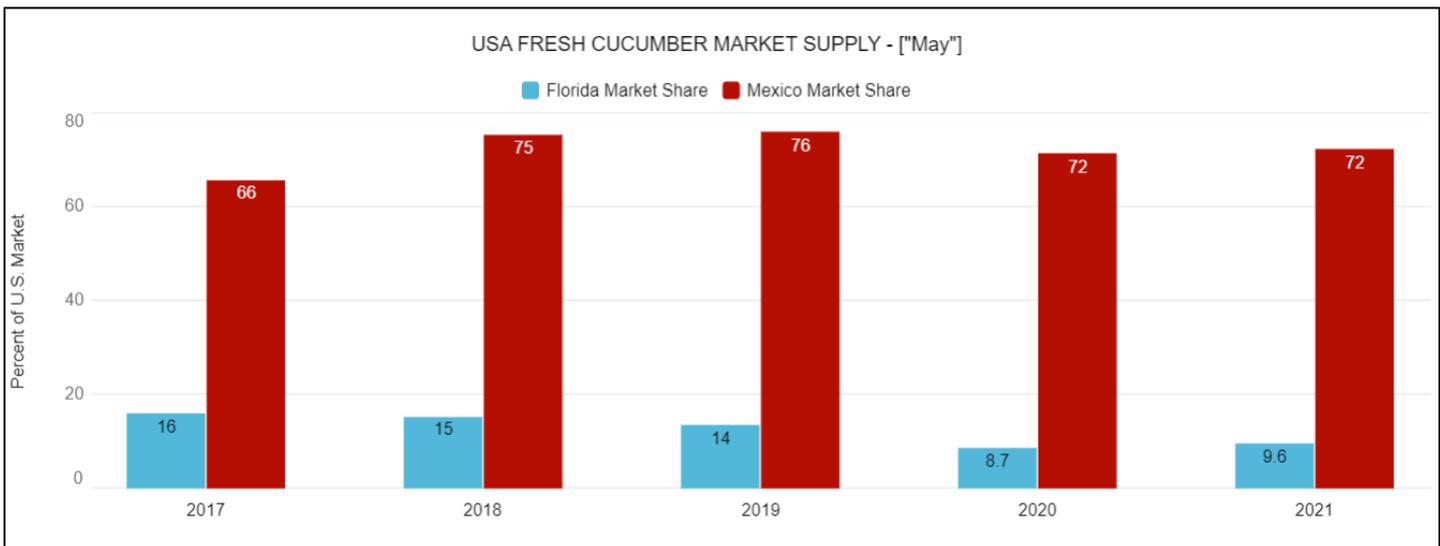
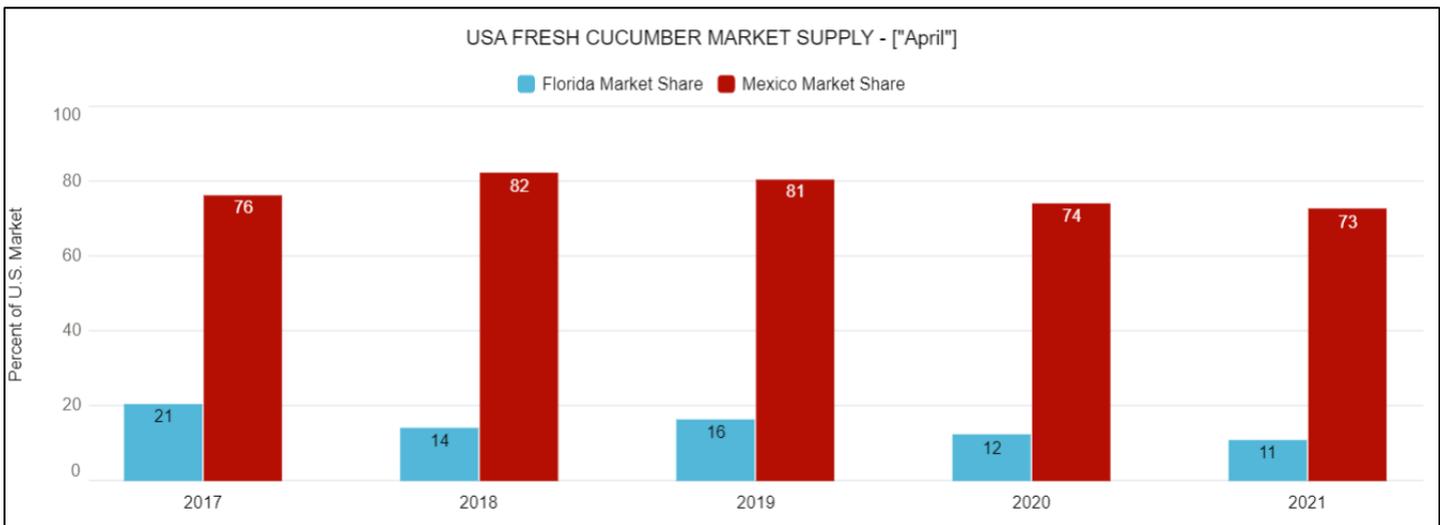
- 583%: Expansion of the value of Mexican product from 2014 to 2021
- \$253 million: Mexican average value exported from 2014-2021
- +3%: Expansion in the value of Florida product from 2014 to 2021
- \$68.5 million: Florida average production value from 2014-2021

CUCUMBER Analytics/Market Share Shifts

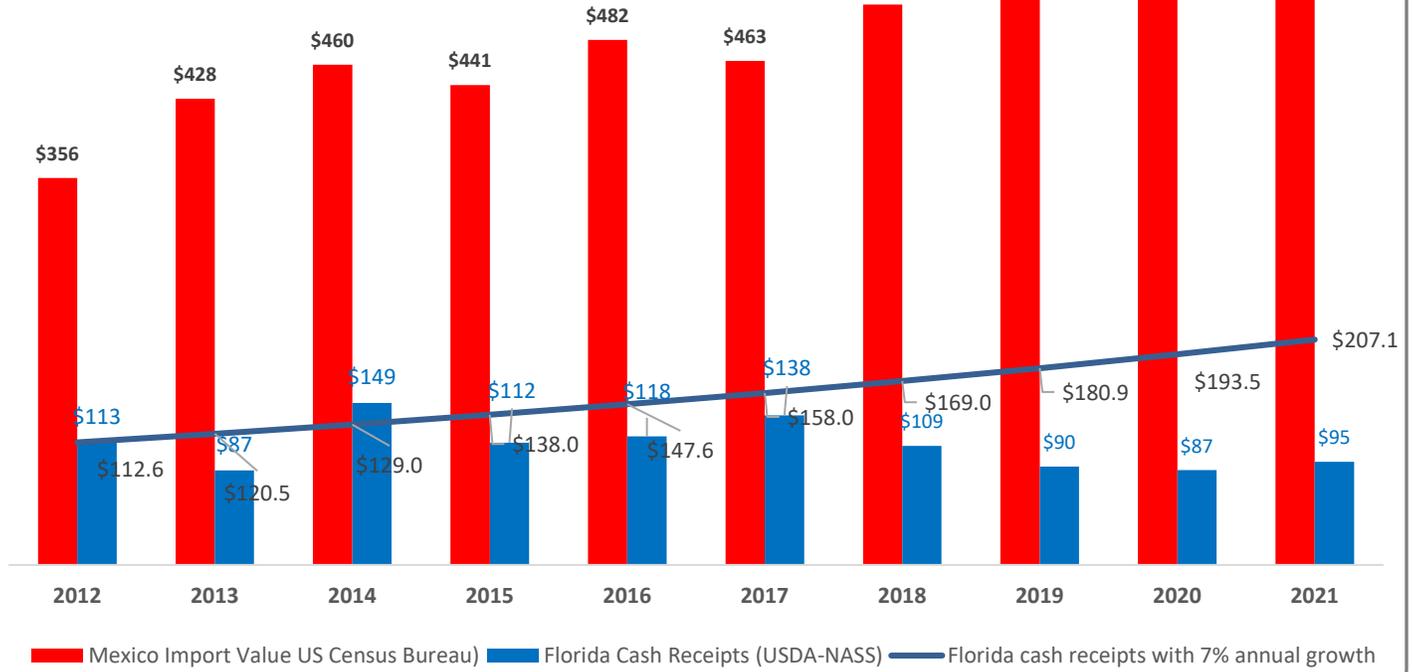
Examining the fresh cucumber market competitive environment provides insight into how price and supply are used aggressively/leveraged in the marketplace by Mexico. From March – May, Florida and Mexico provide 92% of the U.S. supply of cucumbers, about 12.5 million flats between the two regions.

Florida product averaged \$19.24 per flat between 2016 and 2021 and Mexican averaged \$17.92, near parity. Mexican pricing skews to the lowest reported prices during April and May

Aggressively priced Mexican product continuously in the lower ranges imported through Texas destined for areas 500-2,500 miles eastward, should see an increase in price as shipping adds from \$1.50-\$4 per carton. In east coast areas, Mexican aggressively priced product in this range would force Florida product to charge similar prices minus shipping, effectively setting minimal entry price positions, reducing market share, revenues and profitability.



Mexico Cucumber Exports and Florida Cucumber Cash Receipts 2012-2021
Millions of Dollars



The economic injury to Florida is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

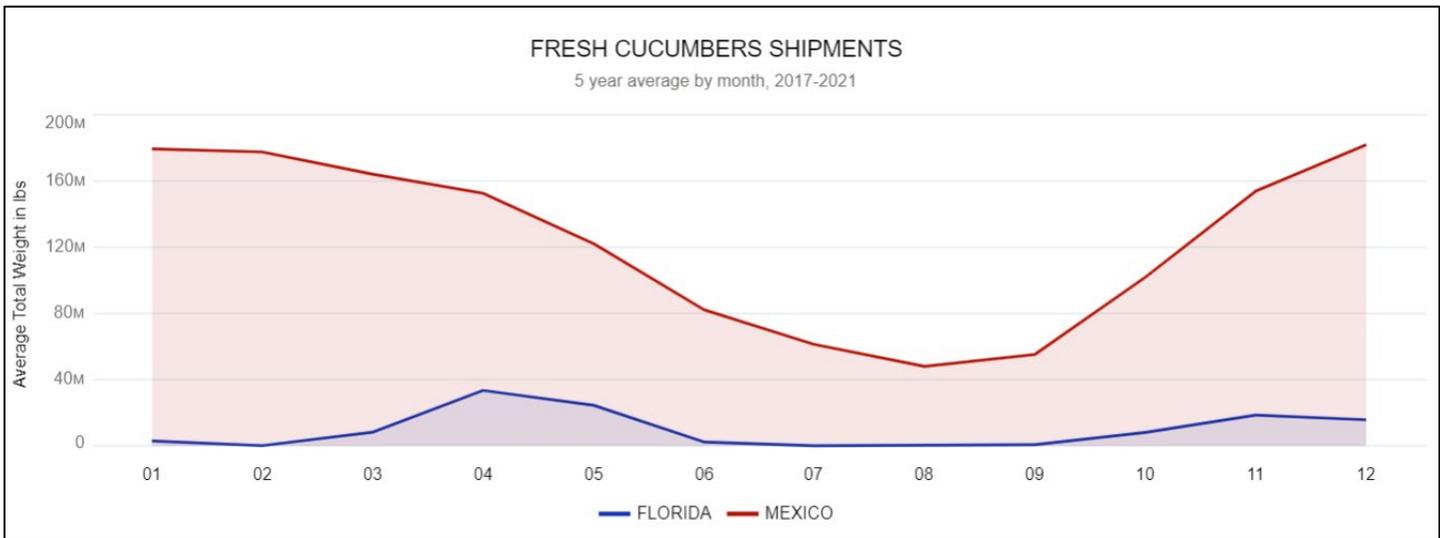
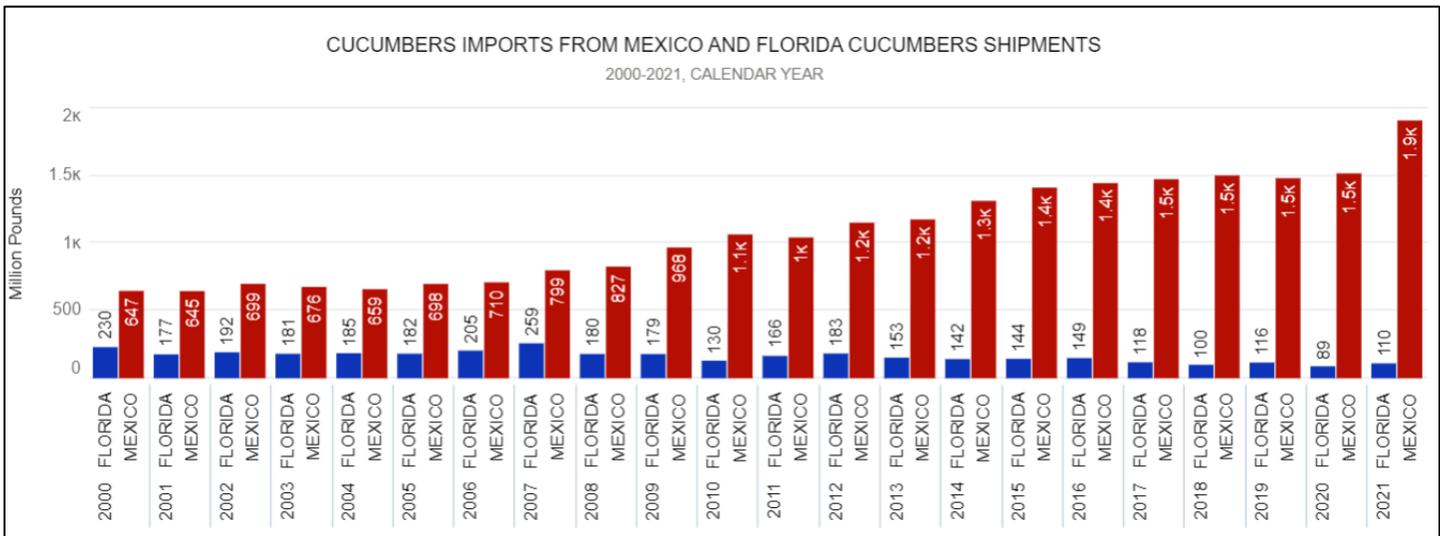
- The value of Mexican imports to the U.S. grew 6.99% per year on average between 2012 and 2021 or 80.06% from 2012 to 2021.
 - Average sales (2012-2021) annually of \$494 million.
- Florida’s average year-on-year growth during the same period was 1.46% and ended up -15.76% lower comparing 2012 to 2021.
 - Average cash receipts (2012-2021) annually of \$110 million.
- \$207.1 million; cash receipts in 2021 of Florida cucumbers, if the growth rate (7% average annual) experienced by Mexico is applied to the value of production of Florida cucumbers.

Historical supply of Florida production and Mexican cucumber exports to the U.S.

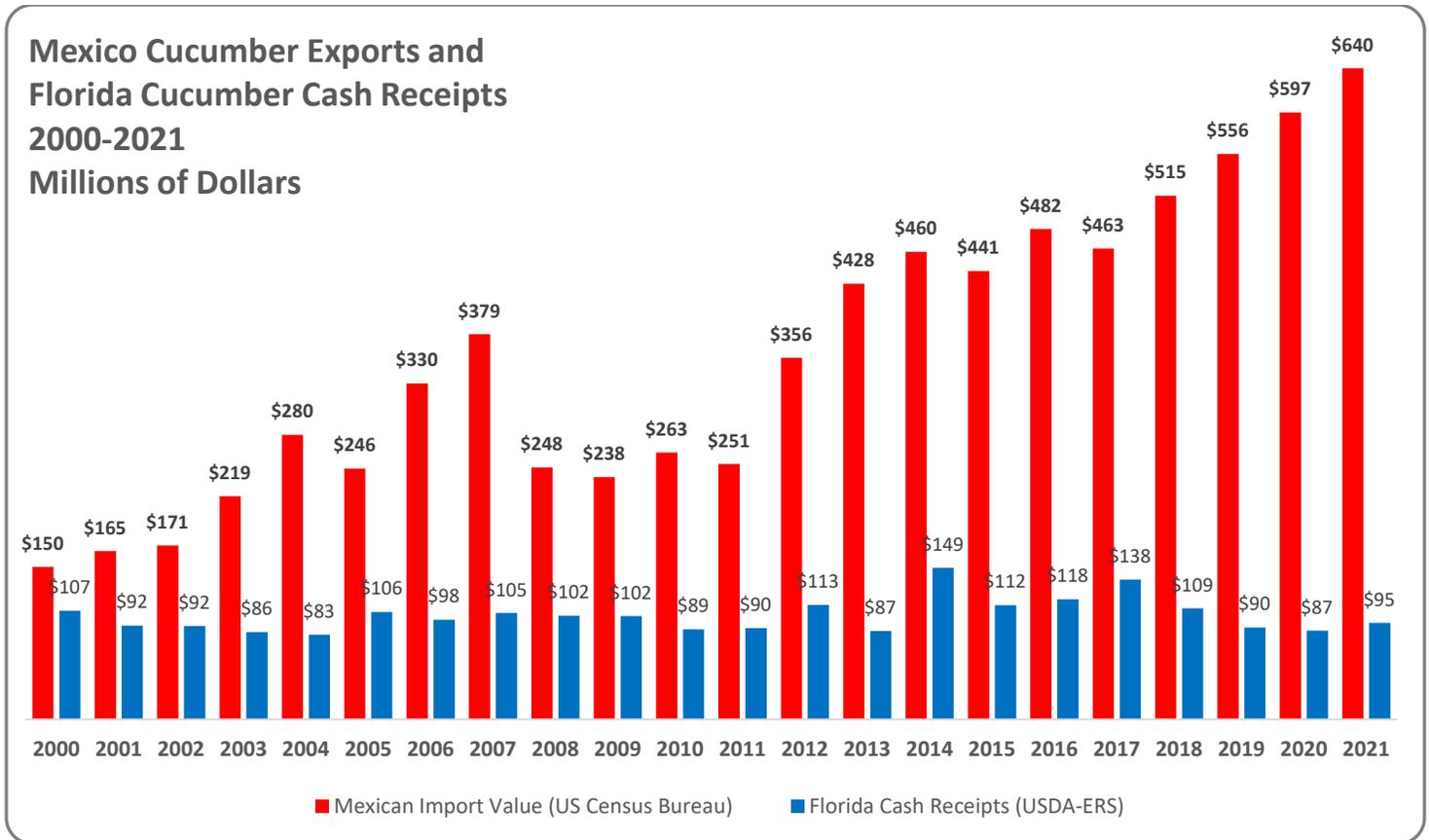
Mexican exports remained relatively minor from 2000-2009, when an accelerated expansion of product began flowing into the U.S. Growth in Florida cucumber production shows signs of injury by 2009, which continues as Mexican product continues to increase. Continued saturation from Mexico appears to have damaged Florida’s market. Comparing the relative supply positions of Florida and Mexico; Florida has consistently lost market share, from 15.65% to 6.00% (-62%). Mexico has steadily gained market share, 54.84% to 73.82% (+35%). Total demand for the product expanded as well.

**Values on the graphs for 2022 were not used in calculations as only partial year values are currently available. 2022 values below are year to date shipments through July 2022.*

- +196%: Expansion of Mexican product from 2001 to 2021
- 1.55Bn pounds: Mexican average number of pounds exported from 2016-2021
- 38%: Decline of Florida product from 2001 to 2021
- 114Mn pounds: Florida average number of pounds produced from 2016-2021



Historical value of Florida production and Mexican cucumber exports to the U.S.



287%: Expansion of the value of Mexican product from 2001 to 2021

\$542 million: Mexican average value exported from 2016-2021

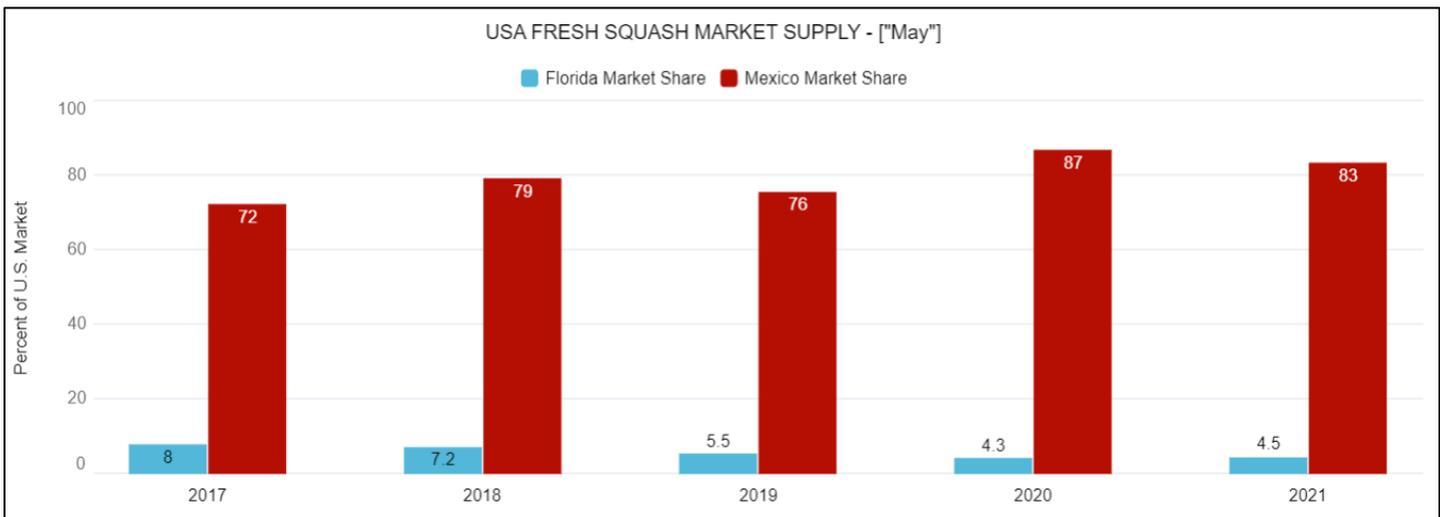
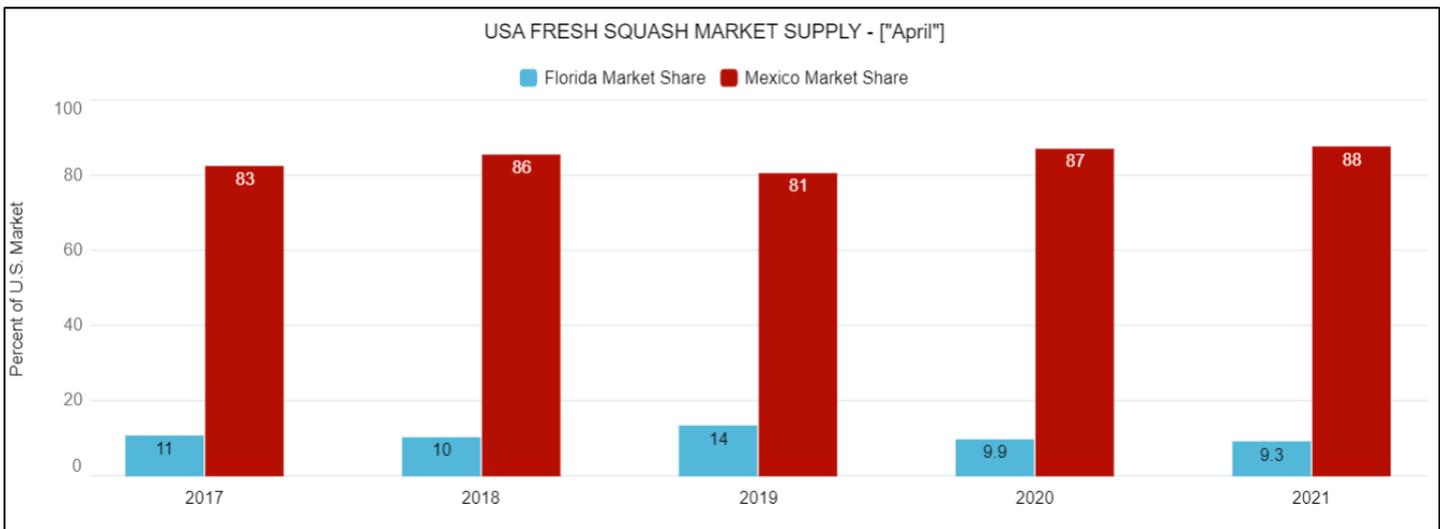
-20%: Decline in the value of Florida product from 2016 to 2021

\$106.2 million: Florida average production value from 2016-2021

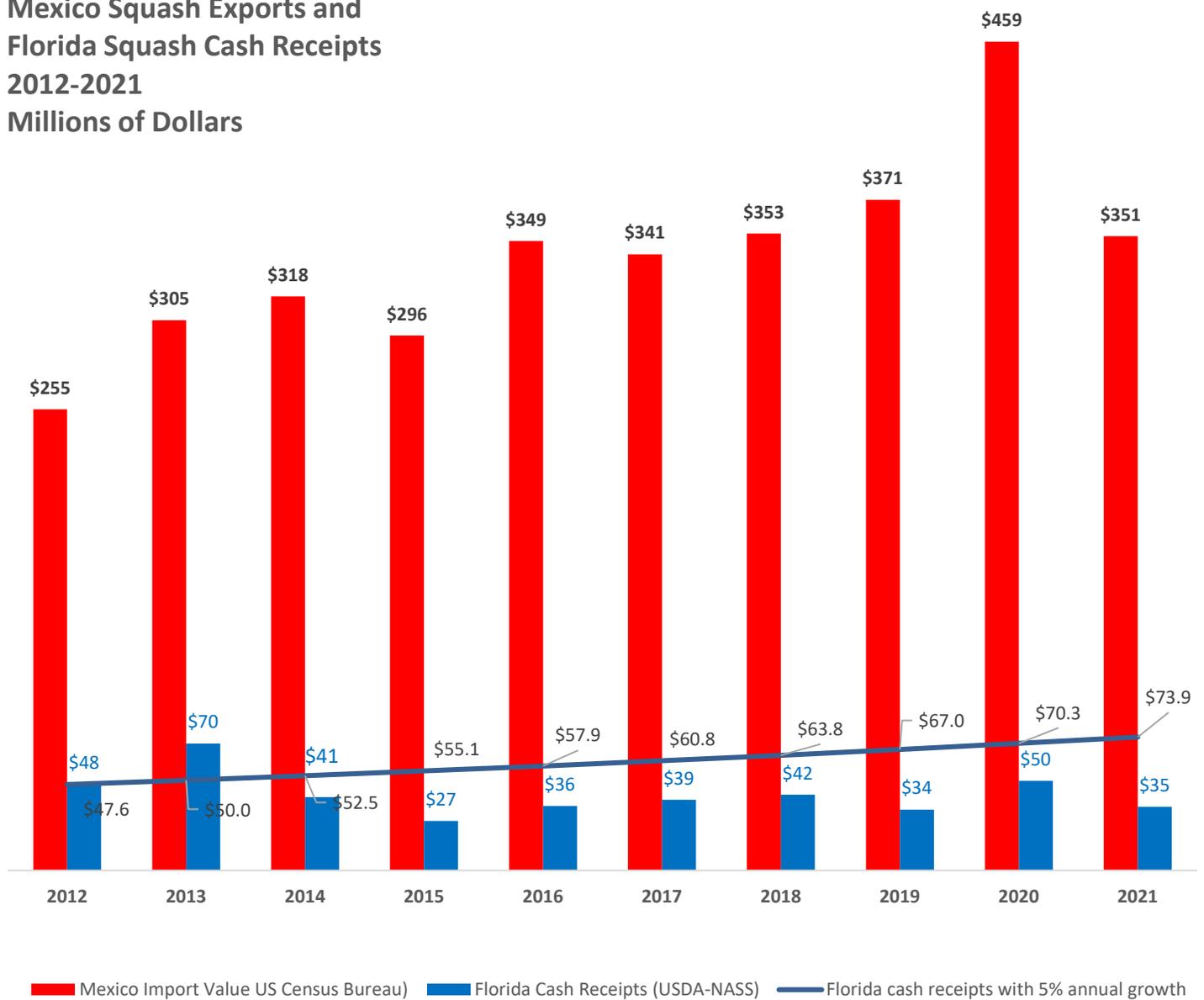
Examining the fresh squash market competitive environment provides insight into how price and supply are used aggressively/leveraged in the marketplace by Mexico. From March – April, Florida and Mexico provide 96% of the U.S. supply of squash, about 6.2 million flats between the two regions.

Florida product averaged \$14.75 per flat between 2016 and 2021 and Mexican averaged \$11.60. Mexican pricing skews to the lowest reported prices during March & April, these prices would be 50% below their average.

Aggressively priced Mexican product continuously in the lower ranges imported through Texas destined for areas 500-2,500 miles eastward, should see an increase in price as shipping adds from \$1.50-\$4 per carton. In east coast areas, Mexican aggressively priced product in this range would force Florida product to charge similar prices minus shipping, effectively setting minimal entry price positions, reducing market share, revenues, and profitability.



**Mexico Squash Exports and
Florida Squash Cash Receipts
2012-2021
Millions of Dollars**



The economic injury to Florida is compounded by loss of growth of sales in addition to the losses estimated that occurred due to lower pricing on the previous chart.

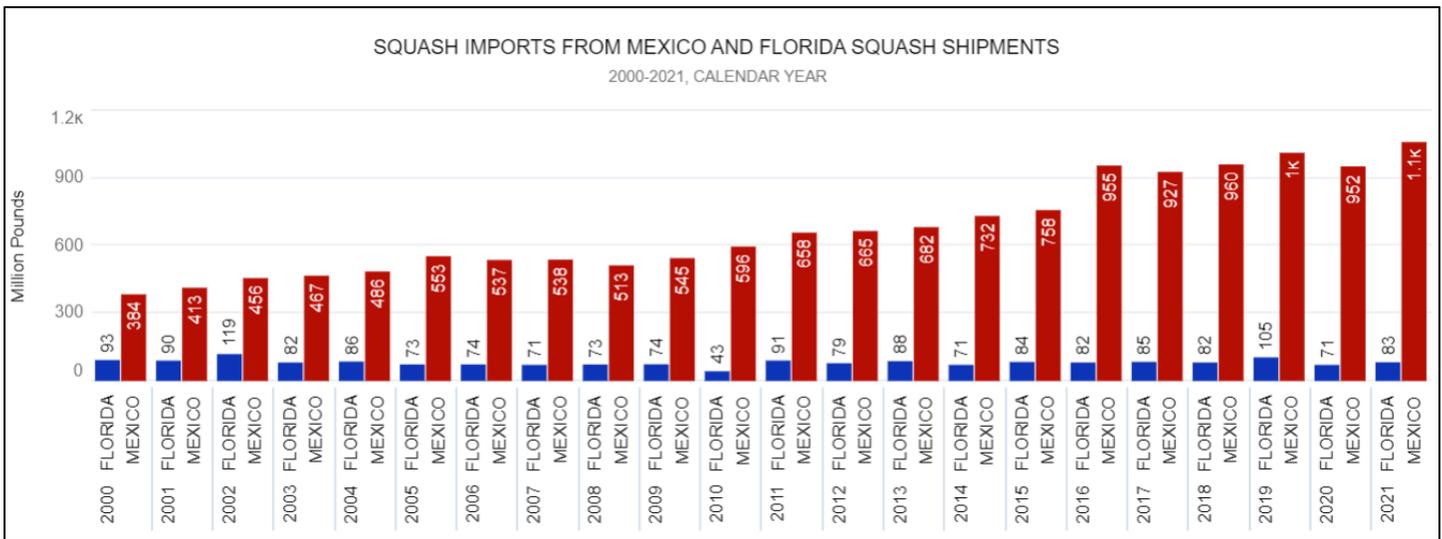
- The value of Mexican imports to the U.S. grew 4.5% per year on average between 2012 and 2021 or 37.6% from 2012 to 2021.
 - Average sales (2012-2021) annually of \$340 million.
- Florida’s average year-on-year growth during the same period was 2.1% and ended up -25.8% lower comparing 2012 to 2021.
 - Average cash receipts (2012-2021) annually of \$42.2 million.
- \$73.9 million; cash receipts in 2021 of Florida squash, if the growth rate (5% average annual) experienced by Mexico is applied to the value of production of Florida squash.

Historical supply of Florida production and Mexican squash exports to the U.S.

Mexican exports remained on a steady course of expansion for much of the period between 2000-2021. Comparing the relative supply positions of Florida and Mexico; Florida has consistently lost market share, 15.21% to 7.24% (52% decrease). Mexico has steadily gained market share consistently since 2000, 77.11% to 81.89% (6.1% increase). Total demand for the product expanded as well.

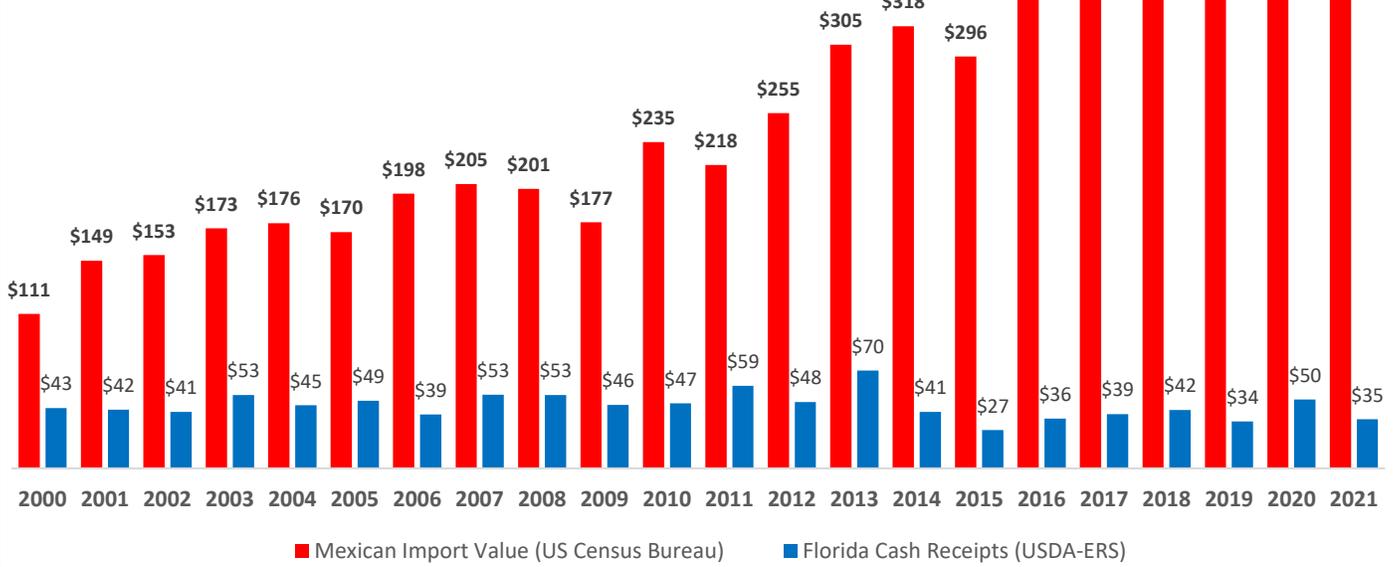
**Values on the graphs for 2022 were not used in calculations as only partial year values are currently available. 2022 values below are year to date shipments through July 2022.*

- +156%: Expansion of Mexican product from 2001 to 2021
- 978Mn pounds: Mexican average number of pounds exported from 2016-2021
- 7.95%: Decline of Florida product from 2001 to 2021
- 85Mn pounds: Florida average number of pounds produced from 2016-2021



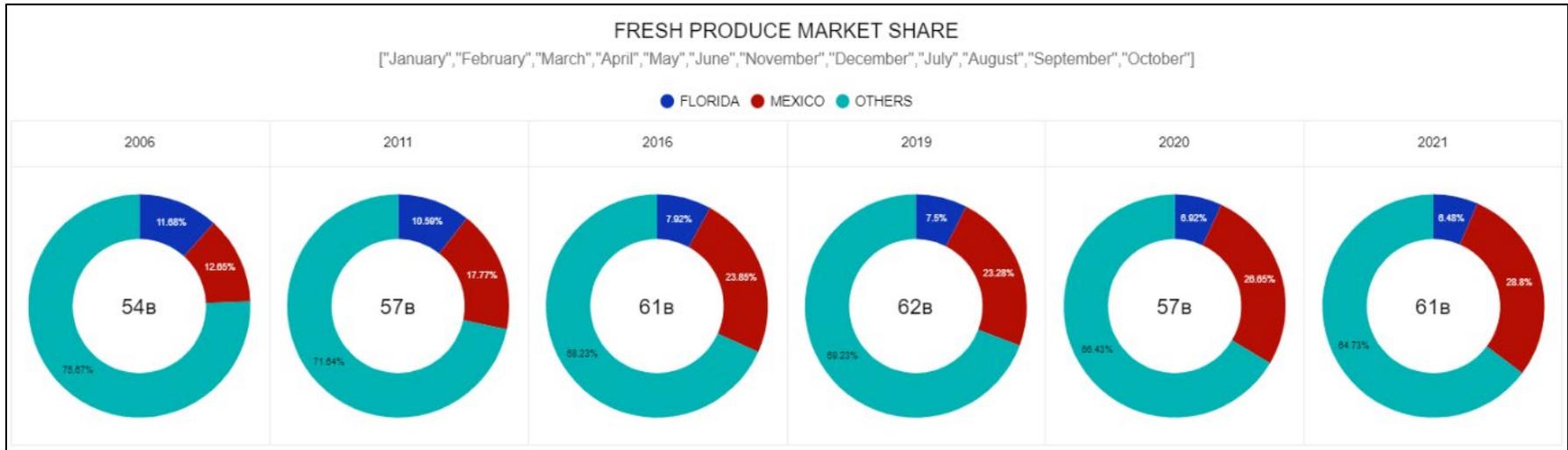
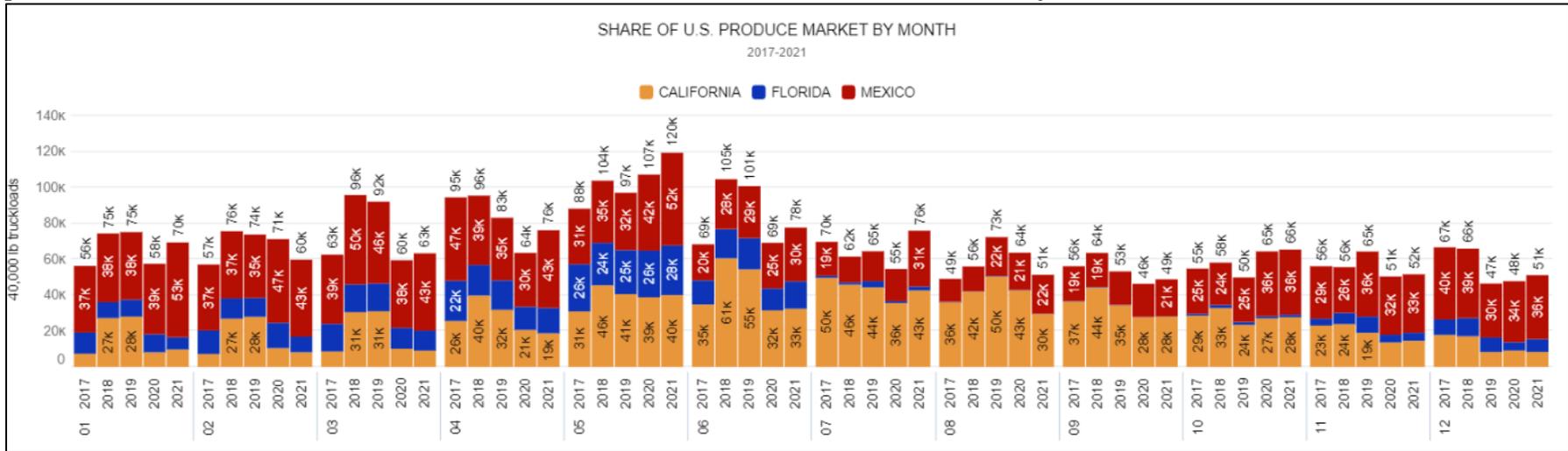
Historical value of Florida production and Mexican squash exports to the U.S.

**Mexico Squash Exports and
Florida Squash Cash Receipts
2000-2021
Millions of Dollars**



- 135%: Expansion of the value of Mexican product from 2001 to 2021
- \$371 million: Mexican average value exported from 2016-2021
- 16.53%: Decrease in the value of Florida product from 2001 to 2021
- \$39.2 million: Florida average production value from 2016-2021

Supplement 1: Market Share Trends for all Market News Commodities as of July 2022



Florida's (2006) market share of 11.68% of 54 billion pounds of the total U.S. market equates to 6.272 billion pounds, by 2021 Florida's 6.48%MS equates to 3.975 Bn pounds, a **decline** of 37.0% or 2.3 billion pounds of assorted commodity. Total domestic supply/consumption expanded by 14.26% (2006-2021)

2.3 billion pounds x (.35+1.32/2) per pound = Estimated \$2.3 billion-dollar loss of sales range. Mexican **gain** of 160% from 2006 to 2021.