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Report Name: Fresh Deciduous Fruit Annual

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Prepared By: Ariel Osoyo

Approved By: Daniel Alvarado

Report Highlights:

Mexico's overall outlook for fresh deciduous fruit in marketing year (MY) 2021/22 is expected to be positive on rebounding consumption after MY 2020/21 pandemic-related economic shocks. Apple consumption is expected to return to pre-pandemic levels, as the hotel, restaurant, and institutional (HRI) sector ramps up and vaccination efforts continue to stimulate school reopenings. Apple production is expected to increase by nine percent, mainly in Chihuahua, due to increased rainfall during May–July, saving the crop from drought. Pear production is expected to decline for the fourth consecutive year due to lack of investment in the sector. Fresh table grape production is expected to drop seven percent, as vineyards in Sonora and Baja California were negatively affected by drought and heat at key growing stages. Fresh deciduous fruit imports into Mexico are threatened where purchasing power is declining, particularly outside of HRI hotspots and higher-income market segments.

Executive Summary

Apples, Fresh: For marketing year (MY) 2021/22, production, consumption, and exports are forecast to increase to 779,749 metric tons (MT), 1,030,249 MT, and 920 MT, respectively. Imports are forecast to decrease to 251,420 MT.

Pears, Fresh: For MY 2021/22, consumption and imports are forecast to increase to 100,243 MT and 74,620 MT, respectively. Production and exports are forecast to decrease to 25,705 MT and 82 MT, respectively.

Grapes, Fresh: For MY 2021/22, production, consumption and exports are forecast to decrease to 352,332 MT, 256,063 MT and 201,470 MT, respectively; imports are forecast to increase at 105,201 MT.

Apples

Table 1. Mexico Apple – Production, Supply, and Distribution (PSD)

Apples, Fresh	2019/2020		2020/2021		2021/2022	
Market Year Begins	19-Aug		20-Aug		21-Aug	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	57,417	57,417	60,671	60,013	-	58,943
Area Harvested (HA)	52,981	52,981	53,379	56,706	-	55,885
Bearing Trees (1000 TREES)	11,101	11,101	10,140	10,140	-	10,701
Non-Bearing Trees (1000 TREES)	2,069	2,069	3,101	3,101	-	2,704
Total Trees (1000 TREES)	13,170	13,170	13,241	13,241	-	13,405
Commercial Production (MT)	759,483	759,483	678,504	712,203	-	777,749
Non-Comm. Production (MT)	2,000	2,000	2,000	2,000	-	2,000
Production (MT)	761,483	761,483	680,504	714,203	-	779,749
Imports (MT)	257,100	257,089	250,000	260,131	-	251,420
Total Supply (MT)	1,018,583	1,018,572	930,504	974,334	-	1,031,169
Domestic Consumption (MT)	1,017,383	1,017,389	923,504	973,454	-	1,030,249
Exports (MT)	1,200	1,183	7,000	880	-	920
Withdrawal From Market (MT)	-	-	-	-	-	-
Total Distribution (MT)	1,018,583	1,018,572	930,504	974,334	-	1,031,169

Area

Post forecasts MY 2021/22 (August–July) apple planted area at 58,943 hectares (ha). Old trees that did not receive good agricultural care, such as consistent watering, pruning, or fertilization, were affected by drought during January–April 2021, causing leaves to fall and premature fruit to drop. Chihuahua, Durango, and Nuevo León States were most heavily affected by drought during that time. Chihuahua State continues with high-density plantations and mechanization with sprinklers, micro-sprinklers, and/or drip irrigation.

Post’s MY 2021/22 forecast for harvested area is 55,885 ha, due to an increase in trees that are already at the stage of commercial apple production. It takes an average of five years for an apple tree to reach commercial production. Harvestable acreage is expected to continue to increase in the future. Mexico produces approximately 71 percent Golden Delicious variety and 29 percent Red Delicious.

Production

Post's production forecast for MY 2021/22 is 779,749 MT, a nine percent increase from the previous MY due to the large amount of rainfall that occurred prior to harvest, improving yields. Harvest begins in July and ends in November, with peak production in September. Chihuahua is by far the leading apple-producing state in Mexico. For MY 2021/22, Chihuahua is estimated to produce 659,742 MT, accounting for 83 percent of total Mexican apple production and representing an 11 percent increase from the previous MY.

Growers and distributors in Chihuahua State have increased their controlled atmosphere (CA) storage capacity to offer year-round product to retailers. In Chihuahua, due to the COVID-19 pandemic, many workers who were laid off in other sectors moved to the apple industry to work in production and harvesting activities. Currently, there are no federal programs that support apple production or apple growers.

Apple Producing States in MY 2021/22



Consumption

Post's consumption forecast for MY 2021/22 is 1,030,249 MT, six-percent higher than MY 2020/21, mainly due to higher production and consumers' continued search for healthier foods to include in their diets. Apple retailers indicate post-pandemic consumption has also grown due to the reopening of hotels and restaurants. However, they are carrying lower stocks than they were accustomed to before the pandemic due to the uncertainty that still exists in the market.

Apple consumption is also bolstered by online commerce and home delivery services, which give consumers the opportunity to continue buying produce without having to leave home and expose themselves to COVID-19 contagion. Nevertheless, the sale of apples in street markets continues to be one of the strongest retail avenues.

Apple consumption for MY 2020/21 is revised up four percent from previous estimates due to a steady supply in street markets and the expansion of home delivery services in large cities during the months when schools, hotels, and restaurants were closed due to pandemic emergency measures. According to Mexico's Agricultural Statistics Service (SIAP), annual consumption is 7.6 kilograms per person. Apples for processing are mainly utilized for juice. Producers prefer to sell fresh apples for higher profits, with remaining supplies sold to processing facilities.

Trade

Post's import forecast for MY 2021/22 is 251,420 tons, a decline from MY 2020/21 due to an increase in domestic production and high import prices. More than 65 percent of apples are imported into Mexico from January through July, and extensive cold storage facilities allow for year-round supply. U.S. apples make up 97 percent of Mexico's apple imports. According to importers, the United States can supply apples year-round while maintaining the same quality, flavor and size, unlike domestically produced apples. Washington-origin apples account for 85–90 percent of Mexico imports, with California supplying the remainder.

Mexican apple exports continue to be residual and forecast at 920 metric tons for MY 2021/22. Apple exports to the United States come from a limited number of counties in Chihuahua that are recognized by the USDA Animal and Plant Health Inspection Service as zones free of fruit flies. The counties in Chihuahua State eligible for apple exports are Bachiniva, Casas Grandes, Cuauhtémoc, Guerrero, Namiquipa, and Nuevo Casas Grandes.

Policy

At the federal level, there continues to be no government support for apple production or marketing. Apples are not included in the “Production for Wellbeing” program. Locally, in the State of Chihuahua, financing is offered to producers for the acquisition of machinery for drip irrigation and micro-sprinkler irrigation.

Tariffs

U.S. apples enter Mexico duty free. 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 duty of 20 percent. Mexico's apple H.S. code is 080810.

Table 2: Planted Area by State (ha)

State	2020/21	2021/22*
Chihuahua	33,284	33,269
Puebla	7,499	7,290
Durango	6,577	5,737
Coahuila	5,802	5,802
Nuevo León	1,290	1,268
Others	5,561	5,577
Total	60,013	58,943

Source: SIAP (Data Retrieved October 2021)

*Forecast

Table 3: Harvested Area by State (ha)

State	2020/21	2021/22*
Chihuahua	31,785	31,768
Puebla	6,488	6,367
Durango	6,473	5,635
Coahuila	5,725	5,725
Nuevo León	1,233	1,240
Others	5,002	5,150
Total	56,706	55,885

Source: SIAP (Data Retrieved October 2021)

*Forecast

Table 4: Production by State (MT)

State	2020/21	2021/22*
Chihuahua	594,711	659,742
Coahuila	44,748	43,883
Puebla	34,454	32,844
Veracruz	9,206	9,312
Durango	7,085	17,783
Others	23,999	16,184
Total	714,203	779,749

Source: SIAP (Data Retrieved October 2021)

*Forecast

Table 5: Imports (MT)

Partner	MY 2019/20	MY 2020/21
United States	251,924	256,208
Chile	2,626	2,686
Canada	924	557
China	901	148
New Zealand	331	159
Argentina	276	-
South Africa	107	373
Total	257,089	260,131

Source: Trade Data Monitor (Data Retrieved October 2021)

Table 6: Exports (MT)

Partner	MY 2020/21
Belize	823
United States	53
Honduras	4
El Salvador	-
Total	880

Source: Trade Data Monitor (Data Retrieved October 2021)

**Table 7. Mexico -Average Monthly Wholesale Apple Import Prices
Golden Delicious (Pesos/kilogram)**

Month	2020	2021	Change (%)
January	51.17	N/A	NA
February	50.85	51.17	0.62
March	50.70	50.47	-0.45
April	50.75	46.91	-7.56
May	52.29	43.76	-16.31
June	N/A	47.55	N/A
July	50.00	50.00	-
August	50.58	54.04	6.84
September	46.88	53.76	14.67
October	47.05	52.50*	11.58
November	48.00	N/A	N/A
December	50.00	N/A	N/A

Source: National Market Information Service (Data Retrieved October 2021)

Pears

Table 8. Mexico Pear – Production, Supply, and Distribution (PSD)

Pears, Fresh	2019/2020		2020/2021		2021/2022	
Market Year Begins	19-Jul		20-Jul		21-Jul	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	3,734	3,744	3,692	3,692	-	3,672
Area Harvested (HA)	3,701	3,702	3,607	3,650	-	3,632
Bearing Trees (1000 TREES)	822	822	801	801	-	797
Non-Bearing Trees (1000 TREES)	9	9	12	12	-	11
Total Trees (1000 TREES)	831	831	813	813	-	808
Commercial Production (MT)	26,049	24,979	23,570	24,903	-	24,705
Non-Comm. Production (MT)	1,000	1,000	1,000	1,000	-	1,000
Production (MT)	27,049	25,979	24,570	25,903	-	25,705
Imports (MT)	90,000	83,815	70,000	72,468	-	74,620
Total Supply (MT)	117,049	109,794	94,570	98,371	-	100,325
Domestic Consumption (MT)	116,949	109,733	94,470	98,271	-	100,243
Exports (MT)	100	61	100	100	-	82
Withdrawal From Market (MT)	-	-	-	-	-	-
Total Distribution (MT)	117,049	109,794	94,570	98,371	-	100,325
(HA), (1000 TREES), (MT)						

Area

Due to low investment and little growth expectations in coming years, Post forecasts the MY 2021/22 planted area declining to 3,672 ha. Pears are grown mainly in the states of Puebla and Michoacán and approximately 85 percent of the area planted is rainfed.

Production

The Post production forecast for MY 2021/22 is 25,705 MT, slightly lower than the previous MY on lower planted area due to the lack of investment in production technology and infrastructure. National yields are expected to be 7 tons per ha. Most pears are produced "in the wild" without commercial agricultural care and are generally of low quality, as there is no standard in terms of size, consistency, or color. The quality of the domestic pear does not allow it to compete with imported product. Puebla and Michoacán States account for 73 percent of total production, since a temperate climate is required for pear production. Puebla begins harvesting in August/September, while Michoacán begins harvesting in June/July. There are a total of 18 pear-producing states in Mexico, and one of the secondary uses for pears is the production of jams.

Pear Producing States in MY 2021/22



Consumption

The Post consumption forecast for MY 2021/22 is 100,243 MT, a rebound from the lows of MY 2020/21. U.S. pear imports have covered most of that domestic demand, with an 88-percent market share. Mexican consumers prefer imported pears because of their higher quality and year-round availability, which enters Mexico at competitive prices.

In the medium- and long-term, pear consumption is expected to grow, as medium- and high-income market segments continue looking for products that provide higher nutritional value. Most retail chains have established online platforms to offer products to consumers without the need to visit stores and have experienced results from those investments. The retail industry is structured in the following two main sectors: wholesale markets and traditional channels (public markets, markets, and greengrocers). In absolute numbers, the traditional channel is the one that has more strongly supported consumption of pears during and after the pandemic. Per capita consumption in Mexico is 0.8 kilograms, according to SIAP data. The most consumed pear variety in Mexico is Anjou.

Trade

The Post forecast for MY 2021/22 imports is 74,620 MT, an increase due to increased supplies in the United States available to Mexico at competitive prices. MY 2020/21 imports are revised down to 72,468 MT due to high import prices. Exports remain negligible, with Post's forecast for MY 2021/22 at 82 MT.

Policy

There is no federal or local government support for pear production or marketing.

Tariffs

The import duty on pears from the United States, Canada, Chile, and Argentina is zero. All other countries are subject to a duty of 20 percent. The pear H.S. code is 080830. Only pears from Oregon, Washington, California, and areas not under quarantine are imported into Mexico.

Table 9: Planted Area by State (ha)

State	2020/21	2021/22*
Puebla	1,849	1,825
Michoacán	660	674
Morelos	344	341
Chiapas	237	237
Veracruz	162	161
Others	441	434
Total	3,692	3,672

Source: SIAP (Data Retrieved October 2021)

*Forecast

Table 10: Harvest Area by State (ha)

State	2020/21	2021/22*
Puebla	1,823	1,804
Michoacán	660	674
Morelos	342	338
Chiapas	237	237
Veracruz	162	161
Others	427	419
Total	3,650	3,633

Source: SIAP (Data Retrieved October 2021)

*Forecast

Table 11: Production by State (MT)

State	2020/21	2021/22*
Puebla	12,338	12,295
Michoacán	6,615	6,556
Morelos	2,042	1,974
Veracruz	1,887	1,832
Chiapas	746	788
Others	2,277	2,260
Total	25,903	25,705

Source: SIAP (Data Retrieved October 2021)

*Forecast

Table 12: Imports (MT)

Partner	MY 2020/21
United States	59,157
Argentina	10,173
Chile	2,635
China	459
Others	44
Total	72,468

Source: Trade Data Monitor (Data Retrieved October 2021)

**Table 13: Mexico -Average Monthly Wholesale Pear Import Prices
D'ANJOU (Pesos/kilogram)**

Month	2020	2021	Change (%)
January	46.29	N/A	N/A
February	47.22	50.00	5.88
March	46.78	47.44	1.41
April	46.78	44.42	-5.05
May	46.94	40.89	-12.88
June	N/A	48.11	N/A
July	46.39	48.84	5.28
August	45.56	46.96	3.07
September	42.71	48.67	13.95
October	44.62	49.58*	11.11
November	N/A	N/A	N/A
December	N/A	N/A	N/A

Source: Servicio Nacional de Información de Mercados (Data Retrieved October 2021)

Table Grapes

Table 14: Mexico, Grapes, Fresh Table – PSD

Grapes, Fresh Table	2019/2020		2020/2021		2021/2022	
Market Year Begins	19-May		20-May		21-May	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	26,240	25,824	27,050	27,053	-	23,394
Area Harvested (HA)	24,100	24,436	24,671	25,045	-	21,835
Commercial Production (MT)	374,000	406,131	390,168	379,001	-	351,332
Non-Comm. Production (MT)	1,000	1,000	1,000	1,000	-	1,000
Production (MT)	375,000	407,131	391,168	380,001	-	352,332
Imports (MT)	95,000	90,517	90,000	98,171	-	105,201
Total Supply (MT)	470,000	497,648	481,168	478,172	-	457,533
Fresh Dom. Consumption (MT)	250,000	273,456	276,168	271,542	-	256,063
Exports (MT)	220,000	224,192	205,000	206,630	-	201,470
Withdrawal From Market (MT)	-	-	-	-	-	-
Total Distribution (MT)	470,000	497,648	481,168	478,172	-	457,533
(HA) ,(MT)						

Area

MY 2021/22 (May–April) planted area is forecast at 23,394 ha, thirteen–percent lower than MY 2020/21 due to the dehydration effects of high heat affecting vineyards, even though more than 90 percent of the table grape area planted is irrigated.

Sonora State accounts for 75 percent of total planted area in Mexico, where producers continue planting new high yield varieties. Sonora replants six to eight percent of fields every year to replace old varieties. Mexico's principal grape varieties include Perlette, Flame, Sugraone, and Red Globe. Baja California has been replanting to produce specialty varieties exclusively for export to the United States. Mexico continues trying to develop new varieties that are more productive and resistant to diseases; however, access to genetic research is expensive and challenging to obtain.

Production

Post's production forecast for MY 2021/22 is 352,332 MT, seven–percent lower than MY 2020/21, due to bad weather and rain shortages mainly in Sonora and Baja California. National yields are expected to be 16 tons per ha. Sonora State is by far the largest producer in Mexico and is estimated to have a crop made up of 45 percent white seedless varieties, followed by red seedless varieties at 40 percent, black seedless varieties at 5 percent, and the rest as specialty varieties such as Cotton Candy. Small quantities of organic grapes are produced in Guaymas, Sonora. Sonora yields are estimated at 17 tons per ha. Harvest in Sonora begins in May and usually ends in July, while in Baja California and other states, harvesting takes place from June to August.

Grape Producing States



Consumption

The consumption forecast for the MY 2021/22 season is 256,063 tons, lower than in the 2020/21 season, due to decreased domestic production and increased prices at retail. Grapes tend to be one of the most expensive fruits in Mexico, concentrating purchases among high-income consumers. Consumption in MY 2020/21 has been revised downward due to pandemic-related economic shocks, as well as lower production affecting supply.

Trade

Imports for MY 2021/22 are forecast at 105,201 MT, seven percent higher than MY 2020/21. While Mexico can produce sufficient volumes to meet domestic demand, consumers prefer a broader selection of varieties from the United States and Chile. 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. Importers report good weather in California causing table grape imports into Mexico during MY 2021/22 to arrive early, plentifully, and at affordable prices.

The MY 2021/22 export forecast is 201,470 MT, lower than MY 2020/21 as most remained in Mexico for domestic consumption. Most of Mexico's table grape exports go to the United States.

Policy

U.S. table grapes can only be imported into Mexico from California due to phytosanitary restrictions prohibiting imports from other states. Shipments must be free of vine leaves and stems and product must come from areas that are not regulated (quarantined) for fruit fly. Quarantined counties in the California State are Alameda, Contra Costa, Marin, Monterey, Santa

Clara, Santa Cruz, San Francisco, San Mateo, Solano, San Joaquin, Los Angeles, San Luis Obispo, and San Diego.

Tariffs

Under their respective trade agreements, the import duty on grapes from the United States, Chile, Japan, and Peru is zero. The table grapes H.S. code is 080610.

Table 15: Planted Area (ha)

State	2020/21	2021/22*
Sonora	20,351	16,974
Zacatecas	5,406	5,134
Aguascalientes	349	321
Baja California	604	585
Jalisco	130	165
Others	213	215
Total	27,054	23,394

Source: SIAP (Data Retrieved October 2021)

*Forecast

Table 16: Harvested Area (ha)

State	2020/21	2021/22*
Sonora	19,523	16,108
Zacatecas	4,278	4,502
Aguascalientes	334	300
Baja California	594	572
Jalisco	130	152
Others	186	201
Total	25,046	21,835

Source: SIAP (Data Retrieved October 2021)

*Forecast

Table 17: Grape Production (MT)

State	2020/21	2021/22*
Sonora	320,990	286,154
Zacatecas	42,935	45,501
Aguascalientes	6,890	8,726
Baja California	5,429	6,852
Jalisco	1,980	2,895
Others	1,777	2,204
Total	380,001	352,332

Source: SIAP (Data Retrieved October 2021)

*Forecast

**Table 18: Average Monthly Wholesale Red Globe Import Prices
(Pesos/kilogram)**

Month	2020	2021	Change (%)
January	62.10	N/A	N/A
February	52.69	60.00	13.87
March	47.25	51.85	9.73
April	48.80	44.63	-8.54
May	53.15	40.70	-23.42
June	N/A	62.50	N/A
July	N/A	N/A	N/A
August	N/A	N/A	N/A
September	N/A	N/A	N/A
October	60.75	46.25*	-23.86
November	58.63	N/A	N/A
December	58.00	N/A	N/A

Source: National Service for Market Information (Data Retrieved October 2021)

Attachments:

No Attachments