Required Report: Required - Public Distribution **Date:** November 01,2019

Report Number: MX2019-0048

Report Name: Fresh Deciduous Fruit Annual

Country: Mexico

Post: Mexico City

Report Category: Fresh Deciduous Fruit

Prepared By:

Approved By: Rhiannon Elms

Report Highlights:

Mexican apple production is expected to rebound in marketing year (MY) 2019/20, recovering from extensive weather damage that affected supplies last MY. Mexican imports of U.S. apples are expected to return to more stable levels in MY 2019/20, following the removal of the 20 percent tariff in May 2019 that was in place for nearly a year, as a retaliatory measure against U.S. tariffs on Mexican steel and aluminum. Mexican imports fell nearly 16 percent during this period in comparison to MY 2017/18, which can be attributable to both the tariff as well as tight supplies out of Washington State due to adverse weather. Mexican consumers reamin price sensitive purchasers of fruit, and with more favorable apple prices for MY 2019/20, consumption is expected to rebound, resulting in a slight decrease to pear consumption. Meanwhile, Mexican grape exports are forecast at high levels for MY 2019/20, after logistical challenges prohibited the export of supplies in MY 2018/19.

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

APPLES, FRESH

Area

Post total area planted for MY 2019/20 is forecast at 57,405 hectares, a marginal decrease from MY 2018/19, mainly on a large decrease in the state of Durango that was marginally offset by an increase in Chihuahua. Area harvested is also forecast to decrease 3.36 percent compared to the previous MY. Post planted (57,464 hectares) and harvested (48,294 hectares) areas for MY 2018/19 were revised downward based on official data from the Ministry of Agriculture and Rural Development (SADER).

The state of Chihuahua is the main producer of apples and accounts for over 50 percent of total area planted. MY 2019/20 planted area is estimated at 30,833 hectares. Over the past 10 years, the state has seen extensive growth, which can be attributed to increased investment throughout the production chain. Industry sources report that large-scale and technologically sophisticated growers in Chihuahua are renewing old orchards and planting with greater tree densities as well as slowly increasing planted area. High-density production accounts for approximately 30 percent of Chihuahua's planted area. 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.

According to growers, most of the apple area in Chihuahua is irrigated with sprinklers, micro sprinklers, and drip irrigation. Most areas in Durango are also irrigated, and more than 70 percent of areas in Coahuila have irrigation technology. Growers indicate 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.

Table 1: Mexican apple planted area by state

Metric Tons

State	2018/19	2019/20	Change
Chihuahua	28,957	30,833	6.48
Puebla	7,942	7,620	-4.05
Durango	8,056	6,468	-19.71
Coahuila	5,833	5,802	-0.53
Nuevo León	1,359	1,289	-5.15
Others	5,317	5,393	1.43
Total	57,464	57,405	-0.1

Production

According to sources, apple production in Mexico for MY 2019/20 is forecast to be 24 percent higher compared to the previous MY, as production in the states of Coahuila and Durango recovered from freezing temperatures. Chihuahua's production is forecast to increase on improved weather, larger planted area, and continued yield improvements. Mexico's main harvest season is between August and October. The Post forecast for MY 2019/20 production is 678,765 MT. However, official government estimates have not been released, and final production will be contingent upon favorable weather conditions throughout the growing season.

The state of Chihuahua is expected to have a crop of approximately 560,000 MT for MY 2019/20. Producers in Chihuahua generally use more advanced production technology, resulting in higher-quality apples and better yields than other states. Area planted for Golden Delicious has been increasing in Mexico, in order to meet domestic demand for the variety (volumes of golden delicious from the United States has been decreasing in recent years), and because climatic conditions are favorable for this variety. Granny Smith and Gala are other varieties gaining acreage. Sixty three percent of Chihuahua's area is planted with Golden Delicious, with another 32 percent dedicated to red delicious. Golden delicious varieties from Chihuahua enter the market in mid-August, with Red Delicious harvest beginning at the end of August. Golden Delicious apples are harvested in September. All harvesting in the state of Chihuahua is completed by the end of October.

Average yields are estimated between 12 and 13 MT/Ha. Yields in Chihuahua are usually the highest in the country and average between 20-25 MT/Ha or more for well-tended orchards. Yields in the state of Puebla, the second-largest producing state, are close to six MT/Ha, the states of Durango and Coahuila have yields of about 4 to 7 MT/Ha.

Table 2: Mexican apple production by State

Metric Tons

APPLE PRODUCTION	MY 2018/19	MY 2019/20
Chihuahua	569,580	559,085
Puebla	35,713	36,094
Durango	11,146	26,211
Coahuila	10,165	23,389
Total Mexico	**545,382**	**678,765**
Source: Agrifood and Fisheries Information Service (SIAP).		

Consumption

The Post domestic consumption forecast for MY 2019/20 is 872,539 MT, twenty two percent higher than MY 2018/19, mainly due to lower U.S. apple prices and higher supplies due to the cancellation of import tariffs that affected supplies in 2018/19. Mexican consumers are price sensitive, and prefer to buy lower cost fruits. Post apple consumption for MY 2018/19 is revised down from previous estimates due to lower supplies and high import prices.

The Mexican apple import market is typically dominated by Red Delicious, Gala, and Golden Delicious apples, but sources indicate these preferences are evolving. Mexican consumers have developed a strong preference for the Gala variety, and as volumes of the variety increase in Washington State, U.S. industry has created marketing campaigns to develop Mexican markets where demand is currently low (particularly in Monterrey and Northern Mexico). According to industry, consumption of apples is driven by the retail sector, which represents 54 percent of domestic consumption. The official information for per capita consumption in Mexico according to SIAP is 7.6 kg. While Mexican consumers like the size, color, and consistency of U.S. apples, Mexican apples are considered sweeter,

flavorful and less crunchy. When prices are favorable, consumers will prefer domestically produced golden delicious, or Durango varieties.

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.

Trade

Mexican imports of U.S. apples are expected to return to more stable levels in MY 2019/20, following the removal of the 20 percent tariff in May 2019. The Post import forecast for MY 2019/20 is 283,431 MT, a 15 percent increase compared to MY 2018/19.

In June 2018, Mexico imposed a tariff on apples imported from the United States as a retaliation for U.S. tariffs on Mexican and Canadian steel and aluminum. Mexican imports of U.S. apples in MY2018/19 fell nearly 16 percent in comparison to MY 2017/18. This decrease can be attributable to both the 20 percent tariff as well as decreased supplies due to poor weather from Washington State.

Table 3: Mexican apple imports

Metric Tons

Partner	Unit	2017/18	2018/19	Percentage Change
		Aug-17	Aug-18	
United States	T	283,834	239,349	-15.67
Chile	T	2,466	4,959	-
Others	T	957	2,863	-
Total imports	**T**	**287,257**	**247,171**	-13.95
Source: Trade Data Monitor (TDM).				

More than 65 percent of apples are imported into Mexico from January to July, however cold storage facilities allow for yearlong supplies. More than 95 percent of Mexico's apple imports comes from the United States' west coast, and it is expected that this trend will continue. Washington-origin apples account for approximately 85-90 percent of U.S. exports to Mexico, with the state of California supplying the remainder. The Mexican market is the most important market for Washington apples, typically accounting for 30 percent of total export volumes.

Approximately 50 percent of Washington apples are brought into Mexico by importers suppling the informal market and provide small supplies to large grocers in country that also provide small supplies of Mexican grown apples. Mexican apples are marketed from September through December, but are present throughout the year due to cold storage facilities.

Mexican apple exports are almost residual, the United States and Belize have been the main importers for the last two years. Mexico exported 627 MT of apples to Belize and 22 MT to the United States for MY 2018/19. Apple exports to the United States 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 4: Mexican apple exports
Metric Tons

Partner	Unit	2017/18	2018/19	Percentage Change
		Aug-17	Aug-18	
Belize	T	557	627	12.51
Nicaragua	T	31	44	-
United States	T	37	22	-
Total exports	**T**	**625**	**693**	**10.78**
Source: Trade Data Monitor (TDM).				

Tariffs

U.S. apples enter Mexico duty free, and the same access will remain under the United States-Mexico-Canada Agreement (USMCA). 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.

In May 2019, tariffs on U.S. apples were removed. Mexico had imposed a number of tariffs on US products in 2018, in retaliation for U.S, tariffs on Mexican imported steel and aluminum.

Prices

According to the National Service of Market Information (SNIIM), wholesale domestic prices during MY 2019/20 have stabilized after high prices during MY 2018/19 due to limited supplies from the U.S. Below is a price chart for imported and domestically produced golden delicious, the variety of greatest importance in terms of imports and domestic production.

Table 5. Mexico -Average Monthly Wholesale Apple Import Prices
Golden Delicious
(Pesos/kilogram)

Month	2018	2019	Percentage change
January	56.96	44.35	-22.13
February	54.71	44.11	-19.37
March	51.54	44.35	-13.95
April	49.32	42.89	-13.03
May	47.29	41.17	-12.94
June	47.53	41.47	-12.74
July	50.74	41.27	-18.66
August	51.53	40.7	-21.01
September	52.38	41.88	-20.04
October	44.14	42.35*	-40.55
November	44.41	-	-
December	44.79	-	-

Source: Servicio Nacional de Información de Mercados 2018
Exchange Rate Avg.: U.S.$1.00 = 19.24 Pesos October 22, 2019
Exchange Rate: U.S.$1.00 = 19.14 Pesos *October 7, 2019

Table 6. Mexico -Average Monthly Wholesale Apple Domestic Prices
Golden Delicious
(Pesos/kilogram)

Month	2018	2019	Percentage change
January	33.3	36.42	9.4
February	32.9	37.84	15.08
March	32.3	38.84	20.17
April	31.6	37.34	11.79
May	31.6	36.84	11.79
June	32.3	35.94	11.13
July	34.2	35.45	3.62
August	37.6	35.05	-12
September	37.9	34.52	-8.89
October	36.1	34.21*	-5.28
November	36.7	-	-
December	36.5	-	-

Table 7: Mexico Apple Production

Apples, Fresh	2017/2018	2018/2019	2019/2020

Market Begin Year	Aug 2017			Aug 2018			Aug 2019		
Mexico	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post
Area Planted	57,530	57,770	57,530	57,500	-	57,464	-	-	57,405
Area Harvested	53,620	54,000	53,620	49,000	-	48,294	-	-	52,301
Bearing Trees	12,278	12,366	12,278	10,076	-	8,357	-	-	11,101
Non-Bearing Trees	784	863	895	3,091	-	4,808	-	-	2,069
Total Trees	13,062	13,229	13,173	13,167	-	13,165	-	-	13,170
Commercial Production	712,149	718,000	712,149	658,000	-	545,382	-	-	676,765
Non-Comm. Production	2,000	2,000	2,000	2,000	-	2,000	-	-	2,000
Production	714,149	720,000	714,149	660,000	-	547,382	-	-	678,765
Imports	287,300	250,000	287,257	240,000	-	247,171	-	-	283,431
Total Supply	1,001,449	970,000	1,001,406	900,000	-	794,553	-	-	962,196
Fresh Dom. Consumption	908,849	876,000	908,781	813,400	-	709,860	-	-	872,539
Exports	600	1,000	625	600	-	693	-	-	657
For Processing	92,000	93,000	92,000	86,000	-	84,000	-	-	89,000
Withdrawal From Market	-	-	-	-	-	-	-	-	-
Total Distribution	1,001,449	970,000	1,001,406	900,000	-	794,553	-	-	962,196
TS=TD	-	-	-	-	-	-	-	-	-

PEARS, FRESH

Area

Investment in pear production is generally low; therefore, planted area has remained stable over the past few years. Pear production in Mexico is found predominately in the states of Puebla and Michoacán. Post area planted for MY 2019/20 is forecast at 3,734 hectares, a ten percent decrease from MY 2018/19, based on initial estimates from SIAP.

Table 8: Planted and harvested area MY 2018/19

State	Area (ha)	
	Planted	Harvested
Puebla	1,972	1,935
Michoacán	934	934
Morelos	372	372
Chiapas	240	240
Veracruz	166	166
Oaxaca	105	99
Others	358	341
Total	**4,147**	**4,097**
Source: Agrifood and Fisheries Information Service (SIAP).		

Production

The Post production forecast for MY 2019/20 is 27,049 MT, a marginal decrease compared to MY 2018/19, based on trends and contingent upon good weather conditions. Pear production is not expected

to increase in the near future, as growers are not heavily investing due to high costs and lack of government support. Average yields are expected to be 7.3 ton/ha.

Approximately 86 percent of pear planted area is rain-fed. Puebla and Michoacán are the major pear producing states, and account for 76 percent of total Mexican production. Puebla begins harvest in August/September while Michoacán begins in June/July. Due to lack of investment- in production technologies and infrastructure- Mexican pears are typically of low quality (small/hard) and prone to disease and damage due to lack of storage and cold chain facilities near production areas. They are often packed in wooden boxes that damages the fruit and does not maintain freshness. Mexican pears are sold almost exclusively to local markets, with very few sold to supermarkets. A large portion of domestic production is used for processing into jams.

Table 9: Production and yields per State MY 2018/2019

State	MY 2017/2019 Metric Tons	MY 2018/2019 Metric Tons	Yields 2018/2019 (ton/ha)
Puebla	11,332	12,748	6.589
Michoacán	9,219	9,989	10.576
Morelos	2,002	2,184	5.867
Veracruz	2,049	2,070	12.467
Others	3,157	2,951	7.323
TOTAL	**27,759**	**29,942**	**7.309**
Source: Agrifood and Fisheries Information Service (SIAP).			

Consumption

The Post consumption forecast for MY 2019/20 is expected to decrease 4 percent compared to MY 2018/19, mainly due to expectations of more normalized apple trade. Consumer purchasing power and price favorability versus the apple will influence pear consumption.

Pear consumption has increased over the years, as consumers are accustomed to having different varieties of imported pears available in the market. Marketing year 2018/19 imports reached 91,653 metric tons, a level not seen since MY 2011/12. It is important to note that Mexico is a price sensitive fruit market. Higher apple prices due to limited supplies from the U.S., in addition to the 20 percent retaliatory tariff led consumers to purchase pears over apples in MY 2018/19. Sources indicate that U.S. pears are gaining greater visibility and space in supermarkets, as marketing campaigns and favorable prices are attracting consumers to buy more.

Demand is almost completely fulfilled by imports from the United States, as domestic production is small, of low quality, and sold mostly in local markets. U.S. pears are preferred in Mexico for their quality, perceived value for money, and year round availability due to cold storage infrastructure in Mexico. Some supermarkets imported pears from Europe during MY 2018/19; however, they were not well received due to low quality (degradation from long transit times). Supermarkets generally prefer Anjou pears from the U.S. because they do not bruise easily, have optimal ripening times, and transit by

land. Consumers also prefer Anjou pears, followed by Bosc, Bartlett, and Red Anjou varieties. Pears are available to consumers year round, mainly with supplies from Oregon and Washington.

While the majority of domestic production is sold in local markets, growers indicate that about 16 to 17 percent of supplies are destined for processing, mainly into jams.

Trade

The United States is by far the largest supplier of pears to Mexico, with a market share of 93 percent in MY 2018/19, with all supplies for fresh consumption. Argentina, Chile, and China also maintain a small share of the market. Post forecasts MY 2019/20 imports at 89,741 metric tons, based on strong demand, but also taking into account more normalized apple trade, and dependent upon a normalized strength of the dollar to the peso. There is concern that stagnant economic growth in Mexico could hamper consumer purchasing power. MY 2018/19 imports are raised over 11,000 MT to 91,653 MT, the highest level since MY 2011/12. The rise in imports was in part due to lower than expected U.S exports volumes to many Asian and Middle East markets, and the reliance of the pear industry on the Mexican market to pick up the slack.

Table 10: Mexican apple imports

Metric Tons

Partner	Unit	2017/18	2018/19	Percentage change
		Jul-17	Jul-18	
United States	T	67,504	85,923	27
Argentina	T	3,208	3,913	22
Chile	T	533	1,221	129
China	T	377	463	23
Others	T	87	133	-
Total imports	**T**	**71,710**	**91,653**	**28**
Source: Trade Data Manager (TDM)				

Pears from Oregon and Washington accounted for 60,000 MT of imports, with California pears reaching 5,207 MT (59 percent of total California exports). The U.S. Anjou pear export season is from September to July, and U.S. Bartlett pear import season is from August through February, with supplies available year round due to aforementioned cold storage facilities. While the United States holds a proximity and duty free access advantage to the Mexican market, importers have indicated they are looking to diversify their suppliers to offer a greater variety and cheaper price.

The Post MY 2019/20 export forecast is 73 MT. MY 2018/19 exports reached 75 MT, with all exports going to Belize.

Tariffs

The import duty on pears from the United States, Canada, Chile, and Argentina is zero. For all other countries, the duty is 20 percent. The pear HS code is 080830. Only pears from the states of Oregon, Washington, California, and from areas not under quarantine are allowed to be imported into Mexico.

Table 11: Mexico -Average Monthly Wholesale Pear Import Prices
D'ANJOU
(Pesos/kilogram)

Month	2018	2019	Percentage change
January	41.73	47.44	13.68
February	40	47.22	18.05
March	39.4	44.35	12.56
April	38.92	47.67	22.48
May	38.78	46.89	20.91
June	38.89	46.11	18.56
July	42.36	45.56	7.55
August	45.9	45.89	-0.02
September	48.36	45.11	-6.72
October	46.67	44.44*	-4.77
November	45.11	-	-
December	47.81	-	-

Source: Servicio Nacional de Información de Mercados 2018
Exchange Rate Avg.: U.S.$1.00 = 19.24 Pesos October 22, 2019
Exchange Rate: U.S.$1.00 = 19.14 Pesos *October 7, 2019

Table 12: Mexico Pear Production

Pears, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jul-17		Jul-18		Jul-19	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	4,235	4,235	4,200	4,147	-	3,734
Area Harvested	4,170	4,170	4,150	4,096	-	3,701
Bearing Trees	917	917	913	913	-	822
Non-Bearing Trees	14	14	11	11	-	9
Total Trees	931	931	924	924	-	831
Commercial Production	26,930	26,930	26,800	28,940	-	26,049
Non-Comm. Production	1,000	1,000	1,000	1,000	-	1,000
Production	27,930	27,930	27,800	29,940	-	27,049
Imports	71,700	71,710	80,000	91,653	-	89,741
Total Supply	99,630	99,640	107,800	121,593	-	116,790
Fresh Dom. Consumption	95,130	95,169	103,300	117,017	-	112,317
Exports	100	71	100	76	-	73
For Processing	4,400	4,400	4,400	4,500	-	4,400
Withdrawal From Market	-	-	-	-	-	-
Total Distribution	**99,630**	**99,640**	**107,800**	**121,593**	**-**	**116,790**

FRESH TABLE GRAPES

Area

Post area planted for MY 2019/20 is forecast to increase slightly to 26,240 Ha. Growth in planted area is limited to Sonora and Baja California as production costs in the rest of the country are high, and water availability is a challenge (almost all production is well- water irrigated). The state of Sonora accounts for 85 percent of total table grape production in Mexico and 77 percent of the total planted area. Sonora has increased plantings over 20 percent in the last three years. Producers are establishing new areas with improved technology in order to increase yields and diversify into specialty varieties. Sources indicate that Baja California Norte has been replanting to produce specialty varieties exclusively for export to the United States. Typically, this area has provided supplies for the domestic market. According to producers, the states of Guanajuato, Zacatecas, and San Luis Potosi have planted new areas with table grapes for the domestic market. Sources also indicate there are test plots in Jalisco for new varieties, with harvest starting in April.

Yields for Sonora are between 17 and 18 MT/Ha. According to growers, there are 2,500 plants per hectare on average, producing an 8.18 kg/box per plant. Yields vary depending on plant variety and cultivation methods. Baja California has the third biggest planted area in the country and exports substantially all of its table grape production. Post planted and harvested areas for MY 2018/19 are revised upward from previous estimates based on official data.

Production

The Post production forecast for MY 2019/20 (May/April) is 374,544 MT, slightly higher than MY 2018/19, due to more productive varieties and more States cultivating grapes. Mexican growers are growing new varieties, such as the Ivory, Sweet Celebration and Arra 29. Harvesting begins in May and typically ends in July for the State of Sonora. Harvest is usually between July and October. Baja California and other states harvest from June to August. Most of the table grape production from the states of Zacatecas, and Guanajuato, are destined for local markets.

The grape is considered a temperate climate crop, however, the vine plant can adapt to a wide variety of climatic regions. Various test plots throughout the country have been planted in order to expand product offerings and assess the feasibility of expanding planted area. Mexico is trying to develop new varieties that are more productive and resistant to diseases, however, access to genetic research is expensive and has been difficult to obtain. Additional production challenges exist with access to labor. With improved technologies and professionalized operations, labor requirements have evolved, with more managers and specialized skills necessary. Labor needs in Sonora have grown from approximately 3,000 to 5,000 workers, and operations have found a shortage of workers who want to go into production agriculture. Security challenges, long hours, and remote work environments have exacerbated labor shortages.

Post production for MY 2018/19 is revised higher from previous estimates as weather was ideal for table grape production, and high yields were acheived. Some of the main grape varieties that Mexico produces include Perlette, Flame, Sugraone, and Red Globe.

Table 13: Mexico table grape production

Metric Tons

State	MY 2017/18	MY 2018/19	Percentage change
Sonora	310,361	315,107	1.50
Zacatecas	15,525	43,064	177
Aguascalientes	5,924	5,475	-7.60
Baja California	5,839	4,209	-27.90
Coahuila	517	954	84.60
Others	1,226	1,344	9.60
Total	**339,392**	**370,602**	**9.20**

Source: Agrifood and Fisheries Information Service (SIAP).

Consumption

The Post table grape consumption forecast for MY 2019/20 is 250,802 MT, 23 percent lower compared to MY 2018/19 due to higher exports resulting in lower available supplies. In comparison to other fruits, grapes are typically some of the most expensive, with purchases concentrated with high-income consumers. Post consumption estimates for MY 2018/19 are revised higher from previous estimates due to favorable prices, higher production and big supplies from the U.S. Globe and Thompson varieties remain among the most popular in Mexico. Domestic product is more price accessible than imported product.

Trade

According to traders, Post table grape imports for MY 2019/20 are forecast to be lower compared to MY 2018/19 due to a higher domestic production. Table grape imports for MY 2018/19 are revised higher due to affordable prices.

While Mexico produces sufficient volumes to meet domestic demand, consumers prefer a more vast selection, with varieties supplied from the U.S. and Chile.

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 percent of total imports for MY 2018/19.

Mexican table grape exports for MY 2019/20 are forecast higher compared to MY 2018/19 due to strong international demand and supplies that were not exported before April. Post exports for MY 2018/19 are revised downward from previous estimates reflecting strong domestic consumption and export challenges relating to a condensed harvest season. Most of Mexico's table grapes are exported to the United States.

Table 14: Mexican imports of table grapes

Partner	Unit	MY 2017/18	MY 2018/19	Percentage change
		May-17	May-18	
United States	T	56,019	70,756	26.31
Chile	T	16,489	15,903	-3.56
Peru	T	8,918	14,971	67.87
Total imports	T	81,426	101,631	24.81

Table 15: Mexican exports of table grapes

Partner	Unit	MY 2017/18	MY 2018/19	Percentage change
		May-17	May-18	
Total exports	T	196,382	146,481	-25.41
United States	T	193,251	144,168	-25.40
Japan	T	395	561	42.05
Guatemala	T	529	378	-28.57
El Salvador	T	429	326	-23.99
Belize	T	283	312	9.97
Costa Rica	T	615	265	-56.93

Policy

U.S. table grapes can only be imported into Mexico from California due to phytosanitary restrictions that prohibit imports from other U.S. states. Grapes must come from nonregulated areas in California.

Tariffs

Under their respective trade agreements, the import duty on grapes from the United States, Chile, Japan and Peru is zero, and they are expected to continue exporting to the Mexican market. The table grapes HS code is 080610.

Table 16: Mexico -Average Monthly Wholesale Grape Import Prices

Globe

(Pesos/kilogram)

Month	2018	2019	Change percent
January	54.38	44.25	-18.62
February	47.7	44.19	-7.35
March	43.7	42.55	-2.63
April	44.13	42.1	-4.6
May	43.5	43.75	-0.57
June	46.56	45.31	-2.68
July	-	43.95	-
August	-	42.81	-
September	46.19	-	-
October	42.3	-	-
November	43.44	-	-
December	47.38	-	-

Table 17: Mexico Table Grape Production

Grapes, Fresh Table	2017/2018		2018/2019		2019/2020	
Market Begin Year	May-17		May-18		May-19	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	20,000	22,309	-	25,133	-	26,240
Area Harvested	18,600	20,444	-	23,409	-	24,100
Commercial Production	289,000	338,392	-	369,602	-	374,000
Non-Comm. Production	1,000	1,000	-	1,000	-	1,000
Production	290,000	339,392	-	370,602	-	374,544
Imports	75,000	81,426	-	101,631	-	96,342
Total Supply	365,000	420,818	-	472,233	-	470,886
Fresh Dom. Consumption	170,000	224,436	-	325,752	-	250,802
Exports	195,000	196,382	-	146,481	-	220,084
Withdrawal From Market	-	-	-	-	-	-
Total Distribution	365,000	420,818	-	472,233	-	470,886

Attachments:

No Attachments