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# Mexico

# FRESH DECIDUOUS FRUIT ANNUAL

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**Report Highlights:**
Apple production in Mexico for MY 2009/10 (August/July) is forecast at 553,000 metric tons (MT), an eight percent increase compared to the MY 2008/09 production, due to excellent weather conditions in Chihuahua, the main apple producing state. Apple imports for MY 2009/10 are forecast to decrease about 13 percent from the MY 2008/09 level as a result of lower demand for imported fruit and expected higher prices. This estimate will depend heavily on the peso/dollar exchange rate. Total pear production is forecast at 20,110 MT for MY 2009/10 (July/June), which is a marginal increase compared to MY 2008/09. However, pear production is not expected to show significant increases since growers are not heavily investing in this crop due to the high cost of production. U.S. table grape exports will continue to suffer due to the 45-percent tariff imposed in retaliation for cancellation of the U.S.-Mexico Cross-Border Trucking Demonstration Project. Total table grape production for MY

2009/10 (May/April) is forecast to decrease to 171,309 MT due to lower acreage in production even though there were no serious weather problems.

**Commodities:**

Apples, Fresh
Pears, Fresh
Grapes, Table, Fresh

**Production:**

**APPLES**

Apple production in Mexico for MY 2009/10 (August/July) is forecast at 553,000 metric tons (MT), an eight percent increase compared to MY 2008/09 production. Trade sources indicate that Chihuahua, the main apple producing state, enjoyed good weather conditions, more acreage coming into production, and a high year in the production cycle. Hailstorms were few and did little if any damage to the fruit. Apple production estimates for MY 2007/08 and 2008/09 were revised downward as freezing temperatures and hailstorms during the flowering season affected yields and fruit quality. The national average yield for MY 2008/09 is forecast at 9.3 MT/ha. Yields in Chihuahua are forecast at a minimum of 15-17 MT/ha.

The state of Chihuahua accounts for 43 percent of total area planted while Durango accounts for 17 percent. Coahuila and Puebla account for 12 percent each. Producers in Chihuahua generally use more advanced production technology and typically yield higher quality apples than the other states. In fact, large-scale and technologically sophisticated growers in Chihuahua are planting or renewing old orchards with higher tree densities. According to growers, about 40 percent of the apple area in Chihuahua utilizes advanced technology. However, growers also indicated that the area planted in Mexico is not expected to grow much due to higher costs of production, and limited credit and water availability. Growers affected by lower prices have a tendency to abandon groves. Total area planted for MY 2009/10 is forecast to remain almost similar to that of MY 2008/09. Area planted for MY 2008/09 had a marginal increase from previous estimates and the MY 2007/08 planted area was revised downward based on official data. Area harvested for MY 2007/08 and 2008/09 was revised downward based on official data. The new apple crop in Chihuahua entered the market in mid-August starting with the Gala and Golden Supreme varieties. Near the end of August, the Red Delicious apples started harvest. Rome Beauty apples are usually harvested in October.

Yields are forecast to continue to increase due to increased density in planted areas. In order to remain competitive, producers in Chihuahua are replacing a number of older orchards with higher yielding (about 80 tons/ha) and higher density apple trees (800 trees/ha or more) by using advanced technology and newer irrigation systems. According to growers, almost 50 percent of the area in Chihuahua is planted with the Golden Delicious variety and 40 percent with the Red Delicious variety. The Gala variety area includes about five percent of the total planted area in Chihuahua and continues to grow. High-density varieties account for approximately 25 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.

Grower prices for Red and Golden Delicious apples in Chihuahua for MY 2009/10 in mid-August was between 3.00 and 3.15 pesos/kg (US$0.22 and $0.23/kg). This is low due to the large volume of apples harvested. However, grower prices for the Gala variety and the Golden Supreme variety, which are harvested in early August, command higher prices of between 7 to 9 pesos/kg (US$0.52 to $0.66 /kg) because they rarely compete with imported apples.

Grower prices for Red and Golden Delicious apples in Chihuahua for MY 2008/09 started in mid-August 2008 at 6.50 to 7.00 pesos/kg (US$0.64 to $0.69/kg). Costs of production typically range from 28,000 to 40,000 pesos/ha (US$2,075 to $2,962/ha). Production costs will increase depending on whether growers have frost protection equipment and new irrigation systems. According to producers, electricity, gas, and packing costs (the last of which depend on foreign inputs), continue to rise compared to MY 2007/08.

## PEARS

Pear production in Mexico is extremely limited. Therefore, the Secretariat of Agriculture only publishes pear production data on an annual basis. Total pear production is forecast at 20,110 MT for MY 2009/10 (July/June), which is a marginal increase compared to MY 2008/09. Pear production is not expected to show significant increases since growers are not heavily investing in this crop due to the high cost of production. Pear production for MY 2008/09 was revised downward from previous estimates as there was less area harvested than previously estimated. MY 2007/08 pear production was also revised downward based on official data.

Approximately 87 percent of the area planted in Mexico is rain fed. Michoacán, Puebla, and Morelos are Mexico's major pear producing states and account for 76 percent of total Mexican production. According to official data, the state of Puebla has reduced pear plantings more than 20 percent for MY 2008/09. Lack of investment, high costs of production, scarce water supplies in pear producing regions, and disease problems have limited 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 2009/10 is not expected to change much from MY 2008/09 area. Planted area and harvested area for MY 2008/09 were revised downward based on preliminary data reflecting the abandonment of some orchards. Data for area planted and harvested for MY 2007/08 were revised downward based on official data.

## TABLE GRAPES

Total table grape production for MY 2009/10 (May/April) is forecast to decrease to 171,309 MT due to lower acreage in production even though there were no serious weather problems. Total production is difficult to determine since price relationships among table grapes, raisin grapes, and industrial grapes attract more grapes into or out of each market. Production for MY 2008/09 was revised downward since the table grape industry lost about 13 percent of its vineyards due to higher costs of production as well as unfavorable weather issues. Table grape production for MY 2007/08 was revised upward based on official data.

Area planted for MY 2009/10 is forecast to be marginally lower compared to MY 2008/09 due to higher costs of production resulting from adverse exchange rates. However, the good export season and excellent international prices could encourage producers to continue with the same acreage as the last marketing year. Growth in area planted is somewhat restricted since the costs of production are high and water availability is limited. Area planted and area harvested for MY 2008/09 were revised downward since some producers lost profits due to the adverse exchange rates and higher costs of production. Many left grape production for other crops. Area planted and area harvested for MY 2007/08 were revised downward based on official data.

The state of Sonora accounts for approximately 82 percent of the total area planted to table grapes. Market and growing conditions are favorable, but a lack of water continues to limit aggressive expansion as all area for table grapes is irrigated. The national average yield for MY 2009/10 is forecast to reach 10.9 MT/ha, but it is largely dependent on cultural practices. The national average yield for MY 2008/09 is estimated at 11.3 MT/ha due to better weather. According to producers, in 2007 the cost of production in Sonora was between US$7,000/ha and $10,000/ha, depending on inputs. However, due to the unfavorable peso/dollar exchange rate and rising costs, producers indicate that costs of production for 2008 were between US$12,000/ha to $15,000/ha. Producers indicate that expansion is limited, mainly by low water availability from aquifers in Sonora. As a result, producers are trying to become more efficient by increasing yields instead of increasing acreage. The high cost of production and high interest rates for credit also limit table grape expansion. In fact, producers state that the only credit to which they have access comes from U.S. brokers and distributors, who give them advance payments for harvesting and packing table grapes. Some of the main varieties that Mexico produces include Perlette, Flame, Sugraone, and Red Globe.

**Consumption:**

**APPLES**

Apple consumption for MY 2009/10 is forecast to be nearly the same as in MY 2008/09 as the Mexican consumer's purchasing power has been decreasing. Since the world economic crisis, the Mexican peso has depreciated and this could slow down consumption of imported product. Despite low domestic production, consumption for MY 2008/09 was revised upward due to high demand at good prices. The U.S. crop was one of the highest in the past few years and prices were very good at the end of the first quarter. Consumption for MY 2007/08 was revised downward due to less demand and higher prices.

Wholesale prices are not expected to fluctuate for the following months unless exchange rates change drastically. Many harvested apples in Chihuahua do not reach the fresh market in October since they go directly to cold storage in order to be sold gradually in the following months. Wholesale prices for the domestic crop are beginning at lower prices compared to the last crop. Retail prices in November 2009 for apples were: 21.50 pesos/kg (US$1.57) for Starking apples from Chihuahua, 25.90 pesos/kg (US$ 1.90/kg) for U.S. Starking apples, 17.90 pesos/kg (US$1.31/kg) Golden Delicious from Chihuahua, and

32.90 pesos/kg (US$2.41/kg)for U.S. Gala apples.

**PEARS**

The domestic supply continues to rely on imports, mainly from the United States. Pear consumption for MY 2009/10 is forecast to increase only marginally from MY 2008/09 consumption because consumer purchasing power has weakened. Coupled with this is the depreciation of the Mexican peso relative to the dollar.

Domestic consumption for MY 2008/09 was revised downward from previous estimates as pear quality was not as good as in past seasons and prices were higher. The depreciation of the peso increased prices in pesos for imported fruit, and therefore demand was not as strong as in MY 2007/08. MY 2007/08 consumption was revised downward but still reflects high demand at good prices.

Wholesale prices for U.S. pears in Mexico were, on average, higher for MY 2008/09 compared to MY 2007/08 prices. Wholesale prices for U.S. pears for MY 2009/10 began also at higher levels compared to the previous year; U.S. Anjou pears for September 2009 were priced at US$32.00 per 18-kg/box and by November 2009 prices were about US$30.00 per box. Anjou pears continue to be the most sought variety in the market followed by the Bosc, Bartlett, and the Red Anjou varieties. Other varieties of pears are not yet in high demand by consumers in Mexico. Retail prices in November 2009 for imported D'anjou pears were 28.90 pesos/kg (US$2.12/kg) and 23.50/kg (US$1.72/kg) for Bartlet pears.

**TABLE GRAPES**

Table grape consumption for MY 2009/10 is forecast to be about 17 percent lower compared to MY 2008/09 due to decreased domestic purchasing power, the exchange rate, higher tariffs, and higher prices. The volume of Mexican grapes in the market will ultimately depend on the volume exported since producers tend to serve the international market first.

MY 2008/09 consumption is forecast to be 5.2 percent lower compared to MY 2007/08 due to decreased domestic purchasing power and higher prices. The consumption estimate for MY 2007/08 was revised upward due a stronger demand and more affordable prices, mainly for the domestic crop. The consumption estimate for MY 2006/07 remains unchanged.

At the beginning of the 2008 season, wholesale table grape prices were higher compared to MY 2007/08. July 2008 prices for Perlette grapes were approximately US$11.42/ 8 kg box, for Flame Seedless US$10.54/box, and for Superior grapes approximately US$12.85/ box - all from the state of Sonora. Imported Globe grapes cost approximately US$17.04/ 8 kg box. However, prices for the last quarter of 2008 are expected to increase due to the depreciation of the Mexican peso against the U.S. dollar. The Perlette variety is the most preferred variety by consumers followed by the Red Globe and the Superior varieties. Retail price for imported white seedless grapes were 57.90 pesos/kg (US$4.24/kg) and 25.90 pesos/kg (US$1.90/kg) for Mexican Red Globe grapes.

**Trade:**

**APPLES**

Apple imports for MY 2009/10 are forecast to decrease about 13 percent from MY 2008/09 imports as a result of lower demand for imported fruit and expected higher prices and a higher supply of domestic apples at lower prices. However, this estimate will depend heavily on the exchange rate with the U.S. dollar. The Mexican peso has been fluctuating against the U.S. dollar, which has negatively affected demand and imports. Traders are very cautious about buying imported fruit in large volumes.

Import estimates for MY 2008/09 were revised upward by 13 percent due to higher demand for fruit. This was a good export year for the U.S. crop and prices for imported apples were good (340 pesos/18 kg box –US$24.57/box) at the end of the first quarter. More than 90 percent of imports were from the United States. However, mitigation measures requested by Mexican plant health authorities in June 2009 almost stopped apple exports for the 2009 season from the state of California due to concerns about the presence of the light brown apple moth pest in certain counties. The California apple export season had ended by the time the matter was resolved.

Import estimates for MY 2007/08 were revised downward due to less demand and higher prices. Anti-dumping duties imposed on U.S. Red and Golden Delicious apples continue to affect imports. Nevertheless, imports continue to supply the market due to strong demand and imports by companies that pay zero duty.

On November 2, 2006, the Secretariat of Economy (SE) announced final resolution of the antidumping investigation of Red and Golden Delicious varieties from the United States. Depending on the company, duties can go from 0 to 47.05 percent. Most of the Northwest Fruit Exporters (NFE) member companies fall under the 47.05 duty. However, recently a small number of Mexican fruit importing companies petitioned the SE to revoke the August 12, 2002, final resolution on anti-dumping duties on Red and Golden Delicious apples shipped by non-Northwest Fruit Exporters (NFE) companies. The petition was resolved favorably, and on July 3, 2007, SE announced in the *Diario Oficial* (Federal Register) that the Final Resolution on the antidumping case on Red and Golden Delicious Apples, published on August 12, 2002, was cancelled. The cancellation of this resolution essentially meant that non-Northwest Fruit Exporters (NFE) companies are no longer subject to a compensatory duty when exporting Red and Golden Delicious apples to Mexico. (See reports MX6094 and MX7050)

Despite the anti-dumping duties on apples from NFE members, most of the imports will continue to come from Washington State. U.S. apples not of the Red and Golden Delicious varieties are not subject to duty. However, Red and Golden Delicious varieties continue to account for the bulk of U.S. apple exports to Mexico. Apple varieties like Gala, Rome Beauty, Jonagold, and Pink Lady, are being imported at more affordable prices but in much smaller quantities.

While Mexican consumers like the size and color of U.S. apples, Mexican apples are said to be sweeter. The U.S. apple industry will also continue to face strong competition from other countries, such as Chile and Canada. Apples from Argentina continue to be imported, but not in significant volumes.

## PEARS

Pear imports for MY 2009/10 are forecast to increase about 2.5 percent compared to MY 2008/09 as U.S. pear production is expected to be slightly higher. However, this will also depend on prices and the depreciation of the Mexican peso, which unfortunately has fallen from an exchange rate of 10.61 pesos to the dollar in September 2008 to 13.41 pesos to the dollar in September 2009. New duties imposed on pears of 20 percent in retaliation over the dissolution of the U.S.-Mexico Cross-Border Trucking Demonstration Project, (see MX9010), will cut into imports. Current shipping levels indicate that the reduction in volume may be as much as 18 to 20 percent compared to prior years.

The import estimate for pears for MY 2008/09 was revised downward from previous estimates reflecting lower demand and higher prices. Import estimates for MY 2007/08 were revised upward due to higher demand. Approximately 80 percent or more of demand has historically been met by imported product, mainly from the United States.

U.S. Bartlett pears are usually 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. During MY 2008/09, U.S. pears met 89 percent of demand while Argentinean pears accounted for 9. 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 still not significant.

## TABLE GRAPES

Table grape imports for MY 2009/10 are forecast to decrease due to the new duties imposed on grapes of 45 percent in retaliation over the dissolution of the U.S.-Mexico Cross-Border Trucking Demonstration Project (see MX9010). Table grape importers believe that imports could decrease from 35 to 45 percent compared to the last marketing year. In the 2008 season (May through January) Mexico was the table grape industry’s second largest export market and represented 15 percent of total export volume. Total exports last year to Mexico reached a record high in terms of volume and value.

Not only does Mexico grow grapes that compete in the early part of California’s season, Mexico also imports large volumes from Chile. Chile’s grape production is primarily counter-seasonal but Chilean grapes are also available during California’s early and late season periods. According to the U.S. industry, with such a large tariff increase, it is expected that Mexican importers and retailers will prefer Chilean to Californian grapes. This could effectively reduce the California table grape industry’s shipping period by approximately one-third. The Mexican table grape producers are lobbying within their government to find a solution to this tariff increase since grapes will not be available for the public all year round. Consumers would then be forced to choose an alternative, lower-priced fruit instead.

Table grape imports for MY 2008/09 were revised slightly upward due to unexpected higher demand. However, the prevailing unstable exchange rate at the time slowed down trade. Imports for MY 2007/08 were revised downward due to lower demand for imported grapes at high prices.

U.S. and Chilean imports have a zero tariff rate, and both countries 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 Mexico’s phytosanitary restrictions on table grapes from other U.S. states.

Table grape exports for MY 2009/10 are forecast to be 13.7 percent lower compared to MY 2008/09 due to a reduced production. However, final numbers could be higher; domestic producers indicate it was a very good export year owing to favorable prices in the international market. Export estimates for MY 2007/08 and MY 2008/09 were revised slightly upward from previous estimates due to a stronger demand.

Most of Mexico's table grapes are exported to the United States. Growers indicated that export f.o.b. prices at the beginning of the season, May 2008, were on average around US$28-30/8-kg box of Perlettes, and approximately US$32-$35/box for flame seedless. During the peak season in the United States, which starts at the end of May, prices decreased to US$19/box for Perlette and US$30/box for Flame. Mexican export prices usually range between US$14 and $16/box.

U.S. and Chilean table grape production seasons differ, and there is no significant direct competition between grapes from these countries. 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. Under the Mexico-Chile Free Trade Agreement, Chilean table grapes enter duty-free all year round.

The Mexico–European Union (EU) Trade Agreement, signed in 2000, has a duty phase-out plan, and the grape tariff on Mexican table grapes exported to the EU decreased to zero 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.

**Policy:**

Under Mexican law any company that believes it has not been exporting using unfair practices can request the Secretary of Economy (SE) to review its case and obtain a lower or null compensatory duty. To that end, on November 30, 2007, a group of U.S. apple importers requested that Mexican authorities review their prices and duties. The seven companies initiating this review were Cowiche Growers Inc., CPC International Apple Co., Jack Frost Fruit Company, Inc., Matson Fruit Co. Monson Fruit Company Inc., Yakima Fruit and Cold Storage Co., Inc. and Zirkle. On November 14, 2008, the SE announced in the *Diario Oficial* (Federal Register) the resolution that initiates the annual review of the compensatory quotas imposed on the seven companies as well as the calculation of their individual margin of price discrimination according to the Mexican Law. (See report MX8077) On October 5, 2009, the SE published a preliminary resolution indicating that due to insufficiency of information from the different companies, the SE was not able to determine a normal value that is comparable to the export price in terms of the Law of Foreign Trade and of the Antidumping Agreement. Therefore, it could not determine a specific margin of price discrimination specific to each apple importing company. As a result, the resolution indicates that the administrative review procedure continues, but that the compensatory duty of 47.05 will be maintained. (See Report MX9074)

However, during a public hearing held in Mexico City by a bi-national NAFTA dispute panel on the U.S.-Mexico anti-dumping case, officials from the SE stated that the panel should be ready to issue a final ruling in the first quarter of 2009. The long-running dispute began in 1996 when Mexican apple producers from Chihuahua accused U.S. apple importers of dumping. In 2006, Mexican authorities imposed a duty of 46 percent on U.S. imports, but the National Fruit Exporters Association appealed this decision under chapter 19 of NAFTA.  Finally, SE published an announcement in the *Diario Oficial* (Federal Register) on November 4, 2009, with the final decision of the NAFTA Panel regarding the antidumping Investigation on imports of apples from the U.S.  The Panel is sending this matter to SE with instruction to re-issue a new final determination by the end of December 2009.

The NAFTA tariffs for U.S. and Canadian apples were completely lifted as of 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.  During a trade mission to China, the Mexican government established protocols and agreements with the Chinese government to begin trade operations.  Among the products to be imported from China to Mexico 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 the domestic consumer.

**Marketing:**

**APPLES**

Despite the antidumping duties, the United States is expected to remain the main apple exporter to Mexico.  The U.S. apple industry's continued marketing and in-store promotion efforts have significantly contributed to creating a market for U.S. apples in Mexico.  Strong U.S. apple import months are from January to May, although the United States starts shipping in smaller volumes in November.  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 strongly 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 the Rome Beauty, which is mainly used for baking and cooking.  Lately, the Royal Gala has become more attractive to the Mexican consumer and is being sold 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, and they have introduced several varietal characteristics in an effort to target different population groups.  The Chilean promotion strategy focuses on price more than on quality.

**PEARS**

The United States remains Mexico's main pear supplier.  Market promotion efforts for U.S. pears continue in several Mexican cities, supermarkets, and street markets.  However, the wholesale markets remain the most important fruit distribution channel in Mexico.  According to traders, in-store promotions have helped increase sales.  Most of the imported pears are from Washington, Oregon, and California.

Due to limited production, Mexican pears are almost exclusively sold through local, small markets. Few are sold through supermarkets. One of the Mexican pear varieties, which consumers tend to prefer, is the Kiefer variety, better known as Pera Piña. However, low production precludes the Pera Piña from having a significant market presence.

## TABLE GRAPES

The Unites States is expected to remain Mexico's main supplier of table grapes, helped by market promotion efforts by U.S. table grape exporters. The U.S. promotional efforts to market different table grape varieties have resulted in an increase in imports into the Mexican market. Chile, on the other hand, puts very limited resources into promoting its grapes in Mexico.

**Production, Supply and Demand Data Statistics:**

**Table 1- Mexico Fresh Apple Production**

| **Apples, Fresh** **Mexico** | **2007** | | | **2008** | | | **2009** | | |
|---|---|---|---|---|---|---|---|---|---|
| | **2007/2008** | | | **2008/2009** | | | **2009/2010** | | |
| **MT Has** | **Market Year Begin: Aug 2007** | | | **Market Year Begin: Aug 2008** | | | **Market Year Begin: Aug 2009** | | |
| | **USDA Official Data** | | **Old Post Data** | **USDA Official Data** | | **Old Post Data** | **USDA Official Data** | | **Jan Data** |
| Area Planted | 60,100 | 60,000 | 59,968 | 60,200 | | 61,007 | | | 61,000 |
| Area Harvested | 57,000 | 57,900 | 56,071 | 57,000 | | 55,286 | | | 57,000 |
| Bearing Trees | 13,224 | 13,432 | 13,008 | 13,224 | | 12,826 | | | 13,224 |
| Non-Bearing Trees | 719 | 487 | 904 | 742 | | 1,327 | | | 928 |
| Total Trees | 13,943 | 13,919 | 13,912 | 13,966 | | 14,153 | | | 14,152 |
| Commercial Production | 525,000 | 575,000 | 500,000 | 540,000 | | 506,988 | | | 548,000 |
| Non-Comm. Production | 5,000 | 5,000 | 5,000 | 5,000 | | 5,000 | | | 5,000 |
| Production | 530,000 | 580,000 | 505,000 | 545,000 | | 511,988 | | | 553,000 |
| Imports | 202,000 | 200,000 | 196,953 | 200,000 | | 222,655 | | | 193,000 |
| Total Supply | 732,000 | 780,000 | 701,953 | 745,000 | | 734,643 | | | 746,000 |
| Fresh Dom. Consumption | 606,700 | 680,000 | 601,648 | 622,800 | | 646,358 | | | 645,700 |
| Exports | 300 | 0 | 305 | 200 | | 285 | | | 300 |
| For Processing | 125,000 | 100,000 | 100,000 | 122,000 | | 88,000 | | | 100,000 |
| Withdrawal From Market | 0 | 0 | 0 | 0 | | 0 | | | 0 |
| Total Distribution | 732,000 | 780,000 | 701,953 | 745,000 | | 734,643 | | | 746,000 |

## Table 2: Mexico Fresh Pear Production

| Pears, Fresh Mexico | 2007 | | | 2008 | | | 2009 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2007/2008 | | | 2008/2009 | | | 2009/2010 | | |
| MT Has | Market Year Begin: Jul 2007 | | | Market Year Begin: Jul 2008 | | | Market Year Begin: Jul 2009 | | |
| | USDA Official Data | | Old Post Data | USDA Official Data | | Old Post Data | USDA Official Data | | Jan Data |
| Area Planted | 5,075 | 5,075 | 4,854 | 4,900 | | 3,777 | | | 3,777 |
| Area Harvested | 4,810 | 4,810 | 4,480 | 4,500 | | 3,749 | | | 3,750 |
| Bearing Trees | 1,005 | 1,005 | 931 | 961 | | 784 | | | 785 |
| Non-Bearing Trees | 55 | 55 | 78 | 63 | | 5 | | | 5 |
| Total Trees | 1,060 | 1,060 | 1,009 | 1,024 | | 789 | | | 790 |
| Commercial Production | 29,700 | 29,700 | 23,739 | 27,000 | | 20,104 | | | 20,110 |
| Non-Comm. Production | 1,000 | 1,000 | 1,000 | 1,000 | | 1,000 | | | 1,000 |
| Production | 30,700 | 30,700 | 24,739 | 28,000 | | 21,104 | | | 21,110 |
| Imports | 89,000 | 87,000 | 89,215 | 85,000 | | 78,152 | | | 80,000 |
| Total Supply | 119,700 | 117,700 | 113,954 | 113,000 | | 99,256 | | | 101,110 |
| Fresh Dom. Consumption | 117,700 | 115,700 | 111,914 | 111,000 | | 97,158 | | | 99,070 |
| Exports | 0 | 0 | 40 | 0 | | 98 | | | 40 |
| For Processing | 2,000 | 2,000 | 2,000 | 2,000 | | 2,000 | | | 2,000 |
| Withdrawal From Market | 0 | 0 | 0 | 0 | | 0 | | | 0 |
| Total Distribution | 119,700 | 117,700 | 113,954 | 113,000 | | 99,256 | | | 101,110 |

## Table 3: Mexico Grape Production

| Grapes Mexico | 2007 | | | 2008 | | | 2009 | | |
|---|---|---|---|---|---|---|---|---|---|
| | 2007/2008 | | | 2008/2009 | | | 2009/2010 | | |
| MT Has | Market Year Begin: May 2007 | | | Market Year Begin: May 2008 | | | Market Year Begin: May 2009 | | |
| | USDA Official Data | | Old Post Data | USDA Official Data | | Old Post Data | USDA Official Data | | Jan Data |
| Area Planted | 20,200 | 20,200 | 19,256 | 19,256 | | 16,611 | | | 16,000 |
| Area Harvested | 19,100 | 19,100 | 19,036 | 19,036 | | 16,095 | | | 15,700 |
| Commercial Production | 218,500 | 218,500 | 264,817 | 255,000 | | 181,070 | | | 170,309 |
| Non-Comm. Production | 1,500 | 1,500 | 1,500 | 1,000 | | 1,000 | | | 1,000 |
| Production | 220,000 | 220,000 | 266,317 | 256,000 | | 182,070 | | | 171,309 |
| Imports | 80,000 | 80,000 | 72,031 | 75,000 | | 78,789 | | | 50,000 |
| Total Supply | 300,000 | 300,000 | 338,348 | 331,000 | | 260,859 | | | 221,309 |
| Fresh Dom. Consumption | 123,100 | 125,000 | 161,466 | 181,000 | | 104,354 | | | 86,309 |
| Exports | 176,900 | 175,000 | 176,882 | 150,000 | | 156,505 | | | 135,000 |
| For Processing | 0 | 0 | 0 | 0 | | 0 | | | 0 |
| Withdrawal From Market | 0 | 0 | 0 | 0 | | 0 | | | 0 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Total Distribution | 300,000 | 300,000 | 338,348 | 331,000 | | 260,859 | | | 221,309 |

## TABLE 4: MEXICO Trade Matrixes

### Fresh Apples

| | | | |
|---|---|---|---|
| **Apples** **H.S. 0808.10** | | **Unit: Metric Tons** | |
| **Exports for MY 2007/08 *(Aug-Jul)* to:** | | **Imports for MY 2007/08 *(Aug-Jul )*from:** | |
| **U.S.** | **0** | **U.S.** | **178,792** |
| **COSTA RICA** | **51** | **CHILE** | **14,184** |
| **BELIZE** | **232** | **CANADA** | **1,180** |
| **OTHER** | **22** | **OTHER** | **2,797** |
| **TOTAL** | **305** | **TOTAL** | **196,953** |

| | | | |
|---|---|---|---|
| **Apples** **H.S. 0808.10** | | **Unit: Metric Tons** | |
| **Exports for MY 2008/09 *(Aug-Jul)* to:** | | **Imports for MY 2008/09 *(Aug-Jul)* from:** | |
| **U.S.** | **10** | **U.S.** | **213,055** |
| **COSTA RICA** | **0** | **CHILE** | **7,585** |
| **BELIZE** | **275** | **CANADA** | **1,157** |
| **OTHER** | **2** | **OTHER** | **859** |
| **TOTAL** | **287** | **TOTAL** | **222,656** |

### Fresh Pears

| | | | |
|---|---|---|---|
| **Pears** **H.S. 0808.20** | | **Unit: Metric Tons** | |
| **Exports for MY 2007/08 *(Jul-Jun)* to:** | | **Imports for MY 2007/08 *(Jul-Jun)* from:** | |
| **U.S.** | **5** | **U.S.** | **79,114** |
| **BELIZE** | **34** | **ARGENTINA** | **8,951** |
| | | **CHILE** | **691** |
| **OTHER** | **1** | **OTHER** | **460** |
| **TOTAL** | **40** | **TOTAL** | **89,216** |

| | | | |
|---|---|---|---|
| **Pears** **H.S. 0808.20** | | **Unit: Metric Tons** | |
| **Exports for MY 2008/09 *(Jul-Jun)* to:** | | **Imports for MY 2008/09 *(Jul-Jun)* from:** | |
| **U.S.** | **0** | **U.S.** | **69,641** |
| **BELIZE** | **31** | **ARGENTINA** | **7,264** |
| | | **CHILE** | **928** |
| **OTHER** | **67** | **OTHER** | **319** |
| **TOTAL** | **98** | **TOTAL** | **78,152** |

### Table Grapes

| | | | |
|---|---|---|---|
| **Table grapes** **H.S. 0806.10** | | **Unit: Metric Tons** | |
| **Exports for MY 2007/08 *(May-Apr)* to:** | | **Imports for MY 2007/08 *(May-Apr)* from:** | |
| **U.S.** | **176,211** | **U.S.** | **49,573** |
| | | | |
| **COSTA RICA** | **158** | **CHILE** | **22,459** |

| | | | |
|---|---|---|---|
| OTHER | 512 | OTHER | 0 |
| TOTAL | 176,881 | TOTAL | 72,032 |

| Table grapes | H.S. 0806.10 | Unit: Metric Tons | |
|---|---|---|---|
| Exports for MY 2008/09 *(May-Apr)* to: | | Imports for MY 2008/09 *(May-Apr)* from: | |
| U.S. | 155,508 | U.S. | 60,570 |
| | | | |
| COSTA RICA | 179 | CHILE | 18,219 |
| OTHER | 818 | OTHER | 0 |
| TOTAL | 156,505 | TOTAL | 78,789 |
| SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, August 2009. | | | |

| Table 5: Mexico -Average Monthly Wholesale Apple Import Prices Red Delicious Pesos/kilogram | | | |
|---|---|---|---|
| Month | 2008 | 2009 | Change percent |
| January | | | |
| February | | | |
| March | | 18.51 | |
| April | | 18.95 | |
| May | 16.50 | 18.31 | 10.96 |
| June | 21.53 | 17.56 | (18.43) |
| July | 22.42 | 18.71 | (16.54) |
| August | 23.56 | 20.16 | (14.43) |
| September | 19.29 | 13.89 | (27.99) |
| October | | | |
| November | | | |
| December | | | |
| CIF-Mexico City | | | |

| Table 6: Mexico -Average Monthly Wholesale Apple Domestic Prices Red Delicious Pesos/kilogram | | | |
|---|---|---|---|
| Month | 2008 | 2009 | Change percent |
| January | 13.47 | 18.12 | 34.52 |
| February | 13.16 | 17.05 | 29.55 |
| March | 12.84 | 18.51 | 44.15 |
| April | 12.36 | | |
| May | 16.50 | | |
| June | | | |
| July | | | |
| August | | | |
| September | 19.29 | 13.89 | (27.99) |
| October | 18.38 | 12.19 | (33.67) |

| | | | |
|---|---|---|---|
| November | | | |
| December | | | |

CIF-Mexico City
Source: Sevicio Nacional de Informacion de Mercados
2008 Exchange Rate Avg.: U.S.$1.00 = 11.14 Pesos
November 13, 2009 Exchange Rate: U.S.$1.00 = 13.20 Pesos

**Table 7: Mexico -Average Monthly Wholesale Pear Import Prices**
**D'ANJOU** **Pesos/kilogram**

| Month | 2008 | 2009 | Change percent |
|---|---|---|---|
| January | 18.31 | 22.51 | 22.93 |
| February | 17.90 | 21.29 | 18.93 |
| March | 17.79 | 21.84 | 22.76 |
| April | 17.42 | 23.76 | 36.39 |
| May | 16.78 | 23.61 | 40.70 |
| June | 19.56 | 24.37 | 24.59 |
| July | 22.43 | 24.13 | 7.57 |
| August | 24.24 | 24.22 | (0.08) |
| September | 23.61 | 24.40 | 3.34 |
| October | 23.02 | 23.64 | 2.69 |
| November | 22.28 | 22.43* | 0.67 |
| December | 22.48 | | |

CIF-Mexico City
Source: Sevicio Nacional de Informacion de Mercados
2008 Exchange Rate Avg.: U.S.$1.00 = 11.14 Pesos
November 13, 2009 Exchange Rate: U.S.$1.00 = 13.20 Pesos
*As 2nd Week of November of 2009

**Table 8: Mexico -Average Monthly Wholesale Grape Import Prices**
**Globe** **Pesos/kilogram**

| Month | 2008 | 2009 | Change percent |
|---|---|---|---|
| January | 26.87 | 24.75 | (7.88) |
| February | 27.39 | 34.70 | 26.68 |
| March | 20.93 | 34.03 | 62.58 |
| April | 30.72 | 32.32 | 5.20 |
| May | 29.31 | 28.80 | (1.74) |
| June | 23.15 | 25.83 | 11.57 |
| July | 19.70 | 21.00 | 0.05 |
| August | 21.50 | N/A | N/A |
| September | 25.41 | N/A | N/A |
| October | 24.13 | 29.45 | 22.04 |
| November | 21.59 | 35.63* | 65.03 |
| December | 26.45 | | |

CIF-Mexico City
Source: Sevicio Nacional de Informacion de Mercados
2008 Exchange Rate Avg.: U.S.$1.00 = 11.14 Pesos
November 13, 2009 Exchange Rate: U.S.$1.00 = 13.20 Pesos

* As 2nd Week of November of 2009

| Table 9. Mexico: Monthly Exchange Rate Averages 2007-2009 | | | |
|---|---|---|---|
| | **2007** | **2008** | **2009** |
| **January** | 10.94 | 10.91 | 13.15 |
| **February** | 10.99 | 10.77 | 14.55 |
| **March** | 11.12 | 10.74 | 14.71 |
| **April** | 10.98 | 10.52 | 13.41 |
| **May** | 10.82 | 10.44 | 13.19 |
| **June** | 10.83 | 10.33 | 13.47 |
| **July** | 10.80 | 10.24 | 13.36 |
| **August** | 10.50 | 10.10 | 13.00 |
| **September** | 10.92 | 10.61 | 13.41 |
| **October** | 10.92 | 12.56 | 13.24 |
| **November** | 10.87 | 12.31 | 13.25□ |
| **December** | 10.84 | 13.40 | N/A |
| **Annual Avg.** | **10.92** | **11.14** | **13.52** |

Source: Diario Oficial (Mexican Federal Register)
Note: Monthly rates are averages of daily exchange rates from the Banco de Mexico.
MX Pesos per U.S. $1.00
As of 2□nd week of November