

Voluntary Report – Voluntary - Public Distribution

Date: November 04, 2022

Report Number: MX2022-0058

Report Name: Mexican Organic Production and Trade

Country: Mexico

Post: Mexico City

Report Category: Special Certification - Organic/Kosher/Halal

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Report Highlights:

Mexico has 1.2 million hectares of certified organic land in use. Eighty-six percent of all organic products are collected and harvested from natural habitats. In 2021, there were 48,641 certified organic producers in Mexico. The honey and coffee sectors have the most certified organic producers, while the avocado and berry industries produce the most in terms of value. Mexico represents an export market opportunity for U.S organic products, especially for younger and more affluent demographic groups.

Mexican Organic Production and Trade

Highlights

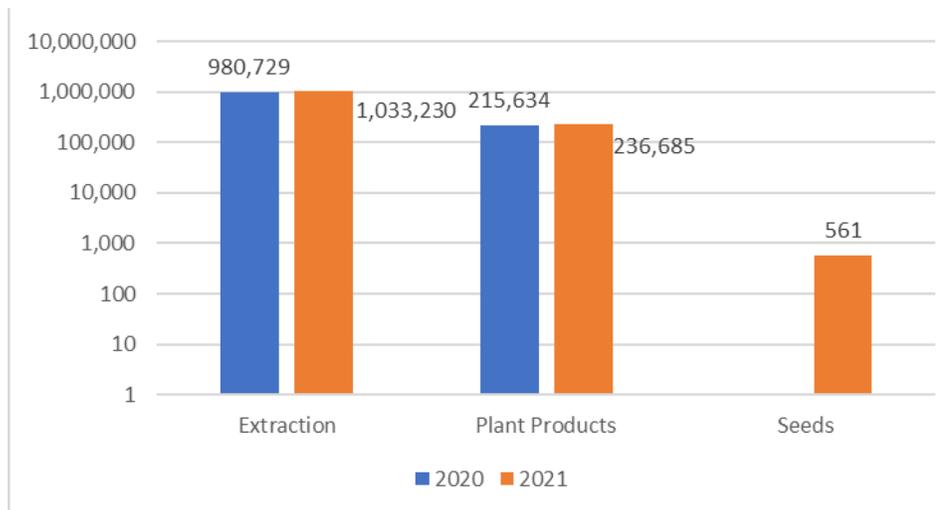
Mexico has 1.2 million hectares of certified organic land in use. Eighty-six percent of all organic products are collected and harvested from natural habitats. In 2021, there were 48,641 certified organic producers in Mexico. The honey and coffee sectors have the most certified organic producers, while the avocado and berry industries produce the most in terms of value. Mexico represents an export market opportunity for U.S organic products, especially for younger and more affluent demographic groups.

The United States and Mexico reached record levels of bilateral agricultural trade in 2021, with more than \$63.4 billion in agricultural goods flowing in both directions. Mexico has a sizeable organic production sector, and also offers significant market opportunities for U.S. organic products.

Production

The certification of organic producers in Mexico is classified by different production methods: the production of fruits, vegetables, animal, and seeds; and the extraction or collection of products from their natural habitats. In 2021, organic-certified area totaled 1.03 million hectares (ha) for extraction or collection, 0.23 million ha for crop production, and 561 ha for seed production. There was no significant increase in area for organic products in 2021 compared with the previous year.

Figure 1: Organic Production Area (Hectares)



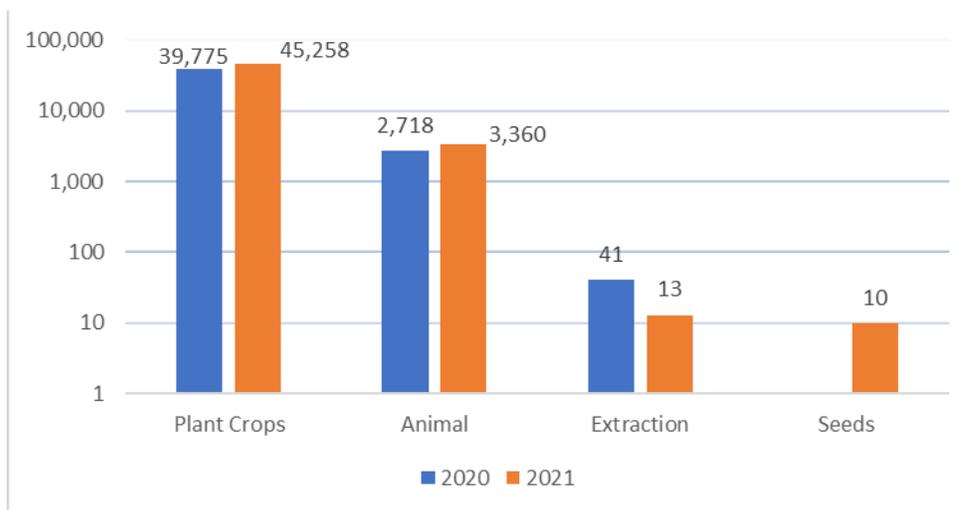
Source: National Service for Agri-Food Health, Safety, and Quality (SENASICA). Note: No area data for seeds for 2020, since the organic production of seeds started in 2021.

Organic Certified Producers

The number of plant crop producers increased by 14 percent from 2020 to 2021. There was a total of 45,258 certified-organic producers, with coffee producers accounting for 87 percent of that total amount. In livestock, beekeepers make up 99 percent of certified organic producers. The beekeeping industry had an increase of 23 percent (3,360 more producers) from 2020 to 2021. Meanwhile, the number of harvesters of wild products decreased 68 percent to 13 total. In 2021, there were only ten certified producers of organic seeds.

Organic coffee producers are mostly indigenous community organizations, located primarily in the states of Chiapas, Oaxaca, and Puebla. These organizations export directly to specialty markets and generate significant income. The most successful organizations include UCIRI, CEPCO, ISMAM, Majomut, Yeni Navan, Tiemelonla Nich K Lum, Tosepan Titataniske, Tzeltal Tzotsil, Maya Vinic, and others.

Figure 2: Number of Certified Organic Producers



Source: SENASICA Note: No seeds were cultivated in 2020.

Table 1. Organic Certified Livestock Producers

	2020	2021
Bees	2704	3335
Chicken	7	76
Cattle	5	9
Goat	1	1
Pig	1	3
Turkey	1	1
Sheep	0	1

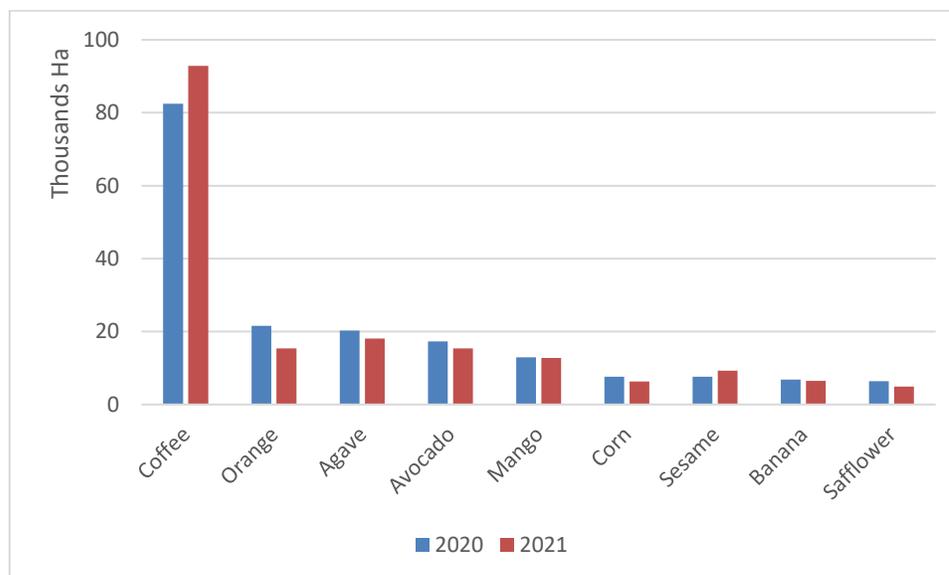
Table 2. Number of Certified Organic Producers for the Top Plant Products

	2020	2021
Coffee	35,541	39,587
Orange	1,419	1,527
Sesame	1,401	1,284
Grapefruit	425	921
Avocado	770	905
Mango	290	654
Bell Pepper	471	413

Products

Coffee is the main organic plant product, both in terms of area cultivated and number of producers. In 2021 there were 92,861 ha planted by 39,587 producers. From 2020 to 2021, only coffee and sesame had an increase in area planted of 12 and 22 percent, respectively.

Figure 3: Top Organic Plant Products

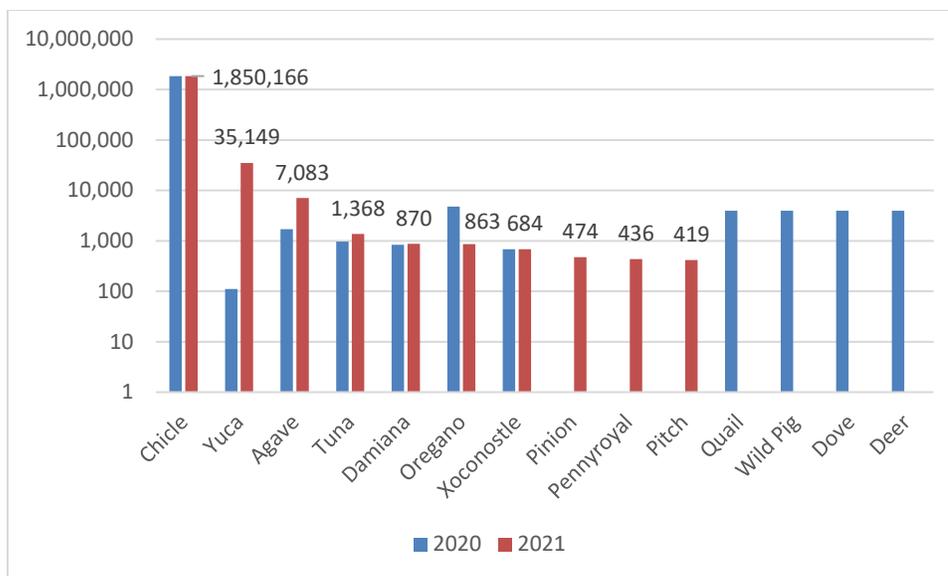


Source: SENASICA

Chicle, a natural gum traditionally used in making chewing gum and other products, was extracted from 1.8 million ha by 31 producers in 2020 and only one producer in 2021. Yuca, agave, prickly pear,

oregano, and *xoconostle* (a cactus fruit) are important certified products that are grown in arid areas. The year 2020 saw the certification of 3,954 ha for hunting quail, wild pig, dove, and deer.

Figure 4: Area for Hunted or Wild Harvested Products



Source: SENASICA

The main organic products in terms of value are shown in Table 3. The ratio of organic producers to conventional is very low. According to many producers, the premium price for organic products does not cover the expenses for production and certification.

Table 3. Main Mexican Organic Products vs Conventional.

	Conventional Production Tons (Percentage)	Organic Production Tons (Percentage)	Price for Conventional Ton	Price for Organic Ton
Avocado	2,313,918 (96.7)	79,931 (3)	\$ 1,014	\$ 1,537
Strawberry	551,879 (99)	5,635 (1)	\$ 956	\$ 1,454
Raspberry	144,547 (98.8)	1,803 (1.2)	\$ 1,594	\$ 3,923
Blackberry	212,628 (98.5)	3,296 (1.5)	\$ 1,835	\$ 2,569
Tomato	3,302,330 (98)	68,496 (2)	\$ 468	\$ 539
Green Chile	2,816,987 (99.9)	1,456 (0.1)	\$ 603	\$ 721
Cucumber	1,146,462 (98.4)	13,471 (1.2)	\$ 330	\$ 473
Lemon	2,834,814 (99.4)	16,613 (0.6)	\$ 328	\$ 439

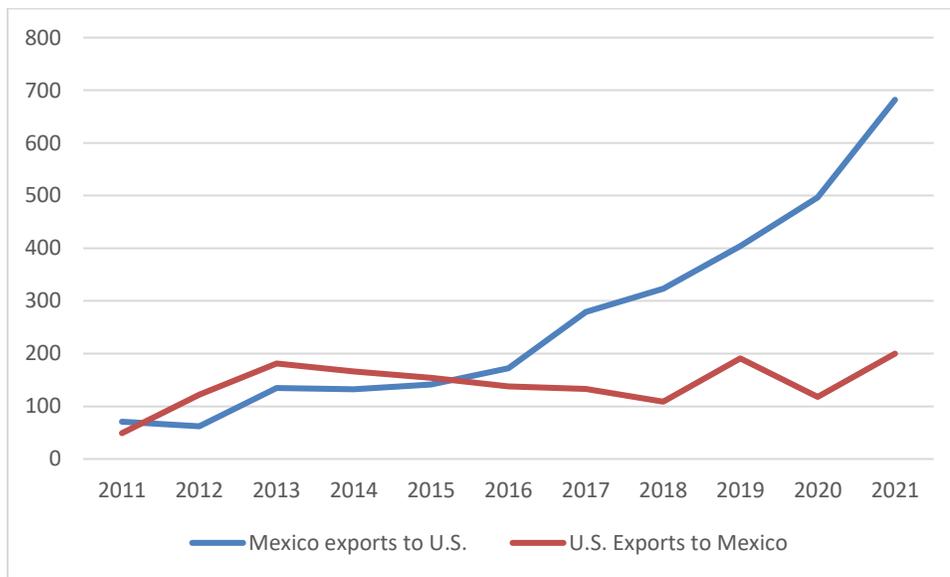
Source: Agri-food and Fishery Information Service (SIAP) 2020

Trade

The Harmonized System (HS) covers a limited number of organic commodities. Existing HS codes includes fresh organic products, milk, fruits, and vegetables, but not processed products or organic nuts. U.S. organic import products that have HS codes have increased during the last years, especially berries and avocados.

U.S. organic exports to Mexico peaked in 2019 at \$191 million. During COVID, there was a decline in U.S. organic exports to \$118 million, consistent with other agricultural commodities, and organic product exports from the U.S. rebounded in 2021 to \$200 million.

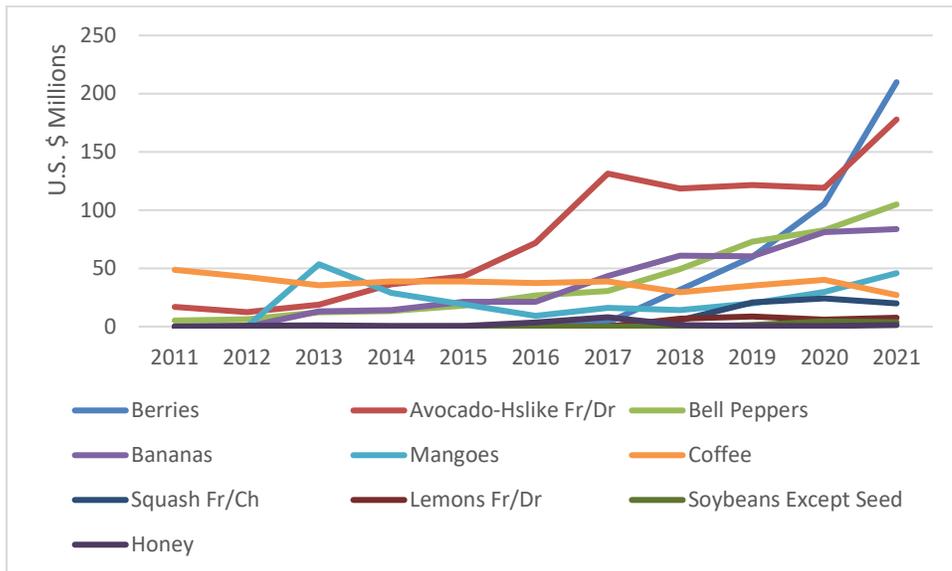
Figure 5: U.S. Organic Trade with Mexico (U.S. \$ Millions)



Source: USDA's Global Agricultural Trade System (GATS)

Mexico exports large volumes of organic products to the United States that complement existing products in the U.S. market, such as avocados, tropical fruits, coffee, and honey. Mexico also exports products that compete directly with U.S. organic products, including berries, squash, and soybeans.

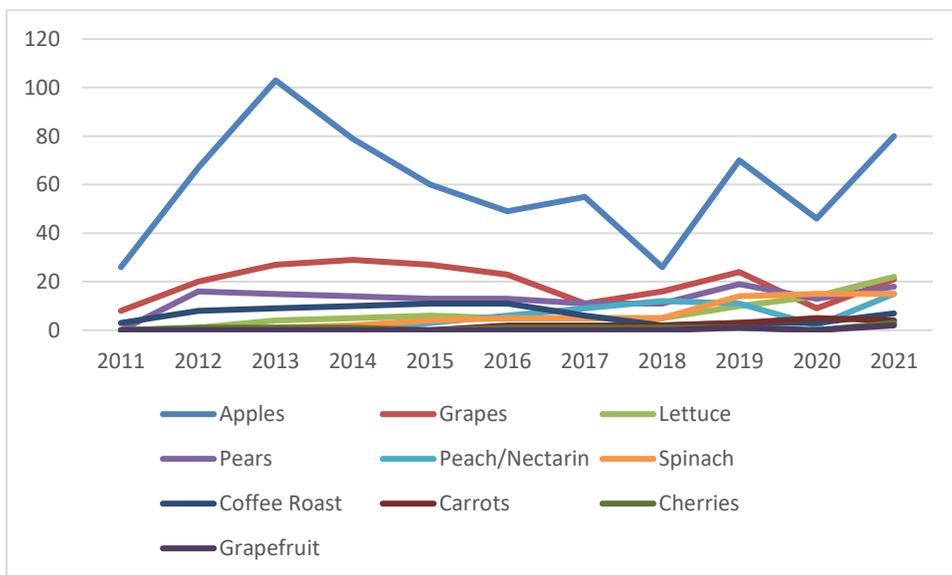
Figure 6: Top U.S. Organic Imports from Mexico



Source: USDA's Global Agricultural Trade System (GATS)

The main U.S. organic product that has an HS code and is exported to Mexico are fresh apples, totaling \$80 million in 2021.

Figure 7: Top U.S. Organic Exports to Mexico



Source: USDA's Global Agricultural Trade System (GATS)

Consumption

In a consumer survey to assess Mexican's purchasing behavior following the COVID-19 pandemic (see GAIN MX2022-0010), Mexican consumers indicated familiarity with the terms organic and vegan, although there was some confusion when defining them. Mexican consumers are aware of plant-based substitutes for milk. Some were discouraged from buying them due to their high prices or unavailability in the market.

Greater knowledge and interest in organic and specialized products are opening new product opportunities at the retail level. Increased awareness of health issues is creating greater demand for products that consumers perceive to be healthier. Organic foods are among the products with the highest potential growth in Mexico, as well as functional foods, products perceived as natural and healthy, plant-based products, and alternatives to meat and dairy. Younger age groups have shown a willingness to shift their consumption and eating habits. Highly influenced by social media, they are looking for new and different products ([Arroyo y Carrete, 2018](#)).

Consulting firm Nielsen reported that Mexico's consumption of organic products grew 53 percent from 2019 to 2020, and that approximately 20 percent of the country's organic product production serves the domestic market.

The Mexican organic market is still at an emerging stage. Organic products are increasingly popular, and benefit from the support of the current Mexican federal administration, which promotes organics as environmentally friendly. However, because of the relatively high cost of organic products compared to conventional products, and increasing poverty in Mexico, the market is limited to only a small portion of the population with higher purchasing power.

Policy

- In 2006, Mexico published its original national organic law and corresponding standards under the *Ley de Productos Orgánicos* (LPO). See [GAIN Report No. MX6501](#).
- In 2015, Mexico published the creation of a grace period (from May 2015–October 2016; see [GAIN report no. MX2015-2073](#)) for which organic exports to Mexico should come into compliance with the LPO and its regulatory updates in [2010](#) and guidelines on [labeling](#) and [production](#) in 2013.
- On June 8, 2020, the Government of Mexico (GOM) published Modifications to the Guidelines for the Organic Operations in its federal gazette, finalizing a multi-year process of revising the LPO's organic standards. Official GOM information about the guidelines can be found [here](#).
- In December 2020, Mexico [announced it was ready to enforce the LPO](#) for raw material and processed products to be commercialized in Mexico as organic. After consultations with industry and trading partners, Mexico offered two extensions and finalized [January 1, 2022 as the deadline for LPO compliance](#).

The Secretary of Agriculture, through [SENASICA](#), regulates organic production in Mexico. Regulations stipulate that producers can only use specific [inputs](#) as herbicides, fertilizers, or pesticides in order to be able to use the “*ORGÁNICO MEXICO*” seal. Processed products are also subject to LPO requirements in order to be sold or marketed as organic in Mexico, falling under the purview of the Secretariat of Economy (*Economía*) through Mexico’s Consumer Protection Agency (PROFECO).

Mexico updated its organic guidelines and has implemented the LPO for imported products since January 2022.

Table 4 categorizes products by enforcement point and competent authority. Note: The table is intended as a quick-reference guide, and as such it is not comprehensive. Mexico’s regulations are the authoritative source for enforcement points and competent authorities.

Table 4. LPO Enforcement by Product and Secretariat

SENASICA – Point of Entry	PROFECO – Point of Sale
Imports	Imported and Domestic
Bulk Product/Material Imported for Retail Sale in Mexico	Processed Product (e.g., bottle of vinegar) and Bulk Product/Material for Retail Sale in Mexico
Listed in Annex b-f by HS code	All Products Marketed as Organic
Each shipment verified at time of import (at point of entry)	Spot check verifications conducted as response to specific complaints
The products must be accompanied by the following documents: copy of the organic certificate or equivalent and International Transaction or Control Document (Form O-SQ-F-03).	If imported before January 1, 2022 without LPO certification: Import Manifest Documentation Documents, or Store Inventory Catalog, or other fiscal documentation for retailer to demonstrate import date. Whether imported or domestic, as of January 1, 2022, all products marketed as organic should be certified to the LPO.

Attachments:

No Attachments.