

# Economic Analysis

## Fresh Produce and Production-Sharing (Maquiladora) Industries in Santa Cruz County, Arizona

**What:** A study highlighting the economic impacts of the fresh produce import industry and production-sharing (aka maquiladora) in Santa Cruz County, Arizona.

**Study conducted by:** The University of Arizona (Eller College of Management, Economic & Business Research Center, and the College of Agriculture & Life Sciences)

**Made possible by:** a grant from the US Economic Development Authority, administered by Nogales Community Development.

The **fresh produce** importing industry in Santa Cruz County generates:

- \$437.7 million in direct and secondary economic output in Santa Cruz County (*this is more than 1/3 of the county's economic output*)
- \$45 million in tax revenue to the state and county
- About 4,000 direct and secondary jobs, representing \$190 million in wages (*representing more than 22% of total jobs and nearly 25% of total wages*)
- There is a multiplier effect, benefitting more than 80 local services, from commercial equipment to packaging to legal to insurance services.
- Arizona is poised to benefit from expanding fresh produce imports. From 2002-2012, Mexican produce imports have grown 42% from 8 billion pounds to more than 14 billion pounds, according to USDA.

The **production sharing (maquiladora)** industry in Santa Cruz County generates:

- \$304.9 million in secondary economic output in Santa Cruz County (*this is more than 15% of the county's economic output*)
- About 1,800 direct and secondary jobs, representing \$66.5 million in wages (*representing nearly 10% of total jobs and almost 9% of total wages*)
- \$8.7 million in tax revenue to the state and county
- The maquiladora sector supports about 20 service-related industries.
- As manufacturers adopt near-sourcing, moving their factories away from China, it has been noted that Mexico poses a huge opportunity for Arizona.

**Fact:** More than 85% of the 750,000 annual commercial truck crossings between Arizona and Mexico flow through the Mariposa Port of Entry in Nogales, Ariz.

The full study, "Bi-National Business Linkages Association with Fresh Produce and Production Sharing: Foundations and Opportunities for Nogales and Santa Cruz County," released on September 27, 2013. A copy of the report will be available on the following websites: [www.nogalescdc.org](http://www.nogalescdc.org); [www.freshfrommexico.com](http://www.freshfrommexico.com); and [www.ebr.eller.arizona.edu](http://www.ebr.eller.arizona.edu).

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