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Mexico

Fresh Deciduous Fruit Annual

Drought Hits Mexican Apple Production

Approved By:
Erik W. Hansen

Prepared By:
Dulce Flores

Report Highlights:
Apple production in Mexico for MY 2012/13 (August/July) is forecast at 430,000 metric tons (MT), a 30 percent reduction compared to last marketing year as a result of dry weather in the main production states. Total pear production is forecast at 25,300 MT for MY 2012/13 (July/June) - a marginal increase from MY 2011/12. Total Mexican table grape production for MY 2012/13 (May/April) is forecast to reach 215,000 MT, higher compared to MY 2011/12 production as cold hours and temperature were good during the growing season. Imports and exports are also expected to be up slightly. The United States remains the major supplier of deciduous fruits to Mexico. Retaliatory duties imposed on U.S. deciduous fruit were removed on October 21, 2011, which resulted in demand growth for these commodities.

Commodities:
Apples, Fresh
Pears, Fresh
Grapes, Table, Fresh

FRESH APPLES

PRODUCTION

Apple production in Mexico for MY 2012/13 (August/July) is forecast at 430,000 metric tons (MT), significantly lower than New/Post MY 2011/12 production estimates, as a result of dry weather and atypical frost in the main producer states during February and March 2012. Average yields are also forecast down significantly at 8.9 MT/hectare (Ha). Apple production in the state of Chihuahua, the major apple producing state in Mexico, is expected to be down 50 percent, or about 220,000 MT, with most apples of a smaller size (See table A). The state of Durango, the second largest production state, had a loss of approximately 20 percent and production is expected to be close to 53,000 MT. The state of Coahuila, the third ranked apple producer, had a lower loss of about 15 percent, with production expected to be close to 50,000 MT. The state of Puebla, the fourth largest apple producing state, had an approximate loss of 50 percent and will produce about 19,000 MT.

Table A. Mexico: Apple production for selected States (MT)

Apple Production	MY 2010/11	MY 2011/12
Chihuahua	398,155	462,180
Durango	47,794	64,559
Coahuila	59,653	36,984
Puebla	39,554	27,451
Total Mexico	**584,655**	**630,533**
Source: SAGARPA/SIAP		

Apple production estimates for MY 2011/12 were revised upward slightly from previous USDA/Official estimates due to good weather, the high production cycle, and good cold hours. The national average yield for MY 2011/12 was estimated at 11.09 MT/Ha. Yields in Chihuahua are usually the highest in the country and average between 15-19 MT/ha. Apple production data for MY 2010/11 was updated based on official data from the Secretariat of Agriculture (SAGARPA).

Total area planted for MY 2012/13 is forecast to increase marginally from New/Post MY 2011/12 area as increases in some states are offset by decreases in other areas. Planted and harvested area for MY 2010/11 and MY 2011/12 were updated based on official estimates from SAGARPA. The state of Chihuahua accounts for 43 percent of total area planted in Mexico, Durango accounts for 18 percent while Puebla accounts for 14 percent of planted area approximately. Growers indicated that Mexico's planted area is not expected to expand much due to higher costs of production, limited credit availability, and water scarcity.

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. Rome Beauty apples are usually harvested in early October and all harvest in the state of Chihuahua is completed by the end of October. Producers in Chihuahua generally use more advanced production technology than 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 cold storage facilities using controlled atmosphere technology and hail protection. According to growers, about 40 percent of the apple area in Chihuahua utilizes advanced technology.

Notwithstanding this year's weather, in general, yields are forecast to continue increasing due to greater planting density. In order to remain competitive, producers in Chihuahua continue replacing a number of older orchards with higher yielding (about 80 MT/ha) and higher density apple trees (800 trees/ha or more). In addition, they are using advanced technology and newer irrigation systems. According to data, almost 41 percent of the area in Mexico is planted with the Golden Delicious variety and 34 percent with the Red Delicious variety. For the state of Chihuahua, almost 60 percent of the area is planted with the Golden Delicious variety and 35 percent with the Red Delicious variety. The Gala variety comprises about five percent of the total Chihuahua planted area and continues to gain ground. High-density varieties account for approximately 30 percent of Chihuahua's planted area. The remainder of the apple producing area is planted at more traditional spacing of 200-300 trees per hectare. Most areas in Chihuahua and Durango are irrigated. This year, however, water supply from the dams was severely affected by the drought, curbing some farmers' ability to irrigate.

Costs of production typically range from U.S. $2,240 to $3,200 per hectare. Production costs will tend towards the higher end of the estimate 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. This marketing year also saw increased weather-related costs.

According to the National Service of Market Information (SNIIM), prices producers received during August 2012 were higher compared to prices in 2011. Domestic Golden Delicious apples were 19.3 percent higher in peso terms in August 2012 or about US$1.05 per kg (MX$13.92/kg), while in August 2011 prices were on average US$0.95 per kg (MX$11.66/kg). Domestic Red Delicious apple producer's prices were 17 percent higher in peso terms in September 2012 or about US$0.92 per kg (MX$12.14/kg) while in September 2011 prices were on average US$0.85 (MX$10.38/kg)

CONSUMPTION

Apple consumption for MY 2012/13 is forecast to decrease 20 percent compared to New/Post MY 2011/12 due to expected lower domestic supplies at higher prices and more expensive imported apples. Apple consumption for MY 2011/12 was revised upward from previous USDA/Official estimates as the retaliatory duty on U.S. imported apples was removed, allowing for more imported fruit at affordable prices. Apple consumption for MY 2010/11 was adjusted slightly downwards from previous USDA/Official estimates due to a lower demand.

TRADE

Apple imports for MY 2012/13 are forecast to decrease about 10 to 12 percent compared to USDA/Official imports of MY 2011/12 due to weather problems (except in the Pacific northwest) that affected the U.S. crop, resulting in higher prices for all apples. Traders indicate that demand will still be strong as end consumers are used to having apples year round. However, traders have to be cautious as the swings in the peso/dollar exchange and market prices for fruit could somewhat affect trade. As usual, most imports will come from the U.S. west coast, though this year, few apples are expected from

the east. Apple imports for MY 2011/12 were revised upward due to affordable import prices as a result of the removal of the 10 percent tariff on U.S. imported apples (October 14, 2011). Apple imports for MY 2010/11 were adjusted slightly downward based on available information from the Global Trade Atlas. (See reports MX MX1055 -Mexico Reduces Trucking Retaliation against agricultural Products and MX MX1076 - Mexico Eliminates Trucking Retaliation Tariffs Against Ag. Products)

More than 90 percent of Mexico's apple imports originate from the United States and it is expected that this trend will continue. Washington-origin apples account for 85% of U.S. exports with California, Michigan, and Virginia supplying the remainder. U.S. Red and Golden Delicious varieties continue to account for the bulk of U.S. apples exported to Mexico, however the Gala variety is also becoming important. 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 facing strong competition from other countries such as Chile and Canada.

Mexican apple exports are almost residual and Belize has been the main importer for the last few years. Belize imported 257 MT during MY 2010/11 and 316 MT during MY 2011/12. However, Mexico has always wanted to export to the U.S. and it seems that during MY 2011/12 it exported 242 MT to the U.S. during the months of September to November 2011. Apple exports have to come from certain fruit fly free counties recognized by APHIS in the state of Chihuahua.

POLICY

The NAFTA tariffs for U.S. and Canadian apples were completely lifted on January 1, 2003, bringing the duty to zero. 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. The Mexican government has established protocols and agreements with the Chinese government and 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 apple variety from China, Fuji, is still not widely accepted by domestic consumers.

MARKETING

The U.S. remains the leading provider of deciduous fruit in Mexico, such as apples, pears and grapes, as local production is not sufficient to address the domestic demand. The U.S. apple industry's continued marketing and promotional efforts have significantly contributed to the dominant position that U.S. apples have in Mexico. Strong U.S. apple import months are from January to May, although the United States starts shipping in smaller volumes in November. The retail market remains the primary channel of distribution for fresh apples in Mexico, representing around 95% of fresh apples consumed in the country. The food processing industry in Mexico is likely to increase consumption for apples as healthy trends lead to higher demand for naturally flavored fruit juices and cocktails. U.S. apples continue to maintain a consumer perception as a high quality, durable product that comes in a number of varieties and are known to be a healthy food that compliments the country's efforts to promote and follow a healthier lifestyle.

During the 2011-2012 season, four varieties accounted for 98% of Washington apples exports to Mexico: 43% Red Delicious, 30% Golden Delicious, 20% Gala, 4.5% Granny Smith, 0.3% Fuji and 1.9% other varieties.

The U.S. Fresh Fruits Promotional Campaign, a USDA Global Based Initiative (GBI) program, will begin its 3rd and final year in October of 2012, and last for several weeks. The Washington Apple Commission, Pear Bureau Northwest, and California Table Grape Commission, in collaboration with Lazy Town Entertainment, several major retail chains and wholesale groups in Mexico, and with the backing of the Mexican Secretariat of Health, will carry out a month-long point of sale campaign throughout Mexico. In October 2011 and April of 2012, Lazytown Fruits Promotional Campaign reported a 67% sales increase of Washington Apples, a 95% sales increase of USA Pears and 64% increase of California Grapes.

Canadian apples are imported from November to January and Chilean apples are typically imported from March to June. Chilean apples do not compete directly with Mexican apples since they do not enter the market at the height of Mexico's marketing year. Mexican apples are marketed from September through December, but many are kept in cold storage to be used during the early months of the year thus competing more directly with the United States.

Mexican consumers still prefer the Red and Golden Delicious varieties. Commercially, these two varieties have a competitive advantage over others because of their longer shelf life. Another variety widely demanded by consumers is Rome Beauty, which is mainly used for baking and cooking. Lately, the Royal Gala has become more attractive to Mexican consumers and can now be found in most supermarkets. Chilean producers are also marketing the Royal Gala variety in Mexico.

Mexican producers continue to increase market promotions. Chilean producers have also been working aggressively to penetrate the Mexican market, introducing several varietal characteristics in an effort to target different population groups. The Chilean promotion strategy focuses more on price than on quality.

At this moment there are no tariffs imposed on Washington Apples. The 2011-2012 marketing season finished with Mexico importing a total of 10,241,281 cartons, approximately 10.2% above the 2010-11 season. This is a strong finish considering that total Washington Apple exports are up just 1.9% globally, and other growing markets like India and Central America demanded larger volumes of fruit during the 2011-12 season.

FRESH PEARS

PRODUCTION

Mexico's pear production is relatively low so SAGARPA only publishes pear production data on an annual basis. Total pear production is forecast at 25,300 MT for MY 2012/13 (July/June) - a marginal increase from MY 2011/12. 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. Pear production for MY 2011/12 was revised upward from previous estimates as yields increased to 6.38

MT/Ha from 6.27 MT/Ha that prevailed in MY 2010/11, due to good weather conditions. Pear production for MY 2010/11was revised upward as some more acreage entered into production.

Approximately 87 percent of the pear planted area is rain fed. Michoacan, Puebla, and Morelos are Mexico's major pear producing states and account for 84 percent of total Mexican production. Lack of investment, high costs of production, scarce water supplies in pear producing regions, and disease problems have limited domestic production growth. However, some growers have started to experiment with planting more disease-resistant and longer shelf-life varieties. Area planted and harvested for MY 2012/13 is not expected to change much from the previous year. Planted area for MY 2011/12 was revised upward according to official data from SAGARPA as there has been some growth in the state of Chiapas. Climate change has forced some coffee producers in that state to adapt to a changing climate by reforesting with interplanted fruit trees like citrus and pear, or replant coffee areas with pear trees. However, these trees are not yet producing commercial fruit. Harvested area for MY 2011/12 was revised marginally downward from previous estimates as acreage was somewhat reduced in the states of Veracruz and Mexico.

Planted and harvested area for MY 2010/11 was revised upward according to official data from SAGARPA as there was more acreage planted in the states of Morelos and Mexico and more area entered into production in Michoacan and Morelos.

CONSUMPTION

Domestic demand is satisfied mainly by imports from the United States which represent about 80 percent of total supply. Pear consumption for MY 2012/13 is forecast to be down four or five percent as imported pears are expected to be priced higher due to the tight supply situation in the U.S. Pear consumption for MY 2011/12 increased from previous USDA/Official estimates due to better demand resulting from the removal of the tariff in place on U.S. imported pears. Pear consumption estimates for 2010/11 were revised slightly downward from USDA/Official estimates as demand was lower than expected due to the retaliation tariff.

TRADE

Pear imports for MY 2012/13 are forecast to decrease slightly compared to New/Post MY 2011/12 import estimates as U.S. supplies are expected to be lower and at higher prices. The swings in the peso/dollar exchange and market prices for fruit could also somewhat affect demand. Pear imports for MY 2011/12 increased significantly to 95,555 MT as the 10 percent retaliation tariff on U.S. imported pears was cancelled. Pear imports for MY 2010/11 were revised slightly upward based on Global Trade Atlas information. During MY 2010/11, demand was still affected by a 20 percent import tax. (See reports MX MX1055 -Mexico Reduces Trucking Retaliation against agricultural Products and MX MX1076 - Mexico Eliminates Trucking Retaliation Tariffs Against Ag. Products)

U.S. Bartlett pears are imported from July to September while U.S. Anjou pears are imported towards the end of September and October. The presence of Chilean and Argentinean pears is limited in the Mexican market but they are of fair to good quality and are usually priced lower than U.S. pears. Under different trade agreements, the import duty on pears from the United States, Chile, and Argentina is zero. China has been exporting pears to the Mexican market but volumes are not significant.

Mexican pear exports are residual and Belize has been the principle importer for the last few years. Belize imported 34 MT during MY 2010/11 and 35 MT during MY 2011/12.

MARKETING

As Mexico's main pear supplier, market promotion efforts for U.S. pears continue in several Mexican cities, supermarkets, and street markets. As noted above for apples, U.S. pears are also enjoying the benefits resulting from the additional promotional efforts provided through the USDA GBI-funded U.S. Fresh Fruits Promotional Campaign in Mexico. The primary channel of distribution and consumption for fresh pears in Mexico is the retail market, representing around 95% of fresh pears consumed in the country, followed by the foodservice and food processing industries. Pears are increasingly popular for use in juices, jams, cereals, breakfast bars, baby food, and baked goods. Pears, like apples, will continue to be popular among consumers as they are known to be a healthy food that fits into Mexico's shift towards healthier eating habits. According to traders, in-store promotions have helped increase sales. Most imported U.S.-origin pears are from Washington, Oregon, and California.

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.

The United States is by far the largest and most important supplier of imported pears in Mexico, with a market share of 90%, followed by Argentina with 8% of the market and Chile with the remaining 2%. The total Mexico pear market in 2011 was 103,389 MT with a per capita consumption of 2.14lb.

U.S. Anjou pears were priced at U.S. $38.02 per 18-kg box in August 2012 and by October 2012, were about U.S. $37.83 per box. Anjou pears continue to be the most sought after variety in the market followed by Bosc, Bartlett, and the Red Anjou varieties.

In 2011-12, Anjou exports to Mexico reached 2.9 million boxes, followed by Bosc with 224,796 boxes, Bartlett with 165,339 boxes, Red Anjou with 35,998 boxes, other Reds, Seckel and Concorde varieties with 11,780 boxes and Comice with 5,535 boxes, highlighting Mexico as a multi-variety market. The suspension of the import duty (20% for pears) has benefited volume imports for USA Pears.

In-store promotions for pears have always been popular with the trade, helping them to increase sales and teaching consumers about important aspects of the fruit, such as origin and the main characteristics of the different pear varieties.

FRESH TABLE GRAPES

PRODUCTION

Total Mexican table grape production for MY 2012/13 (May/April) is forecast to reach 215,000 MT, slightly higher compared to Post/New estimate from MY 2011/12 production as cold hours and temperature were good during the growing season. Harvesting began in May and typically ends in July

for Sonora. Baja California and others harvest from June to August. Total production is sometimes difficult to determine since price relationships among table grapes, raisin grapes, and industrial grapes attract more grapes into or out of each market. Production estimates for MY 2011/12 were revised downward from USDA/Official estimates to 198,307 MT as freezing temperatures in February 2011 affected the main production state of Sonora (see table B). Table grape production for MY 2010/11 was revised slightly upward based on official data from SAGARPA.

Table B. Mexico: Table grape production for selected states (MT)

Grape Production	MY 2010/11	MY 2011/12
Sonora	194,090	182,643
Zacatecas	13,033	8,603
Baja California	5,129	4,773
Queretaro	1,801	2,037
Total Mexico	**214,560**	**198,307**
Source: SAGARPA/SIAP		

Area planted for MY 2012/13 is forecast to increase only marginally from the Post/New MY 2011/12 estimated area. Growth in planted area is limited as production costs are high and water is scarce. Sonora has been losing vineyards due to higher costs of production as well as unfavorable weather; however planted area has been fluctuating between 14,100 and 15,000 hectares. Sonora growers have increased technological innovations and have higher density planting, achieving higher yields, compared to other growing regions. 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 and Queretaro are destined for local markets. Planted and harvested areas for MY 2011/12 were revised downward from previous USDA/Official estimates based on SAGARPA estimates. Both areas are down compared to New/Post MY 2010/11 estimates due to weather issues, area cutbacks in the states of Sonora and Queretaro, and adverse peso/dollar exchange rates. Planted area for MY 2010 was revised downward and harvested area was revised upward based on official data from SAGARPA.

The state of Sonora accounts for approximately 90 percent of the total production in Mexico for table grapes and 86 percent of the total planted area. Market and growing conditions are favorable but water scarcity continues to limit aggressive expansion in Sonora as all table grape area is irrigated. The national average yield for MY2012/13 is expected to remain high at 12.8 MT/ha due to expected good weather conditions. The average yield for MY 2011/12 was 12.07 MT/ha. Some of the main grape varieties that Mexico produces include Perlette, Flame, Sugraone, and Red Globe.

Costs of production in Mexico have been increasing in recent years. According to producers, average costs for 2012 were between U.S. $13,900/ha and U.S. $16,000/ha depending on the variety of grapes, use of fertilizers, and pest control systems. 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. High interest rates for credit lines also limit table grape

expansion. Producers' report that the only credit to which they have access comes from U.S. brokers and distributors who give advance payments for harvesting and packing of table grapes.

CONSUMPTION

The volume of Mexican grapes on the market depends on export volumes, as producers tend to supply the international market before the domestic market. Therefore, despite a rise in production, table grape consumption for MY 2012/13 is forecast at 127,200 MT, slightly lower compared to Post/New MY 2011/12, as strong prices in the U.S. are expected to reduce quantities of domestically produced grapes on the local market (See Trade below). However, there was an increase in consumption during MY 2011/12 of about 30 percent compared to MY 2010/11 consumption, due to the removal of the retaliatory tariff for U.S. table grapes. However, this increase was not as high as previously expected. MY 2010/11 consumption estimates were revised marginally upward from USDA/official estimates. Retaliatory tariffs were still in place and are discussed in further detail below.

TRADE

Table grape imports for MY 2012/13 are forecast to increase slightly to 78,000 MT or more due to expected good demand. However, as in other imported fruit, the swings in the peso/dollar exchange rate makes importers very cautious and trade can always slow down if the exchange rate increases price. Table grape imports for MY 2011/12 were revised upward from USDA/Official estimates due to greater demand. In fact, table grape imports grew 22 percent compared to MY 2010/11 due to the removal of the 10 percent import retaliation duties imposed on U.S. table grapes. Imports of table grapes for MY 2010/11 were adjusted downward based on the Global Trade Atlas. Retaliatory tariffs were lowered in that marketing year from 45 percent to 20 percent. (See reports MX MX1055 -Mexico Reduces Trucking Retaliation against agricultural Products and MX MX1076 - Mexico Eliminates Trucking Retaliation Tariffs Against Ag. Products)

Not only does Mexico grow grapes that compete in the early part of California's season, Mexico also imports from Chile. These grapes represent about 30 percent of total imports. Chile's grape production is primarily counter-seasonal but Chilean grapes are also available during California's early and late season. Under different trade agreements, the import duty on grapes from the United States and Chile has a zero tariff rate, and both the United States and Chile continue to increase exports to the Mexican market. According to traders, U.S. promotional efforts to export table grape varieties to Mexico, other than Red Globe or Thompson, show good results. U.S. table grapes may only be imported from California due to phytosanitary restrictions that prohibit imports from other U.S. states.

Mexican table grape exports in MY 2012/13 are forecast to increase compared to New/Post MY 2011/12 due to higher international demand and good international prices. Exports for MY 2011/12 were slightly revised downward from previous estimates reflecting lower international demand. Exports for MY 2010/11 were adjusted upward based on the Global Trade Atlas.

Most of Mexico's table grapes are exported to the United States. Growers indicated that free on board (FOB) export prices at the beginning of the season in May 2012 began at prices of about U.S. $46 to $48 per 8-kg box of Perlettes and then lowered to an average of U.S. $18 to $20 per 8-kg box in mid June 2012. Flame seedless grapes began in May 2012 at a high of U.S. $38 to $40 per 8-kg box and

then lowered to an average of U.S. $18 to $20 per 8-kg box in mid July. Mexican export prices usually range between U.S. $14-16/ box, confirming that 2012 prices were very good.

Although there is a little cross-over, there is no significant direct competition in Mexico between U.S. and Chilean table grapes. U.S. suppliers export to Mexico from January to February and from August to December - before and after the Mexican season. Chile usually exports from January to April and from June to July.

The Mexico–European Union (EU) Trade Agreement, signed in 2000, allows Mexican table grapes to be exported 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—a more profitable market.

MARKETING

The United States is expected to remain Mexico's main supplier of table grapes with 70% market share. U.S. promotional efforts to market different table grape varieties have resulted in an increase in exports to the Mexican market. Promotions are focused on the retail market where grapes are most widely distributed as well as in the wholesale market which also serves as a major channel for U.S. grape distribution.

U.S. grapes also participate in the Lazytown Fresh Fruits GBI campaign in Mexico, as mentioned above, which is in its third and final year. The October 2011and April 2012 Lazytown Fruits Promotional Campaign reported a 64% retail sales increase for grapes as a result of the promotion and led to very positive consumer perceptions regarding U.S. grapes. Grapes are perceived as a healthy and convenient snack, with very high popularity among younger consumers. Demand for and consumption of U.S. grapes in Mexico are expected to increase as consumers become more health conscience. While U.S. Globe and Thompson varieties remain among the most popular in Mexico, importers base their purchases on the variety which is offered at the best price while still containing a good sugar level. There are currently over 50 varieties of U.S. grapes that enter the market, depending on the season.

With the suspension of retaliatory tariffs in October 2011, California fresh grape exports to Mexico in 2011 exceeded pre-tariff levels. Volume was up 62 percent over 2010 with a value of U.S. $65 million, an increase of 105 percent over 2010, and 10 percent higher than the 2008 pre-tariff value of U.S. $58.9 million. In 2011, Mexico was once again a top three export market destination by volume for U.S. table grapes and ranked 4th by export value.

Production, Supply and Demand Data Statistics:

Table 1. Mexico Fresh Apple Production

Apples, Fresh Mexico	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Aug 2010		Market Year Begin: Aug 2011		Market Year Begin: Aug 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	61,000	61,219	60,535	61,292		61,350
Area Harvested	57,000	57,742	57,800	56,845		48,000
Bearing Trees	13,224	13,396	13,409	13,188		11,136
Non-Bearing Trees	928	810	635	1,036		3,083

Total Trees	14,152	14,206	14,044	14,224		14,219
Commercial Production	580,000	579,655	600,000	625,533		429,000
Non-Comm. Production	5,000	5,000	5,000	5,000		1,000
Production	585,000	**584,655**	605,000	**630,533**		**430,000**
Imports	213,500	**213,457**	190,000	**215,809**		**190,000**
Total Supply	798,500	798,112	795,000	846,342		620,000
Fresh Dom. Consumption	703,200	702,855	684,500	735,662		569,900
Exports	300	257	500	680		100
For Processing	95,000	95,000	110,000	110,000		50,000
Withdrawal From Market	0	0	0	0		0
Total Distribution	798,500	**798,112**	795,000	**846,342**		**620,000**
HA, 1000 TREES, MT						

Table 2. Mexico Fresh Pear Production

Pears, Fresh Mexico	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jul 2010		Market Year Begin: Jul 2011		Market Year Begin: Jul 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,820	4,712	4,220	4,478		4,480
Area Harvested	3,740	3,986	4,000	3,944		3,980
Bearing Trees	785	837	840	828		835
Non-Bearing Trees	17	48	46	86		78
Total Trees	802	885	886	914		913
Commercial Production	23,200	23,979	24,000	24,160		24,300
Non-Comm. Production	1,000	1,000	1,000	1,000		1,000
Production	24,200	24,979	25,000	25,160		25,300
Imports	74,500	**74,539**	80,000	**95,555**		**90,000**
Total Supply	98,700	99,518	105,000	120,715		115,300
Fresh Dom. Consumption	96,700	96,484	103,000	117,680		112,268
Exports	0	34	0	35		32
For Processing	2,000	3,000	2,000	3,000		3,000
Withdrawal From Market	0		0	0		0
Total Distribution	98,700	**99,518**	105,000	**120,715**		**115,300**
HA, 1000 TREES, MT						

Table 3. Mexico Grape Production

Grapes, Fresh Mexico	2010/2011		2011/2012		2012/2013	
	Market Year Begin: May 2010		Market Year Begin: May 2011		Market Year Begin: May 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted	18,700	17,088	17,100	16,541		16,700
Area Harvested	16,900	17,038	17,000	16,430		16,600
Commercial Production	213,500	213,560	209,000	197,307		214,000
Non-Comm. Production	1,000	1,000	1,000	1,000		1,000
Production	214,500	**214,560**	210,000	**198,307**		**215,000**
Imports	61,100	61,096	74,500	75,146		78,000
Total Supply	275,600	275,656	284,500	273,453		293,000
Fresh Dom. Consumption	104,300	104,347	146,900	135,871		127,200
Exports	171,300	**171,309**	137,600	**137,582**		**165,800**
For Processing	0	0	0	0		0
Withdrawal From Market	0	0	0	0		0
Total Distribution	275,600	**275,656**	284,500	**273,453**		**293,000**
HA, MT						

Table 4. Mexico -Average Monthly Wholesale Apple Import Prices

Red Delicious **Pesos/kilogram**

Month	2011	2012	Change percent
January			
February			
March			
April	21.11	21.76	3.07
May	21.10	24.72	17.15
June	20.78	27.79	33.73
July	21.53	27.36	27.07
August	22.50	28.02	24.53
September	24.05	30.00	24.74
October		27.80*	
November			
December			

CIF-Mexico City
Source: Sevicio Nacional de Informacion de Mercados
2011 Exchange Rate Avg.: U.S.$1.00 = 12.42 Pesos
October 2, 2012 Exchange Rate: U.S.$1.00 = 12.81 Pesos
*October 19, 2012

Table 5: Mexico -Average Monthly Wholesale Apple Domestic Prices

Red Delicious			Pesos/kilogram
Month	2011	2012	Change percent
January	18.50	19.72	6.59
February	18.48	19.00	2.81
March	17.29	19.12	10.58
April	17.35	18.83	8.53
May			
June			
July			
August			
September	16.26	26.63	63.77
October	18.96	26.31*	38.76
November	19.07		
December	19.66		

CIF-Mexico City
Source: Sevicio Nacional de Informacion de Mercados
2011 Exchange Rate Avg.: U.S.$1.00 = 12.42 Pesos
October 2, 2012 Exchange Rate: U.S.$1.00 = 12.81 Pesos
*October 19, 2012

Table 6: Mexico -Average Monthly Wholesale Pear Import Prices

D'ANJOU			Pesos/kilogram
Month	2011	2012	Change percent
January	24.49	20.42	(16.61)
February	24.64	19.04	(22.72)
March	24.42	18.44	(24.48)
April	24.41	19.04	(21.99)
May	23.84	19.81	(16.90)
June	21.69	23.51	8.39
July	21.13	27.24	28.91
August	21.39	27.84	30.15
September	24.88	29.06	16.80
October	25.11	26.89*	7.08
November	21.74		
December	22.07		

CIF-Mexico City
Source: Sevicio Nacional de Informacion de Mercados
2011 Exchange Rate Avg.: U.S.$1.00 = 12.42 Pesos
October 2, 2012 Exchange Rate: U.S.$1.00 = 12.81 Pesos
*October 19, 2012

Table 7: Mexico -Average Monthly Wholesale Grape Import Prices

Globe			Pesos/kilogram
Month	2011	2012	Change percent

January	33.65	36.25	7.72
February	34.46	35.68	3.54
March	32.68	34.95	6.94
April	31.18	30.12	(3.39)
May	35.33	29.80	(15.65)
June	35.62	31.35	(11.98)
July			
August	30.41	40.00	31.53
September	29.48	36.13	22.55
October	31.70	29.67*	(6.40)
November	32.50		
December	40.30		
CIF-Mexico City Source: Servicio Nacional de Informacion de Mercados SNIIM-ECONOMIA 2011 Exchange Rate Avg.: U.S.$1.00 = 12.42 Pesos October 2, 2012 Exchange Rate: U.S.$1.00 = 12.81 Pesos *October 19, 2012			

Table 8: Mexico – Trade Matrixes

Fresh Apples

Apples	**H.S. 0808.10**	**Unit: Metric Tons**	
Exports for MY 2010/11	***(Aug-Jul)* to:**	**Imports for MY 2010/11 *(Aug-Jul)* from:**	
U.S.	0	U.S.	200,293
Costa Rica	0	Chile	10,973
Belize	257	Canada	1,878
Other	0	Other	313
TOTAL	**257**	**TOTAL**	**213,457**

Apples	**H.S. 0808.10**	**Unit: Metric Tons**	
Exports for MY 2011/12	***(Aug-Jul)* to:**	**Imports for MY 2011/12 *(Aug-Jul*) from:**	
U.S.	242	U.S.	206,606
Costa Rica	39	Chile	6,812
Belize	316	Canada	1,973
Other	83	Other	418
TOTAL	**680**	**TOTAL**	**215,809**

Fresh Pears

Pears	**H.S. 0808.20**	**Unit: Metric Tons**	
Exports for MY 2010/11	***(Jul-Jun)* to:**	**Imports for MY 2010/11 *(Jul-Jun)* from:**	
U.S.	4	U.S.	64,286

Belize	30	Argentina	7,781
		Chile	2,147
Other	0	Other	325
TOTAL	**34**	**TOTAL**	**74,539**

Pears H.S. 0808.20		**Unit: Metric Tons**	
Exports for MY 2011/12 *(Jul-Jun)* to:		**Imports for MY 2011/12 *(Jul-Jun)* from:**	
U.S.	3	U.S.	90,984
Belize	32	Argentina	3,310
		Chile	787
Other	0	Other	474
TOTAL	**35**	**TOTAL**	**95,555**

Table Grapes

Table Grapes H.S. 0806.10		**Unit: Metric Tons**	
Exports for MY 2010/11 *(May-Apr)* to:		**Imports for MY 2010/11 *(May-Apr)*from:**	
U.S.	169,748	U.S.	41,589
Costa Rica	376	Chile	19,507
Other	1,185	Other	0
TOTAL	**171,309**	**TOTAL**	**61,096**

Table grapes H.S. 0806.10		**Unit: Metric Tons**	
Exports for MY 2011/12 *(May-Apr)* to:		**Imports for MY 2011/12 *(May-Apr)* from:**	
U.S.	135,666	U.S.	52,692
Costa Rica	309	Chile	22,454
Other	1,607	Other	0
TOTAL	**137,582**	**TOTAL**	**75,146**
Source: Global Trade Atlas August 2012			

Table 9. Mexico: Monthly Exchange Rate Averages 2008-2012 MX Pesos per U.S. $1.00					
	2008	**2009**	**2010**	**2011**	**2012**
January	10.91	13.15	12.80	12.13	13.46
February	10.77	14.55	12.95	12.06	12.79
March	10.74	14.71	12.59	12.00	12.75
April	10.52	13.41	12.23	11.73	13.05

May	10.44	13.19	12.71	11.64	13.60
June	10.33	13.47	12.72	11.80	13.94
July	10.24	13.36	12.82	11.67	13.37
August	10.10	13.00	12.74	12.22	13.18
September	10.61	13.41	12.82	12.97	12.95
October	12.56	13.24	12.44	13.46	
November	12.31	13.12	12.33	13.67	
December	13.40	12.85	12.39	13.75	
Annual Avg.	**11.14**	**12.33**	**12.62**	**12.42**	
Source: Mexican Federal Register Note: Monthly rates are averages of daily exchange rates from the Banco de Mexico.					

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work http://www.youtube.com/user/ATOMexicoCity

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
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MX1076	Mexico Eliminates Trucking Retaliation Tariffs Against Ag. Products	10/21/2011
MX1055	Mexico Reduces Trucking Retaliation against agricultural Products	07/11/2011

Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.