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S. Ariz. tomatoes hop border twice, telling tale of labor shortage

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It was a conundrum with a seemingly obvious solution.

Tomatoes harvested in Arizona needed to be packaged, but labor was scarce.

Workers in Sonora were plentiful, but there weren't enough jobs for them.

The problem: U.S. law prevented the workers from just coming over to do the work, and Mexican law prohibited sending the produce to the workers.

So Willcox-based Eurofresh Farms entered into a pilot program to send tomatoes into Mexico — for less than 24 hours — to be packaged and returned to U.S. consumers.

The company's improvisation reflects the struggle by Arizona agricultural producers to address what they see as an ongoing labor shortage.

"It is a huge problem" said Julie Murphree, spokeswoman for the Arizona Farm Bureau.

She said some farmers report they plan to scale back the number of acres they plant this year.

"They're not confident in the labor supply," Murphree said.

The Eurofresh program, which began two years ago with 20 employees in Nogales, Sonora, has grown to 150 workers and more than doubled the size of its warehouse to 27,000 square feet.

"This is one of many creative ways companies like ours are managing growth in an otherwise challenging labor environment," said Dwight Ferguson, CEO of Eurofresh.

Nogales, Ariz.-based Collectron International Management Inc., provides Eurofresh with the workers, facilitates customs requirements and negotiated an acceptable arrangement with the Mexican equivalent of the FDA, which bans the import of all produce.

"This was really an unusual product for us," said Thomas W. Skwiat, marketing manager for Collectron, whose clients are primarily high-tech manufacturers. "We had to convince the government the (tomatoes) weren't here for consumption, but only for repackaging."

The Mexican government agreed to the arrangement and assigned an inspector to the Eurofresh pack house in Sonora.

Even the stems and leaves that are removed from the tomatoes must be taken out of Mexico for disposal, Skwiat said.

Picked in the morning at the Eurofresh greenhouses, about 18 miles north of Willcox, three to four truckloads of tomatoes are shipped to Nogales, Sonora, where workers on a 4-p.m.-to-2-a.m. shift package them in hard-plastic "clamshells." They are reloaded onto the trucks and head for U.S. stores the following morning, said David Leitch, general manager for packing operations at the Sonora warehouse.

Did you know

In 1992, Eurofresh began growing tomatoes in a 10-acre greenhouse built by Dutch workers near Willcox. It has since expanded numerous times and now has 318 acres under glass. Eurofresh ranked 35th in this year's Star 200 survey of Southern Arizona employers with 1,415 full-time-equivalent positions.

Specialty products, such as campari, roma and cherry tomatoes, are the ones packaged in Sonora. The remainder of the produce grown at Eurofresh's Willcox greenhouses is packaged there.

Leitch said Eurofresh has grown from 60 acres to 318 in 10 years, which exacerbated the labor pinch in a town where the work force is less than 2,000.

The search for labor has been a constant struggle for the largest agriculture employer in Southern Arizona.

Eurofresh has recruited workers from welfare offices, contracted with the state for prison labor, hired foreigners with work visas for part of the year and high school students for the rest. The company also buses Somali refugees from Tucson to pick and package tomatoes.

In part, the company's struggles reflect low unemployment in the state. Arizona's average unemployment rate in 2007 was 3.8 percent, and it was 4 percent for the first four months of 2008 — both historically low rates, said Vera Pavlakovich-Kochi, an economist with the Eller College of Management at the University of Arizona.

Eurofresh management consulted with representatives of United Food and Commercial Workers Union Local 99 — which represents workers in Willcox — about the new pack house, said Paul Rubin, the union's secretary-treasurer.

He said union members understood the decision because they've seen the company struggle to find workers.

"We weren't upset," Rubin said. "It's an acceptance of the reality."

In Willcox, Eurofresh workers start at \$8.27 an hour and average \$11.08 an hour. That's 30 percent higher than the national average for farmworkers — \$8.48 an hour.

Collectron would not disclose the hourly wage for the workers in Sonora, but employees at that skill level typically earn between \$10 and \$30 a day, Skwiat said.

Leitch said the decision to open the Sonora warehouse to supplement the packing operations in Willcox was not a cost-savings decision.

The warehouse lease, fuel costs and customs fees offset any savings in labor, he said.

"It's a wash," Leitch said. "We're not doing it to save money."

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