

# Rural Migration News

## Blog 220

MAY 2021

### Fresh Vegetable Imports from Mexico

The US imported fresh vegetables worth \$10 billion in 2020. Imported fresh vegetables are a third of those available to US consumers, double the import share at the beginning of the 21st century.

Three-fourths US fresh vegetable imports are from Mexico, whose main competitive advantage is climate. Most fresh Mexican vegetables arrive in the US during the winter months when there is little US production of the same commodities except in Florida.

The leading fresh vegetables imported from Mexico include tomatoes, peppers, cucumbers, squash, and other vegetables that require warm temperatures. Crops that can tolerate cooler temperatures, such as lettuce, broccoli, spinach, and celery, are grown in the desert regions of Arizona and California during the winter months.

Mexican farmers have invested in protected culture structures, including greenhouses and plastic-covered hoops that protect plants from

weather and pests, that facilitate the production of organic produce, and extend seasons. Some protected culture farms can export fresh vegetables year round.

Americans appear willing to pay more for greenhouse-grown and often organic vegetables, and Mexican farmers who are expanding production are willing to invest in protected culture structures to produce them.

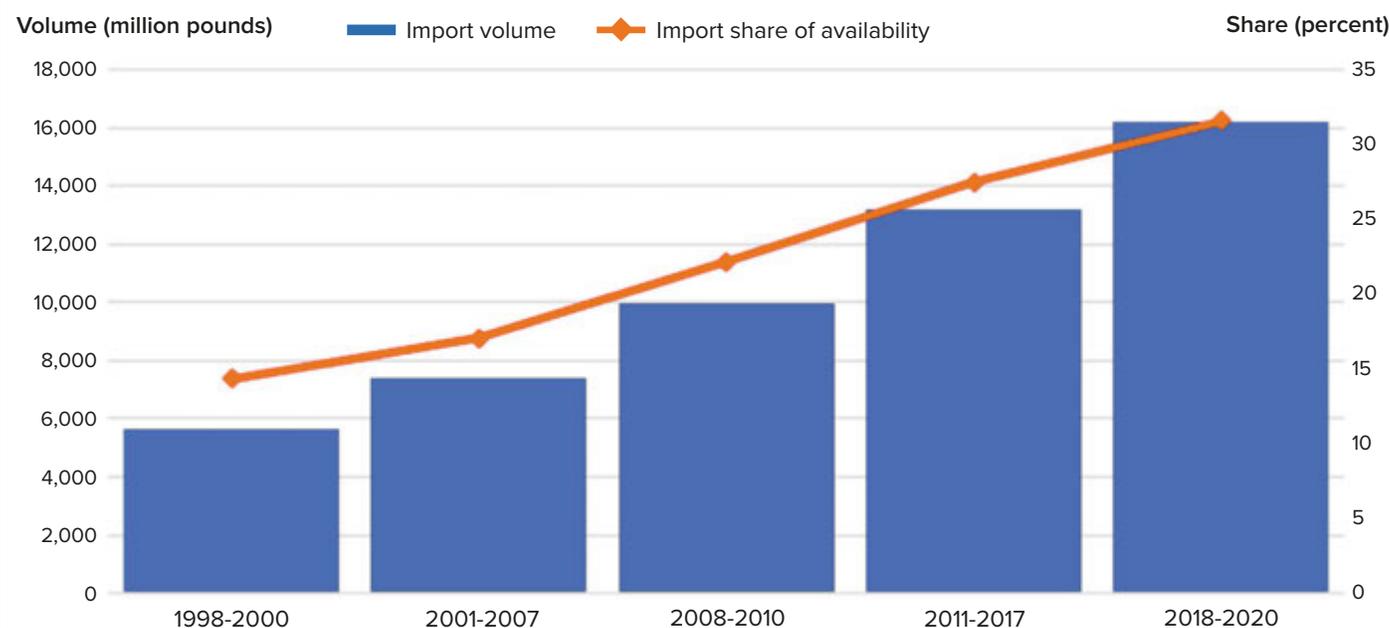
For example, Mexico in the past exported fresh bell peppers mostly during the winter months, but Mexico now exports more pounds of these vegetables in the spring, summer and fall than during the winter months.

Most Mexican fresh vegetables arrive during the winter months of January through March, but imports during the months of April through December are rising fast.

A second Mexican advantage is lower labor costs. Mexico's minimum wage in 2021 is 142 pesos (\$6.80) for an eight-hour day, and

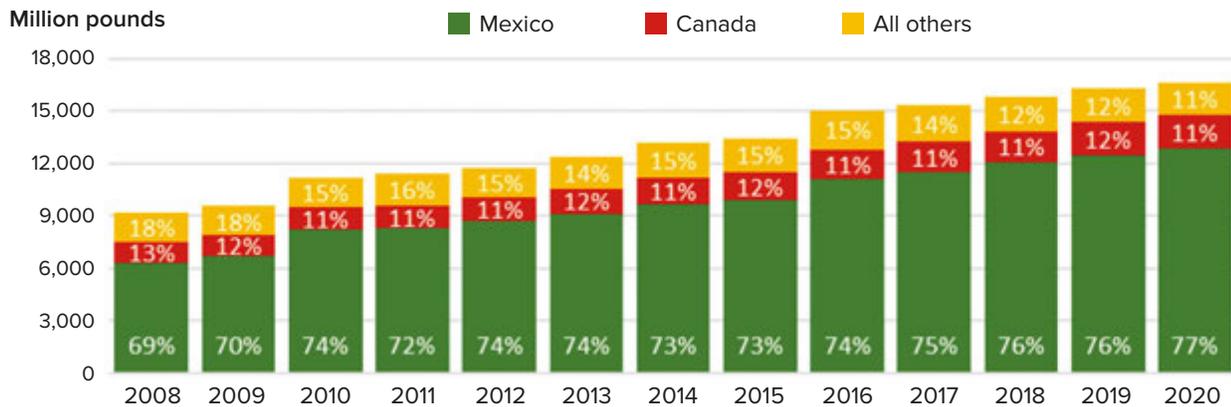
#### A Third of U.S. Fresh Vegetables are Imported

Fresh vegetable import volume and import share of availability, 1998-2020



## Mexico Supplies ¾ of the Fresh Vegetable Imports to the U.S.

U.S. fresh vegetable import volume by country, 2008-20



## Many Mexican Vegetables are Grown in Protected Culture Structures and Exported Year-round



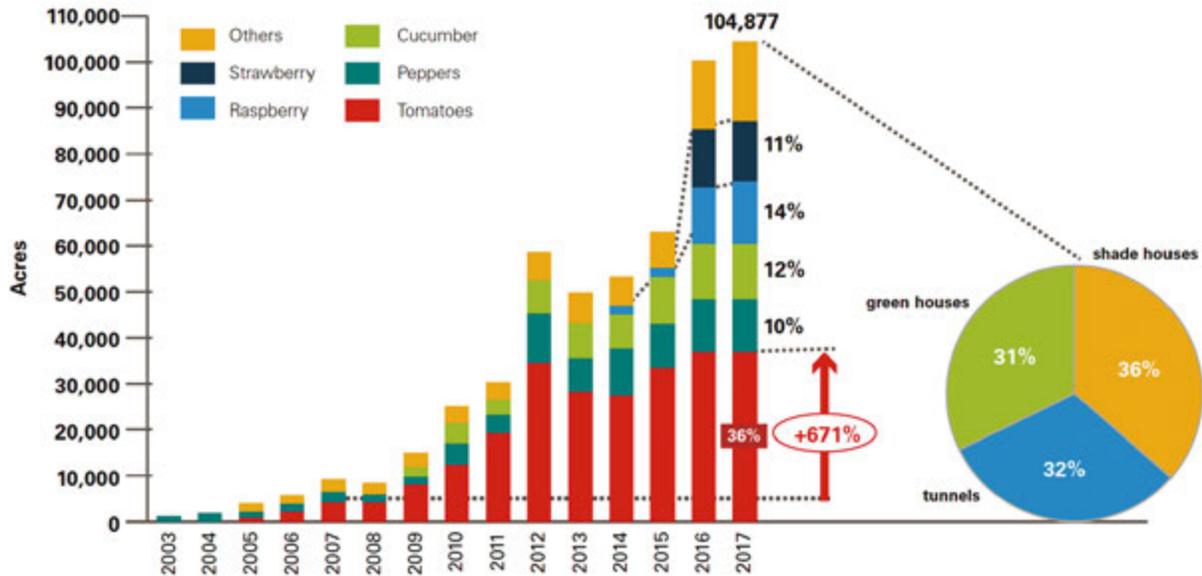
Source: <https://cronkitenews.azpbs.org/2017/12/25/mexico-seeks-edge-with-high-tech-agroparks/>

213 pesos a day near the US border (\$10.25). Minimum wages in most US states are more than the federal minimum wage of \$7.25 or \$58 a day.

Most workers employed on Mexican farms that export produce to the US earn two or three times more than the daily minimum wage, typically \$14 to \$25 a day. Most US farm workers earn \$12 to \$15 an hour or \$96 to \$120 a day. Mexican farm wages fell between 2008 and 2014, and were not yet back to their 2005 levels by 2018.

Other Mexican advantages include the declining value of the peso that makes Mexican produce cheaper in US dollars. The hourly earnings of US farm workers have been rising faster than the hourly earnings of nonfarm workers.

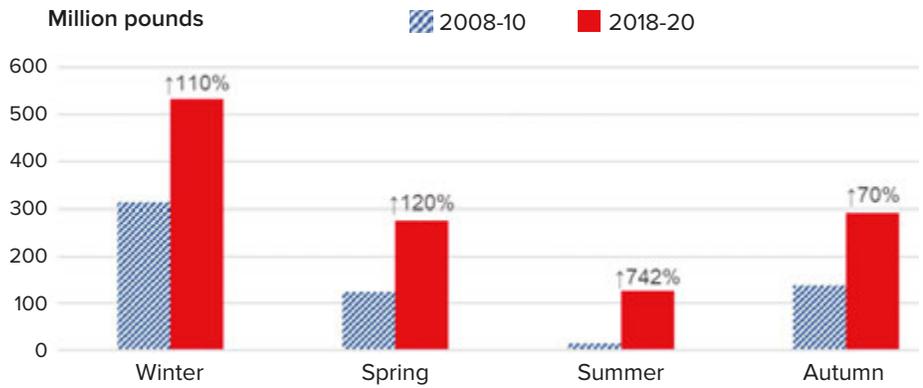
## Mexico had 105,000 Acres Under Protected Culture Farm Structures in 2017



Source: [https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/mexico%20farm%20book\\_V2.pdf](https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/mexico%20farm%20book_V2.pdf)

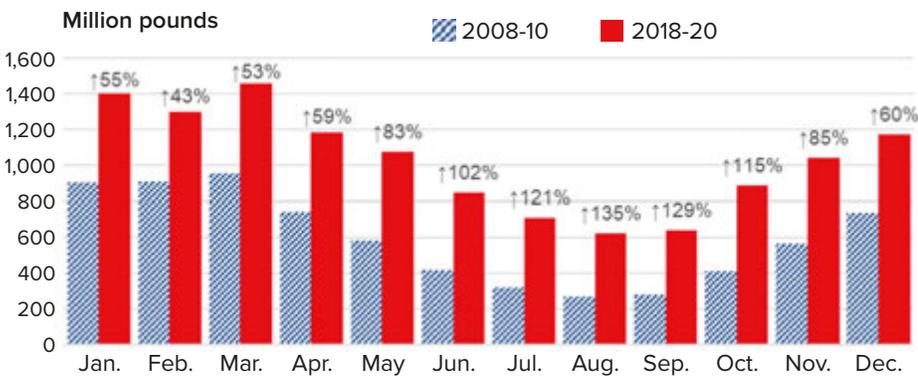
## The U.S. Imports More Mexican Bell Peppers During the Non-winter Months Than in Winter

Bell pepper seasonal import volume from Mexico and average percentage change, 2008-10 vs. 2018-20



## Imports of Mexican Fresh Vegetables are Rising Fast in the Summer Months

Mexico fresh vegetable average monthly import volume and percent change, 2008-10 vs. 2018-20



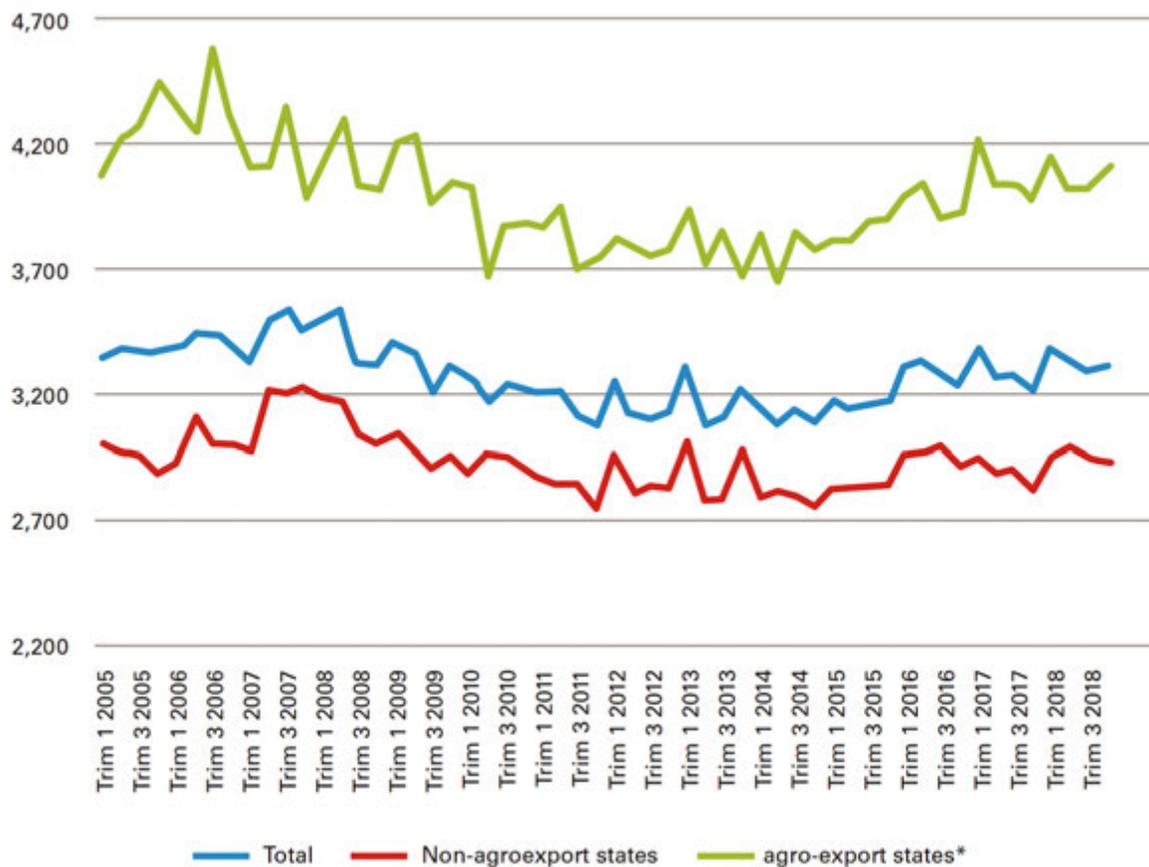
## Mexico's Minimum Wage has Been Increasing Faster than Inflation in Recent Years

### Mexico's Minimum Wage 2016-2021

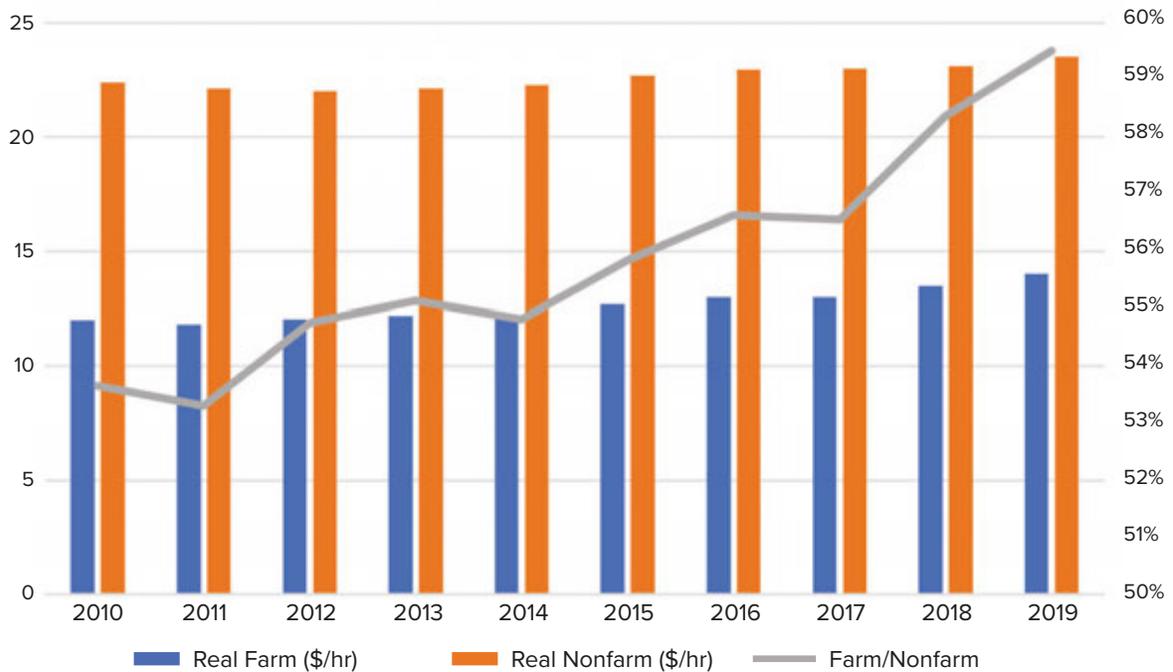
- In 2016 the minimum wage as \$73.04 pesos per work day;
- in 2017, the minimum wage rose about 9% to \$80.04 pesos per work day;
- in 2018 it rose just over 10% to \$88.36 pesos per work day;
- in 2019 it rose a further 16% to \$102.68 pesos per work day;
- in 2020 it was increased 20% to \$123.22 pesos per work day; and
- a rise of 15% took effect from January 1, 2021, making the current minimum wages **\$141.70 pesos per work day**

**Norther Border Zone:** In 2019, Mexico introduced a 'Border zone' minimum daily rate of \$177.72 pesos a day, and this rose to \$183.56 pesos a day from Jan 1, 2020, and rose again to \$213.39 pesos per work day as of January 1, 2021. The Border zone is a defined set of municipalities in Mexican states bordering the USA.

### Real Monthly Wages for Mexican Farm Workers Fell Between 2006 and 2012, and Were not yet Back to 2006 Levels in 2018 (pesos per month; 2016=100)



**The Real Farm Hourly Earnings of U.S. Farm Workers Rose 3 Times Faster than Nonfarm Earnings Between 2010 and 2019**



**References**

Davis, Wilma and Gary Lucier. 2021. Vegetable and Pulses Outlook. April. VGS-366, Economic Research Service. <https://www.ers.usda.gov/publications/#!topicid=&subtopicid=&series=VGS&authorid=0&page=1&sortfield=date&sortascending=false>

Escobar, Agustin, Philip Martin, Omar Starbridis. 2019. Farm Labor and Mexico's Export Produce Industry. Wilson Center. [www.wilsoncenter.org/publication/farm-labor-and-mexicos-export-produce-industry](http://www.wilsoncenter.org/publication/farm-labor-and-mexicos-export-produce-industry)

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