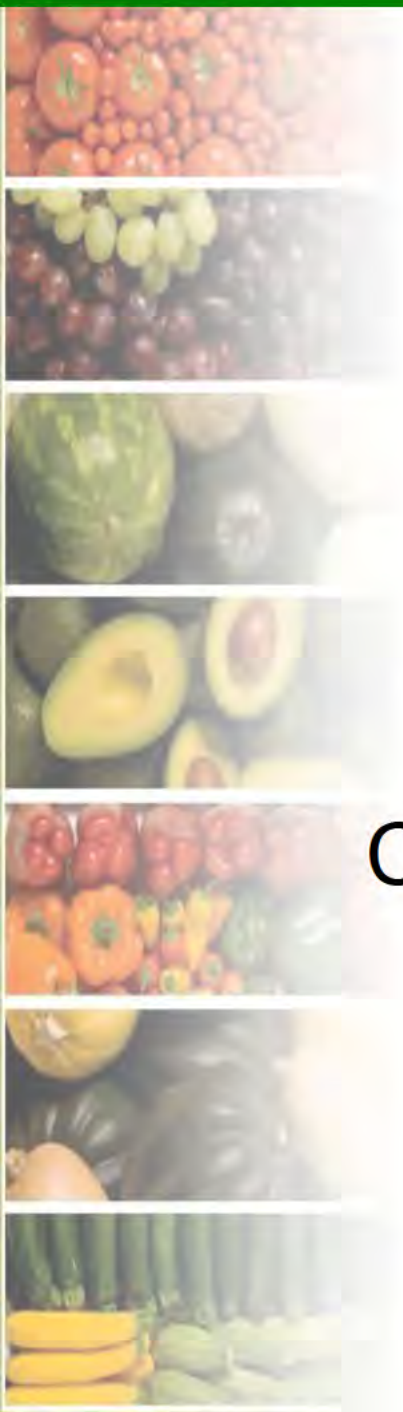

Produce at the Southwest Border

Crossing Trends and Economic Impact

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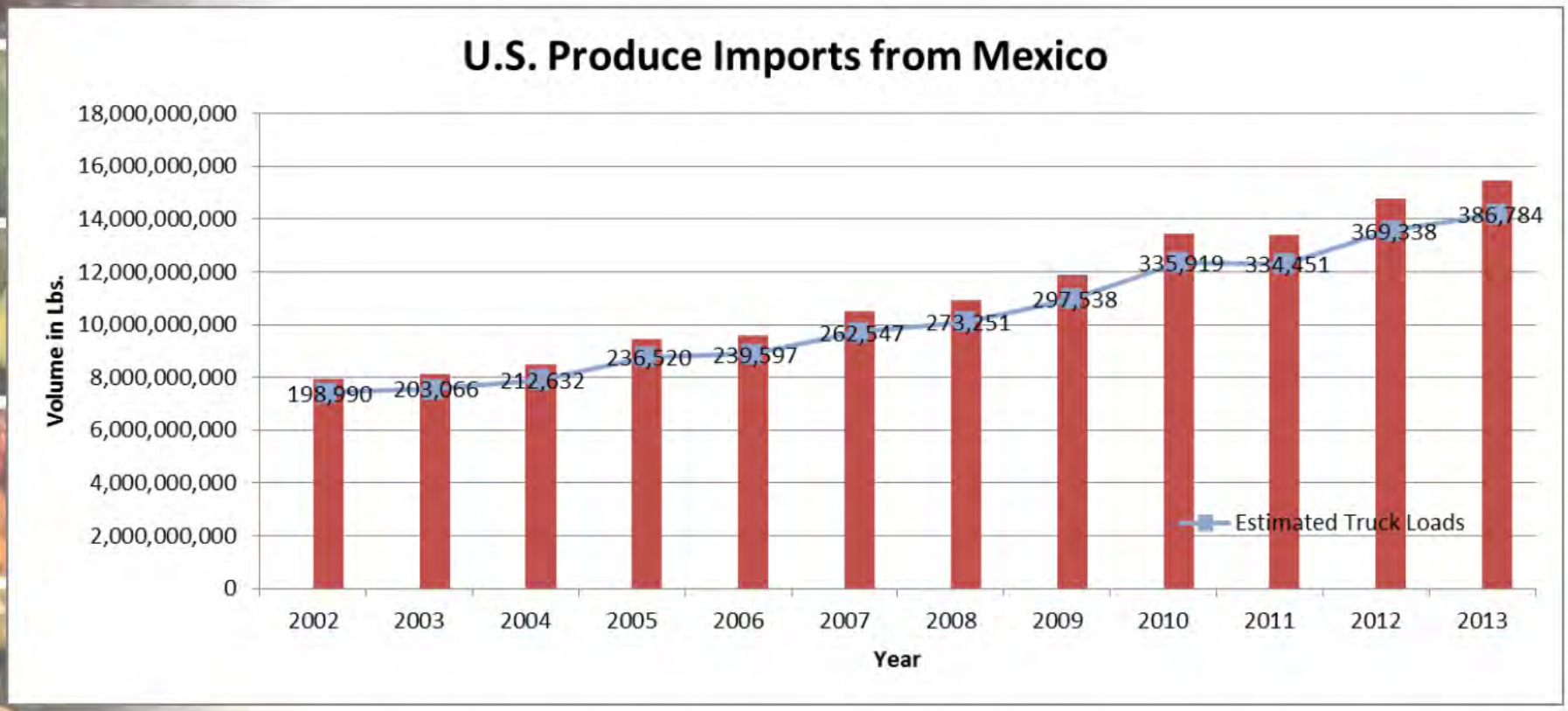
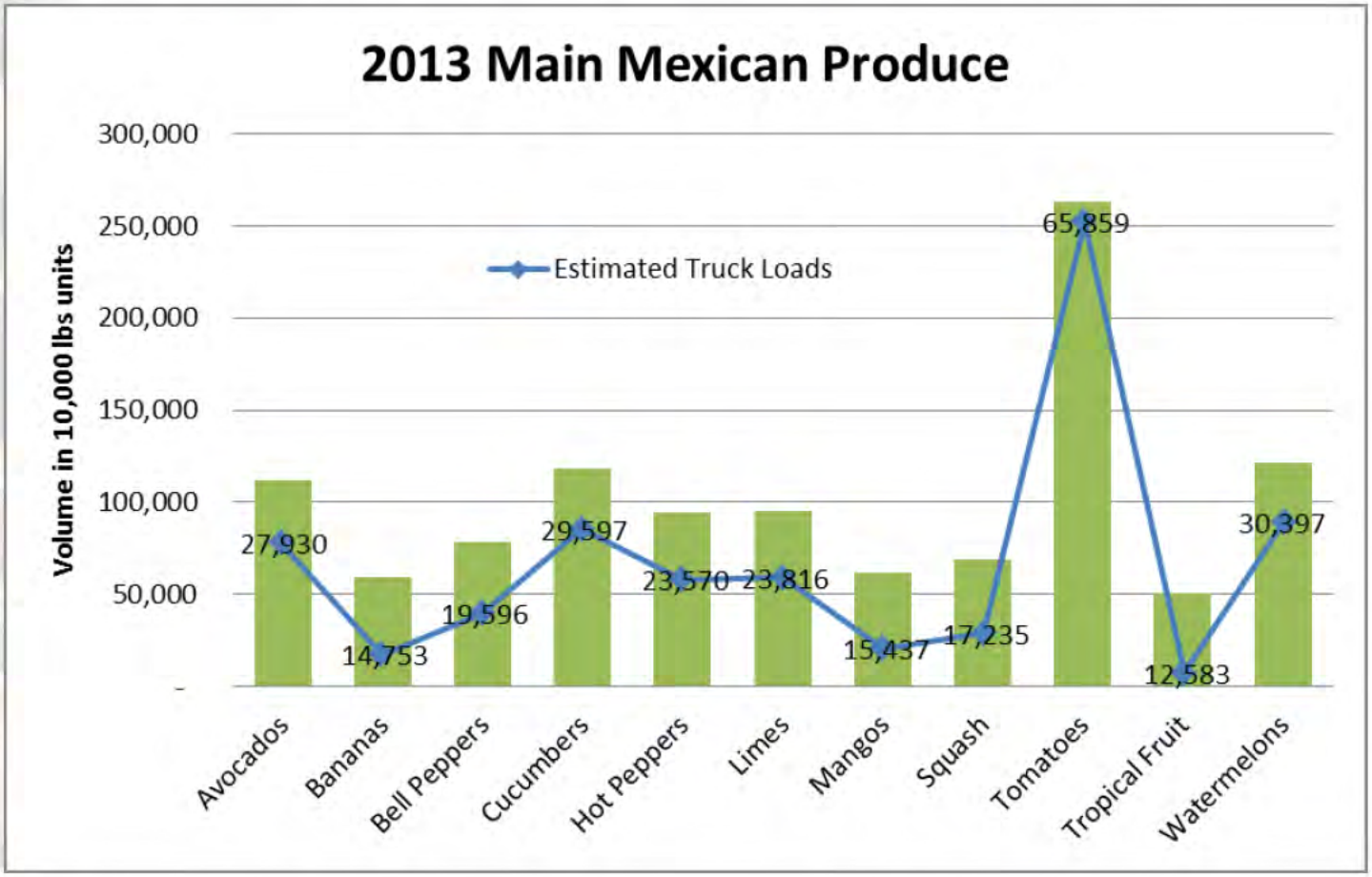
Southwest Border Crossing Trends

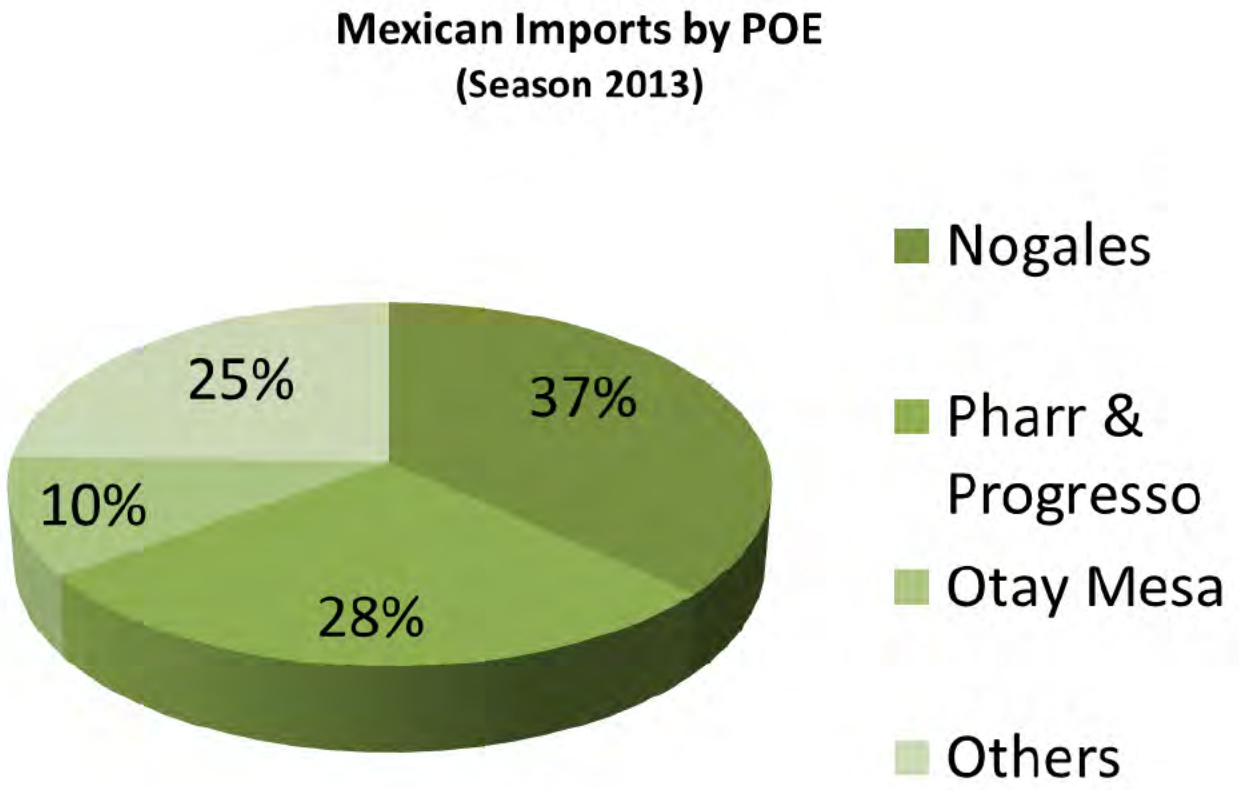


Top Mexican Produce



Distribution by Port of Entry

(by volume)



Distribution by Port of Entry

(by volume)

	Season 2012 (Sept '12 - Apr '13)		Season 2013 (Sept '13 – Apr '14)			Difference	
	billion lbs	%	billion lbs	%		billion lbs	%
Nogales	3.6	34%	4.2	37%		0.6	17%
Pharr & Progresso	3.2	30%	3.2	28%		0	0%
Otay Mesa	1.1	10%	1.2	11%		0.1	9%
Others	2.7	25%	2.8	25%		0.1	4%
Total Mexico	10.6	100%	11.4	100%		0.8	8%

2013 Values and Volumes for Nogales & Mexico

Nogales:

Value - $2,979, 473,000

Volume – 2,592,070 Metric Tons.

Mexico:

Value – $7,815,910,000

Volume – 7,219,123 Metric Tons.

- *Source: USDA – FAS, data from 2013*

Notable percentage increases

- Oranges, up 295%, from 12,910,000 pounds in 2012-13 to 51,010,000 pounds in 2013-14
- Seedless watermelon, up 78%, from 370,050,000 pounds in 2012-13 to 657,120,000 pounds in 2013-14
- Cantaloupe, up 52%, from 25,720,000 pounds in 2012-13 to 39,220,000 pounds in 2013-14
- Squash, up 23%, from 446,930,000 pounds in 2012-13 to 551,070,000 pounds in 2013-14
- Cucumbers, up 14%, from 587,340,000 pounds in 2012-13 to 667,230,000 pounds in 2013-14

- *Source: USDA, data from Sept. 2013 – April 2014*

Mariposa Port of Entry

Mariposa Port of Entry

- The Mariposa Port of Entry in Nogales is a $220 million project that will be the flagship land Port of Entry in the U.S. when completed later this year.
- Commercial lanes went from 4 to 8 lanes, and it is able to handle in excess of 4,000 trucks daily, up from a peak of 1,600 per day now.

Durango-Mazatlan Highway

Durango-Mazatlan Highway

- The centerpiece of the highway is the bridge.
- Some Nogales distributors are diversifying their operations by adding locations in South Texas.

Getting Central & Eastern Mexican Produce to the US West Coast

- The Durango-Mazatlan Highway will open opportunities for Eastern Mexico and Central Mexico produce to go North along the Western Corridor, through Nogales and on to the US West Coast.
- These items include tropicals (papaya, pineapple, banana, etc) as well as vegetables such as broccoli, cauliflower, celery, etc.
- Once the primary domain of Texas Ports of Entry, avocados are now a huge item through Nogales.

Economic Impact of Produce

- In 2013, the University of Arizona completed an economic analysis of the fresh produce industry in Nogales and Santa Cruz County.

Fresh Produce Industry = $303.4 mill business in SC County

Encompasses several economic activities and contributes annually to Santa Cruz County (million dollars):

- Shipping/distribution/sale brokerage.....225.9
- Custom brokerage/freight forwarding.....14.0
- Truck transport to warehouses..... 16.8
- Warehousing & storage..... 24.8
- Gas station (diesel fuel)..... 15.0
- Truck crossing permits 3.0
- Border inspection (CBP) 3.8

Vera Pavlakovich-Kochi & Gary Thompson, *Fresh Produce and Production-Sharing*, Prepared for Nogales Community Development, 2013.

Fresh Produce Industry's Total impact in Santa Cruz County

Total impact = direct and secondary impact

4,020 Jobs (22.3% of County's jobs)

$190.1 million in Wages (24.8%)

$437.7 million Output (33.5%)

Vera Pavlakovich-Kochi & Gary Thompson, *Fresh Produce and Production-Sharing*, Prepared for Nogales Community Development, 2013.

Customs Officers Needed

- In order to effectively and efficiently cross produce at the Southwest Border, more Customs officers (CBPOs) are needed.
- While Border Patrol staffing has jumped dramatically, Customs staffing has fallen behind.

Customs Officers Needed

- The recently passed Omnibus Bill contained 2,000 CBPOs specifically for the nation's busiest ports.
- Nogales, Ariz., has the new Mariposa Port of Entry, which alone needs at least 250 more CBPOs to run at capacity.
- We have recently learned that Nogales should be getting 120 more CBPOs, but these must be spread between all four Nogales CBP locations.

What Does Each New CBPO Add to the Economy?

The recent CREATE report showed that for each additional CBP officer, the U.S. economy would be improved by:

- $2 million increase in Gross Domestic Product
- $640,000 reduction in opportunity costs

Thank you for your time!

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