

Horticultural exports from developing to developed countries: Case of Latin American competition for the US market

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Abstract

Strong increase on per capita consumption of fresh fruits and vegetables in developed countries offers a high value market opportunity for labor intense, small farm size agriculture of developing countries. Improvements on transportation technologies and proliferation of free trade agreements have made possible, a surge on exports of horticultural products with important effects on rural income and employment for some exporting countries. International organizations have emphasized the effects of these trends on agricultural development of some lower income nations. However, a strong competition for high value horticultural markets may be causing huge disparities in terms of relative success by exporting countries. Our research uses a combination of market share analysis and statistical trends to evaluate the relative performance of several Latin American countries in their efforts to penetrate and compete in the high value, large volume US market for fruits and vegetables in the last sixteen years. Results show great diversity of performances by country and product with losing and gaining trends. Bananas, fruit juices and frozen vegetables present diminishing market shares while imports of avocados, mangoes, grapes, asparagus and broccoli expanded constantly. On the other hand, Peru, Mexico, Chile, Guatemala and Costa Rica show double digit growth export rates while countries like Ecuador, Colombia, Honduras and most of the Caribbean Islands present a relative poorer performance. The paper attempts to establish a relationship of relative export success with factors like existence of trade agreements, phytosanitary protocols, export infrastructure, government programs and business environment. We think that important lessons can be learned from this analysis for developing countries trying to benefit of the high value horticultural markets of developed countries.

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Biography

Jaime Malaga is a Professor of Agricultural and Applied Economics at Texas Tech University, has 20 years of experience analyzing effects of international trade and agricultural development. He teaches agricultural trade and agribusiness marketing in graduate classes and has provided

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