

# Rural Migration News

## Blog 203

FEBRUARY 2021

### U.S. Imports of Fresh Fruit and Vegetable

The US imports two-thirds of its fresh fruit and one-third of its fresh vegetables. The share of imports is rising for many fruits and vegetables due to higher US incomes that support a year-round demand for fresh produce, healthier eating, and freer trade with countries that export fresh fruits and vegetables.

The top five fresh fruit imports accounted for three-fourths of the \$14 billion of all US fresh fruit imports in FY19, led by \$3.3 billion worth of berries, \$2.7 billion worth of avocados, \$2.2 billion worth of bananas, \$1.6 billion worth of grapes, and \$800 million worth of pineapples. The value of berry imports rose fastest over the past decade, while the value of banana imports fell.

Mexico provided over half of US fresh fruit imports by value in FY19, exporting fresh fruit worth over \$7 billion, followed by Chile, \$1.8 billion, and Guatemala and Peru, \$1.2 billion each. Peru had the fastest growth in fresh fruit exports to the US, led by fresh blueberries.

The US is a net exporter of agricultural commodities, but the gap between the value of US farm exports and the value of US farm imports is shrinking. One reason

is that the value of the major farm exports in which the US has a competitive advantage, such as meat and grains are rising slower than the value of US fruit and vegetable imports. The US exported about \$35 billion worth of horticultural products in 2019, \$30 billion each of animal commodities and grains and feed-stuffs, and \$25 billion worth of oil seeds.

The US imported \$132 billion worth of farm commodities in FY19, led

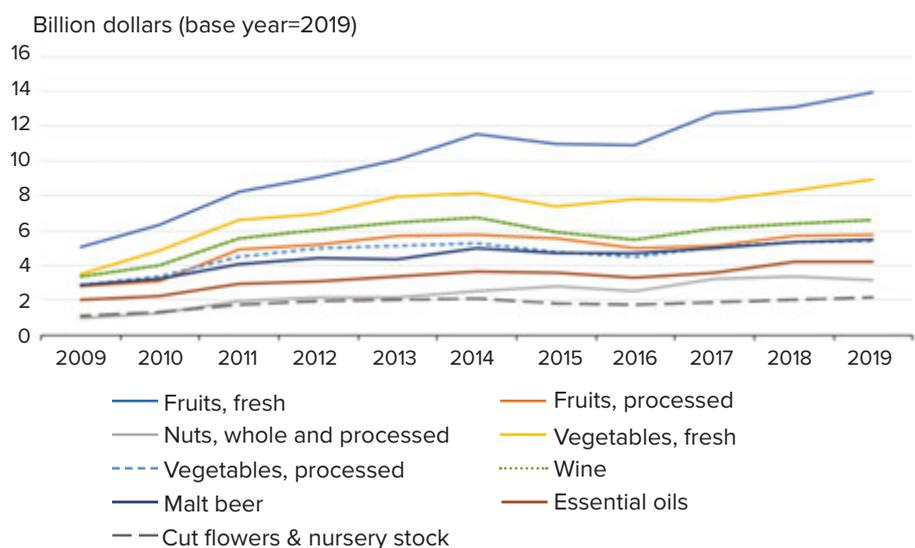
by \$66 billion worth of horticultural products, \$23 billion worth of sugar and tropical products, and \$18 billion worth of animal commodities.

There are five major reasons for rising US fruit and vegetable imports summarized in the table below: limited US production, seasonal gaps, foreign produce that is better or cheaper, imports providing insurance for US producers, and transportation and marketing factors.

First, some fruits and vegetables are not grown commercially in the US, such as bananas and other tropical fruits, and must be imported to make them available to US consumers.

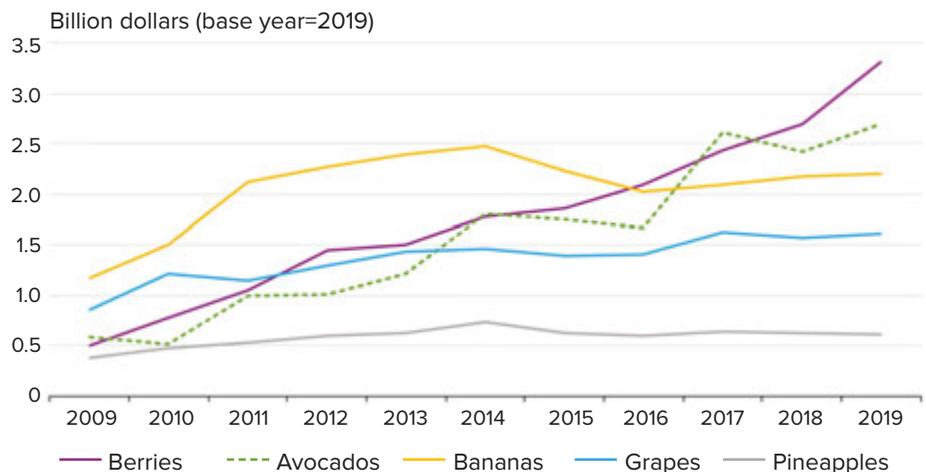
Second, some commodities are not grown year-round in the US, as with fruits and vegetables that can be imported from Mexico and Central and South America during the winter months when most US producers are not producing. The exceptions to limited US production during the winter months is Florida, which produces some winter fruits and vegetables in competition with winter-month imports, as well as production in greenhouses and under other pro-

**U.S. Imports of Fresh Fruit Were \$14 Billion in FY19, and Imports of Fresh Vegetables Were \$9 Billion (Data are in 2019 \$)**



Source: <https://www.ers.usda.gov/amber-waves/2020/september/us-fruit-imports-grew-by-89-billion-over-the-last-decade-to-meet-rising-demand/>

### U.S. Imports of Berries and Avocados Were 40% of the \$14 Billion of Fresh Fruit Imports in FY19



Source: <https://www.ers.usda.gov/amber-waves/2020/september/us-fruit-imports-grew-by-89-billion-over-the-last-decade-to-meet-rising-demand/>

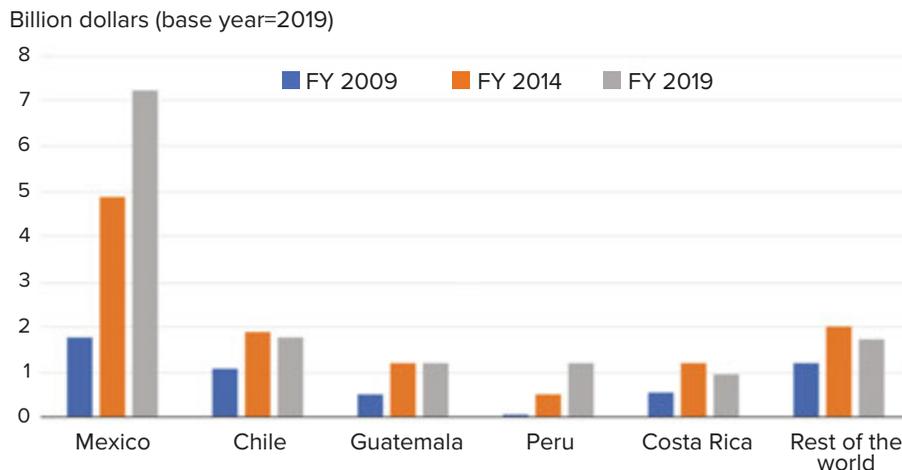
tected culture structures.

Third, some commodities may be produced more efficiently abroad than in the US, including asparagus, avocados, and green onions. Reasons for the competitive advantage of foreign producers range from lower labor costs, as with asparagus and green onions, to climate and other factors, as with avocados. Some producers are able to plant on land that was not previously used to grow crops and thus have fewer pest and disease pressures that accumulate over time, as with nematodes in land used for strawberries.

Fourth, some US producers may produce abroad because they are contractually obliged to provide a certain quantity of bagged salads or other commodities, and they rely on imports to avoid financial penalties if weather, disease, or pests reduce their US production. For example, some California grower-shippers of leafy green vegetables plant lettuce in Mexico to fulfill their bagged salad contracts if there are problems in Arizona and southern California, where US winter production of leafy green vegetables is concentrated, so that imports reduce the risk involved in guaranteeing supplies from a biological production process.

Fifth, imports may be cheaper for transportation and marketing reasons. For example, it can be cheaper to truck produce from northern Mexico to New York City than from California, and cheaper to send melons from Central America to Miami and then onward by truck to east coast consumers rather than to truck them from California.

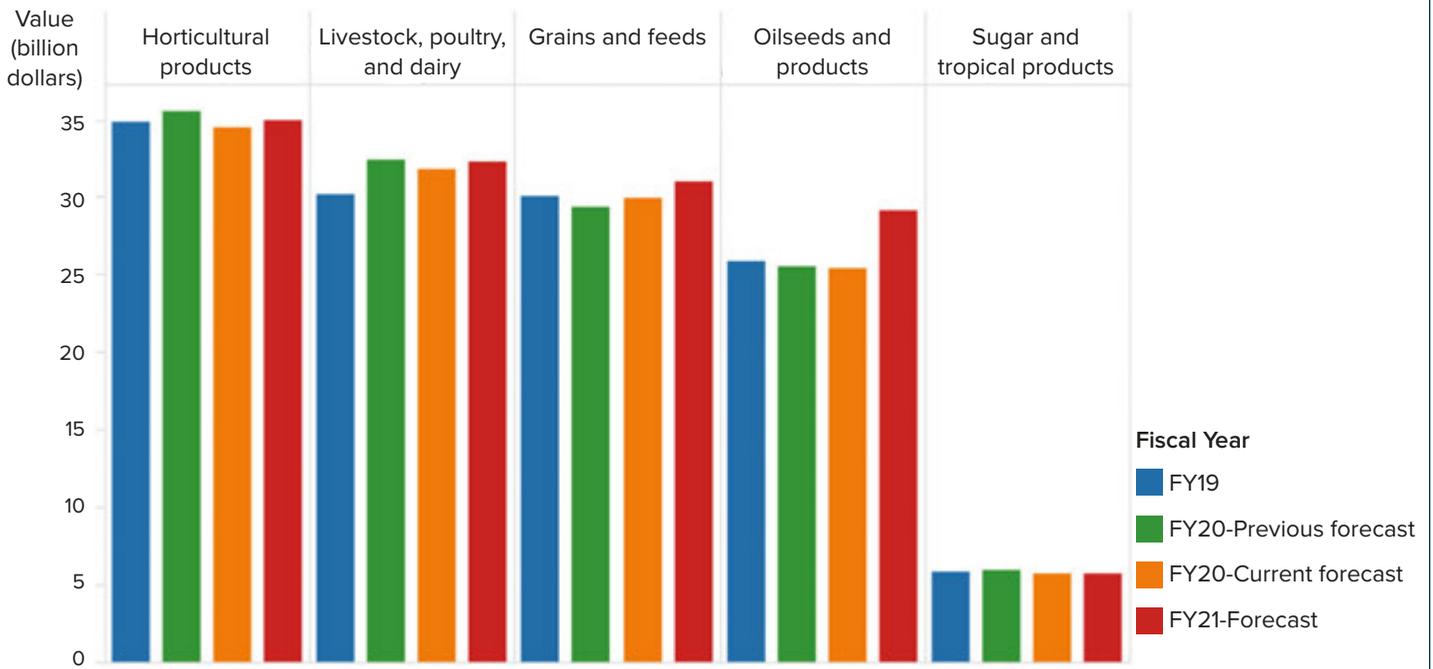
### Mexico Accounted for Over Half of the \$14 Billion in U.S. Fresh Fruit Imports in FY19; Peru had the Fastest Growth in Fresh Fruit Exports to the U.S. over the Past Decade



Source: <https://www.ers.usda.gov/amber-waves/2020/september/us-fruit-imports-grew-by-89-billion-over-the-last-decade-to-meet-rising-demand/>

The U.S. Exported \$135 Billion Worth of Farm Commodities in FY19, Including \$35 Billion Worth of Horticultural Products

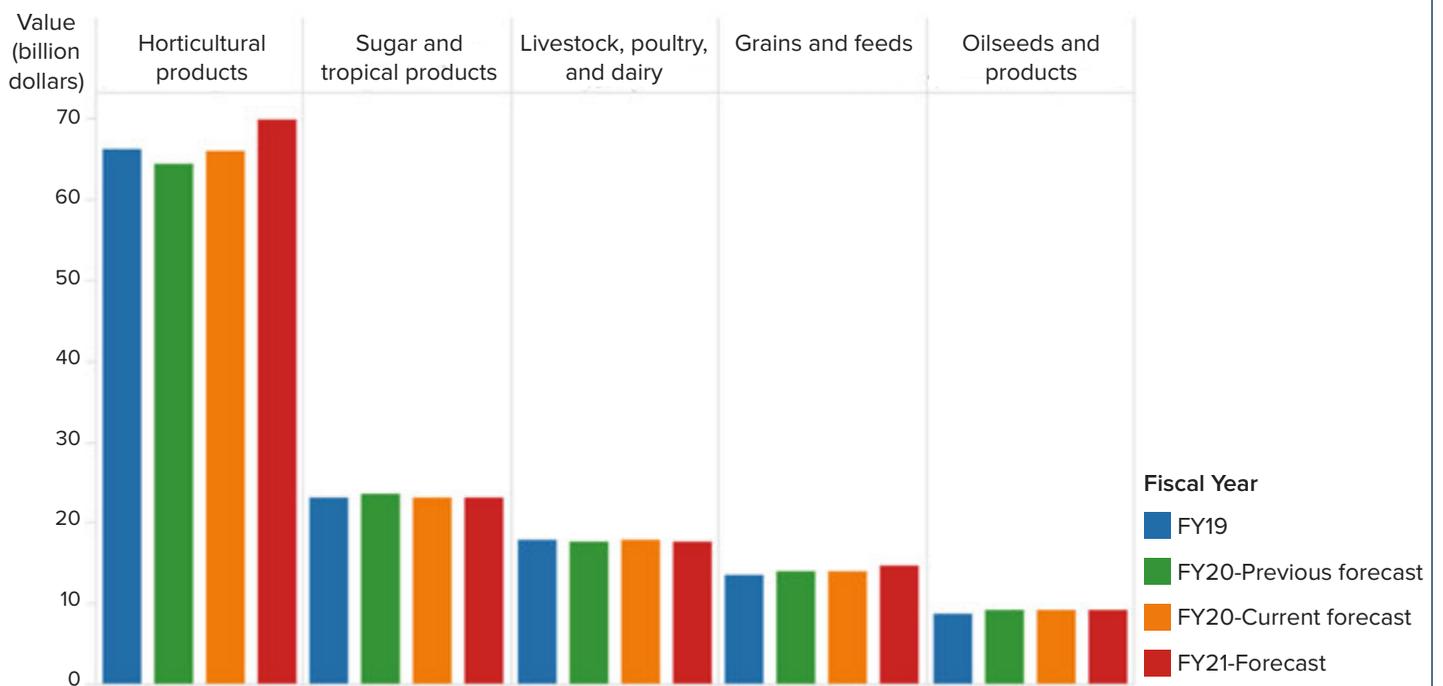
U.S. Exports by Commodity



Source: <https://www.ers.usda.gov/topics/international-markets-us-trade/us-agricultural-trade/outlook-for-us-agricultural-trade/>

Half of the \$132 Billion of U.S. Agricultural Imports were Horticultural Commodities in FY19

U.S. Imports by Commodity



Source: <https://www.ers.usda.gov/topics/international-markets-us-trade/us-agricultural-trade/outlook-for-us-agricultural-trade/>

5 Reasons for Rising U.S. Fruit and Vegetable Imports				
	Explanation	Examples	Trends	Note
Limited US production	The US climate precludes commercial production of tropical fruit	Almost all bananas, mangoes, pineapples are imported	Rising US incomes support rising fresh fruit consumption	Most tropical fruits are imported from Mexico and Central America
Off-season supplies	Most US fruits and vegetables are produced between May and October, and some cannot be stored for long periods	Berries, grapes, many tree fruits, and tomatoes and other vegetables are imported during winter months	Winter imports are mostly from Chile, Peru, and Mexico and Central America	Production abroad for export to the US is rising due to local and US investment
Competitive production abroad	Foreign producers have lower labor and other costs or obtain higher yields or quality	Wages are a high share of the cost of producing asparagus & green onions, explaining declining US production and rising imports	New blueberry varieties are well suited to climates abroad) that, added to lower labor costs and good transport links, encourage exports to the US	There has been rapid growth in fresh fruit and vegetable exports from Mexico and Peru
Insuring supplies	US producers may be contractually committed to provide bagged salads to supermarkets and restaurant chains	Leafy green vegetables (lettuce) are grown in AZ and CA during the winter months. Plantings in Mexico offers insurance	Grower-shippers sign contracts to provide bagged salads year-round, and need to ensure a supply of leafy greens	Mexican-grown vegetables may not be imported if US supplies are adequate
Transportation or other non-production reasons	Transportation costs may be lower from Mexico to NYC, or from Central America to NYC, than from the western US	Improved Mexican highways facilitate shipments of fruits and vegetables from Mexico	Transportation costs can be a high share of production costs imports	

### References

<https://www.ers.usda.gov/topics/international-markets-us-trade/us-agricultural-trade/outlook-for-us-agricultural-trade/>

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