



**International Trade and the
*Importance to Agriculture***

Columbia Room C

9:45 AM - 10:35 AM

Hyatt Grand Regency Capitol Hill

Tuesday September 9, 2014



#UnitedTWC


Texas Produce Import Challenges

Bret Erickson
President & CEO
Texas International Produce Association



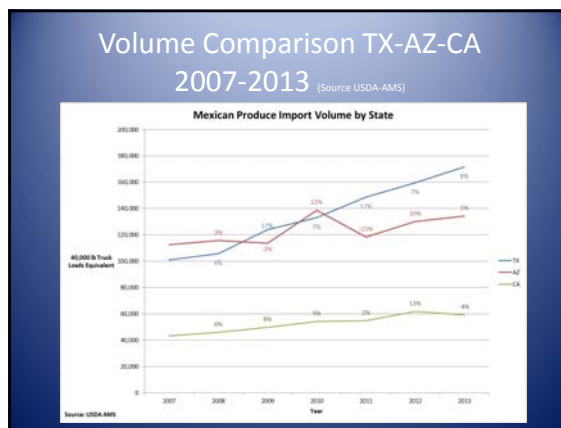
TIPA Background

- Association Background
 - TPA founded in 1942 with a focus on expanding markets and business opportunities for Texas grown fruits and vegetables
 - In 1996 TPA created the Shipper and International Trade Divisions to address problems and opportunities surrounding the importation and marketing of foreign grown produce
 - 2012, TPA becomes TIPA and creation of the Border Issues Management Program (BIMP)
 - Designed to address growing number of issues related to international trade
 - Allowed importers to join the association




Imports on the Rise

- Nearly 2/3 of all fresh fruits and vegetables consumed in or shipped out of Texas is imported
- An estimated 35% of all fresh produce consumed in the US is imported, vast majority coming from Mexico
- 67% increase in produce volumes over the last 6 years


Why the Increase In Imports?

- Rapidly growing population:
 - increasing demand
- Decreasing acres in ag production – TX losing 200 ac/day
 - Labor Shortages
 - Increasing regulatory pressures on farmers
 - Political uncertainty
 - Persistent drought conditions, water shortages
 - Aging farmer population – avg age 60 years old
 - Capital and resource intensive nature of business



Current Economic Impact of Produce Imports in Texas – 2012 Snapshot


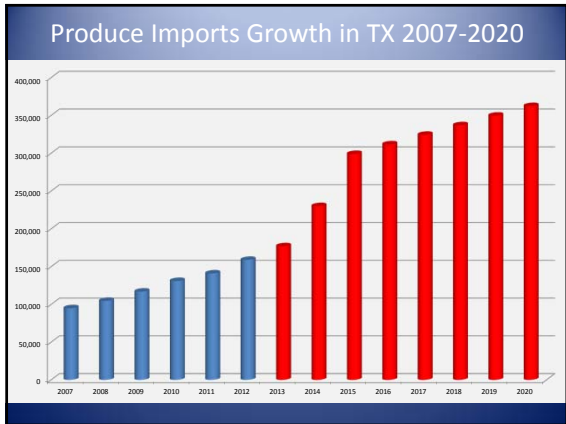
- 160,000 truckload equivalents
- Est. total annual value of imported produce \$3.5B
- Total annual economic impact \$285M
- 3,037 estimated jobs



Projected Economic Impact of Produce Imports in Texas by 2020

Source: Texas A&M Center for North American Studies

- 100% volume increase
- 300,000 truckload equivalents by 2020
- Est. total annual value of imported produce in Texas \$7B
- Total state annual economic impact \$651M
- 6,920 estimated jobs

Economic Opportunities = Growing Challenges

- New infrastructure will bring more maquiladora traffic as well
- More agricultural imports coming from Central and South America and Asia
- Port Congestion, increasing wait times
- Lack of Federal Resources at POE's
 - CBP
 - FDA
 - USDA-APHIS
- Increasing Invasive Pest Pressures
- Food Safety Modernization Act (FSMA)
 - Foreign Supplier Verification Act
- LABOR – competition for labor (Eagle Ford Shale)



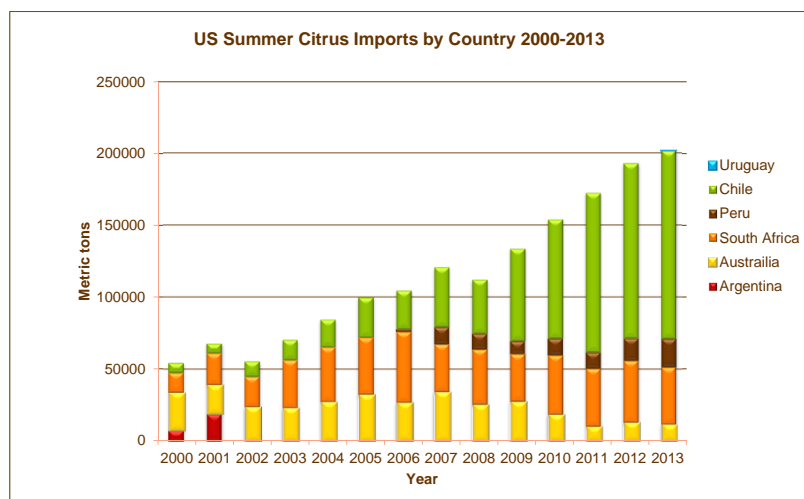
Addressing the challenges

- Overweight Corridor HB 474 passed allowing up to 125,000 lbs for commercial trucks in South Texas
- APHIS announced hiring of insect identifier position for Pharr POE
- APHIS & CBP development of pilot program to increase cargo release authority for CBP Ag Specialists
- Imports border impact study passed by Texas Legislature – possibility of State/Fed partnership
- Doubling of FDA inspectors in the last year although we still need more
- Privatization of accredited FDA labs
- Public Private Partnerships will allow private industry, cities, counties, and others to work with federal agencies to address staffing needs and build infrastructure
- Improved design flow at ports of entry, ex. Pharr
- Still desperately need federal resources to staff our bridges to offer more hours of coverage and improved overall flow

Conclusion: Future of Imports

- Overall import growth in the next 10 years and beyond will be significant
- Continued movement towards a global agricultural market place
- We need federal resources to keep pace with the growth in volumes

US Market Growth of Fresh Imported Summer Citrus by Country



*Source - USDA Foreign Agricultural Service

SPS Issues

Mini Case Histories

- Uruguay Citrus
- Argentina Lemons
- EU Citrus Black Spot
- China California Citrus