

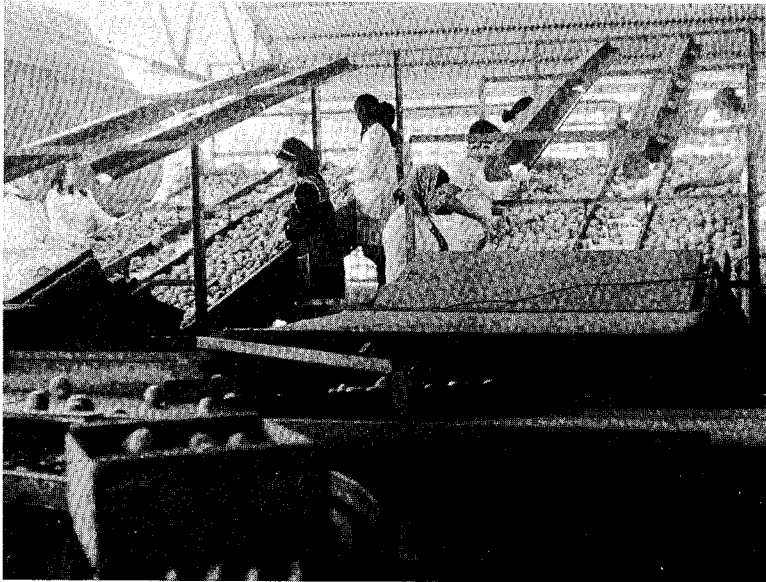
INSTITUTE OF CURRENT WORLD AFFAIRS

Northwest Mexico: Sour Tomatoes  
FMF-26

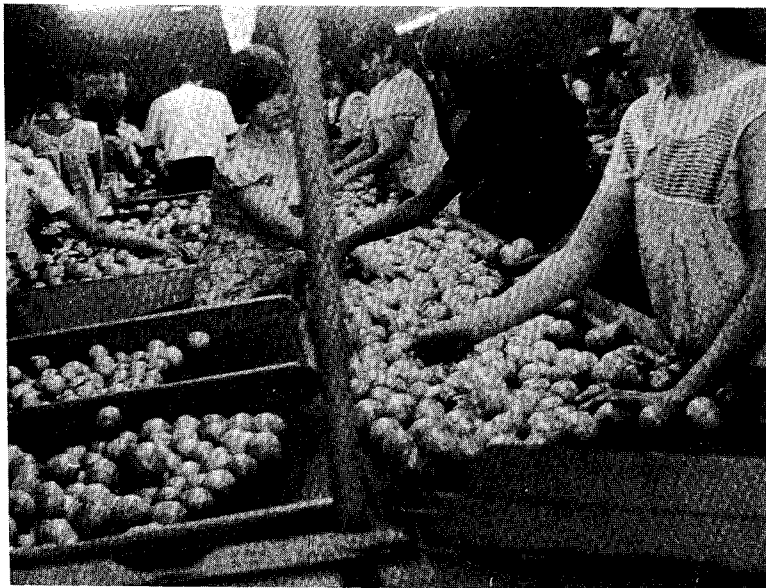
Culiacán, Sinaloa  
19 March 1969

Richard H. Nolte, Executive Director  
Institute of Current World Affairs  
535 Fifth Avenue  
New York, New York 10017

Dear Mr. Nolte:



ABOVE and BELOW. Sorting and Boxing Tomatoes for Shipment to the United States and Canada. Culiacán Valley, Sinaloa.



When a U.S. housewife goes to the supermarket in February and buys vine-ripened tomatoes, they probably have come from the Valley of Culiacán along Mexico's West Coast. Due to huge investments by the Mexican Government, the World Bank, the Inter-American Development Bank, etc., what was once desert barely fit for cattle-raising is now verdant flatland producing vegetables on fertile soils watered by an extensive irrigation system.

With a semi-tropical climate permitting year-round cultivation, the energetic farmers of the area have built up a lucrative business providing the U.S. winter market with tomatoes, cucumbers, eggplant, melons, peas and string beans. The intensive produce agriculture entails a significant investment—abundant application of fertilizer is necessary, many fields producing four harvests per year—most of the crops require **tying** up on stakes, a labor-consuming task, and the wooden poles must be replaced every three years because of rotting—the humid ground and warm climate encourage fungi, bacteria and insects which are combatted by intensive aerial dusting, several farmers owning their own planes—the Government must be compensated for the water and the canals which carry it—labor must be trucked in from as far away as Oaxaca, provided housing, and returned home after the harvest season—a fleet of trucks must be owned or rented to bring the produce from the fields—an elaborate packing shed must be equipped with conveyor belts, sorting tables, loading

docks, etc.---a cold storage room must be available to pre-cool for shipment and hold the overflow at the height of the season---and then all the other expenses in addition to the labor: boxes, taxes, trucking, etc.

Related to the cultivation and preparation of the produce are a number of small industries and businesses---commercial spraying services, crate manufacturers, ice factories to stock the refrigerated cars and trailers, farm equipment dealers, insecticide and herbicide suppliers, trucking firms, etc. The valley is a welter of prospering agro-industries keyed to the land's production.

At the core of it all are tomatoes, grown on over 60% of the land dedicated to vegetables. It is the money-maker, its export bringing \$50 million in the previous season, or some 83% of the total value of all vegetable exports. Nine growers' associations keep a tight control of the acreage planted in tomatoes so as to avoid overproduction. Also, the high costs keep out farmers short on capital, such as the peasants on the communal farms (ejidatarios); in fact, expenses are often met with the help of loans from the U.S. distributors at the border who, therefore, have considerable say in who grows and how much.

Sinaloa, stretched along some 700 miles of the Pacific, was formerly a poor, arid, provincial hinterland. Now, the State's administration dares initiate ambitious improvement projects and dreams of industrializing its cities. This development is predicated on the burgeoning revenues from production taxes on agriculture and on improved collection methods.

Guliacán's economy is, therefore, geared to the sale of tomatoes. And now the valley feels itself threatened by the sudden imposition of a tomato embargo by the United States.

My first contact with the problem was at Nogales, Arizona, when I sought out one of the largest importers, Walter Holm. Knowing that handling perishable fruits and vegetables is a fast-moving and high-risk business, I expected the head of this international operation to be a tense, gruff man. The locale lived up to my expectations as I was directed through a warehouse to reach his office. I wound among crates of cabbages and melons stacked higher than my head. Up an open, board stairway, I passed through the door into a waiting room which was another world: dark oak paneling, wall-to-wall carpeting, indirect lighting, a large oil painting. Told that Mr. Holm was talking long distance, I waited 20 minutes and then was led into a conference room of similar luxury, on one side a long plate glass window overlooking the huge warehouse below. Mr. Holm entered, and my preconceived image of the man was shattered. A tall man with kindly face and avuncular manner, he enjoyed talking about the paintings in his office, and only at my urging told of the problems which he and his tomato growers were having. He filled in the background of the embargo:

On December 30, 1968, a small group of Florida growers met and drafted a proposal which was submitted to the U.S. Secretary of Agriculture the next day. About a dozen growers provide the bulk of that State's produce. Their request for restrictions, chiefly on medium-sized, vine-ripened

tomatoes was based upon a little used marketing act of 1937. On January 8, 1969—just over a week later—the Department of Agriculture issued a regulation affecting "mature green tomatoes—U.S. No. 3 or better grade, over 2-9/32 inches in diameter" and "for all other tomatoes—U.S. No. 3 or better grade, over 2-17/32 inches in diameter."

Though the restrictions apply equally to all tomatoes, regardless of source, Mexican interests are convinced that the regulations—imposed "without due notice or consideration" in the middle of their producing season—were deliberately drafted to exclude about half of all Mexican tomato imports. Hardest hit are vine-ripened tomatoes, size "6 X 7" (denotes number of tomatoes per box—i.e., 42)—the bulk of Mexico's crop.

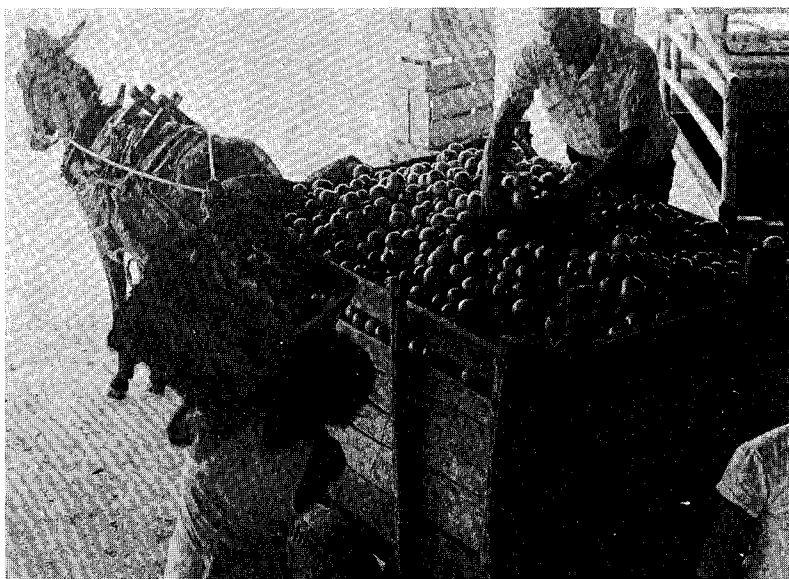
The critical difference between Mexico's product and Florida's is "vine-ripened" vs. "green". Because of abundant, cheap labor, Mexico can afford to tie up the vines, which stretch up the stakes six to eight feet. The tomatoes are thus exposed to the sun and picked at just the point when they are beginning to turn red inside—that is, just as the green exterior begins to show a pale star at its base. They continue to mature during shipment and reach the market as they become ripe. About 80% of Mexico's production is vine-ripened—100% of its shipments to the U.S. are U.S. No. 1 Grade. The Florida vines, on the other hand, are left on the ground, and the tomatoes are picked before they have begun to turn, later to be ripened artificially with heat, humidity and gas; about 80% of Florida's crop is this type.

The Mexican growers argue that they are benefitting U.S. consumers by providing a more palatable product at a reasonable price. If the regulation continues in effect, the market will be largely dependent on the Florida supply which provides almost exclusively a large green tomato and which cannot satisfy demand throughout the winter months. There will, therefore, be shortages, higher prices, lower quality and less selection. The Florida growers' reason for requesting the restriction was to stabilize the market.

With thousands of acres already producing, the Culiacán growers have had to seek out other markets. The domestic market is now glutted, the price down to less than two cents per pound. The distributors have turned to the Canadian market, bearing additional costs for the treatment necessary to preserve the tomatoes for the longer haul and also the increased transportation charges. Canadian buyers, aware of their advantage as the only market for the 6 X 7 tomatoes, have naturally reduced their purchasing price.

At one packing plant I visited, tons of good tomatoes were being discarded, hauled away by cart and donkey to be dumped on rotting piles. Driving through the valley, I saw troughs for livestock feeding filled with tomatoes, and fields blanketed pink and green presumably to derive some fertilizing benefit from the waste.

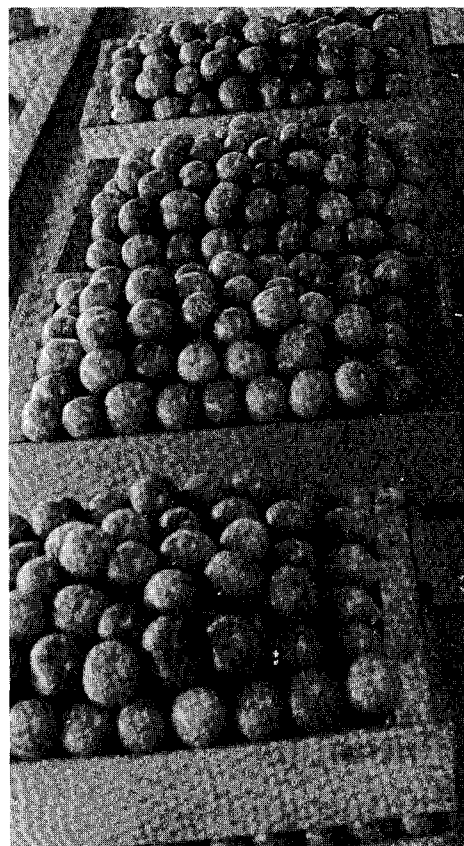
In Culiacán the growers claim that about 40% of the crop will be



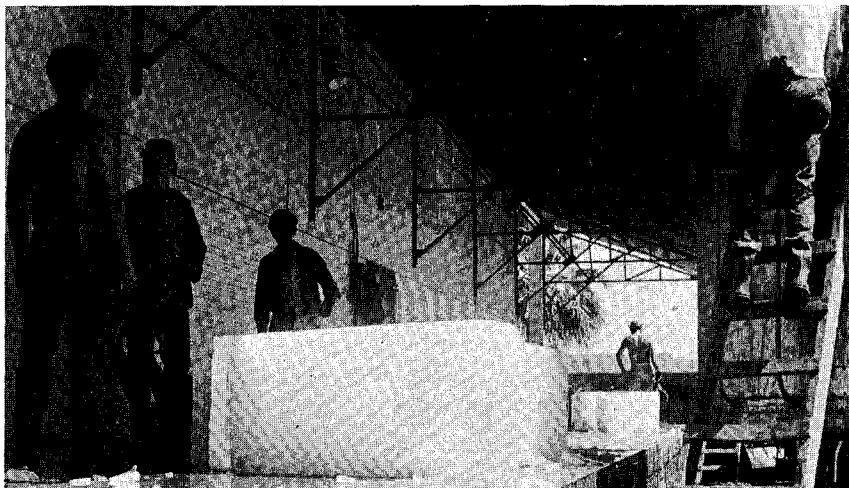
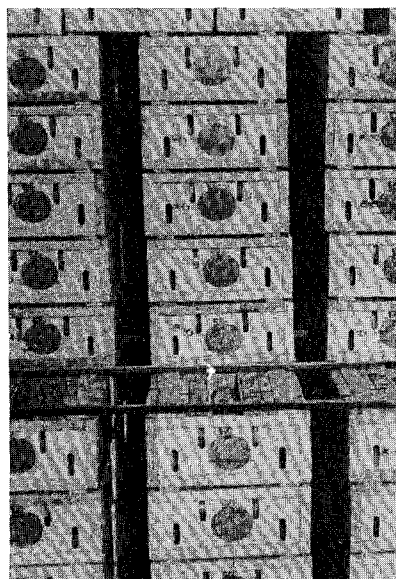
ABOVE. Carting Away Tomatoes to be Dumped.

RIGHT. Tomatoes in Bulk for Mexican Market.

BELOW. Grated Tomatoes in Refrigerated Truck Trailer, Ready for Shipment.



BELOW. Icing a Truck Trailer.





Tomato Pickers in Culiacán Valley.  
Growers are concerned that a cut-  
back in this labor-intensive cul-  
tivation will result in serious  
unemployment and social problems.







ABOVE. Meeting of Culiacán Tomato Growers.

thrown because of the embargo. The Nogales area is suffering a loss of \$105,000 per day in duties, commissions, wages, etc.

At the offices of the confederation of growers' associations in Culiacán, I sat in on a meeting to discuss the problem. About 40 men from the nine member organizations pondered ways they might cope with the situation. All together there are about 350 tomato growers in the valley, and they foresee no relief during this season. They are, however, looking to the

next year, knowing that some solution must be reached before planting starts in September. Their main hope lies with a commission of growers which they will send to Mexico City to plead their case with Nelson Rockefeller during his tour for President Nixon. They seemed optimistic that this would bring results; I am less confident than they.

After the meeting, a pleasant middle-aged man came over to talk with me. Saying that he thought that many of us who come from the outside know more about their problem than they themselves, he went on to comment:

"You know, this has been quite a disillusionment for us here in Culiacán. We have been very proud of our progress and we were glad to see that we had something that we could sell in the United States and that was needed and well-received there. We were encouraged by U.S. people to build up our production and investment in the tomato industry. And then this happened so suddenly. It is bad enough for us in itself but now we see the same thing can happen with all the vegetables we send up there—cucumbers, melons, beans. Any day there can be an embargo clamped on them, and it is all beyond our control. It makes everything so uncertain for us.

"And now we see it in a bigger way. We will always be in debt to the United States—the big interests there will see to it that we are. We can never correct our balance of payments with the U.S. When we get some imports going good up there—bang, they'll be cut off. All of Latin America is in the same bind—we can not get free from the United States' economic hold."

The man said this with sadness, not with anger. Whether the plight

he lamented is inevitable, he reflected the conviction of himself and his colleagues that their fate was symbolic of that of their country.

Three times during my contacts with people concerned with the tomato problem, from Nogales to Culiacán, I was handed a colorful pamphlet published by The American Chamber of Commerce of Mexico, entitled "Little Known Facts

about Mexican Trade with The United States". The size of the trade gap between what Mexico sells to the U.S.—\$619.4 million—and what Mexico buys from the U.S.—\$1.09 billion—was depicted as the distance of a trip to the moon. After pointing out the effects of a prolonged trade imbalance, it emphasized "Mexico can't buy more from the U.S. unless Mexico sells more to the U.S. Dollars spent in Mexico return to the U.S. in the form of purchase orders—mostly for capital goods to maintain Mexico's continuous economic and social development. Mexico wants fair trade not aid ... (asks) for the chance to help herself through the development of her own resources and through the opportunity to compete in the world marketplace."

In a conversation with the executive director of the West Mexico Vegetable Distributors Association, he pointed out that the resolution of the tomato embargo would be one of President Nixon's first tests in Latin America (I am sure he would agree that Peru would be in the front of the line). He described the embargo not as an isolated issue between the two countries but rather as one of a series of recent U.S. actions which have irritated Mexico, including the cutoff of the Bracero work program, the restriction on the liquor allowance for tourists, and the imposition of a reduced cotton quota.

This newsletter on "sour tomatoes" in the Culiacán Valley admittedly tells the story of the tomato embargo only from the Mexican side. The Florida growers could no doubt present good reasons for requesting the new restrictions, and the Mexicans are probably not as badly hurt as they claim. Still, these are the things that anti-Americanism is made of, and it seems useful to find out what the other fellow thinks, no



ABOVE. Aerial Spraying of Tomato Fields.

matter the mix of myth and fact upon which his opinions are based.

Sincerely yours,

A handwritten signature in cursive script that reads "Frances M. Foland". The signature is fluid and elegant, with the first letter of each name being capitalized and prominent.

Frances M. Foland

Photos: FMF

Received in New York March 17, 1969.