



Division of Marketing and Development

**Subject: An Examination of increased shipments and unfair pricing by the Mexican Produce Industry
January-April 2020**

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Bureau of Strategic Development

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Directive and Guidelines

“Conduct a research investigation of Mexican specialty crop exports to the U.S., with a focus on two commodities; fresh blueberries and bell peppers, which appear to unfairly restrict and/or negatively distort or alter the competitive environment which Florida specialty crop producers operate in annually. With a focus on the production months of January to April 2020, during a period of COVID-19 impacts and when both Florida and Mexico supply an assortment of commodities to the U.S. fresh market, determine whether there are identifiable instances of actual or likely harm to Florida’s agricultural market share, probable instances of Mexican aggressive pricing, injury to Florida revenues, production, growth and profitability.

With an emphasis on any trends or practices that distort U.S. competitiveness, using historical USDA movement and pricing data derived and compiled during the last 3-5 years. Investigate and identify any potential negative impacts, unreasonable acts, policies and/or factors associated with Mexican agricultural exports to the United States which appear particularly harmful to Florida’s specialty crop sector.”

Dan Sleep

Chief, Bureau of Strategic Development, FDACS

Data Sources include:

- USDA AMS Market News; Movement and Terminal Market Data sets
 - https://www.ams.usda.gov/mnreports/fvddaily_move.pdf (Fresh Commodities-Supply)
 - <https://www.ams.usda.gov/mnreports/fvwtrk.pdf> (Fresh Commodities-Logistic Costs)
 - <https://www.marketnews.usda.gov/mnp/fv-home> (Fresh Commodities-Product Prices)
- FDACS DIVISION OF MARKETING ANALYTICS
- FDACS HISTORICAL RESEARCH AND SUPPLEMENTALS
- U.S.D.A. NASS/FASS
- USDA ERS

Executive Summary

Incorporating advanced analytics into the Florida Department of Agriculture's research investigation of Mexican specialty crop exports creates the means to examine specific data ranges and in this study the focus was upon January – April 2020 “Total U.S. Fresh Product Supply and any discernible Mexican Market Share Position Deviations and/or Probable Instances of Unfair Pricing.” Whether coordinated or not, these aggressive pricing practices appear widespread and continued during a period of significant economic disruptions caused by COVID-19. Mexican producers continued to both restrict and negatively distort the competitive environment in which Florida specialty crop producers operate in as well as artificially deny access to markets when pricing by Mexican producers/suppliers appears to be lower than production and logistics costs.

Researchers concentrated on isolating the identifiable instances of harm to Florida, or which appear likely to suppress, reduce, stunt or otherwise impair Florida's sales, pricing, market share, revenues, production, growth and profitability.

Researchers concentrated on historical comparative positions and identified instances where Mexican product was reported by the USDA at prices from \$5.50-\$15.50 per 50Lb unit (case, box, carton, flat, etc.) and adjusted price range to reflect different unit pricing ranges.

For the record, researchers did not conduct a review of how COVID-19 (Flu) impacted overall U.S. market fresh product conditions, however, from numerous industry and professional reports there were substantial disruptions to logistical operations, erosion of shipping efficiencies and costs, which for this study, are assumed to have generally impacted shippers equally in the distribution of their respective fresh products.

All Shipments (Includes a review of the USDA Movement Report for 25+ fresh products in the U.S. market)

-11%	Total shipments overall are down 11% (496K vs. 557K) so far in 2020 when compared to the prior 5-year average and down 14% (496K vs. 577K) when compared to total shipments last year. • Florida, United States & Mexico are the largest contributors during this time and in the past 5 years account for approximately 92% of all shipments.
+16.9%	Mexico's overall increase in Market Share from 2019 to 2020. 29.7M Lbs. of additional fresh Mexican product occurred from Jan-Apr 2020 compared to the total from the same time frame last year (162,314 in 2020 vs. 161,571 in 2019).
-6.5%	Florida's overall decrease/suppression in production from 2019 (57.4K) to 2020 (53.7K).
2,695	“Probable Instances of Aggressive Pricing” in U.S. terminal market entries by Mexico, representing approximately 107.8Mn Lbs. of product. About 18% of all Mexican domestic terminal market entries reported a minimum price per unit below \$5.50 in January – April 2020.
19.6%	Percent of the Total “Probable Instances of Aggressive Pricing” researchers identified which impacted the two specialty commodities examined amounting to 528-40,000Lb truckloads.

Blueberries

-13%	Total shipments overall are down 15% (4,362 vs. 5,028) so far in 2020 when compared to 2019. Chile has historically been the largest supplier of blueberries prior to Florida's blueberry season and is shipping significantly less than normal.
+64.3%	Mexico's overall increase in Market Share from 2019 to 2020. This is an increase of 1.5M additional flats of blueberries from Mexico in 2020 when compared to 2019. This increase alone surpasses Florida's total of 414 truckloads (or 1.4M flats) in 2020. Shipments from Mexico have been increasing by approximately 35% every year for the prior 5 years. The increase from 1,078 truckloads last year to 1,536 truckloads this year is an increase of almost 43%.
-22.6%	Florida's overall decrease/suppression in production from 2019 (535) to 2020 (414).
22	"Probable Instances of Aggressive Pricing" in U.S. terminal market entries of blueberries, by Mexico, representing approximately 73,326 flats. About 10% of all Mexican domestic terminal market entries reported a minimum price per unit below \$9.00 in January – April 2020. This price was reported in eastern terminal markets only, with no entries reported this low in western or central terminal markets which are closer to Mexico.

Bell Peppers

-5%	Total shipments overall are down 5% (18,727 vs. 19,577) so far in 2020 when compared to 2019. Florida, the rest of the United States, and countries other than Mexico are shipping significantly less than normal. Mexico is the only producer with additional shipments from January – April of 2020.
+6.4%	Mexico's overall increase in Market Share from 2019 to 2020. This is an increase of 2.2M additional cartons of bell peppers from Mexico in 2020 when compared to 2019.
-20.5%	Florida's overall decrease/suppression in production 2019 (3,497) to 2020 (2,780).
506	"Probable Instances of Aggressive Pricing" in U.S. terminal market entries of bell peppers by Mexico, representing approximately 723,074 cartons. About 25% of all domestic terminal market entries reported a minimum price per unit below \$5.50 in January – April 2020. This price was reported in eastern terminal markets only, with no entries reported this low in western or central terminal markets which are closer to Mexico.
Observed	Researchers concentrated on developing a profile on two Florida commodities during this project, however, during the process several other Florida specialty products are showing signs of being impacted by similar "Probable Instances of Mexican Aggressive Pricing" during this most recent period examined. Additionally, as noted, these instances occurred during a period in the U.S. when significant inefficiencies adversely impacted shipping prices during COVID-19, a period that would tend to result in triggering increases in delivered product unit pricing. Florida's seasonal production concludes in June and early July of 2020 and researchers plan to continue investigating a wider spectrum of commodities.

Methodology and Information--USDA Daily Movement Report

The page below is part of a 50+ page USDA daily movement report. Reports are typically 2-3 days behind the current date.

Data from this report is imported into a database, then visualized using the Salesforce Analytics Cloud to provide unique dataset views.

Daily Movement Report											
Volume XV - Number 46			Page 12			Tuesday, March 10, 2020					
COMMODITY/ORIGIN/DISTRICT	MODE	MAR 3	MAR 4	MAR 5	MAR 6	MAR 7	MAR 8	MAR 9	TOTAL THIS YEAR	TO DATE LAST YEAR	FINAL LAST YEAR
FLORIDA DISTRICTS	T	1	1	-	-	-	-	1	23	36	45
MEXICO											
MEXICO CROSSINGS THROUGH CALEXICO	T	-	-	-	-	-	-	-	14	21	22
MEXICO CROSSINGS THROUGH LAREDO, TX	T	-	-	-	-	-	-	-	1	-	-
MEXICO CROSSINGS THROUGH OTAY MESA	T	1	1	1	-	-	-	-	85	140	269
MEXICO CROSSINGS THROUGH PHARR, TX	T	2	5	4	2	-	-	5	487	414	663
MEXICO CROSSINGS THROUGH RIO GRANDE CITY	T	1	-	1	-	-	-	1	162	281	550
MEXICO CROSSINGS THROUGH ROMA, TX	T	1	1	1	1	-	-	-	156	-	-
MEXICO CROSSINGS THRU NOGALES	T	-	-	-	-	-	-	2	6	14	30
GRAND TOTALS		14	13	12	5	5	-	16	1,311	1,084	2,509
CLEMENTINES											
MOROCCO											
IMPORTS THROUGH WILMINGTON (DELAWARE)	B	-	-	-	-	-	-	-	228	963	1,028
GRAND TOTALS		-	-	-	-	-	-	-	228	963	1,028
CORN-SWEET											
FLORIDA											
FLORIDA DISTRICTS	T	43	44	61	65	36	14	73	3,267	3,710	10,134
GUATEMALA											
IMPORTS THROUGH OAKLAND	B	-	-	-	-	-	-	-	-	-	-
IMPORTS THROUGH SOUTH FLORIDA/TAMPA	B	-	-	-	-	-	-	-	8	27	42
MEXICO											
MEXICO CROSSINGS THROUGH BROWNSVILLE, TX	T	1	1	2	1	-	-	1	117	98	178
MEXICO CROSSINGS THROUGH CALEXICO	T	-	-	2	-	-	-	-	2	-	-
MEXICO CROSSINGS THROUGH EL PASO, TX	T	-	-	-	-	-	-	-	4	5	10
MEXICO CROSSINGS THROUGH OTAY MESA	T	2	3	4	-	-	-	-	400	460	836
MEXICO CROSSINGS THROUGH PHARR, TX	T	-	-	-	-	-	-	1	35	33	74
MEXICO CROSSINGS THROUGH PROGRESO, TX	T	-	-	-	-	-	-	-	2	3	5
MEXICO CROSSINGS THROUGH RIO GRANDE CITY	T	-	1	-	-	-	1	-	97	106	204
MEXICO CROSSINGS THROUGH ROMA, TX	T	-	1	-	-	-	-	1	12	1	2
MEXICO CROSSINGS THRU NEW MEXICO	T	-	-	-	-	-	-	-	33	47	47
MEXICO CROSSINGS THRU NOGALES	T	32	25	28	28	23	7	19	1,776	1,458	2,154
CORN-SWEET - ORGANIC											
MEXICO											
MEXICO CROSSINGS THRU NOGALES	T	-	-	-	-	-	-	-	34	79	101
GRAND TOTALS		78	75	97	94	69	22	95	5,787	6,027	13,787
CRANBERRIES											
CANADA											
IMPORTS THROUGH DETROIT	T	-	-	-	-	-	-	-	1	-	-
CHILE											
IMPORTS THROUGH DALLAS-FORT WORTH	A	-	-	-	-	-	-	-	-	-	-
MEXICO											
MEXICO CROSSINGS THROUGH PHARR, TX	T	-	-	-	-	-	-	-	1	-	-
GRAND TOTALS		-	-	-	-	-	-	-	2	-	-
CUCUMBERS											
FLORIDA											
FLORIDA DISTRICTS	T	3	-	2	4	3	-	5	1,242	1,021	2,635
CANADA											
IMPORTS THROUGH DERBY LINE (VERMONT)	T	-	-	-	-	-	-	-	-	-	-
IMPORTS THROUGH DETROIT	T	-	-	-	-	-	-	-	191	-	-
GUATEMALA											
IMPORTS THROUGH SOUTH FLORIDA/TAMPA	B	-	-	-	-	-	-	-	21	28	38

* T = Truck, EX = Export, R = Rail, P = Piggyback, B = Boat, A = Air, I=Import

From left to right:

Commodity:	what state or country the product is shipped from
Mode:	How it was shipped; Truck(T); 40,000-pound standard units for each designation Boat(B) Rail(R) Piggyback(P); double truck Air Freight (A) and Import(I)
Dates	Month and date
Total this year	Compiled for that shipping season/period
To Date	
Last year	Comparative position, so supply positions can be ascertained; is the market on track, is supply light, stable or heavy, etc.
Final Last Year	Comparative position, so supply positions can be ascertained; is the market on track, is supply light, stable or heavy, etc.

Researchers examine these supply positions to ascertain conditions, identify shortages caused by significant adverse events such as recalls, freezes, hurricanes, etc. For example, increased air shipments (an expensive but quick way to ship product) into a market can indicate a disruption.

Methodology and Information--USDA Daily Trucking Report

This report is used to gain insight into logistics costs. It includes shipping fees for each 40,000-pound truck and the types of commodities being shipped throughout the U.S. The table provides shipping rates in dollars from different shipment points.

Fruit and Vegetable Truck Rate Report			Volume LI -- Number 10		Page 2	Wednesday, March 4, 2020	
FIRST PRICE RANGE FOR WEEK OF FEBRUARY 26-MARCH 3 2020							
SECOND PRICE MOSTLY FOR TUESDAY MARCH 3 2020							
PERCENTAGE OF CHANGE FROM TUESDAY FEBRUARY 25 2020 SHOWN IN ()							
In areas where rates are based on package rates, per-load rates were derived by multiplying the package rate by the number of packages in the most usual load in a 48-53 foot trailer.							
WEEKLY RANGE		TUESDAY MOSTLY		WEEKLY RANGE		TUESDAY MOSTLY	
MEXICO CROSSINGS THROUGH NOGALES, ARIZONA							
-- CUCUMBERS, BEANS, EGGPLANT, PEPPERS, TOMATOES, MIXED VEGETABLES AND MELONS ADEQUATE --							
ATLANTA	3800	4600	3800	4000	(0)		
BALTIMORE	4600	5500	4600	5000	(0)		
BOSTON	5500	6500	5800	6000	(0)		
CHICAGO	3200	3600	3200	3400	(0)		
DALLAS	2200	2500	2200	2300	(0)		
LOS ANGELES	1200	1600	1300	1400	(+4)		
MIAMI	4900	5400	4900	5000	(0)		
NEW YORK	5000	6000	5000	5200	(0)		
PHILADELPHIA	4700	5700	4800	5000	(0)		
IMPERIAL, PALO VERDE AND COACHELLA VALLEYS, CALIFORNIA AND CENTRAL AND WESTERN ARIZONA							
-- LETTUCE, BROCCOLI, CAULIFLOWER, ROMAINE AND LEAF LETTUCE ADEQUATE --							
ATLANTA	4900	5400			(0)		
BALTIMORE	5600	6000			(-5)		
BOSTON	6400	6900			(-4)		
CHICAGO	4200	4700			(0)		
DALLAS	3100	3500			(+3)		
MIAMI	6200	6400			(0)		
NEW YORK	6100	6600			(-5)		
PHILADELPHIA	5900	6400			(-5)		
KERN DISTRICT CALIFORNIA							
-- CARROTS ADEQUATE --							
ATLANTA	5600	5900			(0)		
BALTIMORE	6200	6400			(-5)		
BOSTON	6800	7200			(-4)		
CHICAGO	4600	4900			(0)		
DALLAS	3400	3600			(+3)		
MIAMI		6800			(0)		
NEW YORK	6600	7000			(-4)		
PHILADELPHIA	6300	6700			(-4)		
SEATTLE	3100	3400			(0)		
OXNARD DISTRICT CALIFORNIA							
-- CELERY, STRAWBERRIES, ROMAINE, LEAF LETTUCE, CILANTRO, KALE AND PARSLEY ADEQUATE --							
ATLANTA	5500	5800			(0)		
BALTIMORE	6300	6500			(-4)		
BOSTON	6900	7300			(-4)		
CHICAGO	4700	5000			(0)		
DALLAS	3400	3600			(+3)		
MIAMI	6700	6800			(0)		
NEW YORK	6700	7100			(-4)		
PHILADELPHIA	6500	6900			(-4)		
SANTA MARIA CALIFORNIA							
-- BROCCOLI, CAULIFLOWER AND CELERY ADEQUATE --							
ATLANTA	5900	6200			(0)		
BALTIMORE	6600	6800			(-4)		
BOSTON	7100	7500			(-4)		
CHICAGO	4900	5200			(0)		
DALLAS	3900	4100			(+3)		
MIAMI		7100			(0)		
NEW YORK	6900	7300			(-4)		
PHILADELPHIA	6600	7000			(-4)		
SEATTLE	3200	3500			(0)		
SOUTH DISTRICT CALIFORNIA							
-- CITRUS, AVOCADOS ADEQUATE --							
ATLANTA	4300	5200	4800	5200	(0)		
BALTIMORE	5100	6100	5600	6000	(-2)		
BOSTON	6100	7000	6300	6700	(0)		
CHICAGO	3700	4800	4200	4600	(0)		
DALLAS	2800	3600	3100	3500	(0)		
MIAMI	5700	6700	6200	6600	(0)		
NEW YORK	5600	6600	5900	6300	(0)		
PHILADELPHIA	5300	6400	5700	6100	(0)		
SEATTLE	2600	3400	3100	3400	(0)		
SAN LUIS VALLEY COLORADO							
-- POTATOES ADEQUATE --							
ATLANTA	3093	3448	3225	3333	(0)		
BALTIMORE	3868	4300		4135	(0)		
BOSTON	4408	4591		4515	(0)		
CHICAGO	1935	2580	2150	2365	(0)		
DALLAS	1540	1828		1828	(0)		
LOS ANGELES	1830	2108		1830	(0)		
MIAMI	4300	5160			(0)		
NEW YORK	4181	4622		4515	(0)		
PHILADELPHIA	3870	4300	3870	4200	(0)		
CENTRAL & SOUTH FLORIDA							
-- TOMATOES, MIXED VEGETABLES, BERRIES SLIGHT SURPLUS --							
ATLANTA	950	1300	1000	1100	(-9)		
BALTIMORE	1900	2200	1900	2100	(-15)		
BOSTON	2500	3300	2800	3200	(-17)		
CHICAGO	1700	2000	1700	1900	(-22)		
NEW YORK	2300	3000	2400	2800	(-21)		
PHILADELPHIA	1900	2800	2100	2500	(-12)		
FLORIDA							
-- POTATOES ADEQUATE --							
ATLANTA	1000	1200			(0)		
LOS ANGELES	3800	4000			(0)		
MIAMI		650			(0)		
NEW YORK	2500	2800			(-5)		
PHILADELPHIA	1950	2000			(0)		

Researchers can then estimate the impact of shipping on delivered price.

For example, from the left side of the page:

MEXICAN CROSSING THRU NOGALES, ARIZONA

Listing for the types of products; in this case; cucumbers, beans, eggplant, peppers, tomatoes, etc.

To ship a 40,000-pound truck (USDA standard method of uniform measurement) from Nogales to Atlanta cost \$3,800 dollars on Feb 26 – Mar 3, 2020. Freight costs constantly change based on market conditions and assorted variables.

Using a standard weight measurement of 50 pounds per box assists in estimating the impact on each delivered product cost.

One 40,000-pound truck divided by 50-pound units equals 800 units total. Dividing 800 into \$3800 provides the cost increase on each of these units as \$4.75.

Calculations can be designed to capture exact costs per unit based on unique case weights.

On this day, shipping would generally add \$1.50-\$6.88 to each 50pound commodity unit:

ATLANTA	+\$4.75 (or \$2.38 to each 25pound unit)
BOSTON	+\$6.88 (or \$3.44 to each 25pound unit)
CHICAGO	+\$4.00 (or \$2.00 to each 25pound unit)
LOS ANGELES	+\$1.50 (or \$0.75 to each 25pound unit)

Therefore, when a product is selling for \$15.00 as it arrives in markets on the west coast, researchers can generally determine, if a like product is shipped across the U.S., then those units should see an elevated unit price, conservatively from \$1.50 to \$6.88, dependent on location, after subtracting the shipping cost to the west coast (\$5.00 average). When unit prices do not show signs of being adjusted, those shipment price instances enter the range of aggressively priced products and are tracked, deemed as unfairly priced, distorting market conditions, harming competitors' revenue and profitability.

Methodology and Information--U.S. Terminal Market Pricing Reports

 USDA United States Department of Agriculture Agricultural Marketing Service Close Window			
Report Results			
Location: BOSTON Report Type: Terminal Market Aggregate by: Weekly Date(s): 03/07/2020			
Download as: Excel Text XML PDF (adobe reader required) Printable View (adobe reader required)			

Edit Query

 Hide Empty Columns: ☐ | || * No results found for that date range. Displaying report for most recent date. | |
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 1 1/9 bushel cartons Variety: GREEN							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/01/2020	18.00 - 30.00	FLORIDA		jbo			
03/07/2020	17.00 - 36.00	FLORIDA		edige			
03/07/2020	18.00 - 36.00	FLORIDA		lge			
03/01/2020	14.00 - 22.00	FLORIDA		med			
03/01/2020	18.00 - 24.00	MEXICO		med			
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 1 1/9 bushel cartons Variety: GREEN							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/01/2020	20.00 - 30.00			edige-lge			
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 1 1/9 bushel cartons Variety: RED							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/01/2020	18.00 - 25.00	FLORIDA		edige			
03/07/2020	20.00 - 24.00	MEXICO		edige			
03/07/2020	18.00 - 24.00	MEXICO		edige-lge			
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 15 lb cartons Variety: RED							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/07/2020	13.00 - 18.00	MEXICO		lge			
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 5 kg/11 lb cartons Variety: RED							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/01/2020	12.00 - 18.00	MEXICO		edige-lge			
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 5 kg/11 lb cartons Variety: RED Types: Organic							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/07/2020	23.00 - 23.00	MEXICO		edige-lge		Greenhouse	
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 1 1/9 bushel cartons Variety: TURNING RED							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/01/2020	12.00 - 18.00	FLORIDA		edige-lge			
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 5 kg/11 lb cartons Variety: YELLOW							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/07/2020	12.00 - 18.00	MEXICO		edige-lge		Greenhouse	
BOSTON - PEPPERS, BELL TYPE							
PEPPERS, BELL TYPE Package: 5 kg/11 lb cartons Variety: YELLOW Types: Organic							
Week Ending on	Low-High Price	Origin	Origin District	Item Size	Environment	Color	Unit of Sale
03/07/2020	23.00 - 24.00	MEXICO		edige-lge		Greenhouse	

BOSTON Terminal Prices as of 10-MAR-2020

Provided by: Specialty Crops Market News
Federal - State Market News Service, USDA.

Phone: (617) 387-4498 Fax: (617) 389-1387

BH PV020

Weather at 7:00am Cloudy 41 Yesterday's High 72

VEGETABLES

---ARTICHOKES: MARKET STEADY. cartons CA Globe Thornless 24s 22.00-26.00 mostly 26.00 30s 20.00-26.00 mostly 25.00-26.00 cartons 16 trays film wrapped CA Globe Thornless baby size 9s 46.00

---ASPARAGUS: MARKET ABOUT STEADY. pyramid cartons 28 lb bunched MX Green lge 24.00-26.00 mostly 24.00 std 24.00-26.00 mostly 24.00 11 lb cartons bunched MX Green jbo 12.00-14.00 mostly 14.00 fr appear holdovers 8.00 lge 12.00-14.00 mostly 13.00-14.00 fr appear holdovers 8.00 std 12.00-14.00 mostly 13.00-14.00 IS White std 28.00-30.00 mostly 28.00 occas low as 24.00

---BEANS: MARKET STEADY. bushel cartons MX Fava 42.00-44.00 mostly 42.00 bushel cartons/crates FL Round Green Type Machine Picked 18.00-20.00 mostly 18.00 Cranberry Type 38.00-40.00 mostly 38.00 Max Type 38.00-40.00 mostly 40.00 5 lb cartons CD Haricort Vert (french type) 12.00-15.00 mostly 15.00

---BEETS: MARKET ABOUT STEADY. cartons/crates bunched AZ/CA Red Type 12s 16.00-18.00 mostly 17.00-18.00 MX Red Type 12s 16.00-18.00 mostly 17.00-18.00 TX Red Type 12s 16.00-18.00 mostly 17.00-18.00 25 lb sacks loose CD Ontario Chiogga (Striped) med-lge 15.00 occas high as 20.00 Gold Type lge 12.00-16.00 mostly 13.00-14.00 Quebec Red Type med-lge 7.50-10.00 mostly 8.00-10.00 Chiogga (Striped) med-lge 14.00-15.00 mostly 15.00 one label 20.00 Gold Type lge 12.00-16.00 mostly 13.00-14.00 GA Red Type med-lge 8.00-10.00 mostly 9.00-10.00 ME Red Type med-lge 8.00 Gold Type lge 14.00 MI Red Type med-lge 7.00-8.00 mostly 7.50-8.00 Chiogga (Striped) med-lge 14.00-15.00 mostly 15.00 Gold Type med-lge 14.00-15.00 mostly 15.00

---BROCCOLI: MARKET ABOUT STEADY. cartons AZ/CA bchd 14s 13.00-16.00 mostly 15.00 18 lb cartons loose AZ/CA Baby Hybrid Type 28.00-30.00 mostly 28.00 20 lb cartons loose AZ/CA Crown Cut 12.00-15.00 mostly 12.00-14.00 Short Trim 13.00-15.00 mostly 14.00-15.00 MX Crown Cut Short Trim 12.00-15.00 mostly 13.00-15.00 fr appear 8.00-9.00 mostly 8.00 cartons 4 3-lb film bags AZ/CA Florettes 19.00-20.00

---BRUSSELS SPROUTS: MARKET ABOUT STEADY. 25 lb cartons AZ/CA med 18.00-24.00 mostly 22.00-22.50 CD Ontario med-lge 14.00 sacks 24 2-lb film bags CA med-lge 22.00-25.00 mostly 22.00-22.50 FL med poor cond 2.00-5.00 mostly 5.00 MX med 18.00-22.00 mostly 20.00-22.00 cartons 12 10-oz cups film wrapped AZ/CA med 24.00

---GREENHOUSE 25 lb cartons NL lge 30.00 cartons 10 12-oz cups NL lge 22.00

---CABBAGE: MARKET ROUND GREEN TYPE HIGHER, OTHERS ABOUT STEADY. 50 lb cartons CD Quebec Round Green Type med-lge 12.00-14.00 mostly 13.50-14.00 Red Type med-lge 16.00-18.00 mostly 18.00 FL Round Green Type med-lge 12.00-14.00 mostly 14.00 Red Type med-lge 16.00-18.00 mostly 18.00 GA Round Green Type med-lge 12.00-15.00 mostly 13.50-14.00 lge 12.00-15.00 mostly 14.00 NY Red Type med-lge 16.00-18.00 mostly 17.00 TX Red Type med-lge 16.00-18.00 mostly 17.00 50 lb sacks CD Quebec Round Green Type lge 9.00-10.00 mostly 10.00 NY Round Green Type lge 7.00-10.00 mostly 8.00-9.00 40 lb cartons FL Savoy Type med-lge 16.00-18.00 mostly 18.00 GA Savoy Type med-lge 16.00-18.00 mostly 16.00-17.00 TX Savoy Type med-lge 16.00-18.00 mostly 18.00

---CARROTS: MARKET STEADY. sacks 48 1-lb film bags CA med-lge 22.00-25.00 mostly 22.00 22.00-22.50 CD Ontario med-lge 14.00 sacks 24 2-lb film bags CA med-lge 22.00-25.00 mostly 22.00-22.50 CD Ontario med-lge 14.00 sacks 16 3-lb film bags CA med-lge 22.00-25.00 mostly 22.00-22.50 CD Ontario med-lge 14.00 sacks 10 5-lb film bags CA med-lge 22.00-25.00 mostly 22.00-22.50 CD Ontario med-lge 14.00 50 lb sacks loose CA lge 19.00-20.00 mostly 20.00 jbo 19.00-23.00 mostly 22.00-23.00 CD Ontario jbo 12.50-13.00 mostly 12.50 Quebec jbo 12.50-13.00 mostly 12.50 GA jbo 13.00-14.00 mostly 13.00-13.50 MX jbo 12.00-13.00 mostly 12.50 50 lb cartons loose CA jbo 23.00-24.00 mostly 23.00 12 lb 14.00 25 lb 15 lb sacks loose TX med 24.00 Rainbow cartons bunched CA med-lge 23.00 cartons 30 1-lb film bags CA Baby Peeled sml 22.00-24.00 mostly 24.00 cartons 15 2-lb film bags CA Baby Peeled sml 22.00-24.00 mostly 24.00 25 lb sacks loose CA Baby Peeled sml 22.00-23.00 mostly 23.00

---CAULIFLOWER: MARKET HIGHER. cartons film wrapped AZ/CA White 12s 22.00-32.00 mostly 29.00-30.00 16s 24.00-28.00 mostly 26.00-28.00 Green 12s 18.00-32.00 mostly 28.00 Orange 12s 28.00-32.00 mostly 28.00-29.00 Purple 12s 28.00-32.00 mostly 28.00-29.00

USDA-Agricultural Marketing Services terminal market report

understand how like products are priced in different regions. U

accurately gather and publish these daily updates on an assortme

provide the best current means of identifying Mexican agg

commodities.

Using analytics, researchers import vast datasets, often millio

engineer designs incorporating advanced programming metho

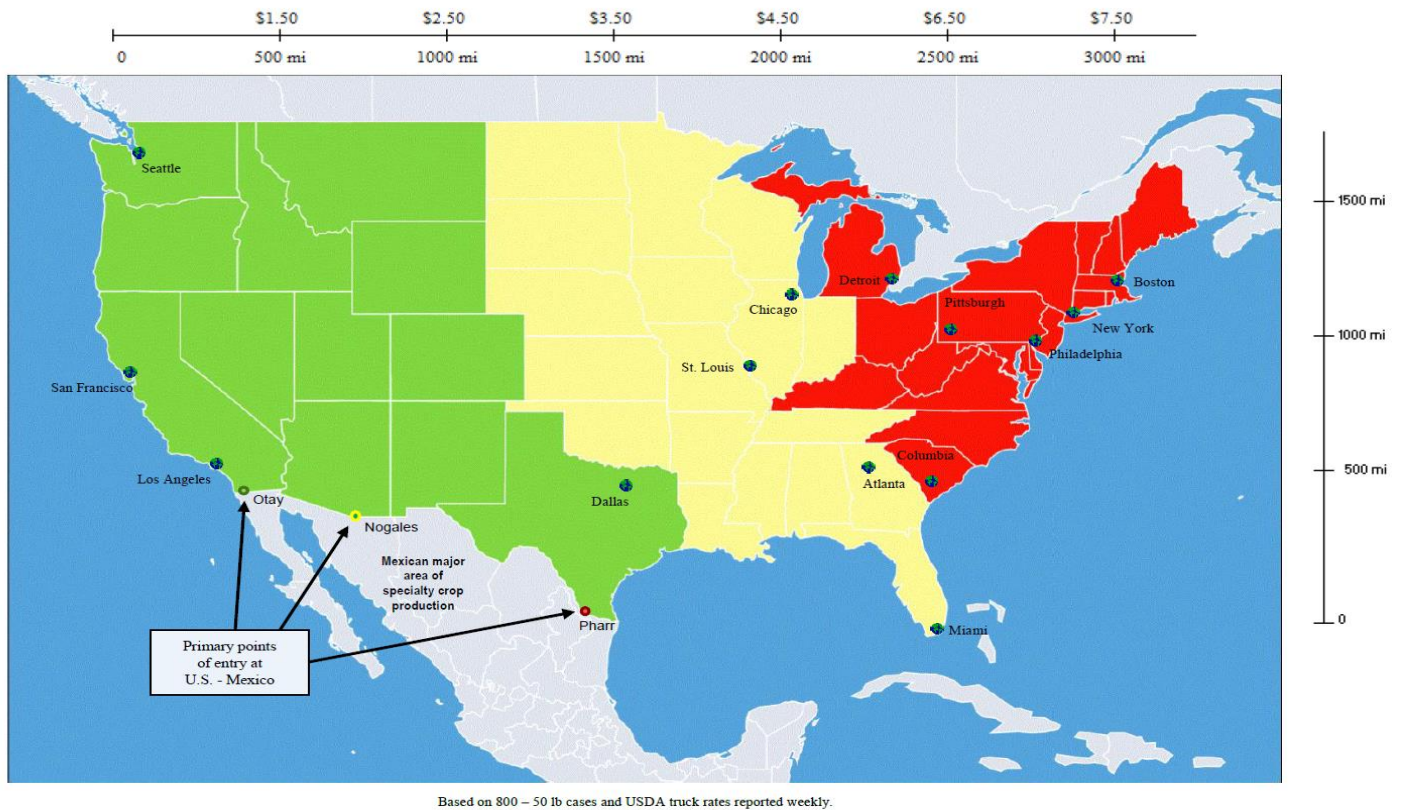
create new capabilities to extract, organize and isolate data by

time periods, commodities and by each unique source and prese

basically charts, graphs and pies throughout the report to assi

market conditions.

Methodology and Information--Point of Entry, Terminal Markets and General Shipping Costs



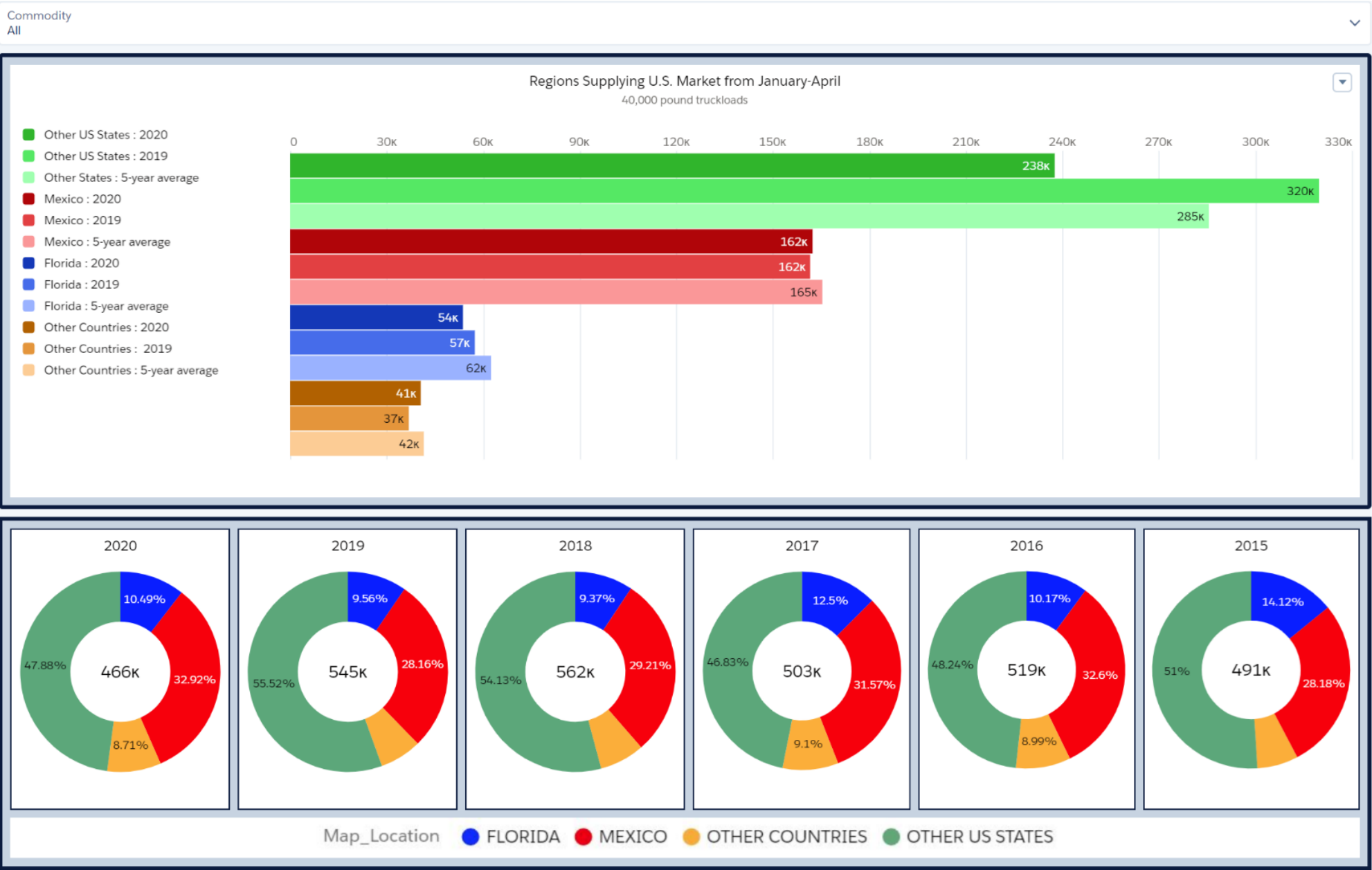
14 U.S. Terminal Markets (Distribution Centers) where product from around the country and world is delivered for sale to operations ranging from independent grocery stores to restaurants. USDA measures these deliveries in 40,000pound truck units or 800 fifty-pound cases. Note: Major retail chains operate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

3 Three of the major border crossings into the United States from Mexico; Otay Mesa, Nogales and Pharr, these are referred to often in reports as specialty product is identified and pricing is examined. Logistics - the cost of fuel, labor and trucks required to deliver product - is highly competitive, costly and meticulously managed. For example, a sweet corn shipment traveling thru Otay Mesa, would be less likely to be shipped to the eastern U.S. from that point.

- Otay Mesa is the westernmost crossing of the three and product entering at this point would more than likely be shipped up the west coast as far north as British Columbia.
- Nogales is the central and busiest crossing for produce. Product entering at this point would more than likely be supplied to areas throughout the midwestern U.S., as well as into the eastern U.S. and as far north as Canada.
- Pharr and other crossings in Texas are the easternmost points of entry. Product entering through Texas would more than likely be supplied to Texas, the southeastern U.S., and eastern coastal states and as far north as Canada.

\$1-\$7 Logistics costs average about \$1.50 per 500 miles per unit shipped. Product shipped to U.S. Terminal Markets should rise accordingly. Researchers use analytics to identify Mexican specialty crop items in different Terminal Markets based on base prices published in more westerly locations. Additionally, instances where the USDA reported Mexican product unit prices under \$5.50-\$15.50, triggered an aggressive/unfair price designation.

An Analytics Review of US Market Share Contributors January – April



An Analytics Review of US Market Share Contributors January – April Observations

-11%	Total shipments overall are down 11% (496K vs. 557K) so far in 2020 when compared to the prior 5-year average and down 14% (496K vs. 577K) when compared to total shipments last year. Florida, United States & Mexico are the largest contributors during this time and in the past 5 years account for approximately 92% of all shipments.
+16.9%	Mexico's overall increase in Market Share from 2019 (28.16%) to 2020 (32.92%); 29.7Mn Lbs. of additional fresh Mexican product occurred from Jan-Apr 2020 compared to the total from the same time frame last year (162,314 in 2020 vs. 161,571 in 2019).
-6.5%	Florida's overall decrease/suppression in production from 2019 (57.4K) to 2020 (53.7K).

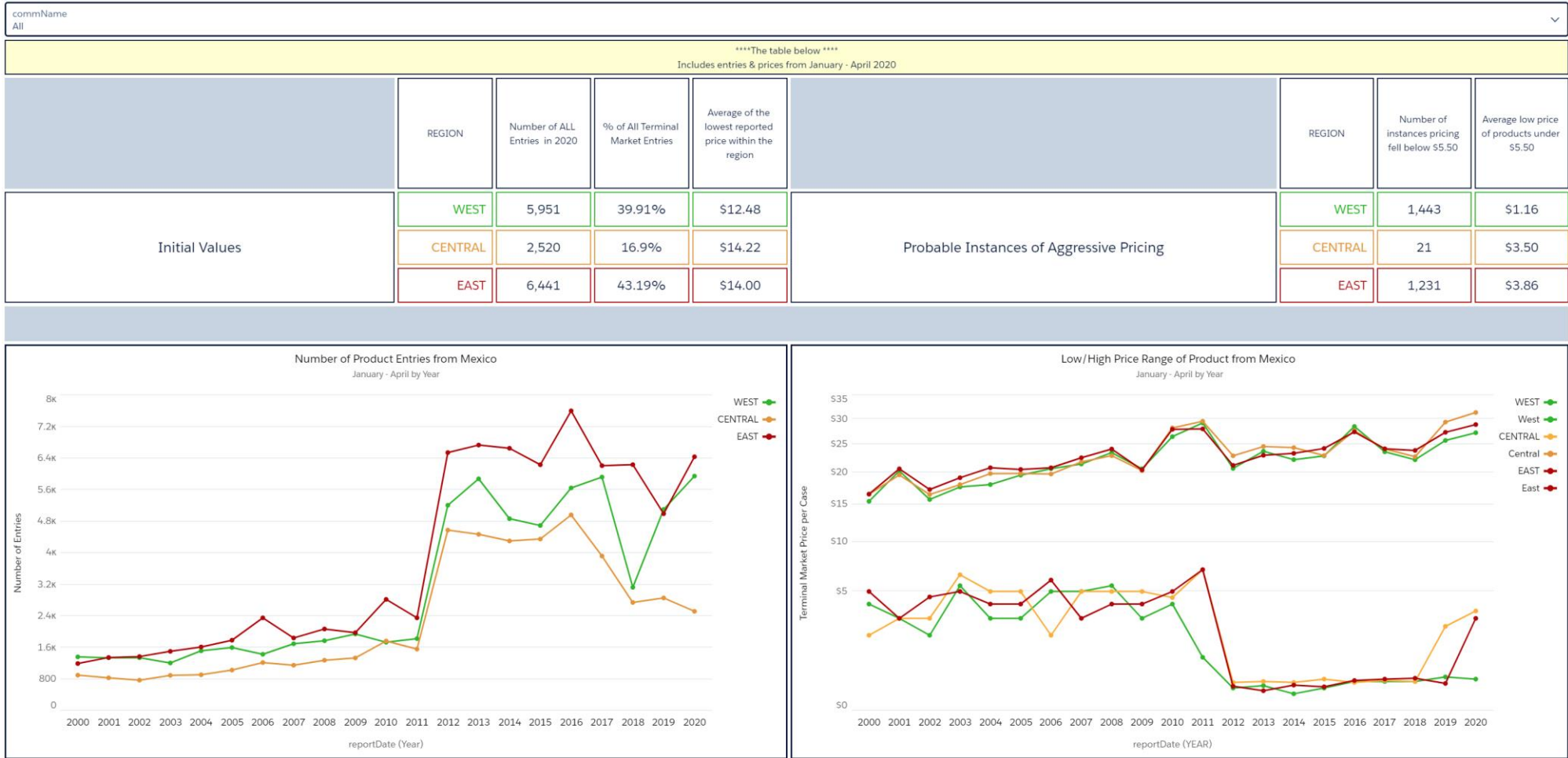
Note: The analytics views cover fresh specialty crop shipments that contribute to U.S. Market Share during January - April from 2015-2020.

Some map locations have been consolidated. "FLORIDA" has been separated out from the "UNITED STATES" totals. The sum of the totals for the remaining states make up values displayed for "UNITED STATES" map location field.

The upper bar graph captures the regions that contributed to the US Market during weeks 1-18 (Beginning of January – End of April) compared by year. Totals are expressed in truckloads, each truckload represents a 40,000lb shipment. The values in green represent other US states (excluding Florida), the values in red represent Mexico, the values in blue represent Florida, & the values in orange represent other countries by year.

The lower pie charts represent percentages of market share by producer as well as the total number of shipments (truckloads) from weeks 1-18 by year.

An Analytics Review of US Terminal Market Pricing January – April



An Analytics Review of US Terminal Market Pricing January – April Observations

2,695	“Probable Instances of Aggressive Pricing” in U.S. terminal market entries by Mexico, representing approximately 107.8Mn Lbs. of product. About 18% of all Mexican domestic terminal market entries reported a minimum price per unit below \$5.50 in January – April 2020.
34.9%	Percent of the Total “Probable Instances of Aggressive Pricing” researchers identified which impacted the five specialty commodities examined amounting to 942 40,000Lb truckloads of Mexican product.

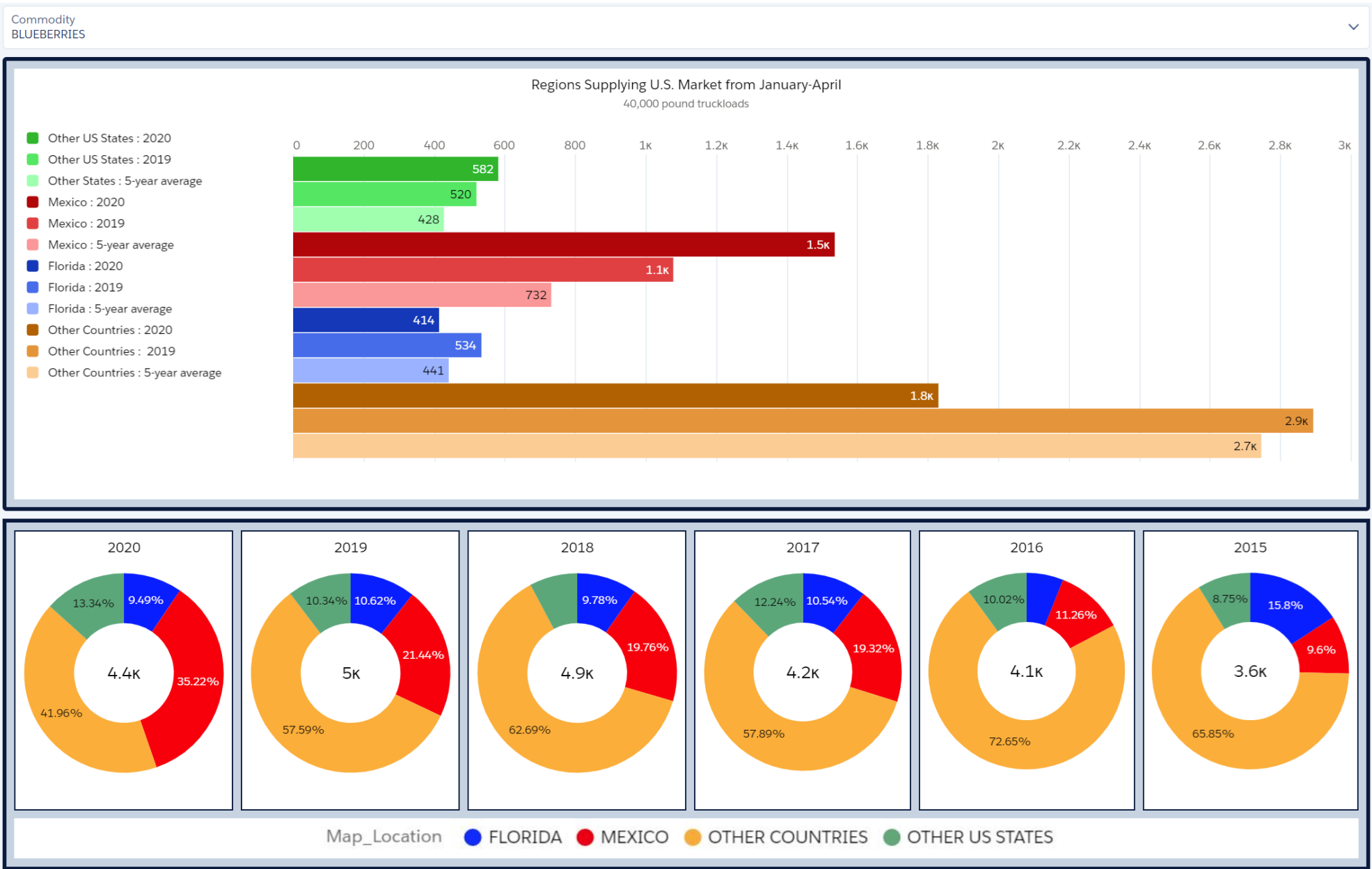
Note: The analytics views above cover 2000-2019 Mexican fresh specialty crop shipments to U.S. Terminal Markets where the unit (box, case, carton, flat, etc.) price on each 40,000-pound truck is recorded by commodity by the USDA.

Researchers sorted terminal markets into three regions (West, Central and East) to assist in tracking price differentials as Mexican product is shipped hundreds of miles across the United States. The total logistics costs add to the individual cost of the product being shipped. These are then added to each unit to estimate how price would normally evolve.

The left side captures the total number of recorded trucks and percentage in each region and the average total low price. These values include shipments from the beginning of January – the end of April 2020.

The right-side isolates “Probable Instances of Aggressive Pricing.” Aggressive pricing in this case indicates that the lowest price per unit on a truck was sold to the terminal market for \$5.50 - \$15.50 or less. This was deemed aggressive because if this price was exchanged for the entire truckload of product, this barely covers the shipping costs from Mexico to the domestic terminal market and eliminates any profit. These values include shipments from the beginning of January – the end of April 2020.

Commodity Specific Shipments - Blueberries



Commodity Specific Shipments – Blueberries/Observations

- 13% Total shipments overall are down 13% (4,362 vs. 5,028) so far in 2020 when compared to 2019.
- Chile has historically been the largest supplier of blueberries prior to Florida’s blueberry season and is shipping significantly less than normal.
- +64.3% Mexico’s overall increase in Market Share from 2019 (21.44%) to 2020 (35.22%).
- Shipments from Mexico have been increasing by approximately 35% every year for the prior 5 years. The increase from 1,078 truckloads last year to 1,536 truckloads this year is an increase of almost 43%.
 - This increase of 458 MX truckloads surpasses Florida’s total of 414 truckloads in 2020.
- 22.6% Florida’s overall decrease/suppression in production from 2019 (535) to 2020 (414).

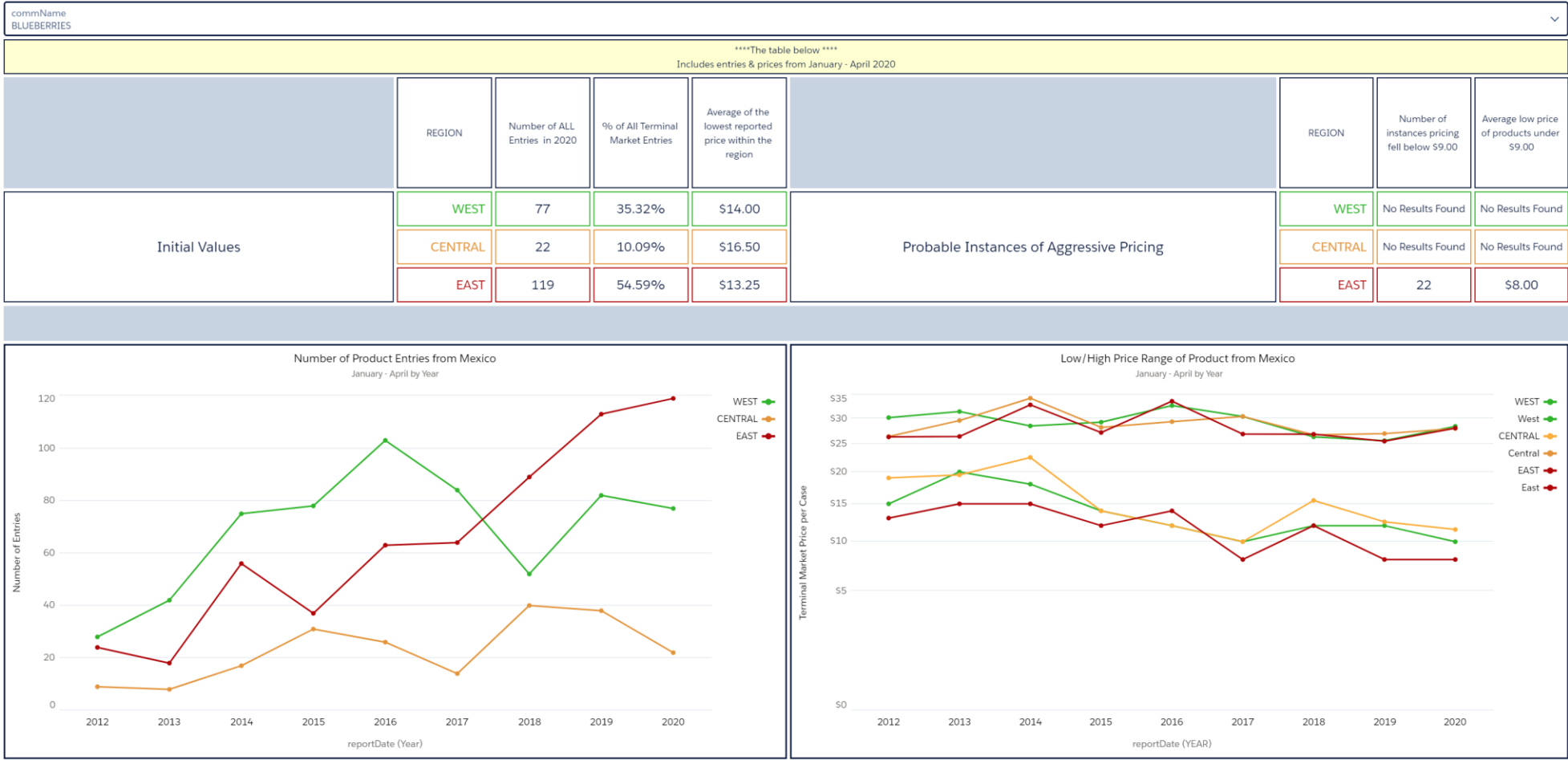
*NOTE - The analytics views above cover fresh specialty crop shipments that contribute to U.S. Market Share during January - April from 2015-2020.

Some map locations have been consolidated. “FLORIDA” has been separated out from the “UNITED STATES” totals. The sum of the totals for the remaining states make up values displayed for “UNITED STATES” map location field.

The upper bar graph captures the regions that contributed to the US Market during weeks 1-18 (Beginning of January – End of April) compared by year. Totals are expressed in truckloads, each truckload represents a 40,000lb shipment. The values in green represent other US states (excluding Florida), the values in red represent Mexico, the values in blue represent Florida, & the values in orange represent other countries by year.

The lower pie charts represent percentages of market share by producer as well as the total number of shipments (truckloads) from weeks 1-18 by year.

An Analytics Review of US Terminal Market Pricing January – April : Blueberries



An Analytics Review of US Terminal Market Pricing January – April: Blueberries Observations

22 “Probable Instances of Aggressive Pricing” in U.S. terminal market entries of blueberries, by Mexico, representing approximately 73,326 flats. About 10% of all Mexican domestic terminal market entries reported a minimum price per unit below \$9.00 in January – April 2020. This price was reported in eastern terminal markets only, with no entries reported this low in western or central terminal markets which are closer to Mexico.

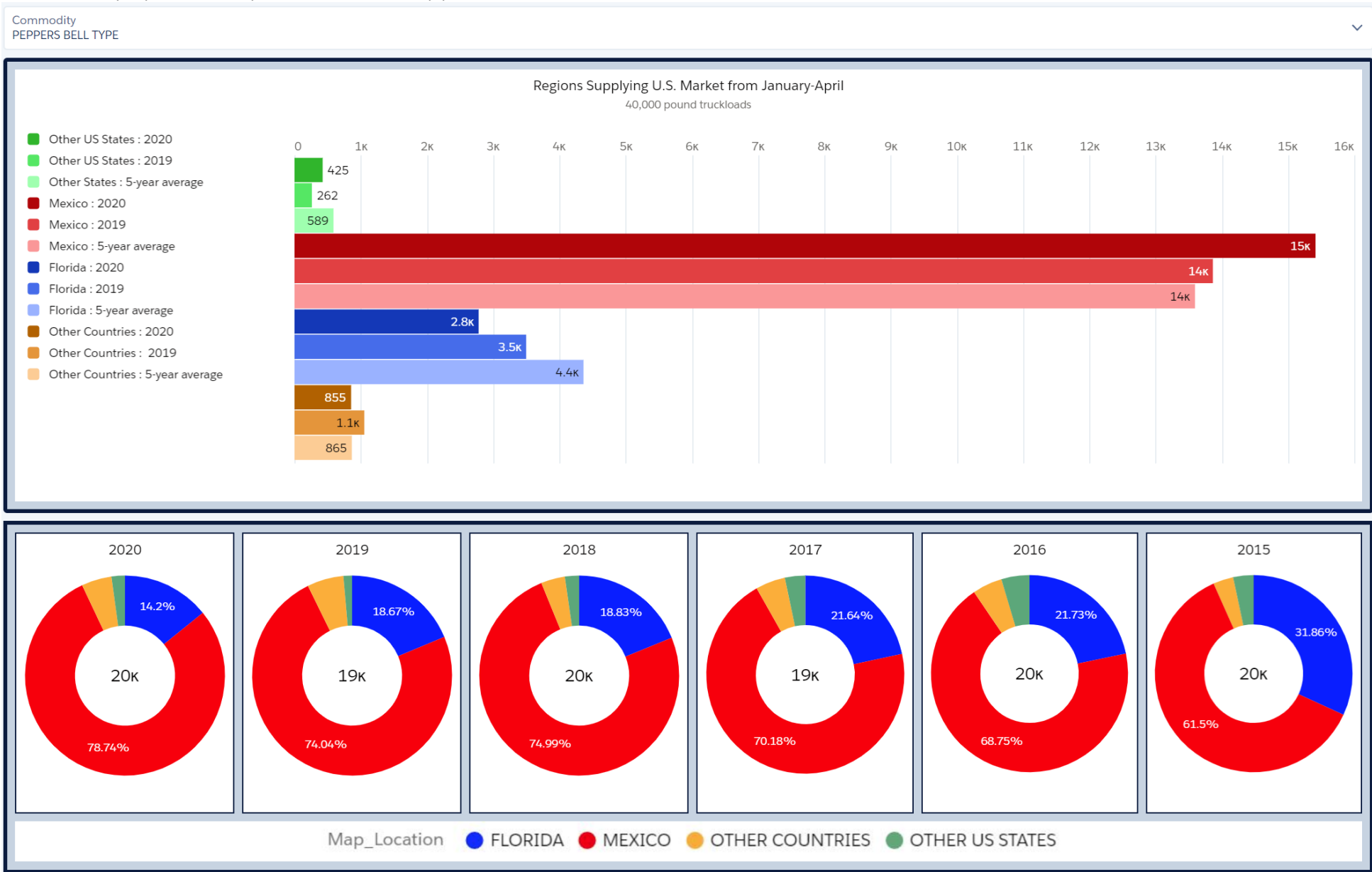
*NOTE - The analytics views above cover 2000-2019 Mexican fresh specialty crop shipments to U.S. Terminal Markets where the unit (box, case, carton, flat, etc.) price on each 40,000-pound truck is recorded by commodity by the USDA.

Researchers sorted terminal markets into three regions (West, Central and East) to assist in tracking price differentials as Mexican product is shipped hundreds of miles across the United States. The total logistics costs add to the individual cost of the product being shipped. These are then added to each unit to estimate how price would normally evolve.

The left side captures the total number of recorded trucks and percentage in each region and the average total low price. These values include shipments from the beginning of January – the end of April 2020.

The right-side isolates “Probable Instances of Aggressive Pricing” . Aggressive pricing in this case indicates that the lowest price per unit on a truck was sold to the terminal market for \$9.00 or less. This was deemed aggressive because if this price was exchanged for the entire truckload of product, this barely covers the shipping costs from Mexico to the domestic terminal market and eliminates any profit. These values include shipments from the beginning of January – the end of April 2020.

Commodity Specific Shipments – Bell Peppers



Commodity Specific Shipments – Bell Peppers Observations

- 5% Total shipments overall are down 5% (18,727 vs. 19,577) so far in 2020 when compared to 2019.
 - Florida, the rest of the United States, and countries other than Mexico are shipping significantly less than normal. Mexico is the only producer with additional shipments from January – April of 2020.
- +6.4% Mexico's overall increase in Market Share from 2019 (74.04%) to 2020 (78.74%). This is an increase of 2.2M additional cartons of bell peppers from Mexico in 2020 when compared to 2019.
- 20.5% Florida's overall decrease/suppression in production from 2019 (3,497) to 2020 (2,780).

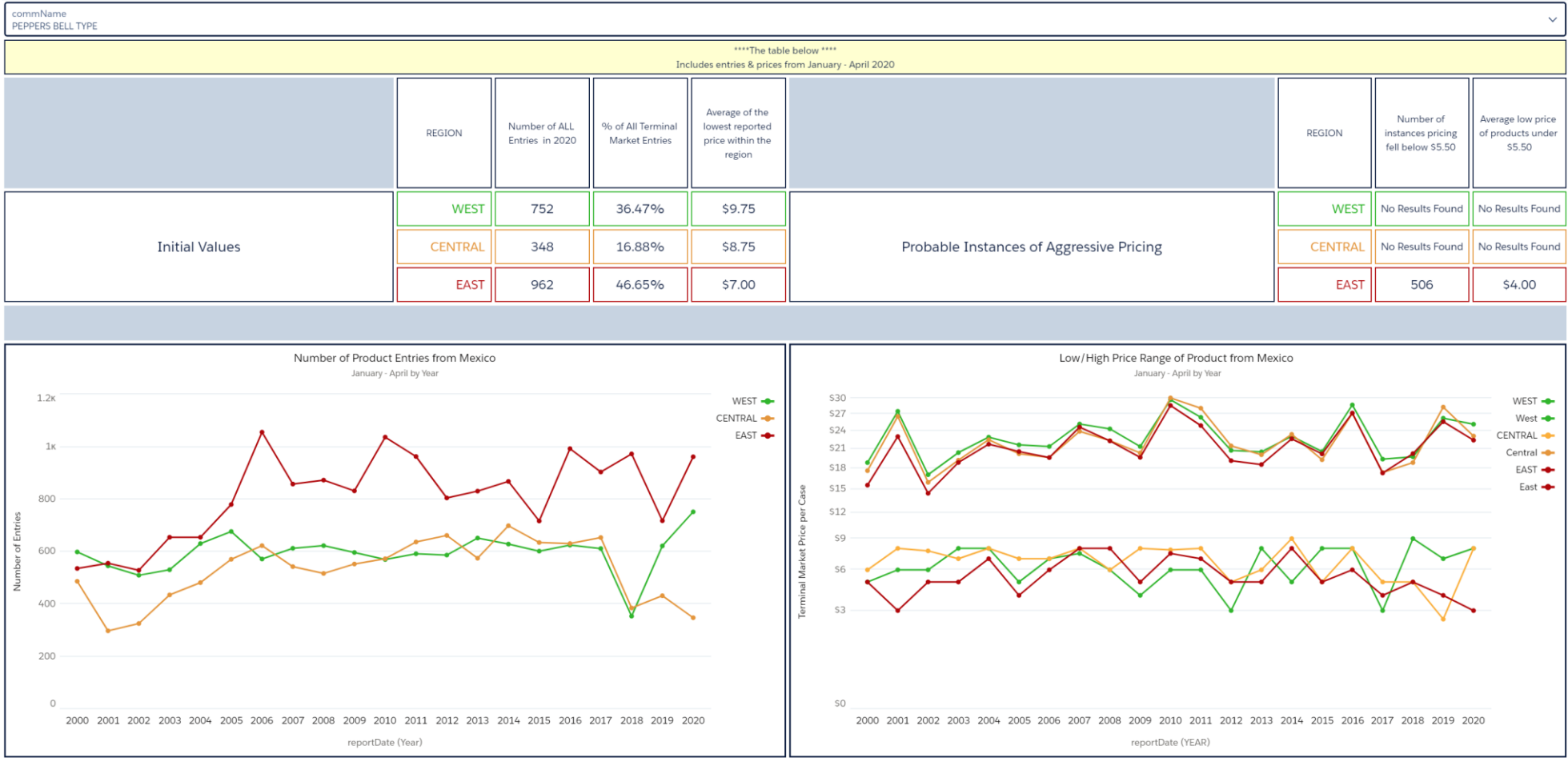
*NOTE - The analytics views above cover fresh specialty crop shipments that contribute to U.S. Market Share during January - April from 2015-2020.

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The lower pie charts represent percentages of market share by producer as well as the total number of shipments (truckloads) from weeks 1-18 by year.

An Analytics Review of US Terminal Market Pricing January – April: Bell Peppers



An Analytics Review of US Terminal Market Pricing January – April: Bell Peppers Observations

506 “Probable Instances of Aggressive Pricing” in U.S. terminal market entries of bell peppers by Mexico, representing approximately 723,074 cartons. About 25% of all domestic terminal market entries reported a minimum price per unit below \$5.50 in January – April 2020. This price was reported in eastern terminal markets only, with no entries reported this low in western or central terminal markets which are closer to Mexico.

*NOTE - The analytics views above cover 2000-2019 Mexican fresh specialty crop shipments to U.S. Terminal Markets where the unit (box, case, carton, flat, etc.) price on each 40,000-pound truck is recorded by commodity by the USDA.

Researchers sorted terminal markets into three regions (West, Central and East) to assist in tracking price differentials as Mexican product is shipped hundreds of miles across the United States. The total logistics costs add to the individual cost of the product being shipped. These are then added to each unit to estimate how price would normally evolve.

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