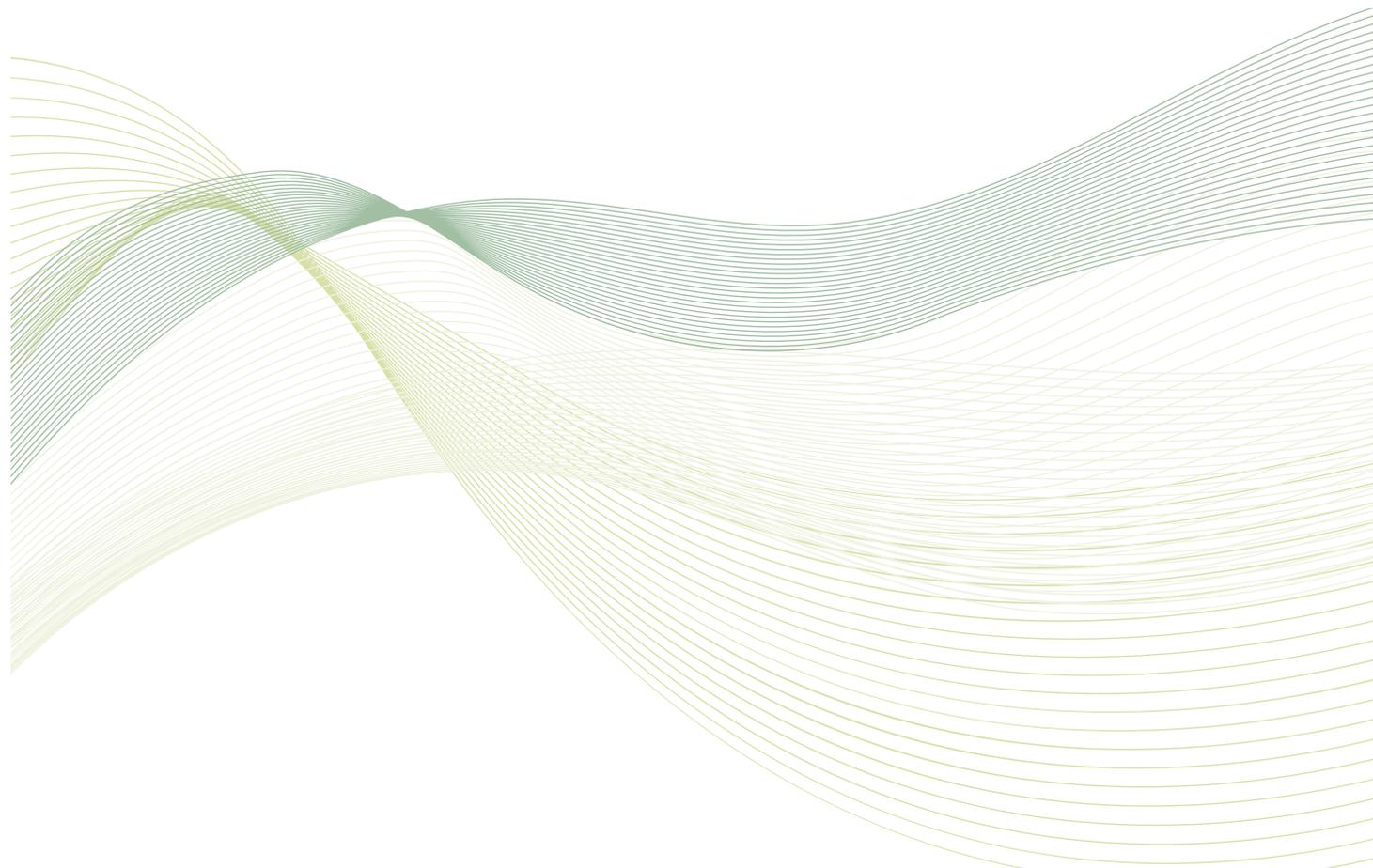


ANNUAL REPORT 2023



FreshProduce[®]
ASSOCIATION OF THE AMERICAS



Please join us at the 2nd Southwest International Produce Expo
& 55th Annual Golf Classic!!!

For more
information contact:

Georgina Felix
gfelix@freshfrommexico.com

Conchita Singh
csingh@freshfrommexico.com

See you there!!!

www.swipeexpo.com



Dear Members,

We are so excited to announce that we are continuing with the expo format for our SouthWest International Produce Expo #SWIPE!!! We'll have a 1-day golf tournament to start the expo, educational sessions, a culinary showcase, the booth expo & much more!!!

Please join us November 6-8, 2024, at JW Marriott in Tucson, AZ. Members will have the advantage of purchasing their booth before sales open to the industry at large. This will ensure FPAA members secure a great spot to reach key buyers that will be attending the event. Don't wait to get your space, these spaces are limited!!!

Please reach out to us through email at info@freshfrommexico.com or give us a call at 520-287-2707. We look forward to hearing from you & seeing you at the SWIPE & 55th Golf Classic.

Sincerely,
The Fresh Produce Association of the Americas

2023 FPAA ANNUAL REPORT

TABLE OF CONTENTS

1	FPAA Board of Directors
2	Staff
3	Legal & Professional Team
4	Industry Partners
5	President's Statement
7	Chairman's Statement
9	Arizona Advocacy
11	Washington DC Advocacy
22	Southwest Border Advocacy
27	FPAA's Strategic Review
29	Mexico Advocacy
38	FPAA Mail Bag
42	FPAA Events
44	Important Studies
47	Our Membership
48	FPAA Photo Gallery
50	Staff Letters
52	Our Members

BOARD OF DIRECTORS



**ROD
SBRAGIA**
CHAIRMAN
Crown Jewels Produce



**RAQUEL
ESPINOZA**
CHAIRWOMAN
ELECT
Produce House



**LEONARDO
TARRIBA**
PAST CHAIRMAN
Farmer's Best International



**GONZALO
AVILA**
BOARD MEMBER
Malena Produce, Inc



**JJ
BADILLO**
BOARD MEMBER
Fresh International



**FRANK
CAMERA**
BOARD MEMBER



**CHRIS
CIRULI**
BOARD MEMBER
Ciruli Brothers



**ENRIQUE
GRACIA**
EXEC. COMMITTEE
Flavor King



**JUAN MANUEL
IBARRA**
EXEC. COMMITTEE
Marengo Foods



**DEMETRIO
KYRIAKIS**
BOARD MEMBER
*Nogales CHB
Association*



**MARTIN
LEY**
BOARD MEMBER
Shipley Sales



**OMAR
LOSOLLA**
EXEC. COMMITTEE
Seeded Produce



**JAMES
MARTIN**
BOARD MEMBER
Wilson Produce, LLC



**GUILLERMO
MARTINEZ**
EXEC. COMMITTEE
Frello Fresh



**JOSE ANTONIO
MARTINEZ**
EXEC. COMMITTEE
Divine Flavor



**KYLE
MCGRATH**
BOARD MEMBER
Tricar Sales Inc.



**JUAN PABLO
MOLINA**
BOARD MEMBER
Fresh Farms



**JOHN
PANDOL**
BOARD MEMBER
Pandol Bros. Inc



**JOSE LUIS
OBREGON**
BOARD MEMBER
IPR Fresh



**WALTER
RAM**
EXEC. COMMITTEE
Giumarra Companies



**ALEX
SUAREZ**
BOARD MEMBER
Suarez Brokerage



**MIKEE
SUAREZ**
BOARD MEMBER
M.A.S. Melons & Grapes LLC



**LESLEY
SYKES**
BOARD MEMBER
Sykes Co.



**CHUCK
THOMAS**
BOARD MEMBER
Thomas Produce Sales



**SCOTT
VANDERVOET**
EXEC. COMMITTEE
*Vandervoet &
Associates, Inc.*

TEAM FPAA!



**LANCE
JUNGMEYER**

President



ALLISON MOORE

Executive Vice President



GEORGINA FELIX

Director of Operations & Foreign Affairs



CONCHITA SINGH

Accounting & Human Resources



SAUL MACIAS

Communications Coordinator

LEGAL & PROFESSIONAL TEAM

IN ORDER TO PROPERLY SERVE OUR MEMBERS AND ADVOCATE FOR THEIR INTERESTS, THE FPAA OFTEN UTILIZES TEAMS OF EXPERIENCED LEGAL AND ADVOCACY PROFESSIONALS. WE HAVE STRONG RELATIONSHIPS WITH OUR ADVOCACY AND LEGAL TEAMS, ENSURING EFFECTIVE, EFFICIENT, AND STRONG REPRESENTATION FOR OUR MEMBERS.

VERIDUS



JEFF SANDQUIST



JEREMY GERLACH



JASON BARRAZA

Arizona-based Veridus has a proven track record of achievement. The team shares more than an in-depth knowledge of the legislative process and decades of experience in lobbying, government relations, and public affairs. They bring dedication, creativity, and a focused pursuit of excellence that drives every project that Veridus takes on.

COOGAN AND MARTIN P.C.



ROBERT "KIP" C. MARTIN

In 2001, Kip Martin and his law partner, Daniel J. Coogan, formed Coogan & Martin, P.C. Throughout its history, the firm has been closely connected with international agricultural trade and with the produce industry in Nogales, Arizona. Mr. Martin and Mr. Coogan are also two of a handful of lawyers in the United States with an intimate working knowledge of administrative regulations and procedures under the Perishable Agricultural Commodities Act of 1930 ("PACA").



DANIEL J. COOGAN

HARRIS BRICKEN BC CONSULTING

Adams Lee brings a wealth of knowledge to Harris Bricken's international trade practice. He is adept at quickly evaluating strategic options and developing the best comprehensive legal approach in light of relevant policy and case law. Lee supports the FPAA and its members by providing an insightful and knowledgeable perspective on complex issues.



ADAMS LEE

BC Consulting is a bipartisan, full-service government affairs and strategic consulting firm located in Washington, D.C. BC Consulting represents clients before the federal government, specializing in transportation, cross-border trade, agriculture and tax issues. BC Consulting is results-oriented with proven success in strategically positioning public policy initiatives on Capitol Hill and federal agencies.



BRITTON MULLEN

INDUSTRY PARTNERS



BTA Border Trade Alliance



INTERNATIONAL
FRESH PRODUCE
ASSOCIATION



ARIZONA CHAMBER
OF COMMERCE & INDUSTRY



CPMA



Fresh Produce & Floral Council



Greater Nogales
Santa Cruz County
PORT AUTHORITY



THE FOOD
INDUSTRY
ASSOCIATION



AAEI

convera

FARMERS *for*
FREE TRADE

ARIZONA-MEXICO
COMMISSION

A MESSAGE FROM THE PRESIDENT

LANCE JUNGMEYER



Dear Members of the Fresh Produce Association of the Americas,

If you have been involved with importing Mexican produce for any amount of time, you have seen some remarkable changes. In almost all cases, changes have been for the better.

Mexico changed the game by adopting technology like protected agriculture to expand product offerings and extend growing seasons. With vine-ripened and specialty tomatoes, colored peppers and European cucumbers, consumers took notice, and market share growth predictably followed.

When faced with the aftermath of foodborne illness outbreaks that disrupted tomato and melon markets, Mexican growers doubled down on food safety. Now, Mexican farms and packinghouses are often noted for their world-leading food safety protocols.

As demand for Mexican produce grew, and supply chains tightened, many FPAA members broadened their operations by adding warehouses in multiple importing areas, ensuring that they could service customers in South Texas, Arizona and oftentimes California, too.

Regional businesses became national, a change that has created new opportunities for importers. This is quite a change in just the past 10-15 years.

Against this backdrop of consumer-led growth, competitors in the Southeast have continued to push protectionist policies. In recent years, FPAA has defended against the imposition of duties or trade penalties on Mexican items including: tomatoes, bell peppers, squash, cucumbers, blueberries, strawberries and raspberries.

No matter what Mexican produce item you sell, we are here to defend you, and your market access.

A MESSAGE FROM THE PRESIDENT

LANCE JUNGMEYER

Continued

In 2023, the Florida Tomato Exchange asked the Department of Commerce to terminate the Tomato Suspension Agreement, which has provided stability and confidence in the market since 1996. FPAA led a delegation effort to incorporate support from all over the Southwest Border states of Texas, Arizona and California, plus other states. The tomato import industry accounts for 49,000 US jobs according to a study from Texas A&M. The tomato makes up 16% of Mexican produce imports to the U.S., so you can be assured we understand the relevance in the big picture.

Also in the past year, we have made comments to the USDA/APHIS to eliminate the inspections of Mexican tomatoes for Tomato Brown Rugose Fruit Virus. The inspections since 2019 have been costly, and FPAA welcomes the fact that USDA has initiated a process that may result in eliminating the inspections of commercial fruit.

Also last year FPAA Members created a commission to engage USDA to cease inspecting desert grapefruit to the same juice content standard as tropical grapefruit from Florida and Texas, which has a thinner rind and therefore higher juice content by mass. However, Mexican desert grapefruit, like California grapefruit, has a thicker rind, designed by nature to keep inside those sweet juices. It's the sweet juice flavor, medfly free shipping zones and organic grapefruit from Mexico that are now driving market excitement since USDA dropped its temporary regulation, which acted as a de facto ban on Mexican imports for much of the season.

It is for reasons like the above that we go to bat for your interests as an American distributor of fresh produce from Mexico. We know that you are important employers in your communities, and we appreciate the sense of community that you bring to the Fresh Produce Association of the Americas.

Sincerely,

Lance Jungmeyer



President

Fresh Produce Association of the Americas

A WORD FROM THE CHAIRMAN

ROD SBRAGIA
CROWN JEWELS PRODUCE



Dear Members,

On behalf of the Board of Directors, I am honored to write to about two important initiatives at the Fresh Produce Association of the Americas.

First, as you probably have seen, we have launched the SouthWest International Produce Expo, slated for Nov. 2-4, 2023 at Loew's Ventana Canyon Resort.

I will tell you, this event is going to offer world-class golf, with the nation's top retail buyers, in a relaxed networking expo. We are taking the best of the best from other trade shows, and making a focused event that highlights only the imports of Mexican fresh fruits and vegetables. It is unique in that regard, and I urge you to maximize your participation in this event.

Strategic Review

Secondly, recognizing the change in the landscape, last year the Board of Directors initiated and completed a Strategic Planning Review of the association. In the surveys and focus groups, FPAA members identified the following as important priorities for FPAA in the next 3-5 years:

- 89% of respondents view FPAA's negotiation for effective trade agreements as extremely important or very important
- 85% of respondents see it as extremely important or very important for FPAA to achieve greater cooperation with trade-oriented associations such as International Fresh Produce Association and Texas International Produce Association
- While the focus of the association has been on government affairs in recent years, it was revealing that 100% of FPAA members want the FPAA to be effective in trade promotion of Mexican produce
- 87% of respondents said it was important to very important for FPAA to increase its presence in Texas; 85% said the same about California.

A WORD FROM THE CHAIRMAN

ROD SBRAGIA

CROWN JEWELS PRODUCE

Continued

FPAA's Vision For the Future

The strategic review culminated in a day and a half retreat, where FPAA members collaborated on these new Vision and Mission statements.

Vision – Continue to be the leading voice for market access of imported fresh fruits and vegetables for consumers across North America.

Mission - Ensure market access for imported fresh fruits and vegetables by informing and advocating with government and industry on behalf of Members, thereby providing consistent expertise and support.

On behalf of FPAA, take pride in the dedication that we put into the above mission and vision statements. It is steeped into our culture to meet these ideals.

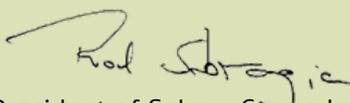
The strategic review revealed a lot about what the association has seen, and where FPAA needs to go.

The biggest change coming from the strategic review was the decision by the Membership to become a true Southwest National trade association, covering the over-arching needs of distributors all the way from the Lower Rio Grande Valley to Laredo to Nogales, Ariz., and to Otay Mesa.

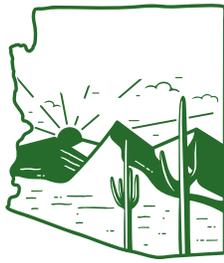
In this vein, we need your support to help add new Members to the fold. The more we have, the stronger we are in Congress, with the agencies, and on a daily basis for your interests on the border.

With your continued support of FPAA, we will continue to help the industry face new challenges, so that you and your company can be here – thriving - after the next round of changes come.

Sincerely,
Rod Sbragia



Vice President of Sales - Crown Jewels Produce
Chairman, Fresh Produce Association of the Americas



ARIZONA ADVOCACY

The Fresh Produce Association of the Americas had an active and productive year in Arizona.

FPAA held a successful March on Phoenix, where FPAA leadership and staff had a full day of meetings with Members of the Arizona Legislature and the Governor's office. In addition to over 20 Members of the Legislature over 2 days, the FPAA team visited the Governor's office, the Arizona Department of Transportation, and others.

The FPAA was led by members of the association including: Chairman Rod Sbragia of Crown Jewels, Chairwoman-elect Raquel Espinoza and Monica Fernandez of Produce House, Jorge Donnadieu of Fresh Farms, along with Nogales Mayor Jorge Maldonado, Santa Cruz County Supervisor Rudy Molera, FPAA staff and FPAA Phoenix representatives from Veridus.

The FPAA explained the economic role of the produce industry and presented current and future issues which we want to work together to address. The FPAA talked about the economic impact of the produce industry to the State which is close to \$1 billion.



FPAA Delegation meets with Senator Rosanna Gabaldon



FPAA Delegation meets with Majority Whip Teresa Martinez



ARIZONA ADVOCACY

continued

In addition to reaping the benefits of the opening of the SR-189 overpass in Nogales, FPAA is pleased to announce an additional \$9 million in funding for future improvements to the system around Exits 12 and 17. This is in support of FPAA's long-term vision to completely modernize all of the major exits and roadways leading from the Port of Entry to major industrial zones in Rio Rico and Nogales

The partial funding for improvements to Exit 12 (Ruby Road) and Exit 17 (Rio Rico Drive) were a result of significant outreach about the importance of this project, including the FPAA advocacy trip to Phoenix. From that trip, the Legislature passed an amendment for the funding put forward from Senator Rosanna Gabaldon who represents Santa Cruz County and other portions of Southern Arizona in the State Legislature.

"For years Senator Gabaldon has been aligned with the community vision to improve access and community safety along the I-19 corridor, and this funding represents a sizeable contribution toward other funding options, including federal grants," said Lance Jungmeyer, President of the Fresh Produce Association of the Americas.

Rep. Consuelo Hernandez also played a key role in galvanizing support for the amendment, according to FPAA.

"Once all of the improvements come to fruition, our warehouses will be even more efficient," said FPAA Chairman Rod Sbragia, Vice President of Sales & Marketing at Crown Jewels Produce. "During our peak season, trucks sometimes back up onto the highway because the existing interchanges were built decades ago, never anticipating the kind of traffic snarls that can occur at a major international point of entry," added Sbragia. "We are incredibly grateful to the legislature."



FPAA Delegation meets with Representative Consuelo Hernandez

Arizona Commercial Vehicle Safety Partnership (ACVSP)

FPAA collaborated with various industry stakeholders to preserve an important Commercial Vehicle Task Force.

The Arizona Commercial Vehicle Safety Partnership (ACVSP), formerly known as the ECD Commercial Vehicle Task Force, is a collaborative effort between the Department of Public Safety (DPS) and the Arizona Department of Transportation's Enforcement & Compliance Division (ADOT-ECD).

Through the integration of their resources and expertise, the partnership strives to bolster compliance, advance education initiatives, strengthen joint training, and continually seek avenues for operational improvement.

Governor Hobbs emphasized the importance of consistent application of the commercial vehicle code and highlighted ongoing education and public outreach efforts.

WASHINGTON D.C. ADVOCACY

Trade and Defending Members Against Florida’s Efforts to Harm U.S. Importers Florida’s Section 301 Petition and Beyond

Much of the Fall of 2022 was spent defending FPAA members against a push from Florida to launch a Section 301 Investigation on all imported fruits and vegetables from Mexico. This would have harmed U.S. importers of fresh produce, negatively impacted consumers, and created uncertainty across the entire market. Because of the broad efforts opposing the Section 301 petition, on October 23, the USTR rejected the Florida request, a victory for U.S. importing companies, buyers and suppliers across the supply chain, and consumers.

The work doesn’t stop there, though. You can read about Florida’s latest efforts to terminate the Tomato Suspension Agreement, which the FPAA is working diligently to oppose. We go into detail about that on page 18.

Florida Continues to Push Seasonality Bill

Members of Congress from Florida continue to try and change U.S. dumping law to make it easier for growers in Florida to bring anti-dumping cases. Florida Republican Sen. Marco Rubio and Rep. Vern Buchanan announced in March their introduction of a bill in their respective chambers (S. 104 and H.R. 545) that they claim would “help Florida fruit and vegetable growers combat unfair trade practices by countries like Mexico,” by adding a seasonality provision to the Tariff Act of 1930 that would allow “seasonal, regional” growers to petition for relief from “unabated foreign imports.”

The FPAA has been educating Members of Congress about our opposition to this type of “seasonality provision,” and we continue to work with Members to oppose this bill.



1600 Pennsylvania Avenue
NW



FPAA staff and members en
route to Capitol Hill



FPAA President Lance Jungmeyer
meets with Congressman Juan
Ciscomani

WASHINGTON D.C. ADVOCACY

continued

Arizona Senators Contact USTR On Next Steps for Proposed Advisory Committee after Rejecting Florida Petition. Florida, Georgia Congressional Letter Demands Southeast Committee to Find Remedies for Southeast Growers

While the U.S. Trade Representative rejected the Florida petition to initiate a Section 301 Investigation on all Mexican produce, the USTR did announce the creations of a private industry advisory panel to explore other options to help with competitiveness of seasonal and perishable produce in the southeastern United States. Arizona Senators Kyrsten Sinema and Mark Kelly sent a letter to USTR Ambassador Katherine Tai on November 29, regarding the advisory panel and any potential next steps. They also continue to engage with the USTR on updates to this process.

They write, “It is crucial for the advisory panel established by your office to recommend actions that will actually help southeastern growers. Florida growers face many issues, including hurricanes, a shortage of available agricultural workers, and real estate development pressures, that limit their ability to compete in the U.S. market but have nothing to do with Mexican imports. We urge the inclusion of a range of voices on the panel that can bring the appropriate perspective to the discussions. These diverse perspectives will ensure that the recommendations of the advisory panel are fact-based and can advance our shared goals of furthering the interests of U.S. agricultural producers.”



Continued pressure is important on this issue given that a delegation of Florida and Georgia Members of Congress recently wrote to the USTR stating, “Establishing the panel, and implementing its recommendations, will be critical to providing economic relief to fruit and vegetable growers and rural economies throughout the Southeastern United States. With the 2023-2024 growing season fast approaching, the panel must be convened as soon as possible.”

WASHINGTON D.C. ADVOCACY

continued

FPAA Promotes “Building a More competitive U.S.-Mexico Border.”

In addition to pushing back against trade detractors, FPAA also proactively advocates for trade and policies that make trade more efficient for U.S. companies. Lance Jungmeyer of the FPAA was proud to participate again in the Wilson Center’s “Building a More Competitive US-Mexico Border.” In a publicly broadcast forum, Jungmeyer moderated event June 21 entitled: “Federal Government Actions to Enhance Border Competitiveness.”

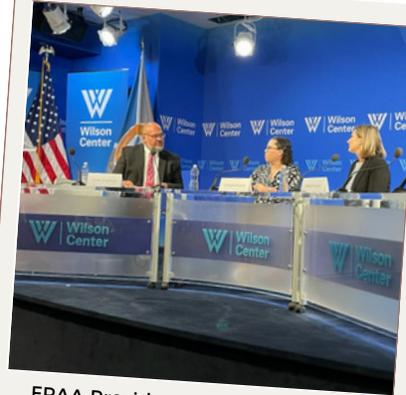
On behalf of FPAA, Jungmeyer moderated the discussion between Rachel Poynter, Deputy Assistant Secretary of State for the U.S. Department of State, and Georgina Barquet, Head of Borders and Special Affairs, Embassy of Mexico.

Food Safety Efforts

Food safety is top of mind for the FPAA and its members. We help members advance their food safety mission by helping educate them about the latest changes to laws and regulations, working with the Food and Drug Administration to improve their oversight and industry interactions, and helping ensure the U.S. and Mexico continue to collaborate on food safety efforts.

Support for Members FPAA Works with IFPA, Other Industry Groups on Resource Guide for Companies Facing FDA Regulatory Visits During Outbreaks

The FPAA working through the International Fresh Produce Association’s (IFPA) Food Safety & Technology Council, helped compile a list of questions that companies should consider asking regulators when a company is approached as part of a food safety outbreak investigation. This document brings together the collective expertise of top food safety minds in the country to help FPAA members and other companies position themselves to gather the information they need from U.S. regulators when a company is contacted. If a member is approached by a regulator, they can use these questions to gather as much information as possible to understand why their company might be approached for information. You can download a copy of the questions on the IFPA website here: <https://www.freshproduce.com/resources/food-safety/outbreak-questions-for-regulators/>.



FPAA President Lance Jungmeyer moderating at the Wilson Center Event



Lance leading a panel discussion titled "Federal Government Actions to Enhance Border Competitiveness."

WASHINGTON D.C. ADVOCACY

continued

FPAA Meets with FDA Regional and National Leadership to Align Port Operations

On December 15, the FPAA and the Nogales U.S. Customs Broker Association met with John Verbeten, the Food and Drug Administration Deputy Director for Import Operations Enforcement, with Todd Cato, the Southwest Import District Director (SWID), Stacy Below, the Director of Investigations in the SWID office, and Adrian Garcia, the Supervisory Investigator of the Nogales office.

The FPAA explained the importance of FDA better aligning their hours of operation to the hours of operation for the ports of entry where they work. In Nogales, for example, FDA stops working during the week at 4:30 even though trucks continue to cross until 7:00 pm. FDA said they do have some voluntary staff that may process entries after 4:30, but it is not a requirement yet. They are also requesting additional funding from Congress to be able to pay staff to process entries until later in the evening for all shipments transmitted to FDA after their offices close.

FDA also said during the meeting that they are piloting hand held tablets that would allow inspectors to release shipments after field exams while still at the warehouses instead of having to wait to do the updates in the FDA system when they returned to the office.

The FPAA reiterated how important it is for FDA's import operations to be in close coordination with the Centers for Food Safety and Applied Nutrition (CFSAN) at FDA when they are developing annual sampling assignments for various commodities. Often CFSAN will not have the depth of knowledge on when and where commodities are crossing the border, and the Import Operations need to have a say in properly allocating the numbers and timing of samples collected for sampling assignments.

FPAA, Members Push FDA to Hire Food Industry Expert for Newly Created Deputy Commissioner for Human Foods To improve coordination at FDA, many organizations, including the FPAA have pushed the agency to create a Deputy Commissioner for Human Foods which would bring together all the FDA's food safety efforts under one umbrella. An independent expert panel also submitted a report to FDA on the need for Deputy Commissioner for Human Foods.

FPAA members sent letters to the FDA in 2023 strongly urging the Commissioner to follow through with appointing a Deputy Commissioner. The FPAA members also explained how important it was to have that position filled by someone with food experience. Unfortunately, the roles at FDA pertaining to food safety have often been filled by people with expertise in drug safety or veterinary medicine.



FPAA meets with FDA

WASHINGTON D.C. ADVOCACY

continued

After lots of public pressure and discussions about reorganizations at FDA, the agency announced that it has begun a national search for a new Deputy Commissioner for Human Foods and is providing an update on a proposed restructuring of the agency's Human Foods Program and Office of Regulatory Affairs (ORA) to enhance coordination, prevention and response activities.

USDA Updates

FPAA, Industry Successful in Pushing Back on Juice Requirements under Florida Grapefruit Marketing Order Inspections

In August 2022, USDA notified the industry that the agency would be implementing juice content requirements for imported grapefruit under the Florida Grapefruit Marketing order from October 1, 2022, to March 31, 2023, for one season.

The FPAA has worked closely with the USDA to find a way forward that does not implement a juice content standard that is only applicable to Florida production on all grapefruit. Industry concerns include the fact that grapefruit from Mexico had not been subject to the juice content requirement in previous years, that the grapefruit were grown in climates vastly different than in Florida, and that a Florida state standard was not appropriate for grapefruit grown in other non-tropical regions.

On March 31, 2023, the USDA confirmed it will not be enforcing the juice content requirements for the 2023-24 season as it works with industry to review the imported grapefruit juice content requirements. FPAA continues to engage with USDA on better ways forward that do not include the requirement to inspect all grapefruit to a Florida state standard.

FPAA Opposed Changes to National Mango Board. USDA Withdraws Proposal

The USDA had proposed to change the foreign producer allocation on the National Mango Board and to change how they defined affiliated board members, which would bar affiliated companies from both serving on the board. FPAA members opposed the changes, and the FPAA submitted comments stating:

“As an organization representing U.S. importers of mangos from Mexico, the FPAA is concerned that the proposed makeup would proportionally skew representation away from the county that comprises the bulk of imports. In this manner, the proposal would create an unrepresentative board.



USDA demonstrating Grapefruit Juice content inspections

WASHINGTON D.C. ADVOCACY

continued

The FPAA is also concerned that the proposed rule would place unnecessary restrictions on board representation which may impact the National Mango Board's ability to fill board seats and continue the already successful marketing programs. We trust in the process and discretion that the USDA has established since the inception of the National Mango Board. The USDA has balanced representation on the board resulting in appointees that have done a remarkable job increasing consumption.

On July 31, 2023, the USDA withdrew the proposed changes, keeping the National Mango Board composition the same. The FPAA and its members were successful in educating companies about the concerns with the proposal and activated industry members to submit comments opposing the proposal.

FPAA Member Appointed to USDA Fruit and Vegetable Industry Advisory Committee

The U.S. Department of Agriculture (USDA) announced on November 2, 2022, the appointment of 25 industry representatives to serve on the Fruit and Vegetable Industry Advisory Committee (FVIAC). The reappointed and newly appointed members will serve two-year terms beginning immediately and ending in October 2024. Chris Ciruli of Ciruli Brothers and FPAA Board Member was one of the 25 chosen individuals appointed to the committee. The FPAA worked with several Members of Congress from Arizona and Texas to solicit letters in support of Chris Ciruli's nomination.



FPAA Member Chris Ciruli of Ciruli Brothers appointed to FVIAC

FPAA, Industry Groups Talk with USDA PACA on Better Protections for Sellers

On Wednesday, Aug. 31, FPAA met with leaders from USDA/AMS including AMS Administrator Bruce Summers; Associate Administrator Erin Morris; Ken Peterson, Associate Deputy Administrator; Judy Rudman, Director of the PACA Division.

Up for discussion were potential items for consideration for USDA/AMS to better administer the Perishable Agricultural Commodities Act (PACA). Other groups included International Fresh Produce Association, Western Growers, Texas International Produce Association and several company representatives.

Chiefly, the industry asked USDA to raise awareness and compliance regarding the need for electronic programs, including buyers' platforms and independent trading platforms, to include all necessary PACA language. Some electronic platforms limit the number of characters that can be entered, and some do not offer the option at all. USDA agreed to conduct outreach and explained the potential recourse for enforcement.

WASHINGTON D.C. ADVOCACY



FPAA members taking a lunch break in the Longworth House Office Building Cafeteria.



FPAA meets with Members in Arizona and New Mexico.



FPAA staff having dinner with the Mexican Consulate in DC

continued

FPAA President Lance Jungmeyer highlighted that in some cities including Salt Lake City and others of a similar size, it is cost-prohibitive to call for a timely USDA market inspection. In such instances, this means shippers sometimes cannot afford to execute a timely inspection, thus waiving their PACA rights. In order to make PACA more effective, Jungmeyer suggested that the PACA branch work with the Market Inspection branch to explore options to “right-size” the inspection workforce to where inspections are needed and outsource to state partners where possible. These or other efforts may help reduce the costs. USDA agreed to take a deeper look at this issue.

FPAA Sees Wins in Improvements to Final Strengthening Organic Enforcement Act, Looks to Educate Members on Compliance

On January 18, 2023, the USDA announced the publication of the final rule for the Strengthening Organic Enforcement Act. The FPAA was involved in extensive working groups with USDA, CBP, and industry members discussing the proposed rule. This includes a group looking specifically at early USDA proposals that would have required organic certificates for all imported shipments. One recommendation from the FPAA was to give certifiers the flexibility to issue certificates for as little as one load or a certificate covering all shipments in a given timeframe, such as a full season. The FPAA had argued that requiring individual certificates for each load would be costly, ineffective, and difficult to administer. The final rule from USDA did include greater flexibility in issuing certificates for organic shipments being imported into the U.S. after much discussion and working to find a solution to the challenge. The FPAA will be bringing training opportunities to FPAA members in the coming months to ensure members are complying with the new requirements.

FPAA Works with Allies in Specialty Crop Farm Bill Alliance (SCFBA) on Organic Bill Designed to Broaden Industry Input on Organic Standards

The FPAA has been working closely with allied associations for several months to address some concerns with proposed legislation that would give the National Organic Standards Board (NOSB), an industry advisory committee, unprecedented oversight over the USDA in pushing through organic policies put forward by the board. The NOSB as an advisory committee has a role in putting forward recommendations to USDA. However, USDA has the final say in what recommendations move forward based on legality, scientific rigor, and other criteria. The FPAA and industry groups had serious concerns giving the NOSB authority over USDA, and they have worked together to improve any legislation pertaining to the NOSB. Additionally, the coalition has been in talks with the Organic Trade Association (OTA) to find better ways to work to improve the NOSB without giving the NOSB authorities outside the scope of a federal advisory committee.

WASHINGTON D.C. ADVOCACY

continued

Tomato Suspension Agreement – FPAA Goes to Bat for Importers

Throughout the course of a year, there are many issues that come up related to the Tomato Suspension Agreement. This year was no different. From the technical clarifications on inspections or sales through broker to an industry-shaking concern - a Florida request to terminate the Tomato Suspension Agreement, which would lead to 20.91% duties on all imported tomatoes from Mexico.

FPAA Raises Need for Clarification on Border Inspections for Bulk Medley, Sliced Tomatoes in Absence of USDA Grade

An unintended consequence of the inspection requirement in the Tomato Suspension Agreement is the fact that some items imported from Mexico do not have a U.S. Department of Agriculture (USDA) grade standard to use as a basis for inspection. This is true for medley pack tomatoes, which have to be inspected under the TSA when they are in bulk packages, and it is true for sliced/diced tomatoes. The FPAA was the first to raise the concern, and we have worked closely with our trade attorney Adams Lee and the attorneys for the Mexican growers to request clarification from Commerce so that innovative pack styles and varieties can be imported, even when USDA limitations require a common-sense workaround.

FPAA Hosts Tomato Suspension Agreement Refresher, Provides Guidance to Tomato Importers

The FPAA held a Tomato Suspension Agreement refresher seminar on Wednesday, April 5, 2023, for FPAA members. This was also an important opportunity to educate members about the new Commerce interpretation on sales through U.S. brokers and how that impacts sales to Canada and also impacts adjustments to U.S. sales. Additionally, FPAA staff and attorneys regularly answer questions from the industry at large as companies work to ensure compliance with the agreement.

FPAA Urges Commerce to Include FTE Companies That Import in Quarterly Audit Process

During each quarterly audit selection process, the FPAA submits comments to the Department of Commerce requesting that they include Florida tomato companies that import tomatoes from Mexico in the selection of companies they review each quarter. The FPAA reiterates that all companies must comply with the TSA, including companies that are also part of the Florida Tomato Exchange, and that neglecting to include them for the regular audits could give the wrong signal that they have unofficial cover to choose whether or not to adhere to the agreement. That would result in an uneven playing field for all companies.





WASHINGTON D.C. ADVOCACY

continued

FPAA Fights to Maintain Tomato Suspension Agreement, Protecting U.S. Importers from 20% Duties

Despite strong enforcement mechanisms in the 2019 Tomato Suspension Agreement and statements from Commerce that the Mexican tomato industry is complying with the agreement, the Florida Tomato Exchange requested that Commerce terminate the agreement. This would force U.S. importers to pay 20.91 percent duties on all tomatoes from Mexico.

The FPAA is working diligently to protect FPAA members from this outcome. In addition to rallying industry allies, Members of Congress, and others to push back against the latest shenanigans from FTE, the FPAA is also developing extensive comments to Commerce explaining why termination of the agreement would not benefit FTE and would only harm U.S. companies that import tomatoes, U.S. consumers in the form of reduced supply and higher prices, and U.S. companies that rely on Mexican tomatoes to provide valuable U.S. jobs. Below is an excerpt from FPAA's statement regarding the FTE petition to terminate the agreement.

Seeking Monopoly, Florida Tomato Exchange At It Again with Off-Base Claims

Duties requested by FTE would limit vine-ripened tomatoes, harm U.S. businesses, and drive up consumer prices in the face of crippling food inflation.

Nogales, AZ – The recent request by the Florida Tomato Exchange (FTE) asking the Department of Commerce to withdraw from the 2019 Tomato Suspension Agreement jeopardizes the availability of the variety of tomatoes that US consumers expect at prices they can afford and would harm U.S. businesses. Through these actions, the FTE continues to attempt to use antidumping laws for the unintended purpose of creating a monopoly for themselves in the marketplace and covering for their unwillingness or inability to innovate and adapt to changing market demands.

The FTE has been making the same false claims for years but when pressed to present evidence in regulatory proceedings, they have failed to do so because their claims are untrue, nothing but propaganda intended to skew the political process to their advantage, regardless of the cost to consumers, retailers, and even other American farmers. The duties that are being sought by the FTE would harm U.S. importers but would ultimately be paid by American consumers who want better tomatoes, not higher prices, reduced varieties, and lower quality tomatoes.

“The allegations by the Florida growers are as timeworn and tired as their gassed green tomatoes,” said Lance Jungmeyer, FPAA president. “Consumers overwhelmingly prefer the flavor of vine ripened tomatoes over gassed green tomatoes like those from Florida. Mexico is a major supplier of vine ripened tomatoes which is one reason why the FTE wants to erect a trade barrier. There really is no substitute for a vine ripened tomato, and to put in duties would simply amount to another tax that shoppers just can't afford.”

WASHINGTON D.C. ADVOCACY

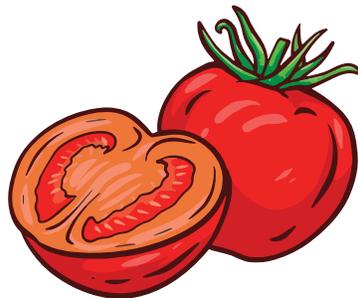
continued

The FTE is a special interest group whose members have failed to innovate. What they fail to mention publicly is that many of the largest Florida growers clamoring for protection are also some of the largest financiers/owners of growing operations in Mexico and some of the largest buyers of Mexican tomatoes in the U.S. The wealthiest handful of FTE members also control networks of regional tomato repackers across the U.S. that, in turn, control access to retail markets. They position themselves as victims in an attempt to game U.S. trade law to create a monopoly for themselves in the tomato market by ensuring a market for selling inferior tomatoes and controlling the flow of their own Mexico-sourced tomatoes at higher prices caused by duties. If the FTE gets its way, a vast majority of U.S. importers would be harmed as FTE members expand their control of what tomatoes consumers can buy at significantly higher prices.

Such a political action by the U.S. acting on behalf of a U.S. special interest group would almost certainly result in retaliatory actions by Mexico, the second largest importer of U.S. agricultural products. U.S. growers of other commodities that rely on Mexico as a key export market would be hurt in the FTE effort to line the pockets of a small number of wealthy Florida businessmen.

Fresh Produce Association of the Americas (FPAA) members continue to be committed to bringing consumers high-quality, good tasting, innovative tomato varieties such as greenhouse and shadehouse grown, vine-ripened round and roma tomatoes, tomatoes on the vine, and cherry and grape tomatoes in an array of colors, all available in pack styles and presentations for a wide mix of uses. Consumer tastes have evolved, so U.S. companies work with world-class growers in the U.S., Mexico, Canada, and other countries to meet that demand.

Tomatoes sold in the U.S. from Mexico are controlled by the U.S. Department of Commerce through the Tomato Suspension Agreement which sets minimum pricing, puts in place requirements for sales between importers and buyers, requires exhaustive inspections for quality, and has stringent enforcement and compliance monitoring measures in place. This includes regular quarterly audits, administrative reviews, on-site audits from the U.S. Department of Commerce, and enforcement measures in place in Mexico. Contrary to FTE's false claims, the Department of Commerce has consistently found Mexican tomatoes have complied fully with the Tomato Suspension Agreement. Since the implementation of mandatory quality inspections that Florida growers demanded under the 2019 Tomato Suspension Agreement, 99.992 percent of all tomatoes that must be inspected from Mexico have met or exceeded all quality requirements.



A graphic featuring a stylized outline of the U.S. Capitol building in the background, with several trees in the foreground. The text "WASHINGTON D.C. ADVOCACY" is overlaid in a bold, green, sans-serif font.

WASHINGTON D.C. ADVOCACY

continued

Florida does not produce tomatoes that American consumers want to buy. Florida grows gassed green tomatoes much in the same way they were produced during World War I, which is to say that they are picked green, and “degreened” by placing them in gas rooms, exposing them to ethylene. The result is a tomato that does not compare in flavor or texture to tomatoes that are ripened on the vine. Americans buy gassed green tomatoes when there are no better options available.

They have also failed to innovate in other ways as well -- not the least of which is how they have ignored protected agriculture. The rest of the world (Mexico, Canada, U.S. states outside of Florida, Latin America, Europe, Asia) has evolved and learned to use green house, shade house, and similar protected agriculture technologies that offer advantages in quality, increased yields, and food safety protections. Through each renegotiation of a Tomato Suspension Agreement, Florida continues to move the goal posts by adding new requirements for Mexican tomatoes to be imported. However, making it harder or more costly for Mexican tomatoes to be imported will not change the fact that Florida is unwilling or unable to adapt how they grow tomatoes while the rest of the world has evolved to meet consumers’ changing tastes. Florida unreasonably asks for government protection from imported Mexican tomatoes to cover up their inability to adapt and grown tomatoes that consumers prefer.

Florida has been hampered by high costs of production, weather-related volatility like hurricanes, pest pressures, and poor soil quality that limit competitiveness. They also have limited options in the environment that they grow tomatoes in, where shade house, green house, and organic tomato production are very difficult.

This is a conclusion supported by Florida’s own researchers. A University of Florida study states, “Most of the soils used to produce peppers and tomatoes in Florida are some sort of sand, ranging from coarse “ball bearing” sands to fine “sugar” sands. In other pepper and tomato producing regions, most notably in the Homestead area, what passes for soil is basically pulverized limestone from ancient coral reefs. In either case, Florida’s soil is merely a media to hold plants that provides little in terms of nutrients beyond what the grower supplies.” Florida is a hostile place to grow tomatoes, and yet they continue to blame U.S. importers for those woes.

What FTE members have discovered is they do not have to innovate and find new ways to meet consumer demands. They can invest in Mexico themselves, construct repack operations to control access to the market, cry for protection for their inferior tomatoes grown in Florida, and ask the U.S. government to give them the keys to control the entire North American tomato market by driving other U.S. importers out of business through the imposition of duties.

The FPAA and its members look forward to continuing to work with the Department of Commerce on ensuring compliance to the 2019 Tomato Suspension Agreement. FPAA members also look forward to continuing to work hard to meet consumer demands so that high-quality, affordable tomatoes are available in the U.S.



SOUTHWEST BORDER ADVOCACY

The FPAA works to streamline the flow of goods across the southwest border whether you are in Otay Mesa, CA or Brownsville, TX. We regularly fight for more staffing for U.S. Customs and Border Protection (CBP) to efficiently process trade. We push for improvements to inspection processes by other federal and state agencies. We advocate for updated design standards at ports of entry to protect the cold chain. These border-wide challenges impact all our members. Following are a few of the FPAA's key efforts along the border.

FPAA Works with Congressman Vicente Gonzalez to Push for USDA/TCIP Inspection Changes in Texas

Members and staff of the FPAA raised concerns with Congressman Vicente Gonzalez's office (TX-15) concerning inspection practices of the Texas Cooperative Inspection Program (TCIP) as they conduct USDA quality inspections in Texas. The FPAA outlined several logistics inefficiencies and specifically asked the Congressman's office to help work with TCIP to end the practice of making trucks wait to offload until an inspector witnesses the offloading. Congressman Gonzalez reached out directly to the USDA outlining the concerns of the industry. Even though TCIP and USDA have not agreed to eliminate this inefficiency to date, the FPAA continues to work with USDA and others to continue to push to eliminate the requirement in Texas.

FPAA Worked to Minimize Impact of the End of Title 42 at Ports of Entry Along SW Border

Title 42 was the Covid-era policy implemented under President Trump and continued under President Biden that restricted asylum seekers from entering the U.S. when requesting asylum in an attempt to prevent the spread of COVID-19. With the end of Title 42, there were many concerns that ports of entry and areas between the ports would be overrun with asylum seekers renewing their attempts to request asylum from the United States.

The FPAA worked closely with CBP and others to have contingency plans in place in the event there had been port delays or closures. The FPAA reached out to Senator Mark Kelly asking for support in ensuring that the Federal Motor Carrier Safety Administration (FMCSA) worked with individual states if commercial trucks had to divert to other ports of entry due to any localized port closures. Senator Kelly's staff reported that the Senator spoke directly with the Transportation Secretary, Pete Buttigieg to ensure that FMCSA and the Department of Transportation were prepared to respond if necessary.



FPAA members, Nogales Mayor Jorge Maldonado, and members of the Nogales Port Authority at the ribbon cutting of the cold inspection rooms at the Mariposa Port of Entry



SOUTHWEST BORDER ADVOCACY



Lance Jungmeyer with State Director for Senator Mark Kelly, Luis Herredia



FPAA members Alex Suarez and John Pandol with Ed Foster, AZDA and Tracy Vivanco, CBP

Lance Jungmeyer of the FPAA and leadership of the Border Trade Alliance (BTA), where Lance is the chairman, met in early December with staff from the House Homeland Security Committee. The FPAA and BTA members discussed how migration flows at the border could affect ports of entry once Title 42 was rescinded and urged Congress to understand the important need to staff ports of entry to prevent backlogs in trade due to increased migrant flows.

When commercial operations at the Bridge of the Americas in El Paso were closed on Friday, April 14, due to an influx of migrants, the BTA reiterated that a port closure should not be among the Department of Homeland Security’s responses. A letter to DHS Sec. Alejandro Mayorkas stated, “We regret that we are once again forced to convey our dismay at DHS’ April 14 decision to close all commercial operations at the Bridge of the Americas in El Paso, Texas due to an influx of migrants. As we did in 2021, the Border Trade Alliance acknowledges the tremendous strain DHS resources are under as the department confronts a spike in asylum seekers and undocumented migrants at the United States-Mexico border. But closing international bridges is flatly unacceptable.”

CBP Staffing at Ports of Entry

The FPAA is involved in a coalition of port users from the American Association of Airport Executives to the U.S. Chamber of Commerce and the National Association of Maritime Organizations. The purpose of the group is to continue to push for adequate funding for CBP officers to ensure ports of entry are adequately staffed. The FPAA has pushed for the fiscal year 2024 Department of Homeland Security Appropriations Act to hire at least 600 new CBP officers plus accompanying staff within the Office of Field Operations (OFO). Additionally, the FPAA and coalition members argue that the agency’s most recent workload staffing model shows a need to hire at least 1,750 CBP officers, 250 agriculture specialists, and 100 non-uniformed trade specialists to address current staffing shortfalls at the ports-of-entry. CBP staffing remains a key issue priority for the FPAA in all of our Washington, DC outreach.



SOUTHWEST BORDER ADVOCACY

FPAAs Continue to Push Back When Texas Ramps Up Duplicative Truck Inspections

When Texas Governor Greg Abbott first implemented harmful truck inspections by the Texas Department of Public Safety in April of 2022, the FPAAs pushed back, arguing the inspections did not increase border security but instead harmed U.S. businesses involved in trade while also damaging millions of boxes of fresh produce shipments crossing into Texas.

Since that first incident, the FPAAs continue to closely monitor each time Texas implements targeted increases in truck inspections like the ones implemented at select ports in December 2022 and May 2023. BTA President Britton Mullen and FPAAs President/BTA Chairman Lance Jungmeyer jointly signed a letter to Texas Governor Greg Abbott raising concerns about the commercial vehicle inspections being conducted by Texas Department of Public Safety on trucks as they leave CBP Ports of Entry. The letter calls out the inspections as duplicative and states they are causing more harm than good by creating expensive delays that harm trade.



May 4, 2023

The Honorable Greg Abbott
Governor
P.O. Box 11428
Austin, Texas 78711-2428

Dear Governor Abbott:

The Border Trade Alliance writes to you for the third time in 13 months to register our strong opposition to the Texas Department of Public Safety's duplicative and costly inspections of commercial vehicles entering Texas from Mexico. As we wrote to you in April 2022 and December 2022, this inspection scheme leads to severe backups and congestion around ports of entry and in border communities, and it harms already strained supply chains.

We do not disagree that Texas has an important role to play at its border with Mexico, including ensuring truck safety and code compliance, for example. But your administration is engaged in a new inspection model that is dramatically slowing the movement of freight and putting upward pressure on consumer prices and already high inflation.

Texas should work in collaboration with the Department of Homeland Security, not go it alone. Customs and Border Protection's work at the land border ports of entry is informed by highly situated risk assessment models, intelligence gathering, and a commitment to the agency's dual mission of enforcement and facilitation. Your administration should strive to be a partner in that effort, not a hindrance.

Your administration announced last year agreements with your southern neighbors that would end the enhanced inspections. While we remain delirious of the utility of the inspections, we will always applaud cross-border cooperation. This latest round of inspections risks harm to the working relationship between Texas and its Mexican neighbors at a time when it is needed most.

We reiterate the message we have conveyed in our previous letters: The BTA understands and shares the frustrations of border state governors over the federal government's management of the border, but DPS enhanced inspections of commercial vehicles are causing more harm than good. The inspections are duplicative and are causing expensive delays. They should stop immediately.

Sincerely,

Britton Mullen
President

Lance Jungmeyer
Chairman

CC: Department of Public Safety Director Steve McCraw

CBP Port of Entry Design Standards Need Updating to Protect Perishable Commodities

For the past several years, FPAAs has been asking CBP to find a way to upgrade or retrofit ports of entry for ports in Arizona, California and Texas that handle large volumes of perishable fruits and vegetables and other temperature-sensitive items. FPAAs has explained that most ports of entry have open-air docks that permit pest intrusion, break the cold chain, and increase the possibility of potential introduction of contaminants including salmonella. Importers of record must comply with the Foreign Supplier Verification Program, ensuring food safety across many aspects. However, when the produce is surrendered to CBP for inspection, the importer loses custody, and the food safety integrity can be breached. Additionally, breaks in the cold chain harm the shelf life of perishable commodities.

In a significant outcome for FPAAs members, and as a result of our outreach, CBP has drafted new language for its updated Port of Entry Design standards that are due out later this year. FPAAs was able to view the draft language, which essentially calls for new ports that handle such foods to be constructed with enclosed docks, sealed trailer access points and temperature ranges that are controllable by the officer.

While the new language applies only to new construction, FPAAs learned that we can petition CBP to issue an interim guidance that would direct that certain existing ports of entry should be retrofitted to such standards. CBP indicated that some portions of the recent Bipartisan Infrastructure Package may provide a pathway for funding the retrofits. Also, within the past year, Mexico has promised more than \$1 billion toward border infrastructure.



FPAA Works with Congress to Support S. 243, Bipartisan Bill Allowing CBP Commissioner to Repair Ports of Entry at Southwest Border

The U.S. Senate Homeland Security Committee approved bipartisan legislation introduced by Arizona senior Senator Kyrsten Sinema and Republican Senator James Lankford (Okla.) allowing Customs and Border Protection (CBP) to conduct maintenance projects at ports of entry at the Southwest border.

FPAA worked with Members of Congress to support the bill arguing that CBP best understands the needs at a port and can prioritize and assess necessary repairs to port facilities. When there are immediate needs for repair at ports of entry, waiting on the General Services Administration (GSA) to arrive at a port, assess a situation, and conduct repairs results in significant delays. These delays compromise the security of our ports and also harm legitimate trade and travel.

GSA is not positioned on the border to address immediate needs, and they are not the agency focused on port security and trade. As an example, on December 29, 2021, a vehicle fleeing law enforcement in Nogales, Arizona damaged the hydraulics of a gate at the southbound lanes of the Mariposa Port of Entry, completely stopping the southbound movement of trucks and cars through a major port of entry on the Southwest border.

Due to the responsiveness of CBP, several trucks, including trucks carrying live cattle, were able to cross back into Mexico late in the evening on December 29, through the Northbound lanes once Northbound traffic was cleared. The solution from CBP shows the commitment by CBP to continue to process legitimate trade through our ports of entry. Because the gate belonged to GSA, CBP was not able to address gate repairs and had to wait until the following day for someone from GSA to assess the situation. Unfortunately, GSA appeared to treat this incident as merely a broken gate and not what this really was, a major disruption in the vital supply chain that allows for the movement of fresh fruits and vegetables to consumers across North America and a breach in the security of a major port of entry. Despite this incident happening in the early afternoon hours of December 29, officials from GSA did not arrive at the port of entry to assess the damage to the gate until the morning of December 30. 24 hours passed before GSA arrived to look at the gate, decided they had to contact a company to attempt to open the gate, the repair company arrived, and the gate was operational again.

GSA's lack of response caused major disruption in vital international supply chains which were already strained due to many issues including the COVID-19 pandemic. Many of the trucks trapped on the north side of the border were local trucks that make several trips back and forth across the border carrying loads of fresh fruits and vegetables. The closure of the southbound lanes meant there was a truck shortage to carry perishable fresh produce northbound to U.S. distributor warehouses.

SOUTHWESTERN BORDER ADVOCACY

continued

FPAA Supports Congressman Cuellar Bill on Modernizing Land Ports of Entry

The FPAA supported a bill introduced by Congressman Henry Cuellar of Texas. The bill would reform how land ports of entry are modernized by harnessing funding into a LPOE Trust Fund among other efforts. A summary of the bill states:

“While waterway-based ports of entry have long had the benefit of a consistent source of federal resources via the authorization of a similar trust fund, our overburden land-based ports of entry have struggled. Rep. Cuellar’s bill works to properly redistribute much needed assets to those LPOE facilities and to ensure the United States’ long-term economic prosperity through international trade.

The Trust Fund’s purpose will be to expand, improve, and construct new U.S. ports of entry and support infrastructure to accommodate high volumes of commercial, vehicle, and pedestrian traffic. It will help these critical transit and trade facilities more efficiently complete the inspection and processing of commercial, vehicle and pedestrian traffic.”

Director of Membership & Events, Emmis Yubeta, takes on membership in McAllen, Texas.

The annual visit to McAllen, TX in April was very successful. Emmis Yubeta from the FPAA & Jaime Garcia, from Kingdom Fresh visited over 20 prospective companies, as well as some member companies. The FPAA discussed membership, the annual convention, the benefits of being a member of the FPAA & the advocacy work that is done nationally and at state level. Prospective members and members got to see first-hand how the FPAA works diligently to keep the flow of produce coming into the U.S. When Governor Abbott’s actions closed the border to commercial traffic, the FPAA worked with allied organizations, Federal & state elected officials to try and end this problem that affects the US economy and the food supply.



Pres. Lance Jungmeyer, Emmis Yubeta, & Chairman Rod Sbragia representing FPAA at Viva Fresh



FPAA met with Rep Henry Cuellar(TX), and was joined briefly by members of the Southern Custom Broker Association (SCBA)

FPAA'S STRATEGIC REVIEW

Where We Are Going and How We Get There

The Process - Over the course of 2022, Members of the Fresh Produce Association of the Americas participated in a series of surveys, video interviews and zoom panels, to identify the various challenges and opportunities facing the association.

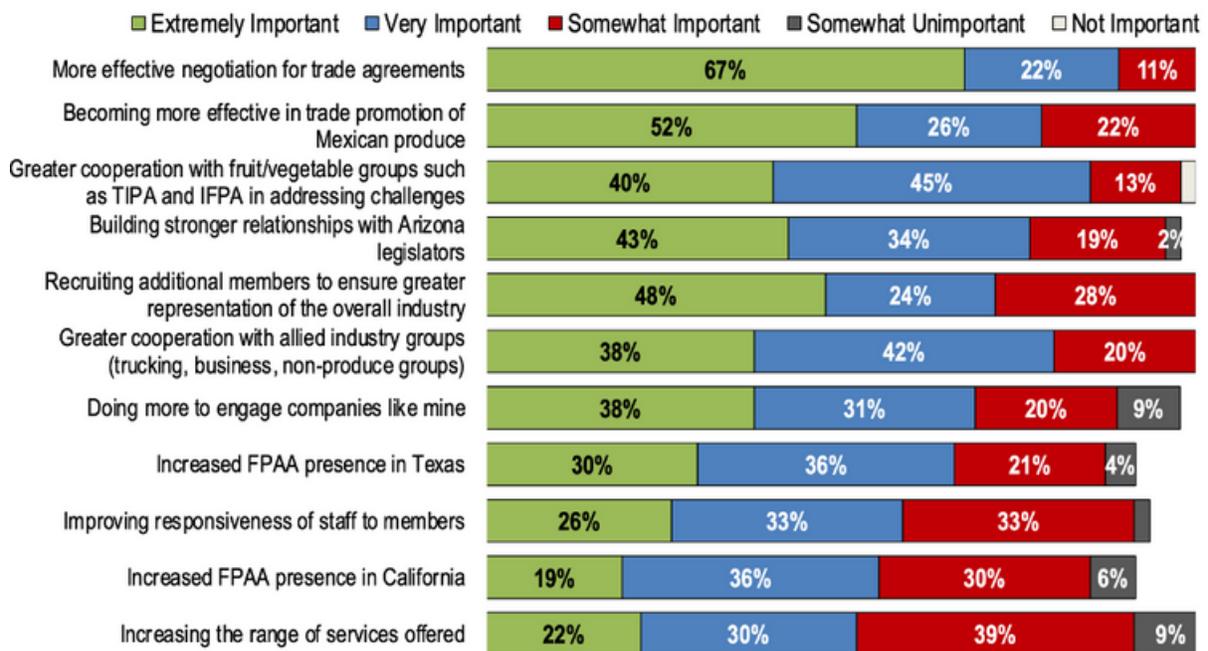
At a September 2022 strategic retreat, a set of draft Vision and Mission statements were created. Afterward, officers and executive staff reviewed the proposed vision and mission statements and developed options for consideration by the Board – taking into account the discussions that occurred during the strategic planning retreat. The Board of Directors approved the following:

Vision – Continue to be the leading voice for market access of imported fresh fruits and vegetables for consumers across North America.

Mission - Ensure market access for imported fresh fruits and vegetables by informing and advocating with government and industry on behalf of Members, thereby providing consistent expertise and support.

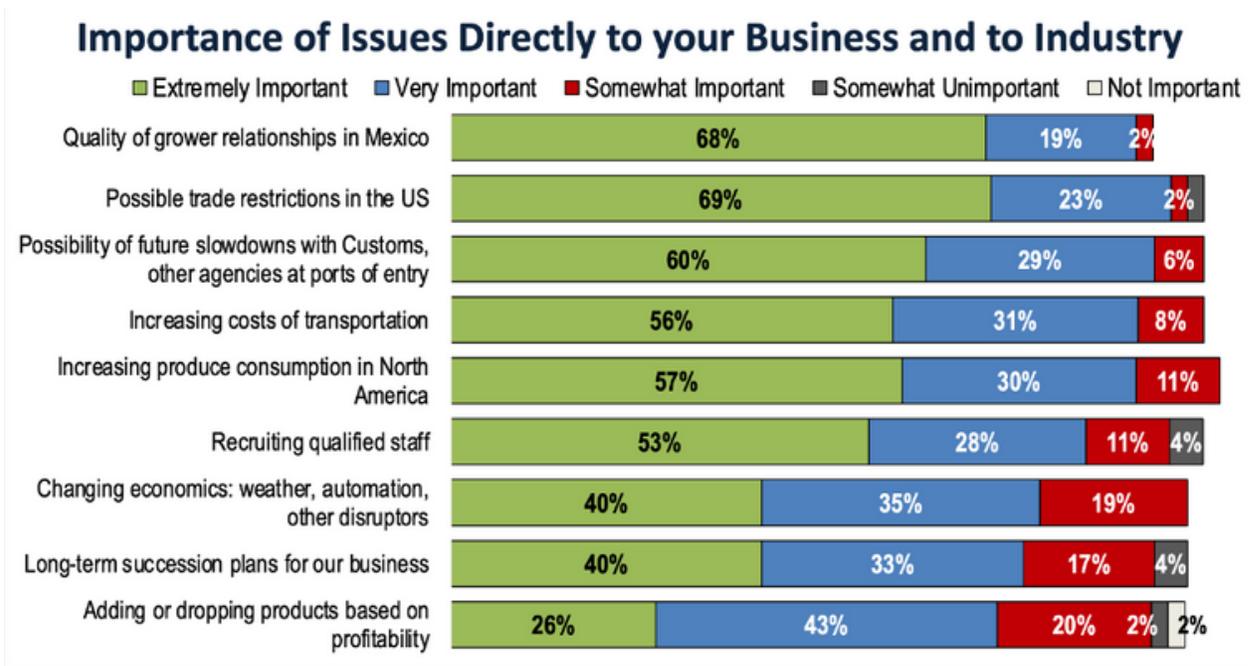
The strategic review included surveys that revealed what Member companies value, and what challenges and opportunities they see for the future.

Most Important Priorities for FPAA Over Next 3-5 Years



FPAA'S STRATEGIC REVIEW

continued



At the retreat, Members agreed upon a three-year vision for FPAA:

- FPAA is a proactive vs reactive organization
- Through advocacy, FPAA promotes what our members bring to the table
- Construct a strong broad-based geographically and product diverse membership-based organization that fosters inclusions through actions to build and stabilize member business
- FPAA is an organization that identifies and develops young talent through schools and universities along the Southwest
- 200% more members
- 100% larger budget
- Larger staff/allies (lobbyist in other states)
- Establish a physical office in Texas
- Have enough funds to have a strong advocacy presence at national and regional levels
- New Fall Convention format is a way to bring value and purpose – a customer relations driven event.
- Members identified a possible future growers summit

Throughout the process, Members and Staff learned about our strengths and weaknesses, and we are forever working toward the future that members identified in this process.

MEXICO ADVOCACY



Advocacy Trip to Mexico City

After pausing Mexico's advocacy trip for two years, the FPAA resumed its advocacy trip in August 2022. FPAA Board Members Scott Vandervoet and Guillermo Martinez, President Lance Jungmeyer, and Director of Operations and Foreign Affairs Georgina Felix attended meetings with Secretary of Economy (SE), Secretary of Foreign Affairs (SRE), Secretary of Agriculture (SADER and SENASICA), Mexican Customs (ANAM), Offices of Mexican Representatives and Senators, Mexican Agricultural Council (CNA), AHIFORES, USDA-FAS, Arizona Trade Office, and the U.S. Export Meat office in Mexico.



FPAA members, staff and Marcos Moreno Baez, Consul General of Mexico



FPAA staff attended the 15th Congreso AMHPAC in Mexico



Staff and members gearing up for a day of meetings in Mexico

Secretary of Economy (SE): FPAA met with the Undersecretary of International Trade Dr. Luz Maria de la Mora, Director of Trade Disciplines Maximo Romero, Director of North America Lydia Antonio, and SE Minister in the Mexican Embassy in D.C. Cesar Remis. One of the main topics of the meeting was the USMCA and its chapters. SE mentioned that in the environmental chapter, there are no elements in agriculture so far that could have an impact in the trade of produce.

SE also explained how the USMCA rapid response mechanism works for the labor chapter, which, in this case, the mechanism can only be used to protect labor rights and freedom of association. One of the FPAA concerns is the possibility of frivolous claims from industry competitors. SE mentioned that there is a chance to improve this mechanism and develop a work plan in 2026; the current mechanism is seen as excessive, and SE will include the FPAA concerns in their talking points.

Other topic discussed with SE was FPAA's concern about USDA's determination to test imported Mexican grapefruit for juice content for six months starting Oct. 1, 2022. This issue in the short-term precluded most of Sonora grapefruit (desert fruit) from the U.S. market due to the fruit's thick skin. Yet, as a result of the advocacy efforts of the FPAA and the grapefruit industry the USDA on March 31, 2023, notified the industry that the juice content requirement would no longer be enforced (see more on the D.C. advocacy efforts).

Additional topics that were discussed in this meeting included seasonality, Texas border issues, dispute settlement consultations for Mexico's energy policies, high-level economic dialogue (HLED), prevention of forced and child labor, and the Tomato Suspension Agreement (TSA).

MEXICO ADVOCACY



continued

Secretary of Foreign Affairs (SRE): FPAA met with a new branch of SRE, Impulso Global (Global Effort). This area was created in 2021, and its objective is promoting investment in Mexico, bolstering Mexican exports, and supporting the expansion of Mexican companies around the world. The agricultural sector is a priority for this office. They can gather information about produce items grown in Mexico and offer assistance to US importers in verifying the backgrounds of Mexican growers, including labor certifications and other relevant details.

SRE is involved in the United Nations program to develop due diligence regarding suppliers and supply chains to prevent the use of goods made with forced labor. This is particularly valuable for the produce industry, to prevent inputs and other goods such as packaging imported into Mexico free of forced labor.

Another important topic discussed with SRE was the IOI in Nogales, and the need for a comprehensive long-term solution that analyses the entire water system of both Nogales. This includes the creation of an emergency communication system/mechanism to inform citizens of both Nogales about floodings, as well as the monitoring of water residues from factories in Mexico.

Secretary of Agriculture (SADER): FPAA had a highly productive meeting with the Mexican Secretary of Agriculture. The meeting was attended by Ag Secretary Dr. Victor Villalobos, Chief Director of SENASICA Dr. Javier Trujillo, and the Ag Department Coordinator of Foreign Affairs Ing. Lourdes Cruz.

Secretary Villalobos was well-informed of how marketing orders were being used by Mexican grower's competitors to limit produce exports to the U.S.; He mentioned discussing the marketing order issues, seasonality and the dispute on Mexico's Energy Policies with the Secretary of Economy. Secretary Villalobos expressed confidence that the U.S. and Mexico would find a solution and avoid reaching levels of retaliatory tariffs.

FPAA continued to emphasize the importance of gathering information about government programs, subsidies, bilateral trade, consumption, and market trends to demonstrate the benefits of trade and address claims of unfair competition.



FPAA, IFPA, and TIPA



FPAA President Lance Jungmeyer speaking at the 15th Congreso AMHPAC



FPAA members and staff on their Mexico Advocacy trip

MEXICO ADVOCACY



continued

Dr. Trujillo commented on the second annual food safety partnership (FSP) meeting of SENASICA, COFEPRIS and the FDA. This meeting is part of ongoing efforts to help ensure the safety of food exported by Mexico and to advance protections for consumers in both countries. Dr. Trujillo mentioned that SENASICA has an excellent working relationship with the FDA and that the changes in FSMA are being incorporated into Mexico's food safety rules.

Inspections for brown rugose virus (ToBRFV) were discussed during the meeting, and Chief Director Dr. Trujillo stated that USDA-APHIS had not provided the risk assessment for tomatoes and peppers to justify inspections at the border. Subsequently, FPAA had a meeting with CAADES to further discuss the brown rugose virus inspections. CAADES had also met with Dr. Villalobos at AMHPAC, where they requested to follow-up on the issue. CAADES explained that, due to the ToBRFV inspections, growers have to ship all green or all red tomatoes to avoid being misdiagnosed by Ag CBP inspectors when tomatoes start ripening. This results in discarding many tomatoes at the packing facilities.



Enrique Davis, Raquel Espinoza,
Jorge Donnadiou, C. Marcos
Moreno, C. Rafael Barcelo, Susan
Hyatt, Humberto Stevens,
Guillermo Valencia, Georgina Felix

Other topics discussed in this meeting included the tomato suspension agreement, market access for Mexican avocados and U.S. potatoes, grapefruit quality inspections, agricultural labor unions, and policies on preventing forced child and labor.

Mexican Customs Agency (ANAM): This agency was created by an Executive Order from President Lopez Obrador in 2021, with the aim of elevating customs authorities' rank and faculties, acting as a decentralized administrative agency of the Ministry of Finance. FPAA met with Lieutenant Coronel Nicolas Pedrosa Director of Supervision of Border Customs; with Carlos Jimenez Director of Modernization, Equipment and Infrastructure; and Maria Fernanda Cordova, Head of ANAM foreign affairs office.

Ports in the northern border of Mexico have several infrastructure projects, including housing for military personnel, loading docks and/or roads confinement, and administrative offices. These modernization projects are being worked on by ANAM, SRE, SCT, SADER and CILA.

MEXICO ADVOCACY



continued

As part of the modernization project, cold inspection facilities will be established for the main Mexican ports where produce is exported, such as the one in “Nuevo Amanecer” in Reynosa. FPAA provided a list of the main ports of entry utilized by its members, and as a result of the meeting, two cold inspection rooms are being built in the port of Nogales, Sonora.

ANAM is collaborating with CBP to establish a mechanism to share information and reduce inspections at the border by 15 minutes. This mechanism will allow local customs to share their information directly with the neighboring customs office without having to go to central offices.

Other topics discussed with ANAM included, Mexican Customs personnel, Sunday commercial service, Unified Cargo Processing, and border closures contingency plans.

Mexican Senate: FPAA also had meetings with the staffers of Sen. Arturo Bours of Sonora and Sen. Eva Galaz of Coahuila. During these meetings, FPAA discussed customs facilitation programs, international trade, and inquired about senators’ initiatives for the coming legislative period.

AHIFORES: FPAA had a productive meeting with AHIFORES, an organization that promotes social responsibility for workers in the Mexican fruit and vegetable sector. During the meeting Antonio Mendizabal, Institutional liaison of AHIFORES, provided detailed insights into the organization’s work, programs and services.

AHIFORES has been collaborating with CBP and the tomato company in San Luis Potosi, which received the withhold release order (WROs). During the meeting with CBP, AHIFORES noted that CBP stated they notified the tomato company of the accusation three months before they released the WRO. However, in other instances, CBP has mentioned that they do not provide advance notice to companies they investigate. Additionally, the tomato company claims not to have received such notification. AHIFORES and FPAA are continuing to seek clarification for CBP’s WRO process.

Other subjects discussed included AHIFORES government outreach and the USDOL pilot program with Mexican Industry, Mexican Labor Department inspections, and Mexican work legislations.

In May 2023, FPAA, AHIFORES, and Divine Flavor jointly hosted an online seminar held in collaboration with Customs Border Protection (CBP). The seminar discussed CBP’s forced labor enforcement measures, to eliminate forced labor in the U.S. supply chain. The online seminar covered various topics, including risk-based assessments to prevent forced labor, targeted enforcement, and collaboration among international agencies. Importers were educated on forced labor indicators, enforcement processes, and the prohibition of importing goods from the Xinjiang region in China. They were encouraged to utilize CBP’s resources and take proactive measures to combat forced labor in their supply chains.

MEXICO ADVOCACY



continued



FPAA participated in the 4th annual Grower Summit held in Guadalajara



Georgina Felix attends a luncheon with Mexican Ambassador Esteban Moctezuma



FPAA Mexico Advocacy at 15th Congreso AMHPAC

US Department of Agriculture – Foreign Agricultural Services (USDA – FAS): FPAA also had a meeting with USDA FAS Office in Mexico City, where discussion focused on the Texas border closure and the possibility of analyzing the damages caused to the border logistics for north and southbound trade. Safety issues in Mexico that triggered the stoppage of inspections in Michoacan were also addressed. USDA said that these issues were resolved to the satisfaction of the U.S. Embassy but acknowledged the potential for such incidents to occur again.

An important topic during the meeting was bilateral trade and the current irritants due to U.S. marketing orders and Mexican policies on GMO corn and glyphosate.

FPAA brought up the topic of tomato suspension agreement inspections at the border, stating that these inspections are unnecessary, as less than 1% of tomatoes from Mexico fail to meet quality requirements. FPAA also highlighted the increasing number of FTE members engaging in tomato growing operations in Mexico.

Others: FPAA also participated in meetings with the National Agricultural Council (CNA), the Arizona office of trade, and the U.S. Export Meat office in Mexico. During these meetings, FPAA received an overview of the current Mexican government policies.

FPAA participated in AMHPAC's annual meeting, which took place in Puerto Vallarta, Jalisco. At this meeting items such as forced and child labor prevention; Tomato Suspension Agreement, and other important subjects for the protected culture industry were discussed.

MEXICAN PARTNERS

Consejo Nacional Agropecuario
(CNA)

www.cna.org.mx



Empacadoras de Mango de Exportacion
(EMEX)

www.mangoemex.com



Asociacion Mexicana de Agricultural
Protegida (AMHPAC)

www.amhpac.org



Asociacion de Productores y
Empacadores Exportadores de Aguacate
de Mexico (APEAM)

www.apeamac.com



Asociacion Agricola Local de Productores
de Uva de Mesa (AALPUM)

www.aalpum.org



Aneberries

www.aneberries.mx



Confederacion de Asociaciones Agricolas
del Estado de Sinaloa (CAADES)

www.caades.org.mx



Eleven Rivers

www.veggiesfrommexico.com



Comision para la Investigacion y
Defensa de las Hortalizas de Sinaloa
(CIDH)

www.cidh.org.mx



APHIM - Asociacion de Productores de
Hortalizas del Yaqui y Mayo

<https://aphym.com>



Alianza Hortofruticola Internacional para
el Fomento de la Responsabilidad Social
(AHIFORES)

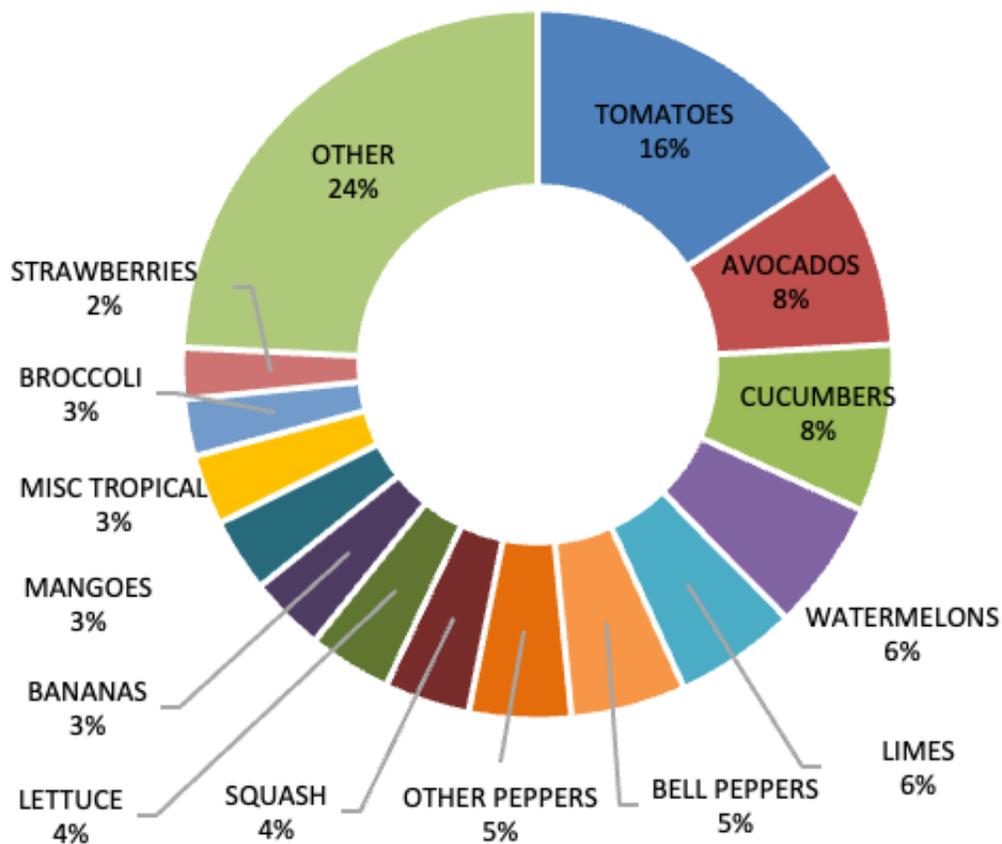
www.ahifores.com



CROSSING OVERVIEW 2023

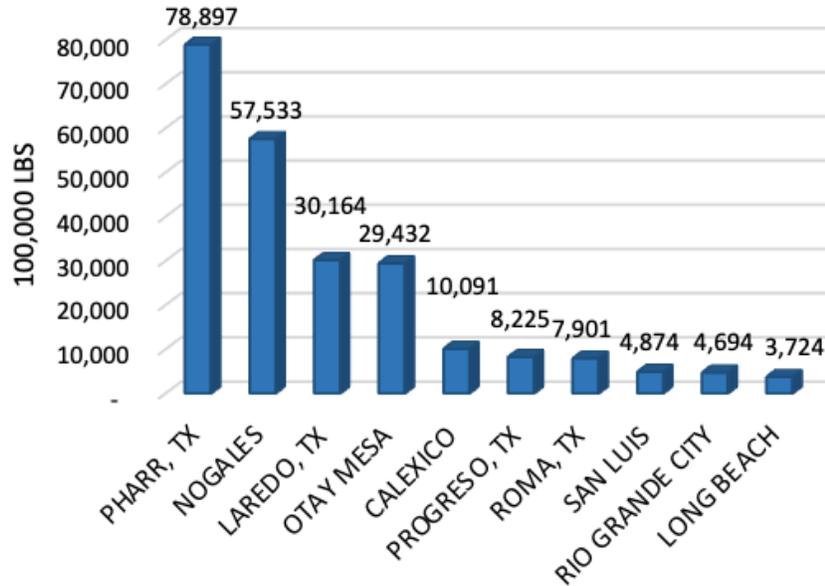
TOP 15 IMPORTED PRODUCE ITEMS FROM MEXICO BY VOLUME

COMMODITIES



CROSSINGS OVERVIEW

TOP 10 PORTS OF ENTRY FOR MEXICAN FRESH PRODUCE IMPORTS IN 2022



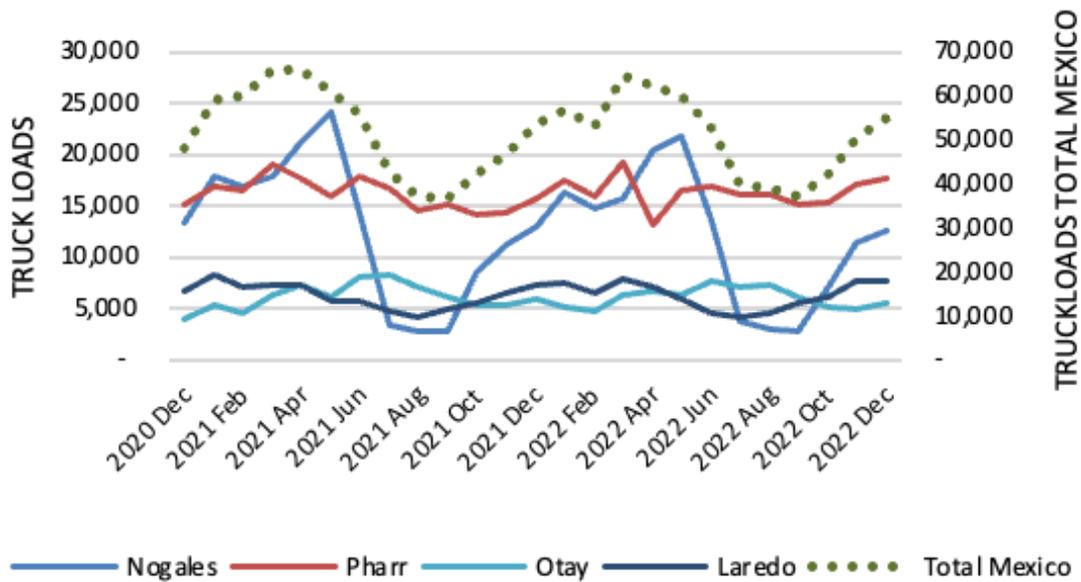
IMPORTS OF MEXICAN PRODUCE



CROSSING OVERVIEW

PRODUCE IMPORTED FROM MEXICO BY PORT OF ENTRY

**SEASONALITY OF FRESH PRODUCE FROM MEXICO
SEASONS 2020 - 2022**



THE FPAA MAIL BAG WORKING FOR YOU



The FPAA is involved in a lot of important letters throughout the course of a year. Whether they are letters we send ourselves, letters we sign with a coalition of other industry groups, or letters we coordinate from Member of Congress to key government agencies in the U.S. and Mexico, letters are an important part of our advocacy efforts.

Not only do letters convey important information or support for a person or position, the act of coordinating a letter or signing onto a coalition letter also helps the FPAA maintain regular contact with key allied groups, elected officials, and others. While we are advocating on your behalf with meetings and phone calls, we are also getting the FPAA position out there through our letters and the letters we help coordinate. Following are some key letters from the FPAA mail bag.

August 1, 2022: FPAA Requests Meeting with Secretary of Economy of Mexico

“On behalf of the Fresh Produce Association of the Americas (FPAA), I am writing to kindly request a meeting for its delegation, which will be in Mexico City on August 23 and 24, 2022.

During the meeting, we would appreciate the opportunity to discuss several important topics including:

- An update on trade relations between Mexico and the United States.
- Developments related to the United States-Mexico-Canada Agreement (USMCA), including labor investigations, activities, and policies related to child labor and forced labor, as well as consultations on energy policies, among other matters.
- The Tomato Suspension Agreement.
- Seasonality Proposals - proposals for legislative changes in the United States.”

August 5, 2022: FPAA Submits Comments to USTR on Trade Strategies to Combat Forced Labor

“The FPAA encourages the U.S. Government to work with industry groups on outreach to educate a broader range of companies on the best practices to identify and combat forced labor. Each industry has unique circumstances regarding its labor practices that need to be considered in any efforts to combat forced labor. We believe that the industry members are the best resources to better understand what are appropriate or inappropriate labor practices and what kind of enforcement or regulatory tools would be effective, as well as those that would be ineffective, burdensome, or unfair.

The FPAA believes that the efforts to combat forced labor should focus not only on enforcement and utilizing punitive measures such as a WRO, but also should seek to develop alternative measures that provide remedial opportunities.”

August 5, 2022: FPAA Signs on to Ag Coalition Letter Responding to USTR’s Request for Commerce on Forced Labor

“As USTR develops a trade strategy to combat forced labor, we encourage the agency to recognize the underlying complexities and nuances inherent in addressing such practices. Avoiding application of a rigid, one-size-fits-all approach will enable the U.S. government and its trading partner allies to respond effectively and appropriately to a variety of circumstances and fact patterns with carefully crafted and tailored measures. This can be achieved with consideration of a continuum of actions, leading with incentive-based measures, such as technical assistance, foreign diplomacy, and a whole-of-government approach that involves all stakeholders and provides an opportunity to address specific concerns before stringent penalizing actions are taken.”

THE FPAA MAIL BAG WORKING FOR YOU



September 13, 2022: FPAA, Ag Transportation Working Group Send Letter on Rail Labor Dispute Resolution & October 27, 2022: FPAA Again Joins Broad Coalition Letter Urging Resolution to Rail Negotiations to Avoid Strike

The FPAA and 322 local, state and federal trade associations joined a letter sent to the White House, key Administration Officials, and Congress calling for continued efforts to avoid a rail strike. The letter states, “we are writing to you today urging you to continue to work with the railroad unions and railroads to ensure that the tentative agreement that you helped broker is ratified by the parties. It is paramount that these contracts now be ratified, as a rail shutdown would have a significant impact on the U.S. economy and lead to further inflationary pressure.

September 20, 2022: FPAA Signs Coalition Letter with 100+ Ag Groups Supporting Nominee for USTR Ag Negotiator

“Dear Leaders Schumer and McConnell,

On behalf of the broad and diverse stakeholders in American Agriculture we represent, we urge you to work with your colleagues to expeditiously confirm Doug McKalip as Chief Agricultural Negotiator at the Office of the U.S. Trade Representative (USTR).”

October 25, 2022: FPAA, 50 Trade Groups Join Letter Calling for Increased CBP Funding

“As you begin deliberations on final funding legislation for fiscal year 2023 (FY 2023), stakeholders interested in the trade and travel facilitation activities of Customs and Border Protection (CBP) at air, sea, and land ports-of-entry are writing to request your favorable consideration of two items: providing sufficient funding to hire additional CBP Office of Field Operations (OFO) staff, and restoring the continued shortfall in user fee revenue to support current CBP staffing levels and operations.”

December 6, 2022: FPAA Requests Sunday Commercial Service to CBP

“As you know the produce season has begun, and we expect an increase in produce trucks during the next few months. Like in past years, to facilitate produce trade and streamline its supply chain, we would like to request Sunday commercial service through the Port of Mariposa from February to the end of June 2023.”

December 6, 2022: FPAA Requests Sunday Commercial Service to Mexican Customs

“As the fruit and vegetable export season is already underway, and with a significant increase in truckloads of these products expected in the coming months, we kindly request the initiation of commercial services on Sundays at Nogales Customs from February through June 2023. This step will greatly facilitate the management of the international trade logistics chain for these products.”

December 19, 2022: FPAA Submits Comments to USDA Opposing Mango Board Proposal

“While the FPAA supports broad participation on the National Mango Board from all facets of the industry, at this time the association feels that the USDA has done an excellent job balancing the membership of the board without the added restrictions these proposals would cause. There is the very real fear that these proposals could result in more board vacancies, reluctance to serve on the board due to the possibility of losing a seat due to future affiliations, and hamper the National Mango Board’s mission to increase consumption of fresh mangos in the United States.”

THE FPAA MAIL BAG WORKING FOR YOU



continued

January 12, 2023: FPAA Cosigns Letter with Border Trade Alliance to the President on Federal Policy Reforms

"Without substantive federal policy reforms that attempt to address the nation's immigration challenges in a comprehensive way, we should anticipate continued state-level actions that will do very little to solve the immigration crisis and, as in the case of the Texas truck inspections, could make matters worse... [You] were quoted as saying about Customs and Border Protection, 'They need a lot of resources. We're going to get it for them.' We agree. We strongly urge you to prioritize CBP in your Fiscal Year 2024 budget and work with Congress to ensure the agency is properly equipped to deter illegal crossings, as well as to facilitate the lawful trade that contributes to the economic health of the country."

February 10, 2023: FPAA Requests Secretary of Agriculture of Sonora to Intervene in Querobabi Checkpoint

"In 2016, the Querobabi PRECOS underwent equipment and infrastructure upgrades, which successfully reduced waiting times for cargo vehicles at that time. However, the export produce industry has recently experienced waiting times ranging from 6 to 8 hours at the inspection point.

In light of this, we kindly request your intervention with SEDENA, the authority responsible for Querobabi PRECOS, to explore efficient methods for conducting inspections that do not compromise the quality of our exported fruit and vegetable products."

April 18, 2023: FPAA, BTA, Port Authority Sign On to CBP Staffing Increase Letter

"The following stakeholders interested in Customs and Border Protection (CBP) trade and travel facilitation activities at air, sea, and land ports-of-entry urge you to include funding in the fiscal year 2024 Department of Homeland Security Appropriations Act to hire at least 600 new CBP officers plus accompanying staff within the Office of Field Operations (OFO)."

May 9, 2023: FPAA Sends Letter to New USDA Specialty Crop Deputy Director

"Dear Deputy Administrator Purdy,

On behalf of the members of the Fresh Produce Association of the Americas (FPAA), we would like to congratulate you on your recent appointment as Deputy Administrator of the Specialty Crop Program at the U.S. Department of Agriculture. We have had the opportunity to work with you in previous years, including during your time as the Associate Deputy Administrator of the SCP, and we look forward to working with you again.

Many of the programs under the SCP are an integral part of the day-to-day operations of our member companies. From Market News to quality inspections, marketing orders, research and promotion programs, and more, we have appreciated the opportunity to work with the staff of the SCP. We strongly believe that by working closely with USDA, we are all better able to meet the ever-changing needs of the industry while providing consistent and effective programs that help sellers of fresh produce and ultimately consumers."

THE FPAA MAIL BAG WORKING FOR YOU



continued

May 15, 2023: FPAA, Ag Industry Groups Sign Letter Urging Congress to Continue CBP/USDA Canine Training Center

“The undersigned groups request your support for swift passage of S. 759/H.R. 1480, Beagle Brigade Act of 2023, a bill authorizing the National Detector Dog Training Center (the “Center”). The Center is the primary training facility for the so-called “Beagle Brigade,” which helps protect America’s natural resources and agriculture producers from foreign animal and plant diseases and pests.”

May 25, 2023: FPAA, Ag Groups Urge Congressional Funding for Codex

“We write to you today to urge you to include adequate funding for the U.S. Codex Office (USCO) in the Fiscal Year (FY) 2024 Agriculture-FDA Appropriations bill. As a representative of the U.S. food and agriculture sector, the USCO plays an instrumental role in advocating and developing science and risk-based food standards on behalf of farmers, ranchers and consumers to protect the health of consumers and ensure fair practices in the food trade worldwide.”

June 2023: FPAA Signs Industry Coalition Letter Supporting Restoration of Funding to WIC Program

“As representatives of the fruit and vegetable supply chain, we write in opposition to cuts to the Cash Value Benefit for fruit and vegetables in the Special Supplemental Program for Women, Infants and Children (WIC) included in the Fiscal Year 2024 Agriculture, Rural Development, Food and Drug Administration Appropriations bill. This cut will slash benefits for children by 56% and women by 70%, leaving the 5 million women and children who rely on this program with only \$11 and \$13 a month, respectively, for fruits and vegetables.”

June 2, 2023: FPAA and AALPUM ask Mexican Embassy to intervene in Querobabi Checkpoint

“On behalf of the members of the Asociación Agrícola Local de Productores de Uva de Mesa (AALPUM) and the members of the Fresh Produce Association of the Americas (FPAA), we are writing to inform you of industry concern regarding irregular inspections at the Querobabi Military Inspection Point (PRECOS).

Recently, the queue for cargo inspections at PRECOS in Querobabi has been averaging up to 6 km. These inspections involve the opening of refrigerated trailers, causing a disruption in the cold chain, despite the availability of non-intrusive inspection equipment.

For these reasons, we kindly request your intervention at the Secretary of National Defense to find a more efficient method for inspecting shipments of fresh produce, particularly table grapes, at the PRECOS in Querobabi. This will ensure that Mexican grape producers and their U.S. distributors are not further adversely affected.”

FPAA EVENTS

53RD CONVENTION



SPRING POLICY SUMMIT



FPAA EVENTS



LUNCH & LEARN WEBINARS

IFCO Lunch & Learn

IFCO President for North America Candice Herndon and her team hosted a Lunch and Learn for FPAA members. Herndon talked about how IFCO supports the Industry. FPAA Members were able to discuss and engage with IFCO representatives about issues they have faced and came up with ideas to continue improving services to tackle sustainability.

SilentSector Lunch & Learn

Dave and Zach from SilentSector shared critical considerations and best practices to protect our Nation's produce supply chain companies. FPAA members also received materials to assess their current risk factors and make educated decisions around cyber risk management.

Silo Capital Lunch & Learn

Jeff Butler and Patrick Spencer-Rios from WholesaleWare gave members a front row insight into how data and technology are transforming the way small and medium-sized businesses are able access the funding they need to be successful. Members appreciated the opportunity to learn more about how Silo is revolutionizing financial partnerships in the produce industry.

WholesaleWare Lunch & Learn

Bryan Barsness from WholesaleWare, part of the GrubMarket family, highlighted all the ways in which their software can revolutionize members' business operations and contribute to the goal of positively disrupting technology in the food industry by providing modern, affordable, established solutions to help move produce, and more in a more efficient, food-safe, and sustainable way.

CBP Actions regarding Forced Labor Webinar

The webinar was presented by AHIFORES, Fresh Produce Association of the Americas and Divine Flavor. The webinar covered topics such as risk-based assessments to prevent forced labor, targeted enforcement, and collaboration across international agencies. CBP provided free compliance resources, assistance through a help desk, and highlighted their Forced Labor Division. Importers were educated on forced labor indicators, enforcement processes, and the prohibition of importing goods from the Xinjiang region in China. It was taught by Jeff Franz, International Trade Analyst, Customs and Border Protection (CBP), Forced Labor Division Bureau of Commerce and Adam M. Sulewski, Mexico Trade Representative, US Customs and Border Protection (CBP), US Embassy in Mexico.

IMPORTANT STUDIES

- The Economic Impact of a More Efficient US-Mexico Border
- The Transformative Power Of Reduced Wait Times At The US-Mexico Border
- US-Mexico Commerce: Tracking the Final Destination and Mexico's Fiscal Benefit with Greater Border Efficiency
- Economic Impacts of U.S. Imports of Fresh Produce from Mexico
- Economic Impact of Restricting Tomato Imports to the U.S.
- The Fresh Produce Industry in Nogales, Arizona: Economic Impacts and Challenges (**see study on page 45**)
- Bi-National Business Linkages Associated with Fresh Produce and Production Sharing: Foundations and Opportunities for Nogales and Santa Cruz County:
- Mexican Tomatoes: TSA-Tariff Analysis Report

*****ALL STUDIES CAN BE FOUND AT WWW.FRESHFROMMEXICO.COM*****





The Fresh Produce Industry in Santa Cruz County, Arizona: Local, State, & National Economic Contributions

Dari Duval, Ashley Bickel, & George Frisvold

Department of Agricultural & Resource Economics, University of Arizona Cooperative Extension

July 2022

About the Study

Fresh fruit and vegetable commodities became the highest-value category of imports through the Nogales port of entry as of 2020, surpassing motor vehicles and vehicle parts as the top category. This study examines the importance of Santa Cruz County's fresh produce industry to the county's economy and to the Arizona state economy in 2019 and 2020. It provides an overview of the industry, estimates of its direct economic activity, and estimates of the total economic contribution, including multiplier effects. Finally, the study presents survey results regarding the operating environment in Santa Cruz County and recent produce industry investments.

In 2020, the total economic contribution (including multiplier effects) of the fresh produce industry to Santa Cruz County was

- \$726 million in output (sales)
- \$385 million in value added (the equivalent of GDP)
- \$277 million in labor income (business operator income & employee compensation)
- 3,788 county jobs supported

In 2020, the fresh produce industry's contribution to the Arizona economy (including multiplier effects) was approaching a billion-dollars in sales

- \$944 million in output (sales)
- \$522 million in value added
- \$362 million in labor income
- 4,927 jobs supported statewide

Nationwide forward-linked economic activity of produce imports through Nogales approaches \$5 billion

- Produce that has been imported through the Nogales port of entry and handled by the fresh produce industry in Santa Cruz County supports economic activity in forward-linked industries throughout the United States that are involved in transporting, distributing, and selling this produce to end-consumers or foodservice businesses.
- The value of these forward linkages, occurring in U.S. wholesale, retail, and foodservice industries, totaled more than \$4.5 billion in 2019 and nearly \$5 billion in 2020.



THE UNIVERSITY OF ARIZONA
COLLEGE OF AGRICULTURE & LIFE SCIENCES
Cooperative Extension



COLLEGE OF AGRICULTURE & LIFE SCIENCES
Agricultural &
Resource Economics



The fresh produce industry is a major source of income and high-paying jobs in Santa Cruz County

- Direct employment in fruit and vegetable wholesaling accounts for nearly **1 in 9 private sector jobs** in the county.
- Although employment in the fresh produce industry has seasonal swings, average **annual salaries are more than 50% greater than the county average for all private sector jobs.**

Despite challenges, industry stakeholders report making investments in business expansion/improvements and expect employment to grow

- Half of survey respondents rated labor availability and trucking availability as the top two challenges they face.
- More than 72% of respondents expected industry employment to increase in the next five years, with 27% expecting it to increase by 20% or more. About 18% expected employment to remain the same, with the remainder unsure of trends.
- Recent research suggests 3.5% of all U.S. commercial buildings have rooftop solar panels. Analysis of aerial photography showed there were solar panels on 16.4% of Santa Cruz County produce industry buildings, **more than 4 ½ times greater** than the national average for commercial buildings.

How was the study done?

This study relies on primary data from a survey of businesses within the fresh produce industry in Santa Cruz County, Arizona as well as secondary data from government and proprietary sources. Economic contribution analyses were performed using the IMPLAN 3.1 model and data.

The study is an update to the fresh produce industry-related portions of the 2013 study “Bi-National Business Linkages Associated with Fresh Produce and Production Sharing: Foundations and Opportunities for Nogales and Santa Cruz County”, which itself built upon a 1997 study of the region’s fresh produce industry. This study presents industry estimates for both 2019 and 2020. While the value of fresh fruit and vegetable imports through Nogales was higher in 2020 than in 2019, considering the many irregularities resulting from the Covid-19 pandemic in 2020, both years are presented for comparison.

To access the full report, please visit:

<https://economics.arizona.edu/fresh-produce-industry-santa-cruz-county-arizona>

ABOUT OUR MEMBERSHIP

The FPAA welcomes membership applications from like-minded U.S. companies interested in continued access to produce from Mexico. Membership provides you with an abundance of resources and exclusive benefits. Our constituency is diverse and includes companies collectively focused on continued fair access for fresh produce from Mexico.

The FPAA provides the tools you need to help make your business prosper and grow. Join the FPAA for:

- Relief in times of company crisis as well as in times of industry crisis
- Aid in addressing a particular issue with government agencies
- Support in meeting your business goals
- Updates about important industry legislation
- Custom press releases and media relations services for your business

A United Voice

FPAA is the united voice for members when working toward the enhancement of member access to North America markets. We continually develop and nurture strong, healthy relationships with U.S. and Mexican government agencies to facilitate the development of laws and regulations related to food safety, trade, and agriculture. You can see a long list of organizations we work with on our members' behalf on page 4 of this report.

Commitment To Infrastructure

FPAA is committed to ensuring transportation infrastructure for its constituents that will support growth. We actively participate with groups like the Border Trade Alliance, the Greater Nogales and Santa Cruz County Port Authority, and other regional and state organizations to improve port of entry and regional transportation infrastructure.



LEARN ABOUT OUR BENEFITS

www.freshfrommexico.com

Please contact:

John Toner

Business Development Director, *East of the Rockies, including Arizona, and International* - jtoner@freshfrommexico.com

Phil Gruszka

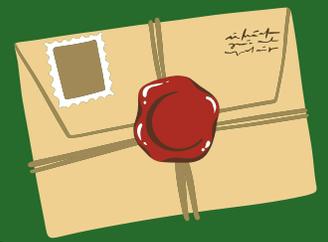
Business Development Director, *Western Pacific* - philg@freshfrommexico.com

GALLERY



GALLERY





Allison Moore

EXECUTIVE VICE PRESIDENT

DEAR MEMBERS

I sit to write this letter to you on the eve of our annual 2023 FPAA Washington, DC Fly-in. If you haven't had the chance to join us on this trip, I'll tell you a little about what we do when members and staff fly to DC.

Imagine 10 or more FPAA members and staff along with our DC representative, Britton Mullen, starting the day with an early breakfast and strategy meeting. Members break into groups to tackle a full day of meetings with elected leaders, staff at key government agencies, and allied groups. Are there issues with grapefruit inspections? We talk about how to address the problem. Is Florida trying to block trade and impose duties on imported produce again? We talk about our members' importance to the U.S. economy and why this trade is important. Do we need more CBP officers to staff our ports of entry or need to update design standards at our ports to inspect refrigerated items? We talk about quality, the cold chain, and how CBP officers are vital at facilitating legitimate trade.

It is a whirlwind day as groups of FPAA folks walk from one end of Capitol Hill to the other talking about key messages we want to get across to decision makers that impact our industry. Some issues are important year after year. We also address new and emerging issues and opportunities. We meet with Arizona, Texas, and California Members of Congress, regulators at U.S. Department of Agriculture, the Food and Drug Administration, the Department of Commerce, U.S. Customs and Border Protection, Federal Motor Carrier Safety Administration, and others.

If we are making a big media push about an issue, we meet with reporters from the Washington Post, the Wall Street Journal, Inside U.S. Trade, Politico and others that cover trade and fresh produce. We coordinate with entities like the U.S. Chamber of Commerce, industry groups from corn, grain, pork, milk, and more to work on trade issues together.

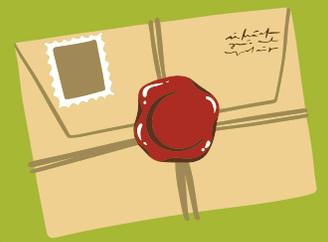
For so much of the year, FPAA writes letters, makes calls, talks to allied groups about our key issues, and participates in online and in-person meetings. However, the annual FPAA Washington, DC Fly-In is one place where the rubber meets the road, where our industry has face-to-face meetings to create real change for this industry, and where all our efforts come together with the momentum of the FPAA marching across Capitol Hill. When our members share their real-world experiences and explain how government laws and regulations impact them, it makes a lasting impression on elected officials and agency staff.

This year will be no different, and our issues are as important as ever. At this writing, Florida is trying to impose almost 21 percent duties on all imported tomatoes. This would have an impact on all trade that is important to our members. It is vital to ensure Members of Congress continue to value the importance of trade between the U.S. and Mexico. After big wins with USDA on grapefruit inspections and juice content, it is important we continue the dialogue on next steps as well as identifying ways to improve inspection processes for other commodities like table grapes.

This are just a few of the issues FPAA members will be talking about in Washington, DC in September. If you are interested in joining the FPAA group or if you ever have issues that need to be addressed, please call us!

Regards,
Allison Moore

Allison Moore
Executive Vice President



Georgina Felix

DIRECTOR OF OPERATIONS &
FOREIGN AFFAIRS

DEAR MEMBERS OF THE FPAA

As I write this letter, I am in the final stages of preparing for the FPAA's 12th annual Mexico City Advocacy trip. With the exception of 2020 and 2021, the FPAA staff, along with a group of your industry peers, has made the journey to Mexico City each year to engage with Mexican Federal authorities whose actions directly impact your business.

At the FPAA, we all share a profound passion for our industry. Whenever I have the opportunity to address the public about what the FPAA does, I am excited to talk about how our members contribute to feed North America, create jobs (notably, tomatoes alone create 33,000 jobs across the U.S.), and make a positive impact in the U.S. economy (estimated at no less than \$40.8 billion, according to Texas A&M).

Unfortunately, not everybody gets to hear all the great things the FPAA members do. Each year, we encounter some familiar and new challenges within our industry. This year, for instance, we find ourselves once again facing the request to terminate the Tomato Suspension Agreement. Additionally, we also have USMCA disputes, posing potential repercussions for trade between Mexico and the U.S. Moreover, we grapple with increased inspections at the Mexican Military checkpoints and Mexican Customs, among other challenges.

However, as John Heywood stated it back in the 16th century "many hands make light work." Your active participation in the growth of our association and your dedicated advocacy for your businesses are key to the success of the FPAA, its valued members, and our resilient industry. As we embark on the 12th annual Mexico City Advocacy trip, let us stand together by our shared passion for the industry as we navigate the challenges and opportunities that lie ahead.

In closing, thank you for your ongoing dedication and your profound contributions to the FPAA and our industry as a whole.

Sincerely,
Georgina Felix

A handwritten signature of Georgina Felix in a cursive script, written in a light green color.

Director of Operations & Foreign
Affairs

OUR MEMBERS

1st Bank Yuma
(520) 397-9220
www.1stbankyuma.com

A & E Specialty Marketing, LLC
(520) 281-1369

Agri-Packing Distributors, Inc.
(520) 761-3816
www.agripacking.net

AgTools
(714) 366-3225
www.ag.tools

AMHPAC
+52 (667) 715-5830
www.amhpac.org

Andrew & Williamson
(619) 661-6004
www.andrewwilliamson.com

APEAM
(202) 253-1683
www.apeamac.com

Atlas International CHB
(520) 281-4267
www.atlaschb.com

AZ Food Bank Network
(520) 281-2790
www.azfoodbanks.org

Bayer Crop Science
(520) 271-6375
www.seminis.com

Bernardi & Associates, Inc.
(209) 669-3445

C & V, LLC
(520) 377-9070

Cactus Melon Dist. Inc.
(520) 281-9294
www.cactusmelondist.com

Calavo Growers Inc.
(520) 281-2644
www.calavo.com

Certified Group
(516) 576-1400
www.certified-laboratories.com

Ciruli Brothers
(520) 281-9696
www.cirulibrothers.com

Coast Produce Company
(520) 377-0732
www.coastproduce.com

Convera
(770) 401-5505
www.convera.com

Crown Jewels Produce
(520) 281-2325
www.crownjewelsproduce.com

Del Campo Supreme
(520) 281-4733
www.delcampo.com.mx

Direct Roots
(520)281-2220
www.directroots.com

Divine Flavor LLC
(520) 281-8328
www.divineflavor.com

Double Tree Castle, Inc.
(520) 761-1110
www.doubletreecastleinc.com

Eagle Eye Produce
(520) 377-2982
www.eagleeyeproduce.com

EarthBlend LLC
(520) 761-1135
www.earthblend.net

Edward Jones Investments
(520) 398-2785
www.edwardjones.com

Eleven Rivers
+52(667) 712-9350
www.veggiesfrommexico.com

Enza Zaden
(831) 754-2300
www.enzazaden.com

Farmer's Best International, LLC
(520) 281-1411
www.farmersbest.com.mx

Flavor King Farms
(520) 761-4511
www.flavorkingsfarms.com

First Interstate Bank
(520) 820-5447
www.firstinterstatebank.com

Frank's Distributing of Produce, LLC
(520) 281-0896
www.frankdist.com

Frello Fresh, LLC
(520) 394-6220
www.frellofresh.com

Fresh Farms
(520) 377-0878
www.freshfarms.com.mx

Fresh International, LLC
(520) 281- 8060

Fresh Produce & Floral Council
(714) 739-0177
www.fpf.org

Fresh-Link Produce, LLC
www.freshlinkproduce.com

G. Mendez & Co., Inc.
(520) 761-5000
www.gmendez.net

Great Lakes Greenhouses, Inc.
(519) 419-4937
www.greatlakesg.com

Greenhouse Produce Company, LLC
(772) 492-1492
www.greenhouse.net

Grower Alliance, LLC
(520) 761-1921
www.groweralliance.com

Harvest Pride, LLC
(520) 377-3810

iDeal HarBest, LLC
(619) 955-3468
www.iDealHarBest.com

OUR MEMBERS

IFCO Systems
(813) 463-4103
www.ifco.com

International Fresh Produce Association
(302) 738-7100
www.freshproduce.com

iSolve Technologies, Inc.
(520) 762-6362
www.isolveproduce.com

Jeong & Lizardi, P.C.
(520) 287-4174
www.jeong-lizardi.com

Joffroy Group CHB, LLC
(520) 281-2472
www.joffroy.com

K & K International Logistics, LLC
(520) 287-3550
www.kk-intl.com

Kingdom Fresh Produce, Inc.
(956) 668-8988
www.kingdomfresh.com

L & M Companies, Inc.
(919) 981-8000
www.lmcompanies.com

Limex Sicar
(956) 217-0571

M.A.S. Melons & Grapes, LLC
(520) 377-2372
www.masmelons.com

Magenta Produce
(520) 281-0282

Malena Produce, Inc.
(520) 281-1533
www.malenaproduce.com

Marengo Foods LLC
(520) 415-1848
www.marnefoods.com

Masterstouch Brand, LLC
(619) 600-4354
www.masterstouch.com

MexFresh Produce LLC
(956) 383-6660
www.mexfreshproduce.com

Mr. Felix Produce
(520) 455-3020

National Mango Board
(407) 629-7318
www.mango.org

Naumann/Hobbs Material Handling Svc.
(520) 281-9445
www.naumannhobbs.com

NFP Property & Casualty
(520) 281-9141
www.nfp.com

Nogales U.S. Customs Brokers Assn.
(520) 375-6754
www.nogalescustombrokers.org

P.D.G. Produce, Inc.
(520) 281-2605
www.pdgproduce.com

Pacific Brokerage Co., Inc.
(520) 281-1722
www.pacificbrokerageinc.com

Pacific Tomato Growers
(520) 281-4927
www.sunripeproduce.com

Pack Right, LLC
(520) 377-2877

Pandol Brothers, Inc.
(661) 725-3755
www.pandol.com

Peppers Plus, LLC
(520) 377-0620
www.peppersplus.com

Port Devanning Services, LLC
(520) 761-9955

Prime Time International
(760) 399-4166
www.primetimeproduce.com

Primus Labs.com
(805) 922-0055
www.primuslabs.com

Produce Connection
(520) 281-8164
www.produceconnection.gourp.com

Produce House, LLC
(520) 281-8943
www.produce.house

Produce Pay
(888) 886-9457
www.producepay.com

Produce Team
(956) 606-4476
www.produceteam.com

RCF Distributors, LLC
(520) 281-0230
www.rcfdistributors.com

R.L. Jones Customhouse Brokers
(520) 281-2665
www.rljones.com

Red Sun Farms
(519) 733-3663
www.redsunfarms.com

Robinson Fresh
(954) 859-5048
www.robinsonfresh.com

Sahuarita Food Bank
(520) 400-6192
www.sahuaritafoodbank.org

Safe Border Trucking Association
(520) 223-3260

ScanTech Sciences
(470) 359-3660
www.scantechsciences.com

Seeded Produce, LLC
(520) 375-2014
www.seededgrown.com

Shannon Brokerage Co.
(520) 287-3671
www.shannonbrokerage.com

Shipleys Sales Service
(520) 281-2621
www.shipleysales.net

Sierra Seed Company, LLLP
(520) 281-9420
www.sierraseed.com.mx

Sigma Sales Co., Inc.
(520) 281-1900
www.sigmasalesaz.org

Silo Technologies
(516) 398-2305
www.usesilo.com

OUR MEMBERS

Star Produce Us Lp
(520) 281-0011
www.novaproduce.com

StePac, U.S.A., Inc.
(630) 268-6318
www.stepac.com

Suarez Brokerage Co. Inc.
(520) 281-4646
www.suarezbrokerage.com

Sunbelt Rentals
520-306-8644
www.sunbletrentals.com

SunFed
(520) 281-4689
www.sunfed.net

Sunridge Nurseries
(661) 363-8463
www.sunridgenurseries.com

Sykes Company
(520) 281-2520
www.thesykesco.com

Tajin
International Corp.
(281) 754-8254
www.tajin.com

Tepeyac Produce, Inc.
(520) 281-9081

Terra Fresh Organics, LLC
(480) 270-0829
www.terrafreshorganics.com

The Giumarra Companies
(520) 281-1981
www.giumarra.com

The Produce Exchange
(925) 454-8700
www.lipmanfamilyfarms.com

Thomas Produce Sales, Inc.
(520) 281-4788

Tricar Sales, Inc.
(520) 281-5777
www.tricarsales.com

Triple H Produce
(956) 782-5128
www.tripleh.com.mx

TruFresh
(520) 394-7370
www.trufresh.com.mx

UniSource Energy Services
(520) 761-7999
www.uesaz.com

Vandervoet & Associates, Inc.
(520) 281-0454

Veggies Inc.
(877) 377-8344
www.veggiesinc.com

Western Growers
Association
(949) 863-1000
www.wga.com

WestRock
(520) 377-0910
www.westrock.com

Wholesum
(520) 281-9233
www.wholesumharvest.com

Wilson Produce, LLC
(520) 375-5752
www.wilsonproduce.com

Wise Transport, LLC
(520) 377-2282

Zira Food Safety
(520) 988-0864
www.zirafs.com

WELCOME NEW MEMBERS!

- APEAM
- Convera
- Crown Jewels
- Direct Roots
- Eleven Rivers
- Limex
- Mr. Felix
- National Mango Board
- RCF Distributors
- Sahuarita Food Bank
- SBTA
- Silo Technologies
- Sunbelt Rentals
- Terra Fresh
- TruFresh
- Veggies, Inc.



INTERESTED IN BECOMING A MEMBER?

Please contact:
Emmis Yubeta

Director of Membership & Events
emmis@freshfrommexico.com

(520) 287-2707

www.freshfrommexico.com

www.swipeexpo.com



FreshProduce®

ASSOCIATION OF THE AMERICAS



@FreshProduceAA



@FreshProduce-AA



@FreshProduceAA



@FreshProduceAA