Required Report - public distribution

Date: 12/15/2014
GAIN Report Number: MX4084

Mexico

Citrus Annual

Mexico Citrus Annual

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Report Highlights:
Mexican fresh orange and grapefruit production drop slightly, whereas lemon and lime production grow. Imports of all citrus are expected to remain the same.

Commodities:

Grapefruit, Fresh

Citrus, Other, Fresh

Lemons, Fresh

Oranges, Fresh

Orange Juice

FRESH ORANGES

PRODUCTION

Fresh orange production for MY 2014/15 has been affected by cold weather conditions, drought, excess rainfall due to hurricanes, as well as some pests. Although there is no official Mexican forecast for orange production for MY 2014/15 (November/ October), Post's forecast is 4.3 million metric tons (MMT). Weather conditions for MY 2013/14 similar to those expected in the current year affected production somewhat. The New/Post fresh orange production estimate for MY 2013/14 was revised upward to about 4.4 MMT based on official information and expected good yields. New/Post orange production estimate for MY 2012/13 was revised upward from previous estimates due to higher yield than expected.

Veracruz is the most important producer of fresh oranges in Mexico with almost 50 percent of overall production, followed by the states of Tamaulipas with 16 percent, San Luis Potosi with 9 percent, and Nuevo Leon with 6 percent of total production. The vast majority of Mexican orange production is Valencia or other juice varieties.

Area planted for MY 2014/15 is not expected to increase much from MY 2013/14 area. The dry weather conditions have forced some growers to abandon groves due to lack of water. Area planted and harvested for MY 2013/14 was revised downward compared to the previous estimate based on official data. Area planted and harvested for MY 2012/2012 was revised downward based on official data. The change in planted area in general has been minimal still reflecting adverse weather conditions affecting overall production. Some growers have been abandoning groves due to high production costs, wide swings in fresh orange prices, unfavorable weather conditions, and marketing channel distribution problems. Any production increases over the last several years have been due to increased tree planting density rather than an expansion of planted area.

National orange yields for MY 2014/15 are forecast to be slightly lower, at approximately 13.3 metric tons per hectare (MT/ha), compared to MY 2013/14 average yields of 13.6 MT/ha. Regional orange yields differ widely depending on the production area. The variation in yields is caused by many factors including weather, frequency of fertilizer and pesticide applications, tree density, and soil quality.

Typically, Veracruz orange yields range from 10 to 20 MT/ha, Nuevo Leon yields range from 12 to 25 MT/ha, and San Luis Potosi yields range from 7 to 13 MT/ha.

Production costs vary amongst citrus regions. The average cost of production for a traditional grove with minimally-intensive cultivation in Veracruz is approximately 7,200 to 11,500 pesos/ha (U.S. $489/ha to $782/ha), while the cost for a more intensively farmed grove in Veracruz is between 13,300 to 19,500 pesos/ha (U.S. $904/ha to $1,326/ha). The cost of production in Sonora is higher and ranges from 19,500 to 26,700 pesos/ha (U.S. $1,326/ha to $1,816/ha) due to higher costs for irrigation and quality control (the state is in a fruit fly-free area, a status which requires more maintenance expenditures). Costs in Nuevo Leon are generally higher than those in Veracruz because of pump irrigation, fertilizer use, and pest control, and range from 12,800 to 18,500 pesos/ha (U.S. $870/ha to $1,258/ha). These last inputs account for approximately 40 percent or more of total Nuevo Leon production costs.
In general, production costs are rising the costs of inputs, however, for 2014 costs for fertilizers continued to be the same or slightly lower compared to 2013. For example, Ammonium Nitrate costs were 6,080 pesos/MT in September 2014, while costs were 6,760 pesos/MT in September 2013 (US$460.25 from US$510.18/MT). Also, growers have to consider phytosanitary costs like maintaining fruit fly-free areas. Some areas in the states of Nuevo Leon, San Luis Potosi, and Tamaulipas have been declared as free of fruit fly. Fruit fly-free status greatly enhances a region's ability to export product.

Orange prices depend on domestic demand, demand from the processing industry as well as transportation costs and available supply. Farm gate prices in Nuevo Leon (Oct.) for early oranges were approximately $1,600 to 1,800 pesos/MT on the tree (US$118.78/MT to US$133.63/MT) for MY 2014/15, whereas in MY 2013/14 oranges were $1,300 to 1,500 pesos/MT on the tree (US$98.11/MT to US$113.20/MT). Farm gate prices in Veracruz for the MY 2014/15 crop were lower between $800 and $1,500 pesos/MT (US$58.91 and $111.35/ MT). Transportation costs from Veracruz to Mexico City are usually 400 to 700 pesos per MT (U.S. $29.45 to $51.54 per MT) for same day delivery. Transportation costs continue increasing due to rising fuel prices.

CONSUMPTION

Fresh orange consumption for MY 2014/15 is forecast to be higher compared to MY 2013/14, with prices tending to be good as the fresh market is forecast to carry enough fruit. Most of the oranges in the fresh market are destined for domestic fresh squeezed juice. A limited amount of oranges are consumed as fresh fruit. Final domestic consumption estimates will depend on the final volume of oranges purchased by the processing industry and the margins between domestic orange prices and international juice prices. New/Post fresh orange consumption estimates for MY 2013/14 were revised downward from previous estimates as the processing industry attracted more oranges than expected, whereas New/Post consumption estimates for MY 2012/13 were revised upward from previous estimates as there were more fresh oranges available than expected.

After high orange prices of about $6 to $11 pesos/kg (US$0.45 to $0.83/kg) coming from the previous marketing year, October 2014 early wholesale Valencia orange prices in Mexico City from Veracruz started at approximately $2.81 pesos/Kg (US$0.20) slightly lower in comparison to the same time last year. Prices are further dropping as more oranges become available as the Veracruz harvest picks up.

TRADE

Orange exports for MY 2014/15 are forecast to increase slightly compared to the previous year due to a good crop and opportunities in the international market. Final export numbers will depend on U.S. demand and orange supplies from California and Florida. New/Post export estimate for MY 2013/14 was revised upward, due to a larger crop and good international prices. Most of Mexico's oranges exported to the United States are from Sonora, a state that produces exceptionally high-quality oranges, most of which are Navels. In recent years, producers in Nuevo Leon have increased their orange exports to both the United States and Canada. The United States continues to be the largest export market for Mexican oranges.

Orange imports for MY 2014/15 are forecast to be similar to MY 2013/14 imports at 25,000 MT. Most orange imports depend on demand from the U.S.-Mexico border region. However, due to the dry season experienced in northern Mexico, demand for imported product has been strong, and according to traders, the availability of oranges in August/September (after the northern domestic crop) has been welcome. The New/Post estimates for orange imports for MY 2013/14 remain unchanged as demand from the border region continues to be small due to larger domestic crop. Despite higher prices for imported product, fresh oranges sell well.
U.S. oranges exported to Tijuana, Baja California at the wholesale market in August/ September 2014 were $130 to $170 pesos/20-kg box (U.S. $9.89 to $12.93/box), while at the same time in 2013 prices were lower at $90 to $120 pesos/20-kg box (U.S. $6.79 to $9.05/box). Mexico is a price-sensitive market and U.S. orange prices are relatively high compared to domestic prices. The import estimate for MY 2012/13 remains unchanged.

FRESH LEMONS

PRODUCTION

Key limes and Persian limes are economically significant for Mexico. Mexican Key limes are grown along the Pacific coast in the states of Colima, Michoacán, Guerrero, and Oaxaca. Meanwhile, most Persian limes are grown in a micro-climate in northern Veracruz with smaller scale production in Tabasco, Oaxaca, Puebla, Jalisco, and Yucatan.

Weather has been more favorable in 2014 for limes in Mexico compared to recent years when limes went through cold and dry weather conditions. However, due to hurricanes in October Michoacán had heavy rainfall and in November, Veracruz also had more rainfall than normal. There is not yet an official production forecast for MY 2014/15 (November/October) for Key limes and Persian limes, but Post estimates it to be at 2.2 MMT. Production of Persian limes is expected to be good as analysts expect beneficial weather in the state of Veracruz throughout 2015. The state of Michoacán is also expected to have good weather for the production of Key limes.

New Post lime production for MY 2013/14 was revised upward from previous estimates as more area came into production. The state of Colima is trying to recover from an approximate 15-20 percent fall in production due to Citrus Greening disease in MY 2012/13. However, in general, producers indicated that both Persian and Key limes are going through overproduction problems. New Post MY 2012/13 lime production was revised upward based on official data.

Good international market prices and fewer phytosanitary concerns have led to increased planted area for both Persian and Key limes. Planted area for Persian limes has grown from 42 percent of total lime area in 2010 to 49 percent in 2013. Key lime area decreased from 54 percent of total area in 2010 to 48 percent in 2013. The Persian lime area planted in Veracruz has grown at a faster rate than that of Key limes.

Michoacán and Colima are the main Key lime producing states. Key lime planted area has increased at slower rates due to domestic price swings. Michoacán has an excellent winter production window (December to February) that allows its Key limes to enter the domestic market first. As such, planted area has tended to expand more rapidly in this state. According to producers, the domestic market is saturated with Key limes and a substantial increase in Michoacán's planted area could reduce prices for Key limes in the international market. It has become common practice for Michoacán producers to suspend harvest during the course of the year to prevent oversupplying the domestic market and subsequent low prices. Veracruz is the main Persian lime producer. More than 25 percent of the Persian lime groves in Veracruz use micro-jet irrigation, or other irrigation systems, and produce year-round. Most of the irrigated Key lime groves are in the states of Michoacán and Colima and are able to produce year-round. In contrast, almost all of the planted area for Key limes in Guerrero and Oaxaca is rain fed. In Colima, about half of the Key lime groves have coconut palm trees interplanted with Key lime trees in order to increase producer revenue. However, Colima has problems with Citrus Greening (See Policy Section) and area planted has decreased about 6.3 percent from 2010 area. In MY 2013/14 Colima has recovered some 500 hectares of Key limes. Yields for Colima have also decreased from an average of 20 MT/Ha to an expected 14.6 MT/Ha in MY 2012/13.

The planted and harvested areas forecast for MY 2014/15 is expected to have a marginal increase, as producers believe they are close to saturate markets. Total estimates for planted and harvested areas for MY2013/14 were revised upward from previous estimates, and planted and harvested areas for MY 2012/13 were revised based on official information.

The Persian lime industry tends to be dominated by large producers who have achieved economies of scale. Rain-fed Persian lime production costs average between 13,650 pesos/ha to 21,630 pesos/ha (US $1,13.36/ha to $1,605.80/ha). Intensive production areas can have production costs as high as 32,500 pesos/ha or more (US $2,416.48/ha) in Veracruz. Production costs are affected by imported herbicide and fertilizer prices, which become more expensive for Mexican producers as the Mexican Peso continues to fall relative to the U.S. dollar.

The cost of production for Key limes varies according to cultivation practices and technology. In the most important Key lime producing states (Oaxaca, Colima, and Michoacán), production costs can vary from $10,815 pesos/ha to 23,362 pesos/ha (US $803.00/ha to $1,734.37/ha), and can increase to 34,460 pesos/ha (US $2,558.28/ha) for intensively-managed areas.

Transportation costs from Veracruz to the U.S. border are approximately $14,500 to $18,500 pesos/trailer (US $1,076 to $1,373.42/trailer), depending on fuel prices and truck availability. In the last few years, packing plant input costs have increased mainly due to exchange rate fluctuations that make imported goods, such as the boxes to pack the fruit, more expensive.

Persian and Key lime yields vary widely depending on production conditions. The average yields for Persian limes in Veracruz range from 8-16 MT/ha, depending on cultivation practices, but some yields are as high as 25 MT/ha. Key lime yields average between 7-13 MT/ha, with a few well-tended groves reaching 30 MT/ha. Grower prices for Persian limes range from $600-$3,500 pesos/MT (U.S. $44.54/MT to $259.83/MT) for the domestic market, and $3,700-$9,000 pesos/MT or more (U.S. $274.68/MT to $668.15/MT) for the export market. Grower prices for Key limes fluctuate more than prices for Persian limes due to stronger demand for Key limes, and production levels in each state. On average, Key lime grower prices range from $900-3,700 pesos/MT (U.S. $66.81/MT to $274.68/MT). Although Key lime production is year round, production in Michoacán targets the winter season (October to February), while production in Colima covers demand from May through September. Oaxaca and other states cover the rest of the year.

Italian lemons (EUREKA) are grown in the states of Tamaulipas, Yucatan, San Luis Potosi, and Colima. In the 1990's, producers in Tamaulipas and San Luis Potosi began producing lemons on a contract basis for a soft-drink bottler to be used for juice and lemon oil. However, after the contract ended in 2006, growers began exploring the international market. Producers in the state of Yucatan began producing lemons for the bottling company once the Tamaulipas contract ended. According to official sources, there are about 4,700 hectares planted to Italian lemons in Mexico with a production of about 93,800 MT. However, it seems that Tamaulipas has about 4,000 hectares or more of Italian lemons planted that produce about 95,000 MT where about 30,000 are for export purposes and the rest for processing. Yucatan has about 2,300 hectares with a production of about 80,000 MT. International prices are generally good between $2,200 pesos/MT to $3,500 pesos/MT (US $163.32 to $259.83/MT), processing prices are usually under the mentioned prices.

CONSUMPTION

Domestic consumption of both Key and Persian limes in Mexico depends largely on prices as well as the volume of limes exported. Consumption for MY 2014/15 is forecast at about 1.3 MMT, marginally lower compared to the previous year as prices are expected to be higher. New/Post consumption estimates for MY 2013/14 were revised upward from previous estimates as demand was higher despite somewhat higher prices. While Persian limes are being exported, domestic prices tend to be higher and demand falls. New Post domestic consumption for MY 2012/13 was revised upward due to higher demand.

The unprecedented surge in in Key lime prices during the first quarter of 2014 had several reasons, the most important being that there was an increased demand of limes when Colima and Michoacán were going through their low cycle of production, a decrease in product coming from Colima due to Citrus Greening issues, and the high export season for Persian limes. However, after March and April prices began to return to a more normal price level as Veracruz and other states began to meet demand.

Depending upon U.S. demand, approximately 50-60 percent of Persian limes from Veracruz, or more than a third of total Persian lime production, goes to the export market. Persian limes that do not meet the higher quality requirements of the export market are consumed within Mexico. On the other hand, most Key limes go to the fresh domestic market, but exports have been increasing. In general, approximately 16-20 percent of total Key lime production goes to processing. Producers from Colima and Michoacán indicate that approximately 30 percent of their limes go to processors. Italian Lemon

producers in Tamaulipas indicate that about 40 percent of their production goes to the export market and 60 percent goes to the juice processing industry. Italian Lemon producers from other states indicate that about 35 percent of their production is for fresh consumption. Official estimates of processing industry demand are unavailable.

Mexican Key limes and Persian limes compete for the same market. When Key limes and Persian limes are both present in the domestic market during peak season, prices are relatively low. When the Persian lime harvest season is at its peak (June to September), prices for both tend to fall. After two to three months, when Persian lime growers begin to export, prices for Persian limes increase and remain high until April or May when exports decrease and both crops compete for the fresh domestic market. Key limes from Michoacán, Colima, and Oaxaca are sold on the wholesale market in 18-20/kg boxes while those from Guerrero are sold in 20-22/kg bags. Persian limes are sold in wholesale markets in 50-100/kg bags.

TRADE

Mexican Persian and Key lime exports for MY 2014/15 are expected to see continued strength and are forecast at about 520,000 MT. However, exports depend heavily on international demand from Europe, the United States, and exchange rate swings. Persian and Key lime New Post exports for MY 2013/14 were revised downward from previous estimates as demand was not as strong. New Post exports for MY 2012/13 remained unchanged. Italian lemon exports are expected to be about 30,000 MT for MY 2014/15. According to data, exports for MY 2013/14 were about 27,265 MT and for MY 2012/13 exports were 30,769 MT. According to data HTS No. 08055099 Others, Italian lemon exports for MY 2013/14 were about 27,265 MT and for MY 2012/13 exports were 30,769. Italian lemon exports are expected to be about 30,000 MT for MY 2014/15.

The spring Persian lime harvest begins in early April and, depending on prices, is usually shipped to European markets before being shipped to the United States. According to exporters, a good price for Persian limes is about U.S. $40 per 40-pound box. U.S. prices for January/ February 2014 were good at about U.S. $35 to $40 per 40-pound box. Producers indicate that prices were good because there was a shortage during those months. Lime exporters continue to expand into the European and Japanese markets, but still supply about 40 percent of the U.S. and Canadian markets. International prices for Persian limes began October/November 2014 at U.S. $17 to $22 per 40-pound box.

Lime imports continue to be minimal due to ample domestic supplies. MY 2014/15 imports are forecast at 2.6 MMT similar to imports for MY 2013/14. New Post lime imports for MY 2013/14 are expected at about 2.7 MMT. Imports for MY 2012/13 were 1.2 MMT. Mexico's tariff rate on imported limes from the United States is zero percent under NAFTA. Imports from countries that do not have a free trade agreement with Mexico have a 20 percent duty.

According to SAGARPA, after several years of negotiations, Persian limes will be exported to South Korea, after a work plan was agreed upon. Exports are expected to begin soon.

FRESH GRAPEFRUIT

PRODUCTION

There is not yet an official forecast for grapefruit production for MY 2014/15 (November/ October), but according to industry sources, production is forecast to be 420,000 MT slightly lower compared to MY 2013/14. Weather during 2014 has been dry in growing areas of Nuevo Leon and Tamaulipas but slightly better for Veracruz. Michoacán enjoys better weather conditions. New production estimates for MY 2013/14 were revised upward from previous estimates due to higher yields than expected. New production estimates for MY 2012/13 were also revised upward based on official data despite dry weather conditions.

Area planted has fluctuated between 17,000-19,000 hectares, depending on price variations and weather conditions. Area planted for MY 2014/15 is forecast to increase only marginally as costs of production have increased and the rate of growth in newly developed areas in Michoacán has slowed down. Also, due to low prices some area in Tamaulipas has been turned into Italian lemon trees. Area planted and harvested for MY 2013/14 was revised downward from previous estimates due to the impact of dry weather. Area planted and harvested for MY 2012/13 was revised downward from previous estimates based on official data.

Although Veracruz has increased some planted area, abandoned or damaged areas in other parts of the state have offset this growth. Costs of production for grapefruit fluctuate between $12,000 to $23,000 pesos per hectare (US $890.00 to $1,707.50/ha). Production costs associated with pest control tend to be higher in Veracruz than in Michoacán, but Michoacán costs associated with irrigation are higher than Veracruz, as almost 80 percent of Veracruz grapefruit area is rain-fed. Generally, input costs have increased due to higher prices for imported fertilizers, pesticides, and other agrochemical products.

There are two types of grapefruit planted in Mexico: the red table varieties and the white-fleshed varieties. The red table varieties are produced in Tabasco, Campeche, Michoacán, Nuevo León, Tamaulipas, and Veracruz and are mainly for export purposes as fresh fruit and peeled slices to the United States and Europe. White-fleshed varieties are produced in Tamaulipas and Veracruz and are used for juice production or for peeled slices. However, demand for peeled sliced fruit for export is down so some trees in Tamaulipas and Veracruz have been taken out of production. According to growers, planting of red varieties over the last couple of years has increased because of the higher export demand.

According to growers and the industry, approximately 20 percent of grapefruit production is destined for processing. However, that estimate largely depends on demand for peeled fruit in the international market and demand for juice in the domestic and international markets. The MY 2014/15 forecast of grapefruit destined for processing is expected to be similar to that of MY 2013/14 or 83,000 MT as demand from the peeled fruit industry is down. Grapefruit for processing for MY 2012/13 remained unchanged.

Grapefruit yields for MY 2014/15 are forecast to be at about 24.2 MT/ha and MY 2013/14 yields are estimated at 24.7 MT/ha better than previously expected. Yields for MY 2012/13 are estimated at 25.2 MT/ha. Veracruz accounts for approximately 61 percent of Mexican grapefruit production and has the highest yields in the country (between 20-39 MT/ha.). The state of Michoacán, with newer developments, follows with 11 percent of production and yields between 9-15 MT/ha. Nuevo Leon

accounts for almost 7 percent of total grapefruit production and generally has yields between 11-19 MT/ha. In other states, yields vary from 7-15 MT/ha.

Grower prices for grapefruit in Veracruz for MY 2014/15 are about between $800 and $1,400 pesos/MT (US$59.39 to $103.93/MT). Grower prices for the state of Nuevo Leon tend to be higher at about $1,600 pesos/MT (US$118.78/MT) due to quality, but this MY 2014/15 prices began at lower levels. Michoacán has developed areas with red varieties that can be harvested from April to July and grower prices tend to be higher than in Veracruz as fruit enters the market earlier in the season. From May to June 2014, grower prices for grapefruit from Michoacán ranged from $2,000-$3,100 pesos/MT (U.S. $148.47 to $230.14/MT). But in August when Veracruz begins the marketing year, prices tend to fall by as much as 50 percent. The Mexican grapefruit industry has limited juice production because it is more profitable to export fresh product and import the juice.

CONSUMPTION

Fresh grapefruit consumption for MY 2014/15 is forecast at 325,000 MT due to good supplies at affordable prices. Consumption for MY 2012/13 and MY 2013/14 were revised upward from previous estimates, due to greater supplies than expected. Grapefruit is in demand as it is perceived as a low calorie, healthy food. Growers indicate there is no payment for quality premiums as consumers are interested in lower prices.

Since Michoacán can harvest earlier than Veracruz, Michoacán producers often comand higher prices in the domestic market. Michoacán wholesale prices for July and August 2014 ranged from $5.40 to $6.00 pesos/kg (US. $0.40 to U.S. $0.44/kg), slightly higher compared to last year's price range of $5.18-$5.38 pesos/kg (US. $0.39 to U.S. $0.41/kg). For 2014, Veracruz entered the market at slightly lower prices compared to Michoacan's product. Prices for Nuevo Leon fruit in November 2014 in the northern states was on average 5.00 pesos/kg (U.S. $0.37kg), compared to last year's price of 6.40 pesos/kg (U.S. $0.48/kg).

TRADE

Grapefruit exports for MY 2014/15 are forecast at 14,000 MT, similar to the previous year, as demand is expected to be good. According to growers, demand from Europe is strong and offers better prices. New Post exports for MY 2012/13 and MY 2013/14 were revised downward from previous estimates as demand from Europe was not as strong. About 70 percent of exports are shipped to European countries and 9 percent to the United States. However, exports to the United States increased to 16 percent for MY 2013/14. Grapefruit exports sometime decrease when the domestic market offers higher prices.

According to sources, most of the imported grapefruit from the United States is processed for export to the European market or re-exported to the U.S. market. Grapefruit imports for MY 2014/15 are forecast to be similar to those in MY 2013/14, around 2,000 MT, as demand from the peeled fruit industry is being covered with domestic product. Import estimates for MY 2012/13 remained unchanged. The industry sources grapefruit from the domestic market all year round.

ORANGE JUICE

PRODUCTION

MY 2014/15 forecast for oranges destined for processing is expected to be about 1.3 MMT—a smaller volume compared to MY 2013/14 due to a smaller crop. This forecast will depend on the international price for frozen concentrate orange juice (FCOJ) and fresh orange prices in the domestic market. The estimate for oranges destined for processing for MY 2013/14 was revised upward to 1.7 MMT as more oranges were available than previously expected. The market for FCOJ experienced a surge in demand and international prices have been good. The MY 2012/13 estimate of oranges destined for processing was revised upward from previous estimates as there was more demand for FCOJ.

Reliable FCOJ production numbers are difficult to obtain as there is no official data available. According to industry sources, FCOJ production for MY 2015 (January/December) is forecast at 130,000 MT. However, juice production depends heavily on international prices of FCOJ and domestic prices of fresh oranges. FCOJ production estimates for MY 2014 were revised upward from previous USDA estimates as more domestic oranges were available for processing at good prices. Data for MY 2013 production was revised upward as international demand was higher than expected. Higher prices in the international market enable processors to increase the prices paid to fruit producers. Prices for FCOJ for MY 2015 are forecast to be at about U.S. $1.48/lb to $1.50/lb, which are considered to be good. FCOJ international prices for MY 2014 began at high prices on average U.S. $1.62/lb.; prices for 2013 were about U.S. $1.30/lb.

CONSUMPTION

FCOJ consumption for MY 2015 is forecast at 6,200 MT, with a stable demand for orange juice in beverages with orange flavoring. The majority of Mexican consumers prefer freshly squeezed juice as opposed to processed orange juice. Consumption for MY 2014 was revised downward due to a stronger international demand, and consumption for 2013 remained unchanged. Most of the orange juice produced in Mexico goes to the export market. According to processors, carryover of FCOJ from one year to the next is approximately 2,000 MT or less. However, lately stocks have been low due to attractive international prices.

TRADE

Exports of FCOJ for MY 2015 are forecast at 124,000 MT if fresh orange prices are favorable and/or if FCOJ international prices are over U.S. $1.00/lb, which seems to be the case. Exports for MY 2014 were revised upward from previous estimates, due to higher demand in the international market. Export estimates for MY 2013 were also revised upward from previous estimates due to a higher demand and good international prices. The United States is the main market for Mexican FCOJ, followed by Japan and Europe. FCOJ is imported into Mexico to cover the industry's needs for blending as well as to meet demand from hotels and restaurants. Nevertheless, these imports are marginal compared to domestic production. FCOJ imports for MY 2015 are forecast at 100 MT. Imports for MY 2013 and MY 2014 were revised downward from previous estimates, based on new trade data.

Under Mexico's free trade agreement with the European Union (EU), the EU allows entry of 30,000 MT of FCOJ from Mexico with a tariff set at 25 percent below the 20 percent MFN duty. Mexico has exported up to August 2014, about 17,665 MT of FCOJ to European countries in 2014, a lower volume

compared to the same time in 2013 of about 32.926 MT, due to an increase of exports to the United States. Mexico also ships product to Japan under a trade agreement that allowed entry of 6,500 MT at one-half of the 20 percent MFN tariff duty, or 10 percent. During MY 2013, Mexico exported approximately 7,504 MT of FCOJ to Japan.

On September 23, 2011, Mexico and Japan signed an amendment to the trade agreement expanding opportunities for Mexico to increase exports on some agricultural products like FCOJ. Now the quota will expand to 8,000 MT of FCOJ in 2016 with an increase of the tariff preference from 50-75 percent below the MFN duty rate.

POLICY:

Citrus Greening

Citrus Greening or Huanglongbing (HLB), one of the world's most economically significant citrus diseases, has been detected in several citrus-producing areas in Mexico. As part of the prevention campaign against the introduction of citrus quarantine pests, the government detected the presence of HLB in the states of Yucatan (July 2009); Quintana Roo (August 2009); Nayarit and Jalisco (December 2009); Campeche (March 2010); Colima (April 2010) and Sinaloa (June 2010), Michoacán (December 2010), Chiapas (March 2011) Baja California Sur and Hidalgo (August 2011). See Mexico GAIN reports MX9043 (2009), MX0005 (2010), and MX0055 (2010) for additional information about Mexico's Secretariat of Agriculture (SAGARPA) regulatory measures to monitor and protect the country from HLB. SENASICA's web page on HLB contains information about all the programs and control and prevention campaigns: http://www.senasica.gob.mx/?id=4512

Mexico is currently surveying a range of areas for the presence of the HLB bacterium, Candidatus Liberibacter asiaticus, in symptomatic host plants across the country. Mexico has detected HLB in 16 Mexican States. HLB is not present in four of the most important citrus producing states: Veracruz, San Luis Potosi, Tamaulipas, and Nuevo Leon. USDA and Mexico are conducting joint suppression campaigns aimed at reducing populations of HLB's insect vector, the Asian Citrus Psyllid (ACP), along the border and, recently, began collaborating to expand efforts into Central American countries to combat this pest. According to SAGARPA, the phytosanitary activities include the detection of plants and symptomatic trees, the elimination of plants with defined symptoms, establishing quarantine areas, doing chemical control of ACP in rural and urban zones, producing nursery stock under anti-aphid protection, and holding training and communication workshops.

SAGARPA has monthly bulletins reporting on the work being done on HLB in Mexico.

Production, Supply and Demand Data Statistics:

Table 1. Mexico: Fresh Orange Production

Oranges, Fresh Mexico	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Nov 2012		Market Year Begin: Nov 2013		Market Year Begin: Nov 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	336,000	334,658	336,000	335,600		336,000
Area Harvested	326,000	320,654	323,000	322,000		323,000
Bearing Trees	65,852	64,772	65,852	65,044		65,246

Non-Bearing Trees	2,020	2,828	2,020	2,747		2,626
Total No. Of Trees	67,872	67,600	67,872	67,791		67,872
Production	4,000	4,400	3,900	4,400		4,300
Imports	28	28	25	25		25
Total Supply	4,028	4,428	3,925	4,425		4,325
Exports	31	31	30	44		45
Fresh Dom. Consumption	2,647	2,887	2,895	2,601		2,980
For Processing	1,350	1,510	1,000	1,780		1,300
Total Distribution	4,028	4,428	3,925	4,425		4,325
HECTARES, 1000 TREES, 1000 MT						

Table 2. Mexico: Fresh Lemon/Lime Production

Lemons/Limes, Fresh Mexico	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Nov 2012		Market Year Begin: Nov 2013		Market Year Begin: Nov 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	169,000	169,522	170,000	171,800		172,000
Area Harvested	160,000	150,214	161,000	152,100		152,200
Bearing Trees	30,400	28,540	30,590	28,900		28,918
Non-Bearing Trees	1,710	3,668	1,710	3,740		3,760
Total No. Of Trees	32,110	32,208	32,300	32,640		32,678
Production	1,950	2,120	2,000	2,250		2,255
Imports	1	1	1	2		2
Total Supply	1,951	2,121	2,001	2,252		2,257
Exports	523	523	530	515		520
Fresh Dom. Consumption	1,113	1,268	1,156	1,387		1,377
For Processing	315	330	315	350		360
Total Distribution	1,951	2,121	2,001	2,252		2,257
HECTARES, 1000 TREES, 1000 MT						

Table 3. Mexico: Fresh Grapefruit Production

Grapefruit, Fresh Mexico	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Nov 2012		Market Year Begin: Nov 2013		Market Year Begin: Nov 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	18,275	17,807	18,300	18,000		18,100
Area Harvested	17,135	16,834	17,160	17,100		17,300
Bearing Trees	3,238	3,182	3,243	3,250		3,269
Non-Bearing Trees	216	184	216	170		151
Total No. Of Trees	3,454	3,366	3,459	3,420		3,420
Production	420	425	420	423		420
Imports	2	2	2	2		2
Total Supply	422	427	422	425		422
Exports	19	18	20	14		14
Fresh Dom. Consumption	318	324	319	328		325
For Processing	85	85	83	83		83
Total Distribution	422	427	422	425		422
HECTARES, 1000 TREES, 1000 MT						

Table 4. Mexico: Frozen Concentrate Orange Juice Production

Orange Juice Mexico	2012/2013	2013/2014	2014/2015

	Market Year Begin: Nov 2012		Market Year Begin: Nov 2013		Market Year Begin: Nov 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	1,350,000	1,510,000	1,000,000	1,770,000		1,300,000
Beginning Stocks	0	0	925	1,646		1,026
Production	135,000	151,000	100,000	177,000		130,000
Imports	125	80	125	80		100
Total Supply	135,125	151,080	101,050	178,726		131,126
Exports	128,000	143,234	93,000	171,500		124,000
Domestic Consumption	6,200	6,200	6,500	6,200		6,200
Ending Stocks	925	1,646	1,550	1,026		926
Total Distribution	135,125	151,080	101,050	178,726		131,126
MT						

Table 5: Mexico: Trade Matrixes for Fresh Oranges, Lemon/Limes, Grapefruit, and FCOJ

Table Oranges	**0805.10**	**Unit: Metric Tons**	
Exports for MY 2012/13 (Nov-Oct) to:		**Imports for MY 2012/13** *(Nov-Oct)* **from:**	
U.S.	27,731	U.S.	28,276
UNITED KINGDOM	2,504	ARGENTINA	0
TOTAL OF OTHER	2,504		
OTHER NOT LISTED	437	OTHER	0
TOTAL	30,672	TOTAL	28,276

Table Oranges	**0805.10**	**Unit: Metric Tons**	
Exports for MY 2013/14 (Nov-Oct*) to:		**Imports for MY 2013/14** *(Nov-Oct*)* **from:**	
U.S.	42,558	U.S.	20,787
UNITED KINGDOM	1,969		
TOTAL OF OTHER	1,969		
OTHER NOT LISTED	287	OTHER	0
TOTAL	44,814	TOTAL	20,787
SOURCE: Global Trade Atlas Edition, September 2014		*as of September 2014	

Lemons/Limes	**0805.50**	**Unit: Metric Tons**	
Exports for MY 2012/13 (Nov-Oct) to:		**Imports for MY 2012/13** *(Nov-Oct)* **from:**	
U.S.	470,694	U.S.	1,219
NETHERLANDS	19,268		
TOTAL OF OTHER	19,268		
OTHER NOT LISTED	32,853	OTHER	0
TOTAL	522,815	TOTAL	1,219

Lemons/Limes	**0805.50**	**Unit: Metric Tons**
Exports for MY 2013/14 (Nov-Oct*) to:		**Imports for MY 2013/14** *(Nov-Oct*)* **from:**

U.S.	370,022	U.S.	2,685
NETHERLANDS	13,194		
TOTAL OF OTHER	13,194		
OTHER NOT LISTED	17,515	OTHER	0
TOTAL	400,731	TOTAL	2,685
*as of August 2014			

Grapefruit	**0805.40**	**Unit: Metric Tons**	
Exports for MY 2012/13 (Nov-Oct) to:		**Imports for MY 2012/13 *(Nov-Oct)* from:**	
U.S.	1,669	U.S.	2,186
FRANCE	9,482		
TOTAL OF OTHER	9,482	ISRAEL	0
OTHER NOT LISTED	6,416	OTHER	0
TOTAL	17,567	TOTAL	2,186

Grapefruit	**0805.40**	**Unit: Metric Tons**	
Exports for MY 2013/14 (Nov-Oct*) to:		**Imports for MY 2013/14 *(Nov-Oct*)* from:**	
U.S.	2,267	U.S.	1,670
FRANCE	3,002		
TOTAL OF OTHER	3,002		
OTHER NOT LISTED	1,221	OTHER	0
TOTAL	6,490	TOTAL	1,670
As of August 2014			

Fresh Concentrate Orange Juice	**2009.11**	**Unit: Liters**	
Exports for MY 2013 (Jan-Dec) to:		**Imports for MY 2013 (Jan-Dec) from:**	
U.S.	61,439,637	U.S.	59,979
NETHERLANDS	26,587,530	BRAZIL	7
JAPAN	5,685,343	TOTAL OF OTHER	7
OTHER NOT LISTED	13,389,625	OTHER NOT LISTED	5
TOTAL	107,102,135	TOTAL	59,991

Fresh Concentrate Orange Juice	**2009.11**	**Unit: Liters**	
Exports for MY 2014 (Jan-Dec*) to:		**Imports for MY 2014 (Jan-Dec*) from:**	
U.S.	100,235,358	U.S.	3,331
NETHERLANDS	10,240,376	BRAZIL	3
JAPAN	4,336,860	TOTAL OF OTHER	3
OTHER NOT LISTED	13,468,729	OTHER NOT LISTED	53
TOTAL	128,281,323	TOTAL	3,387
* as of August 2014			

Orange Juice, Not Frozen 2009.19		Unit: Liters	
Exports for MY 2013 *(Jan-Dec)* **to:**		**Imports for MY 2013** *(Jan-Dec)* **from:**	
U.S.	9,726,525	U.S.	343,866
CYPRUS	17,962	GERMANY	595
TOTAL OF OTHER	17,962	TOTAL OF OTHER	595
OTHER NOT LISTED	24,750	OTHER NOT LISTED	165
TOTAL	9,769,237	TOTAL	344,626

Orange Juice, Not Frozen 2009.19		Unit: Liters	
Exports for MY 2014 *(Jan-Dec*)* **to:**		**Imports for MY 2014** *(Jan-Dec*)* **from:**	
U.S.	8,322,792	U.S.	256,574
NETHERLANDS	1,816,906	KOREA, SOUTH	514
TOTAL OF OTHER	1,816,906	TOTAL OF OTHER	514
OTHER NOT LISTED	42,432	OTHER NOT LISTED	49
TOTAL	10,182,130	TOTAL	257,137
*as of August 2014			

Table 6: Mexico – Wholesale Orange Prices (Pesos/Kg) cif Mexico city

Month	2012	2013	2014	Change % 13/14
January	3.54	3.15	2.81	(10.79)
February	4.12	2.98	2.80	(6.04)
March	4.21	2.97	3.13	5.38
April	4.85	2.89	3.80	27.94
May	5.35	3.61	4.46	23.54
June	4.22	4.91	5.72	16.49
July	5.88	4.80	6.66	38.75
August	10.13	5.73	9.26	61.60
September	3.99	5.21	6.89	32.24
October	3.32	3.74	3.11	(16.84)
November	3.06	3.54	3.00	(15.25)
December	3.10	3.40	3.00*	(11.76)

Source: Servicio Nacional de Información de Mercados
Avr. exchange rate for 2012 US$1.00 = $ 13.15 pesos
Avr. exchange rate for 2013 US$1.00 = $ 12.76 pesos
exchange rate December 15, 2014 US$1.00 = $ 14.66 pesos
**As 2nd Week Dec 2014*

Table 7: Mexico - Key Lime Wholesale Prices (Pesos/Kg) cif Mexico city				
Month	2012	2013	2014	Change% 13/14
January	4.05	5.71	9.01	57.79
February	3.78	7.21	17.48	142.44
March	3.50	8.15	17.87	119.26
April	4.01	7.84	6.83	(12.88)
May	3.60	5.25	4.38	(16.57)
June	3.74	3.76	3.82	1.59
July	3.89	3.86	4.31	11.65
August	3.78	5.00	4.72	(5.6)
September	3.59	4.48	4.47	(0.22)
October	3.89	4.03	5.03	24.81
November	4.40	3.88	6.62	70.61
December	4.94	4,74	4.79*	1.05

Source: Servicio Nacional de Información de Mercados
Avr. exchange rate for 2012 US$1.00 = $ 13.15 pesos
Avr. exchange rate for 2013 US$1.00 = $ 12.76 pesos
exchange rate December 15, 2014 US$1.00 = $ 14.66 pesos
**As 2nd Week Dec 2014*

Table 8: Mexico - Persian Lime Wholesale Prices (Pesos/Kg) cif Mexico city				
				Change %
Month	2012	2013	2014	13/14
January	3.96	4.76	7.25	52.31
February	4.41	6.27	15.51	147.36
March	5.43	13.70	38.59	181.67
April	5.31	15.12	30.29	100.33
May	5.07	10.04	14.27	42.13
June	4.30	4.80	6.64	38.33
July	3.70	3.39	4.74	39.82
August	3.70	3.66	4.60	25.68
September	3.98	4.03	4.64	15.13
October	3.98	3.64	4.34	19.23
November	4.16	3.59	4.92	37.04
December	3.93	3.90	5.00*	28.20

Source: Servicio Nacional de Información de Mercados
Avr. exchange rate for 2012 US$1.00 = $ 13.15 pesos
Avr. exchange rate for 2013 US$1.00 = $ 12.76 pesos
exchange rate December 15, 2014 US$1.00 = $ 14.66 pesos
**As 2nd Week Dec 2014*

Table 9: Mexico - Grapefruit Wholesale Prices (Pesos/Kg) cif Mexico city				
	2013		2014	
STATE	Veracruz	Michoacán	Veracruz	Michoacán
Month				
January	5.17		4.14	

February	5.32		4.10	
March	5.67		4.44	
April	5.80		4.82	5.07
May				5.23
June				5.34
July		5.18		5.66
August		5.38		6.00
September		5.30		5.51
October	4.73	4.99		5.02
November	4.60		4.50	4.85
December	4.53		4.58*	

Source: Servicio Nacional de Información de Mercados
Avr. exchange rate for 2012 US$1.00 = $ 13.15 pesos
Avr. exchange rate for 2013 US$1.00 = $ 12.76 pesos
exchange rate December 15, 2014 US$1.00 = $ 14.66 pesos
**As 2nd Week Dec 2014*