

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Required Report - public distribution

Date: 11/1/2016

GAIN Report Number: MX6036

Mexico

Fresh Deciduous Fruit Annual

2016

Approved By:

Lloyd Harbert

Prepared By:

Dulce Flores, Vanessa Salcido, Lourdes Castellanos, and Jose Castellanos

Report Highlights:

Apple production in Mexico for marketing year (MY) 2016/17 (August/July) is forecast at 730,000 metric tons (MT), a smaller crop compared to MY 2015/16 due to weather issues. Total pear imports for MY 2016/17 (July/June) are forecast to be lower compared to MY 2015/16 due to expected lower demand. Total Mexican table grape production for MY 2016/17 (May/April) is forecast at 280,000 MT. Grape exports are expected to decrease to about 156,000 MT for MY 2016/17. The United States remains the major supplier of deciduous fruits to Mexico.

APPLES, FRESH

Area:

New/Post total area planted for MY 2016/17 is forecast to decrease marginally from New/Post MY 2015/16 area, as increases in some states are offset by decreases in other areas. New/Post planted and harvested areas for MY 2015/16 were revised downward based on official estimates from the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA). States like Coahuila, Durango, and Puebla have decreased area planted from MY 2015/16 to MY 2016/17 as producers are discouraged from continuing with the crop due to problems with marketing domestic apples. New/Post area planted and harvested for MY 2014/15 are revised marginally upward from previous estimates based on official data. Almost 43 percent of the area in Mexico is planted with the Golden Delicious variety and 34 percent with the Red Delicious variety. The state of Chihuahua accounts for 47 percent of total area planted in Mexico, of which, 60 percent is planted with the Golden Delicious variety and 34 percent with the Red Delicious variety. Durango accounts for 16 percent, Puebla accounts for 15 percent, and Coahuila accounts for 10 percent of planted area. Growers indicated that Mexico's planted area is not expected to expand much due to higher costs of production, limited credit availability, water scarcity, and limited market expansion. Mexico's main harvest season is between August and October.

According to producers, the Gala variety comprises about five percent of the total planted area in Mexico. New crop Gala and Golden Supreme varieties from Chihuahua enter the market in mid-August. Near the end of August, the Red Delicious apple harvest starts. Golden Delicious apples are harvested in September. Rome Beauty apples are usually harvested in early October, and all harvesting in the state of Chihuahua is completed by the end of October. Producers in Chihuahua generally use more advanced production technology than in other states, resulting in higher-quality apples. Industry sources report that large-scale and technologically sophisticated growers in Chihuahua are renewing old orchards and planting with greater tree densities. There is also more investment in hail protection and in cold storage facilities using controlled atmosphere technology. According to growers, more than 60 percent of the apple area in Chihuahua has irrigation infrastructure, via sprinklers, micro sprinklers, and drip irrigation. Most areas in Durango are also irrigated.

In order to remain competitive, large producers in Chihuahua continue replacing a number of older orchards with higher yielding (about 80 MT/hectare (Ha)) and higher density apple trees (1,000 trees/Ha or more). The remainder of the apple producing area is planted at more traditional spacing of 350-400 trees per hectare. Smaller producers tend to remain with the same area density as they cannot afford to invest. High-density production accounts for approximately 30 percent of Chihuahua's planted area.

Production:

Official production estimates for apple production for MY 2016/17 (August/July) are at about 770,000 MT. However, due to weather problems Post estimates apple production in Mexico for MY 2016/17 at 730,000 metric tons (MT). Average yields are forecast at about 13 MT/Ha. The state of Chihuahua, the main apple producing state, is expected to have a crop of about 550,000 MT to 580,000 MT for MY 2016/17. Due to weather issues and hail for MY 2016/17, the apple crop in Chihuahua is expected to be slightly lower and is expected to have smaller-sized apples compared to MY 2015/16. Yields in Chihuahua are usually the highest in the country and average between 15-25 MT/Ha or more for well-tended orchards. The state of Durango, the second-largest producing state, is expected to have a slightly lower crop from last MY 2015/16 or about 64,000 MT. The state of Coahuila, the third-ranking apple

producing state, is expected to have an average of 31,000 MT for MY 2016/17. The state of Puebla, the fourth-largest apple producing state is expected to have 39,000 MT of apple production for MY 2016/17.

Table 1. Mexico: Apple Production for Selected States
Metric Tons

Apple Production	MY 2014/15	MY 2015/16
Chihuahua	551,466	593,937
Durango	65,615	66,131
Coahuila	35,416	26,224
Puebla	32,474	33,703
Total Mexico	716,864	750,324

Source: Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food./ Agrifood and Fisheries Information System. (Secretaria de Agricultura, Ganaderia, Desarrollo Rural, Pesca y Alimentacion./ Servicio de Informacion Agroalimentaria y Pesquera) -SAGARPA/SIAP

The New/Post apple production estimate for MY 2015/16 is revised upward from previous estimates to 750,324 MT as Chihuahua had a larger crop than expected due to better weather conditions. The national average yield for MY 2015/16 is estimated at 13.6 MT/Ha. The New/Post apple production data for MY 2014/15 is revised slightly downwards based on official estimates from the Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA). There is no official information on non-commercial apple production.

Consumption:

New/Post domestic consumption for MY 2016/17 is forecast down at 823,000 MT due to an expected lower demand. This will, however, depend on international prices and the depreciation of the peso against the dollar that will increase prices for imported fruit. In fact, the wholesale markets are expecting more expensive fruit from both the domestic and international markets. Retailers are also observing that consumers are buying less quantity of fruit due to prices. New/Post apple consumption estimates for MY 2015/16 were revised upward from previous estimates due to strong demand at good prices. New/Post apple consumption estimates for MY 2014/15 were revised marginally downward from previous estimates.

Four varieties continue to dominate the Mexican market, and account for 98 percent of the imported volume to date: 39 percent Red Delicious, 30 percent Gala, 22 percent Golden Delicious, 7 percent Granny Smith, and 2 percent Fuji and other varieties. Mexican consumers prefer the Red and Golden Delicious varieties and have developed a strong preference for the Gala variety. According to industry, consumption of apples is driven by the retail sector which represents 54 percent of domestic consumption. There is no official information on apple per capita consumption.

Apple varieties like Rome Beauty, Jonagold, and Pink Lady are being imported at much smaller quantities, based on consumer preferences. While Mexican consumers like the size and color of U.S. apples, Mexican apples are considered sweeter. The U.S. apple industry will continue to face limited competition in Mexico from other countries such as Chile. Apples from other countries like New Zealand, China, and Canada can be found in the market at very small volumes.

Apples for processing are destined mostly to the juice processing plants. Apples are sold at very cheap prices. Producers tend to sell all they can to the fresh market first. There is no official information as to the amount of apples destined to the industry. Growers indicate that about 13 or 14 percent of the crop is for processing.

Trade:

New/Post estimates for apple imports for MY 2016/17 are forecast to be lower compared to MY 2015/16 imports due to the depreciation of the peso against the dollar. Importers are worried because the swings in exchange rates do not allow for large quantity imports, and are buying fruit in lower amounts. New/Post apple imports for MY 2015/16 were revised upward from previous estimates due to better demand than expected for apples; however, still representing a 30 percent decrease compared to MY 2014/15, due to the exchange rate and the antidumping duties imposed on U.S. apples. New/Post apple imports for MY 2014/15 were revised slightly downwards from previous estimates based on Global Trade Atlas (GTA) trade data.

According to GTA, more than 65 percent of apples are imported into Mexico during the months of January/July. Traders indicate that they expect demand will continue in this period as end consumers are used to having apples year round. More than 95 percent of Mexico’s apple imports originate from the United States’ west coast, and it is expected that this trend will continue. Washington-origin apples account for 85 percent of U.S. exports to Mexico, with California, Michigan, and Virginia supplying the remainder. Canadian apples are imported from November to January and Chilean apples are typically imported from March to June. Mexican apples are marketed from September through December

Mexican apple exports are almost residual, and Belize has been the main importer for the last few years. Mexico exported 1,484 MT of apples to the United States for MY 2015/16. These apples come from a limited number of counties in the state of Chihuahua that are recognized as fruit fly free zone by USDA Animal and Plant Health Inspection Service.

Table 2.- Trade Matrix Apples

Apples	H.S. 0808.10	Unit: Metric Tons	
Exports for MY 2014/15 (Aug-Jul) to:		Imports for MY 2014/15 (Aug-Jul) from:	
U.S.	9	U.S.	310,967
Costa Rica	0	Chile	1,744
Belize	258	Canada	1,244

Other	46	Other	126
TOTAL	313	TOTAL	314,081
Source: Global Trade Atlas			

Apples	H.S. 0808.10	Unit: Metric Tons	
Exports for MY 2015/16 (Aug-Jul)	to:	Imports for MY 2015/16 (Aug-Jul) from:	
U.S.	1,132	U.S.	212,891
Costa Rica	0	Chile	3,739
Belize	263	Canada	450
Other	89	Other	730
TOTAL	1,484	TOTAL	217,810
Source: Global Trade Atlas			

Policy:

The Mexican government has established several agricultural protocols and agreements with the Chinese government and only initial test shipments have begun. Among the products to be imported from China are fruits and vegetables, including apples. The domestic industry does not anticipate significant competition since the main apple variety from China, Fuji, is still not widely accepted by domestic consumers.

Antidumping Petition against the United States

The Regional Fruit Producers Association from the State of Chihuahua (UNIFRUT) requested an antidumping (AD) duty investigation against the producers and exporters of apples from the United States in 2014 because they believed that U.S. apples were sold in Mexico below the cost of production in detriment to the growers in Chihuahua. On December 4, 2014, Mexico announced the initiation of an AD duty investigation on imports of apples from the United States. The Mexican government reached a preliminary resolution and on [January 6, 2016](#), it published the preliminary duties. The Mexican government requested provisional duty payments that ranged from zero percent to 20.82 percent, effective January 7, 2016.

On June 7, 2016, the Secretariat of Economy (SE) published in the *Diario Oficial* (Federal Register), the [final resolution](#) on the antidumping investigation against imported U.S. apples. The Mexican government decided to conclude the investigation and the provisional compensatory quotas were revoked. Based on the results of the analysis of the arguments and evidence described in this resolution, SE concluded that although there were elements that supported during the investigation period, imports of apples originating in the United States were conducted in conditions of price discrimination (less than fair value), they could not be the cause of the alleged injury to the domestic industry, so that the elements required to establish the existence of an unfair international trade practice [i.e., dumping] in terms of the applicable legislation were not met.

Tariffs:

Under NAFTA, tariffs on U.S. and Canadian apples were eliminated on January 1, 2003. Under the Chile-Mexico Free Trade Agreement, imported Chilean apples began to enter duty free as of January 1, 2006. Apples from other countries are subject to a 20 percent duty. Apple HS code is 080810.

Prices:

Growers are selling current production MY 2016/17 at about US\$0.44/kg and believe they can increase prices by the end of the year. The cost of production for MY 2016/17 is estimated at US \$0.32/kg. Production costs will tend towards the higher end of the estimate (or surpass it) if growers have frost protection equipment and new irrigation systems. According to producers, electricity, fuel, and packing costs (the last of which depend on foreign inputs like imported boxes and wax cartons), continue to rise compared to previous years. Part of the current crop that has been harvested in Chihuahua is now in cold storage in order to manage prices.

According to the National Service of Market Information ([SNIIM](#)), wholesale domestic prices during MY 2015/16 were higher compared to prices in 2014/15. Growers are expecting that prices will also increase for MY 2016/17. Wholesale domestic Golden Delicious apple prices were on average U.S. \$1.42/kg (MX\$27.36/kg) in October 2016, while prices in October 2015 were about U.S. \$1.13/kg (MX\$18.85/kg). Wholesale domestic Red Delicious apple prices were about U.S. \$1.42/kg (MX\$27.36/kg) in October 2016, while in October 2015 they were U.S. \$1.11/kg (MX\$18.68/kg). It is important to consider that the Mexican peso value against the dollar was on average \$16.58 pesos per dollar in October 2015, and \$19.19 pesos per dollar in October 2016.

Table 3. Mexico -Average Monthly Wholesale Apple Import Prices			
Red Delicious	Pesos/kilogram		
Month	2015	2016	% Change
January	23.52	32.29	37.28
February	23.52	31.05	32.01
March	23.19	31.09	34.06
April	22.73	30.94	36.11
May	20.18	31.97	58.42

June	20.24	32.12	58.69
July	21.69	31.41	44.81
August	23.53	32.94	33.99
September	22.38	34.00	51.92
October	22.00	36.76*	67.09
November	24.48		
December	28.00		
CIF-Mexico City Source: Servicio Nacional de Información de Mercados 2015 Exchange Rate Avg.: U.S.\$1.00 = 15.85 Pesos October 12, 2016 Exchange Rate: U.S.\$1.00 = 19.19 Pesos *October 12, 2016			

Table 4: Mexico -Average Monthly Wholesale Apple Domestic Prices			
Red Delicious	Pesos/kilogram		
Month	2015	2016	% Change
January	18.42	21.21	15.14
February	18.94	22.42	18.37
March	18.92	24.28	28.32
April	18.63	26.94	44.60
May			
June			
July			
August			
September	18.68		
		27.36*	44.45
November	18.94		
December	19.57		
CIF-Mexico City Source: Servicio Nacional de Información de Mercados 2015 Exchange Rate Avg.: U.S.\$1.00 = 15.85 Pesos October 12, 2016 Exchange Rate: U.S.\$1.00 = 19.19 Pesos *October 12, 2016			

PEARS, FRESH

Area:

Area planted has fluctuated from 4,000 to 4,500 hectares in the last few years. Producers are not investing in more production and have been producing more or less the same volumes in the same area. Some growers, however, have started to experiment with planting more disease-resistant and longer shelf-life varieties. Area planted and harvested for MY 2016/17 is not expected to change much from the previous year. Planted and harvested area for MY 2015/16 was revised marginally downwards from previous estimates, according to official data from SAGARPA. Planted area for MY 2014/15 was

revised marginally downwards from previous estimates, while area harvested was revised marginally upwards based on official data.

Production:

Mexico's New/Post pear production forecast for MY 2016/17 (July/June) is 25,000 MT, based on official estimates, a 1.3 percent increase from MY 2015/16 due to expected good weather conditions. Pear production is not expected to show significant increases in the near future, as growers are not heavily investing in this crop due to the high cost of production. New/Post pear production for MY 2015/16 is revised slightly downward from previous estimates based on official data. Pear production for MY 2014/15 is revised marginally upward from previous estimates based on official data. Pear yields for MY 2015/16 increased to 5.9 MT/Ha from the 5.7 MT/Ha that prevailed in MY 2014/15.

Approximately 86 percent of the pear planted area is rain-fed. Michoacán, Puebla, and Morelos are Mexico's major pear producing states and account for 76 percent of total Mexican production. Morelos starts harvesting in June, Michoacan starts harvesting during June/July, while Puebla begins in August/September. Lack of investment, high costs of production, scarce water supplies in pear producing regions, and disease problems have limited domestic production growth. Due to limited scales of production, Mexican pears are sold almost exclusively through local markets, with very few sold in supermarkets. The most popular Mexican pear varieties among Mexican consumers are the Kiefer variety, better known as Pera Piña, and the Paraiso variety. There is no official information on non-commercial pear production.

Consumption:

Domestic demand is satisfied mainly by imports from the United States, which represent about 75 percent of total supply. New/Post pear consumption for MY 2016/17 is expected to decrease compared to MY 2015/16, due to expected lower consumer purchasing power and expected higher import prices. Also, the peso exchange rate against the dollar is increasing imported pear prices. New/Post pear consumption for MY 2015/16 was lower than expected, due to weaker international demand and higher than expected consumer prices. New/Post pear consumption for MY 2014/15 had a marginal increase over previous estimates due to good demand and good pear prices for consumers. Pears are available to consumers year round, mainly from Oregon and Washington states. Anjou pears continue to be the most sought-after variety in the market followed by Bosc, Bartlett, and Red Anjou varieties. In 2015, traders indicated that per capita pear consumption was about 2 pounds. There is no official information as to the amount of pears destined to the industry. Growers indicate that about 16 to 17 percent of the crop is destined to processing.

Trade:

Pear imports for MY 2016/17 are forecast to be slightly lower compared to imports in MY 2015/16 due to a lower demand as imported pear prices are expected to be higher. The U.S. crop is expected to be smaller compared to the previous year. New/Post pear imports for MY 2015/16 are revised downward from previous estimates due to a lower international demand than expected at higher prices. New/Post pear import estimates for MY 2014/15 are revised marginally downward from previous estimates still representing a good demand, as prices were still good, not as affected by swings in the exchange rate. Sizes for imported pears in MY 2016/17 are expected to be large and of good quality which could help for the marketing of the fruit.

U.S. Anjou pear import season is from September to July, although cold storage facilities in Mexico and the United States provide year-round availability. U.S. Bartlett pear import season is from August through February, again with cold storage facilitating year-round availability. The United States is by far the largest and most important supplier of pears in Mexico, with a market share of 95 percent, followed by Argentina with 3 percent, Chile with 1 percent and China with the remaining 0.3 percent. The presence of Chilean and Argentinean pears is limited in the Mexican market. When available in Mexico, they are of fair to good quality and are usually priced lower than U.S. pears. The import trend, however, has been decreasing for the last three years for Chilean and Argentinian pears. Mexican pear exports are residual and Belize has been the principal importer for the last few years. The export forecast for pears for MY 2016/17 is 50 MT. Belize imported 31 MT during MY 2014/15 and 35 MT during MY 2015/16. China has been exporting pears to the Mexican market recently, but volumes are not significant.

Table 5.- Trade Matrix Pears

Pears H.S. 0808.30		Unit: Metric Tons	
Exports for MY 2014/15 (Jul-Jun) to:		Imports for MY 2014/15 (Jul-Jun) from:	
U.S.	0	U.S.	81,158
Belize	31	Argentina	2,828
		Chile	788
Other	0	Other	81
TOTAL	31	TOTAL	84,855
Source: Global Trade Atlas			

Pears H.S. 0808.30		Unit: Metric Tons	
Exports for MY 2015/16 (Jul-Jun) to:		Imports for MY 2015/16 (Jul-Jun) from:	
U.S.	14	U.S.	73,676
Belize	35	Argentina	2,141
		Chile	869
Source: Global Trade Atlas			

Tariffs:

Under various trade agreements, the import duty on pears from the United States, Chile, and Argentina is zero. All other countries is 20 percent. The pear HS code is 080830.

Prices:

Although demand is expected to be good for pears, MY 2016/17 imported pear prices are expected to be higher, also the peso/dollar exchange rate is expected to increase prices. Wholesale Anjou pears were priced ranging from U.S. \$33.56 in February 2016 to U.S. \$43.78 in June 2016 per 19-kg box. Anjou pears were about U.S. \$46 per box in October 2016.

Table 6: Mexico -Average Monthly Wholesale Pear Import Prices			
D'ANJOU		Pesos/kilogram	
Month	2015	2016	% Change
January	25.35	31.45	24.06

February	25.53	32.25	26.32
March	25.54	33.24	30.14
April	24.97	36.84	47.53
May	25.21	39.03	54.81
June	24.97	41.94	67.96
July	25.52	45.57	78.56
August	30.29	47.44	56.61
September	31.29	47.56	51.99
October	30.45	46.94*	54.15
November	30.27		
December	31.07		
CIF-Mexico City Source: Servicio Nacional de Información de Mercados 2015 Exchange Rate Avg.: U.S.\$1.00 = 15.85 Pesos October 12, 2016 Exchange Rate: U.S.\$1.00 = 19.19 Pesos *October 12, 2016			

FRESH TABLE GRAPES

Area:

The state of Sonora accounts for approximately 90 percent of total table grape production in Mexico and 86 percent of the total planted area. Area planted for MY 2016/17 is forecast to increase slightly to 19,200 Ha. Growth in planted area is limited in Sonora as production costs are high and water is scarce. Producers are getting rid of old areas and establishing new areas with new technology to increase yields. Sonora has been losing vineyards due to higher costs of production as well as unfavorable weather; however, planted area in the state has been fluctuating between 14,100 and 16,000 hectares. Sonora growers have increased technological innovations and higher density planting, achieving higher yields compared to other growing regions. Producers indicate that expansion is limited mainly because of water scarcity in Sonora aquifers. As a result, producers are trying to increase yields and become more efficient rather than increase acreage. Market and growing conditions are favorable but water scarcity continues to limit aggressive expansion in Sonora as all table grape area is irrigated. On the other hand, Zacatecas grew from 1,500 Ha in MY 2013/14 to 1,765 Ha in MY 2015/16, and Queretaro grew from 236 Ha to 258 Ha in the same period of time. The national average yield for MY 2015/16 was 15.75 MT/Ha, higher than the MY 2014/15 yields of 14.8 MT/Ha. Yields for MY 2016/17 are expected at about 15.5 MT/Ha.

Yields for Sonora are between 14 and 18 MT/Ha. According to growers, there are 2,500 plants per hectare on average, producing an 8.2 kg/box per plant. These yields change depending on the plant variety and cultivation methods. Baja California, on the other hand, has increased planted area as producers consider this region to have better weather conditions. Baja California is the third most important growing area and exports substantially all of its production. Most of the table grape production from the states of Zacatecas, Guanajuato, and Queretaro are destined for local markets. New/Post planted and harvested areas for MY 2015/16 is revised slightly upward from previous estimates based on SAGARPA data. According to producers, the states of Guanajuato, Queretaro, Zacatecas, and San Luis Potosi planted new areas with table grapes for the domestic market. Area

planted for MY 2014/15 is revised slightly upward and harvested area is revised downward marginally based on official estimates.

Production:

Total Mexican table grape production for MY 2016/17 (May/April) is forecast at 280,000 MT, a marginal decrease from MY 2015/16, but still considered a good production. According to producers, temperatures were ideal for grape growth and maturation. Harvesting begins in May and typically ends in July for the state of Sonora, the largest producer. Table grape production in Zacatecas, the second-largest producing state, is expected to be good. Harvest is usually between July and October. Baja California and other states harvest from June to August. Total production is sometimes difficult to determine since price relationships between table grapes, raisin grapes, and industrial grapes attract more grapes into or out of each market. New/Post production estimates for MY 2015/16 is revised upward and MY 2014/15 is revised marginally downward based on official estimates. Some of the main grape varieties that Mexico produces include Perlette, Flame, Sugraone, and Red Globe. There is no official information on non-commercial table grapes production.

Table 7. Mexico: Table Grape Production for Selected States
Metric Tons

Grape Production	MY 2014/15	MY 2015/16
Sonora	219,939	248,870
Zacatecas	18,556	23,460
Baja California	4,820	5,352
Queretaro	2,009	2,130
Total Mexico	246,858	282,000
Source: SAGARPA/SIAP		

Consumption:

The volume of Mexican grapes on the local market depends on export volumes, as producers tend to supply the international market before the domestic market. The local market, however, is supplied by certain Mexican states as well as from the United States and Chile. Table grape consumption for MY 2016/17 is forecast at 188,000 MT as local demand is expected to be good. However, prices for imported product have increased for 2016. New/Post consumption estimates for MY 2015/16 are revised upward from previous estimates due to higher demand and good prices. New/Post consumption estimates for May 2014/15 are revised marginally downward from previous estimates. The consumer has grapes almost year round as domestic and imported product cover demand. U.S. Globe and Thompson varieties remain among the most popular in Mexico. Domestic product is more price accessible than imported product.

The strategy of using in-store promotions to motivate the trade to promote California grapes has been effective. In-store activities such as California grape sampling have differentiated California grapes from competing grapes in the targeted modern retail sector.

Trade:

According to traders, table grape imports for MY 2016/17 are forecast to be lower compared to MY 2015/16, or approximately 64,000 MT. Although demand is expected to be good, prices are expected to lower demand. Table grape imports for MY 2015/16 are revised downward due to lower than expected demand. Grape imports for MY 2014/15 are revised marginally downwards from previous estimates based on GTA trade data.

While Chilean grape production is primarily counter-seasonal to U.S. production, some Chilean grapes are also available during California’s early and late season, when they compete directly in the Mexican market. U.S. suppliers export to Mexico from August to December and from January to February— before and after the Mexican season. Chile usually exports from January to April. The United States remains the leading supplier of fresh grapes to Mexico, with approximately 70-75 percent of total imports coming from the United States. Chilean grapes represented about 20 percent of total imports for MY 2015/16, less than the two previous years when imports represented 23 to 25 percent. Imports of Chilean grapes for MY 2016/17 are expected to remain similar to MY 2015/16 imports due to expected higher prices.

According to GTA data, Mexican table grape exports in MY 2016/17 are forecast to be slightly lower compared to MY 2015/16, but will still reflect strong international demand at good prices. New/Post exports for MY 2015/16 are revised slightly upward, while MY 2014/15 exports are revised marginally downwards from previous estimates. Most of Mexico’s table grapes are exported to the United States.

Table 8.- Table Grapes Trade Matrix

Table grapes	H.S. 0806.10	Unit: Metric Tons	
Exports for MY 2014/15	(May-Apr) to:	Imports for MY 2014/15 (May-Apr) from:	
U.S.	150,491	U.S.	50,830
Costa Rica	372	Chile	17,218
Other		Other	413
TOTAL	151,894	TOTAL	68,461
Source: Global Trade Atlas			

Table grapes	H.S. 0806.10	Unit: Metric Tons	
Exports for MY 2015/16	(May-Apr) to:	Imports for MY 2015/16 (May-Apr) from:	
U.S.	161,745	U.S.	48,195
Costa Rica	627	Chile	12,894
Other	1,210	Other	5,378

TOTAL	163,582	TOTAL	66,467
Source: Global Trade Atlas			

Policy:

U.S. table grapes may only be imported into Mexico from California due to phytosanitary restrictions that prohibit imports from other U.S. states.

Tariffs:

Under their respective trade agreements, the import duty on grapes from the United States, Chile and Peru is zero. Table grapes HS code is 080610.

The Mexico–European Union (EU) Trade Agreement, signed in 2000, allows Mexican table grapes to be imported into the EU duty free, beginning in 2008. Mexico has not taken full advantage of this agreement since most of its grapes are being exported to the United States are said to be a more profitable market.

Prices:

Although demand is expected to be good for table grapes, prices are expected to be higher compared to MY 2015/16 prices. Similar to other imported fruit, importers are being very cautious, as the continuing depreciation of the peso against the dollar does not allow them to import in large quantities at a time and must import in smaller quantities, slowing down the market.

Most of Mexico’s table grapes are exported to the United States. Growers indicated that free on board (FOB) export prices early in May 2016 began at about U.S. \$45 to \$48 per 8-kg box of Perlettes compared to U.S. \$28 per 8-kg box of Perlettes in May 2015, and then fell to an average of U.S. \$24 at the end of June 2016. Flame seedless grapes began in May 2015 at a high of U.S. \$32 to \$43 per 8-kg box and then fell to an average of U.S. \$20 to \$24 per 8-kg box in mid-June 2016. These prices are higher than the traditional Mexican export prices of between U.S. \$14 and U.S. \$16 per box.

Globe	Pesos/kilogram		
Month	2015	2016	% Change
January	36.30	46.63	28.45
February	42.63	52.30	22.68
March	36.93	45.68	23.69
April	34.85	49.80	42.89
May	34.44	50.00	45.18
June	35.83	52.50	46.52
July			
August	34.18	51.97	52.04
September	33.50	49.25	47.01

October	35.20	45.00*	27.84
November	37.90		
December	40.41		
CIF-Mexico City Source: Servicio Nacional de Información de Mercados 2015 Exchange Rate Avg.: U.S.\$1.00 = 15.85 Pesos October 12, 2016 Exchange Rate: U.S.\$1.00 = 19.19 Pesos *October 12, 2016			

Production, Supply and Demand Data Statistics:

Table 10. Mexico Apple Production

Apples, Fresh Market Begin Year Mexico	2014/2015		2015/2016		2016/2017	
	Aug 2014		Aug 2015		Aug 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	60400	60410	60000	59811	0	59500
Area Harvested	55400	55447	56000	55120	0	55100
Bearing Trees	12700	12697	12800	12622	0	12618
Non-Bearing Trees	1100	1136	900	1074	0	1007
Total Trees	13800	13833	13700	13696	0	13625
Commercial Production	714900	714865	698000	748324	0	728000
Non-Comm. Production	2000	2000	2000	2000	0	2000
Production	716900	716865	700000	750324	0	730000
Imports	314100	314081	215000	217810	0	190000
Total Supply	1031000	1030946	915000	968134	0	920000
Fresh Dom. Consumption	936700	936633	823700	869650	0	823000
Exports	300	313	300	1484	0	1000
For Processing	94000	94000	91000	97000	0	96000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	1031000	1030946	915000	968134	0	920000
(HA) ,(1000 TREES) ,(MT)						

Table 11. Mexico Pear Production

Pears, Fresh Market Begin Year Mexico	2014/2015		2015/2016		2016/2017	
	Jul 2014		Jul 2015		Jul 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	4500	4464	4500	4392	0	4360
Area Harvested	4200	4239	4200	4136	0	4130
Bearing Trees	900	882	900	860	0	860
Non-Bearing Trees	50	47	50	53	0	48
Total Trees	950	929	950	913	0	908
Commercial Production	23400	23444	24000	23679	0	24000
Non-Comm. Production	1000	1000	1000	1000	0	1000
Production	24400	24444	25000	24679	0	25000
Imports	84900	84855	81000	76915	0	73000
Total Supply	109300	109299	106000	101594	0	98000
Fresh Dom. Consumption	105250	105268	101950	97546	0	93800
Exports	50	31	50	48	0	50
For Processing	4000	4000	4000	4000	0	4150
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	109300	109299	106000	101594	0	98000

(HA) ,(1000 TREES) ,(MT)

Table 12. Mexico Table Grape Production

Grapes, Fresh Market Begin Year Mexico	2014/2015		2015/2016		2016/2017	
	May 2014		May 2015		May 2016	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	18200	18243	18300	19171	0	19200
Area Harvested	16700	16683	16700	17899	0	18000
Commercial Production	245900	245858	255000	281000	0	279000
Non-Comm. Production	1000	1000	1000	1000	0	1000
Production	246900	246858	256000	282000	0	280000
Imports	68500	68461	70000	66467	0	64000
Total Supply	315400	315319	326000	348467	0	344000
Fresh Dom. Consumption	163500	163425	163000	184885	0	188000
Exports	151900	151894	163000	163582	0	156000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	315400	315319	326000	348467	0	344000

(HA) ,(MT)

**Table 13. Mexico: Monthly Exchange Rate
Averages for 2012-2016
MX Pesos per U.S. \$1.00**

	2012	2013	2014	2015	2016
January	13.46	12.71	13.20	14.68	18.02
February	12.79	12.69	13.28	14.92	18.47
March	12.75	12.54	13.20	15.21	17.69
April	13.05	12.21	13.06	15.22	17.49
May	13.60	12.95	12.93	15.26	18.09
June	13.94	12.94	12.99	15.46	18.12
July	13.37	12.77	12.97	15.92	18.58
August	13.18	12.89	13.14	16.50	18.47
September	12.95	13.08	13.21	16.85	19.16
October	12.88	13.00	13.47	16.58	19.19*
November	13.08	13.07	13.59	16.63	
December	12.86	13.00	14.47	17.03	
Annual Avg	13.15	12.76	13.29	15.85	
Source: Mexican Federal Register Note: Monthly rates are averages of daily exchange rates from the Banco de Mexico (Bank of Mexico) *As of 3 ^{er} week of October 2016					