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Mexico

Fresh Deciduous Fruit

Semi-Annual Trade Report

2005

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Report Highlights:

The forecast for apple imports for MY 2004/05 (August-July) was revised upward from previous estimates as more apples are expected to be imported from the United States, due to expected good demand in Mexico, a larger U.S. apple crop, and a drop in Asian demand for U.S. apples. The suspension of the anti-dumping duty of 46.58 percent for most U.S. Red and Golden Delicious apples is expected to only modestly increase U.S. exports in MY 2004 marketing year since the lifting of the dumping duty will go into effect after the prime U.S. shipping season has already passed. The forecast for imported pears for MY 2004/05 (July-June) was revised slightly downward. The forecast for imported table grapes for MY 2005 (January-December) remains unchanged.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
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SECTION I. SITUATION AND OUTLOOK

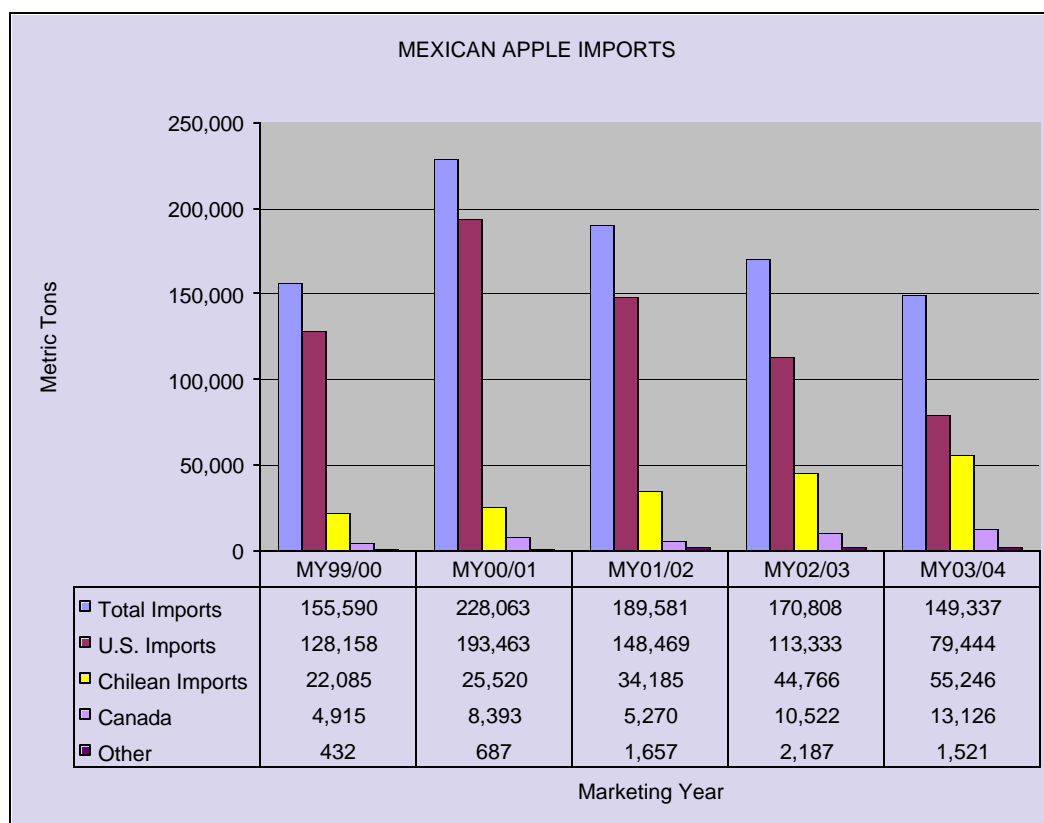
Apple, Pear and Table Grape Trade Situation

The forecast for apple imports for MY 2004/05 (August-July) was revised upward from previous estimates as more apples are expected to be imported from the United States, due to expected good demand in Mexico, a larger U.S. apple crop, and a drop in Asian demand for U.S. apples. The suspension of the anti-dumping duty of 46.58 percent for most U.S. Red and Golden Delicious apples is expected to only modestly increase U.S. exports this marketing year since the lifting of the dumping duty will go into effect after the prime U.S. shipping season has already passed. Although larger increases in U.S. apple exports to Mexico are expected in the future, it remains unclear just how many additional exports a reference price system will generate in the absence of dumping duties, from which many importers had already been exempted through the use of court injunctions (amparos).

On December 29, 2004, the Secretariat of Economy (SE) published in the *Diario Oficial* (Federal Register) an announcement suspending the application of the 46.58-percent duty on imported U.S. Red and Golden Delicious apples from the Pacific Northwest and establishing a new reference price system for members of the Northwest Fruit Exporters (NFE) organization. The suspension will go into effect on February 28, 2005 and will be in force for a period of 5 years. Apple shipments coming from non-NFE members (i.e., mainly those apple exporters in states other than Idaho, Oregon, or Washington) will be subject to the application of the full duty. With regard to the reference price agreement, a two-tiered escalating price structure was announced; it is dependent on shipping season and port of entry, with prices ranging from US\$14.77 to US\$17.43 per 19.05 kg. box. For additional information see Report MX5001.

Since the antidumping duty first went into effect in August 2002, the U.S. share of Mexico's apple market has decreased from 78 percent in MY 2001/02 to 53 percent in MY 2003/04. In contrast, for those same years, Chilean market share went from 18 percent to 37 percent and Canadian market share went from 3 percent to 9 percent. Strong U.S. apple import months are from January to May, although the U.S. does start shipping in smaller volumes starting in November. Canadian apples are imported from November to January, and Chilean apples are imported approximately from March to June. Under the Chile-Mexico free trade agreement, imported Chilean apples have a TRQ of 3,034,647 Kg. at a 1.7 percent duty in 2005. However, starting on January 1st 2006, imports of Chilean fresh apples will be duty free and not subjected to a quota. Chilean apples do not compete as directly with Mexican apples as they do not hit the Mexican 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 marketed in the early months of the year, thus competing more directly with U.S., rather than Chilean, apples. In general, Chilean apples are of a lower quality than are U.S. apples.

The Pacific Northwest states of Washington, Oregon, and Idaho account for about 99 percent of U.S. apples exported to Mexico, with the remainder coming from California, Michigan and Virginia.



The forecast for imported pears for MY 2004/05 (July-June) was revised slightly downward because of expected lower demand and higher prices for imported pears due to lower availability of pears in the United States. The MY 2003/04 import estimate was also revised downward due to these same reasons.

The MY (January-December) 2005 forecast and MY 2004 estimate for imported table grapes remains unchanged from the previous forecast. Mexican exports for MY 2005 also remain unchanged. MY 2004 table grape export estimates were revised downward due to lower international demand.

SECTION II. STATISTICAL TABLES

Apples, PS&D Table

Country	Mexico					
Commodity	Apples, Fresh		(HA) (1000 TREES) (MT)			
	2002 Revised		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	08/2002		08/2003		08/2004	
Area Planted	62475	62475	62995	62995	63180	63180
Area Harvested	60890	60890	60973	60973	61100	61100
Bearing Trees	13700	13700	14145	14145	14175	14175
Non-Bearing Trees	356	356	469	469	482	482
Total Trees	14056	14056	14614	14614	14657	14657
Commercial Production	472616	472616	488216	572000	503000	503000
Non-Comm. Production	7000	7000	7000	7000	7000	7000
TOTAL Production	479616	479616	495216	579000	510000	510000
TOTAL Imports	170808	170808	164000	149338	169000	174000
TOTAL SUPPLY	650424	650424	659216	728338	679000	684000
Domestic Fresh Consump	560424	560424	567216	636338	587000	592000
Exports, Fresh Only	0	0	0	0	0	0
For Processing	90000	90000	92000	92000	92000	92000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	650424	650424	659216	728338	679000	684000

Pear, PS&D Table

Country	Mexico					
Commodity	Pears, Fresh		(HA)(1000 TREES)(MT)			
	2002 Revised		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	07/2002		07/2003		07/2004	
Area Planted	4820	4820	4659	4659	4660	4660
Area Harvested	4683	4683	4530	4530	4550	4550
Bearing Trees	979	979	946	946	950	950
Non-Bearing Trees	28	28	26	26	22	22
Total Trees	1007	1007	972	972	972	972
Commercial Production	30951	30951	27993	27993	28500	28500
Non-Comm. Production	1000	1000	1000	1000	1000	1000
TOTAL Production	31951	31951	28993	28993	29500	29500
TOTAL Imports	91978	91978	87000	85712	90000	87000
TOTAL SUPPLY	123929	123929	115993	114705	119500	116500
Domestic Fresh Consump	121929	121929	113993	112705	117500	114500
Exports, Fresh Only	0	0	0	0	0	0
For Processing	2000	2000	2000	2000	2000	2000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	123929	123929	115993	114705	119500	116500

Table Grapes, PS&D Table

Country	Mexico					
Commodity	Grapes, Table, Fresh			(HA)(MT)		
	2002 Revised		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	01/2003		01/2004		01/2005	
Area Planted	18693	18693	18700	18700	18700	18700
Area Harvested	16932	16932	17000	17000	17100	17100
Commercial Production	195607	195607	165500	165500	190000	190000
Non-Comm. Production	1800	1800	1500	1500	1800	1800
TOTAL Production	197407	197407	167000	167000	191800	191800
TOTAL Imports	84279	84279	82000	82000	90000	90000
TOTAL SUPPLY	281686	281686	249000	249000	281800	281800
Domestic Fresh Consump	114930	114930	127000	129200	121800	121800
Exports, Fresh Only	166756	166756	122000	119800	160000	160000
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	281686	281686	249000	249000	281800	281800

Trade Matrixes

Trade Matrix Apples

Apples		Unit: Metric Tons	
Exports for MY 2003/04 (Aug-July) to:		Imports for MY 2003/04 (Aug-July) from:	
U.S.	21	U.S.	79,444
BELIZE	58	CHILE	55,246
OTHER	5	OTHER	14,648
TOTAL	84	TOTAL	149,338

SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, September 2004.

Trade Matrix Pears

Pears		Unit: Metric Tons	
Exports for MY 2003/04 (Jul-Jun) to:		Imports for MY 2003/04 (Jul-Jun) from:	
U.S.	1	U.S.	76,406
BELIZE	10	ARGENTINA	5,845
		CHILE	3,458
OTHER	5	OTHER	3
TOTAL	16	TOTAL	85,712

SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, September 2004.

Trade Matrix Table Grapes

Table Grapes		Unit: Metric Tons	
Exports for MY 2004 (Jan-Dec*) to:		Imports for MY 2004 (Jan-Dec*) from:	
U.S.	118,973	U.S.	17,838
SALVADOR	477	CHILE	28,942
OTHER	176	OTHER	20
TOTAL	119,626	TOTAL	46,800

SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, September 2004.


*Figures for MY 2004 as of Sep 2004

Apple Prices

AVERAGE MONTHLY WHOLESALE APPLE IMPORT PRICES RED DELICIOUS PESOS/KILOGRAM			
Month	2003	2004	Change %
January			
February			
March	14.87	17.04	14.59
April	14.66	16.33	11.39
May	14.78	16.40	10.96
June	14.44	17.04	18.00
July	14.35	17.41	21.32
August	14.16	16.99	19.98
September	13.83	17.31	25.16
October			
November			
December			
CIF-Mexico City			

AVERAGE MONTHLY WHOLESALE APPLE DOMESTIC PRICES RED DELICIOUS PESOS/KILOGRAM			
Month	2003	2004	Change %
January	10.98	11.62	5.82
February	11.05	12.38	12.03
March		12.50	
April			
May			
June			
July			
August			
September	11.35	10.93	(3.70)
October	11.35	10.50	(7.48)
November	11.50	10.50	(8.69)
December	11.50	10.20	(11.30)
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados
 2004 Exchange Rate Avg.: U.S.\$1.00 = 11.29 pesos
 January 13, 2005 Exchange Rate: U.S.\$1.00 = 11.17 pesos

Shaded  area indicates that prices were not available.


Pear Prices

AVERAGE MONTHLY WHOLESALE PEAR IMPORT PRICES D'ANJOU PESOS/KILOGRAM			
Month	2003	2004	Change %
January	12.20	13.58	11.31
February	12.78	12.92	1.09
March	13.29	12.78	(3.83)
April	13.33	13.79	3.45
May	12.93	15.67	21.19
June	15.20	16.84	10.78
July	16.67	17.42	4.49
August	17.22		
September			
October	13.77	15.00	8.93
November	13.33	16.34	22.58
December	13.33	16.11	20.85
CIF-Mexico City			

Table Grape Prices

AVERAGE MONTHLY WHOLESALE GRAPE IMPORT PRICES GLOBE PESOS/KILOGRAM			
Month	2003	2004	Change %
January	15.93	23.07	44.82
February	15.00	17.78	18.53
March	15.08	14.98	(0.66)
April	15.32	15.97	4.24
May	14.57	16.22	11.32
June	13.82	19.10	38.20
July	15.91	19.00	19.42
August	18.30	18.13	(0.92)
September	18.17	19.40	6.76
October	17.92	17.38	(3.01)
November	14.98	23.44	56.47
December	20.71	28.00	35.20
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados
 2004 Exchange Rate Avg.: U.S.\$1.00 = 11.29 pesos
 January 13, 2004 Exchange Rate: U.S.\$1.00 = 11.17 pesos

Shaded  area indicates that prices were not available.

AVERAGE MONTHLY WHOLESALE GRAPE DOMESTIC PRICES PERLETTE PESOS/KILOGRAM			
Month	2003	2004	Change %
January			
February			
March			
April			
May			
June	8.95	12.22	36.53
July	8.81	10.61	20.43
August			
September			
October			
November			
December			
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados
 2004 Exchange Rate Avg.: U.S.\$1.00 = 11.29 pesos
 January 13, 2005 Exchange Rate: U.S.\$1.00 = 11.17 pesos