

Required Report: Required - Public Distribution

Date: June 01, 2021

Report Number: MX2021-0030

Report Name: Tomato Annual

Country: Mexico

Post: Mexico City

Report Category: Tomatoes and Products

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Report Highlights:

Tomato production in Mexico is forecasted to recover slightly from last year, on more stable weather and sufficient rainfall levels in Sinaloa, the top producing state. However, ongoing drought conditions throughout the country will provide some uncertainty to final production levels. The reopening of the restaurant and hotel industry in the United States and Mexico, the certainty provided to producers by the newly renegotiated U.S.- Mexico Tomato Suspension Agreement, and good export prices has encouraged more tomato planting. Production under protected agriculture systems continues to grow as it provides for higher yields and quality.

Production

Tomatoes are produced in Mexico year-round, with a fall/winter cycle and a spring/summer cycle stretching over 18 months and measured by an agricultural year (AY) from October to March (plus one year). The tomato marketing year is covered from October to September. For purposes of this report, FAS Mexico will refer to the AY in production forecasts in order to capture total tomato production in the country.

Agricultural Year 2022: October 2021- March 2023

Agricultural Year 2021: October 2020- March 2022

Agricultural Year 2020: October 2019- March 2021

Tomato Production Cycle

Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
SOWING FALL-WINTER																	
		HARVEST FALL-WINTER															
			SOWING SPRING-SUMMER														
								HARVEST SPRING SUMMER									

There is no official forecast for tomato production in crop year (CY) 2022, however, Post forecasts 3.32 million metric tons (MMT), assuming favorable weather conditions throughout the country. Post's production estimate for CY 2021 is 3.30 million metric tons, up two percent from the previous crop year, but dependent on higher rainfall compared to the previous AY (fall/winter cycle) and ongoing technological investments in irrigation systems.

Much of the country has experienced some level of drought conditions since September 2020. While dams in Sinaloa are currently at 10 percent capacity, levels are expected to recover upon the onset of rainy season in July. According to the Agrifood and Fisheries Information System (SIAP), production for AY 2020 reached 3.24 MMT, although data is not yet final.

Tomato production in Mexico is highly concentrated, with six states producing 53 percent of the national total in 2020. Querétaro, Coahuila, Nuevo León, and Puebla have the highest tomato yields due to investments in protected agriculture technologies like green and shade houses, and irrigation systems.

Production AY 2021: Fall/Winter*

State	Planted area (ha)	Harvested area (ha)	Production (mt)	Yields (mt/ha)
Sinaloa	12,616	11,403	568,130	49.82
Baja California Sur	1,394	652	31,691	48.61
Chiapas	740	595	27,502	46.23
Querétaro	112	99	23,775	240.15
Sonora	1,711	448	14,651	32.70
Others	7,388	1,873	61,803	33.00

Total	23,960	15,070	727,551	48.28
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*Through March 31, 2021. SIAP

Post tomato planted area for AY 2022 is forecasted at 44,201 hectares (ha), three percent lower than AY 2021 due to consolidated and more efficient protected agriculture systems. Planted area for AY 2021 is estimated at 45,403 ha, two percent higher compared to AY 2020. This increase can be attributed to post-pandemic recovery and a more stable climate with more water. In addition, growers no longer have the uncertainty caused by the renegotiation of the U.S.-Mexico Tomato Suspension Agreement. Tomatoes are the most widely produced vegetable in Mexico, and Roma tomatoes are the main variety produced, followed by round and cherry. Producers continue to increase the cultivation of specialty tomatoes, like cherry and grape, based on increased prices and demand from the United States.

Protected Agriculture

Protected agriculture continues to become increasingly prevalent throughout the country, particularly on farms and enterprises that rely on the export market. Investments in protected agriculture aim to improve production profitability levels by increasing productivity per unit area, as well as improving yields, saving significant amounts of water, and reducing pesticide use. Technologies currently in use include greenhouse, shade house and tunnel growing systems that allow year-round production through strict climate, and pest and disease control programs.

AY 2020: Tomato Production

State	Open field (ha)	State	Greenhouse (mt)	Shade mesh (mt)	Tunnel (mt)	Total
Sinaloa	303,498	Sinaloa	63,705	317,131		380,836
Michoacán	147,834	San Luis Potosí	95,398	233,553		328,951
Zacatecas	117,708	Jalisco	129,451	13,738		143,189
Baja California Sur	92,356	Querétaro	131,046			131,046
Chiapas	70,409	Puebla	125,652			125,652
Others	354,685	Others	757,043	274,123	21,857	1,053,023
Total	1,086,490	Total	1,302,294	838,545	21,857	2,162,696

Source: SIAP

AY 2020: Tomato Production by Technology

Technology	Planted Area (ha)	Harvested Area (ha)	Production (mt)	Yields (mt/ha)
Open Field	29,663	29,554	1,086,490	36.76
Greenhouse	7,222	7,217	1,302,294	180.45
Shade Mesh	7,603	7,600	838,545	110.33
Tunnel	326	326	21,857	67.09
Total	44,814	44,697	3,249,187	72.69

Source: SIAP

Sinaloa is the largest tomato producing state in Mexico, with fall/winter production only. Production is mainly through open field cultivation, but protected agriculture methods are also increasingly utilized. Sinaloa tomatoes are harvested and supply the U.S. market during the winter months, typically from late December through May, and cross at the Nogales, Arizona border port of entry. Sinaloa growers are starting to produce in the states of Michoacán, Jalisco, and Querétaro to obtain quality products and thus have access to the summer export window after the winter window ends in May.

Tomato production in the central Mexican states of San Luis Potosi, Michoacán, Zacatecas, and Jalisco has seen increases in recent years, using both open field and protected agriculture methods. Supplies from the central region enter the U.S. market in the summer months, after the Sinaloa export window winds down in May, and cross through Texas border ports of entry in Laredo and Pharr.

Baja California and Baja California Sur are producers of tomatoes for export, with protected agriculture systems widely used to produce Roma tomatoes, and smaller volumes of ripe and specialty tomato varieties, such as grape. The region supplies the U.S. West Coast through the border port of entry at Otay Mesa, California, with an export window from May to December.

AY 2020: Tomato Production Varieties

Technology	Planted Area (ha)	Harvested Area (ha)	Production (mt)	Yields (mt/ha)
Roma	39,651	39,534	2,768,474	70.03
Round	3,612	3,612	381,431	105.58
Cherry	1,332	1,332	69,315	52.03
Grape	218	218	29,966	137.36
Total	44,814	44,696	3,249,186	73

Source: SIAP

Consumption

The MY (October- September) 2021/22 consumption forecast is 1.47 MMT. MY 2020/21 consumption is estimated at 1.45 MMT due to slightly lower production and distortions in the supply channel due to the Covid-19 pandemic. Annual per capita consumption of tomatoes 16.8 kilograms per year. Producers prefer to export supplies for higher returns, and the remaining supplies are sold on the domestic market. However, consumers are price-sensitive purchasers and as protected agriculture production continues to increase, so do prices compared to open sky produced tomatoes.

Trade

The Post export forecast for MY (October-September) 2021/22 is at 1.83 MMT, two percent higher than the previous MY on consistent U.S. demand and ample supplies. The Post export estimate for MY 2020/21 is at 1.80 MMT, with exports to the U.S. forecast at 1.8 MMT. Approximately 80 percent of tomatoes using protected agriculture systems are exported, with the vast majority sent to the U.S. market. Mexico imports a small amount of specialty and organic tomatoes that are sometimes packaged and re-exported. The Post import forecast for MY 2021/22 is 645 tons, slightly lower than the previous MY, with supplies almost entirely from the United States.

Among the vegetables exported by Mexico, tomatoes are the most important due to the economic benefits they bring to the country. Tomato trade to the United States is economically significant and makes up nearly 99.7 percent of total Mexican exports. Exports in 2020 were valued at US \$ 2.3 billion. Tomatoes are by far one of the biggest beneficiaries of Mexican fruit and vegetable trade since the creation of the North American Free Trade Agreement (NAFTA) in 1995, when exports were valued at just US\$ 406 million.

Policy

U.S. -Mexico Tomato Suspension Agreement

Trade of fresh Mexican tomatoes to the United States has been managed and enforced under the terms of the U.S.-Mexico Tomato Suspension Agreements since 1996, following an agreement between the two countries to terminate a tomato antidumping case brought by the Florida Tomato Exchange. The original agreement has been reviewed and renewed every five years since its entry into force.

On September 19, 2019, Commerce and Mexican tomato producers signed a new agreement suspending the ongoing AD investigation on fresh tomatoes from Mexico. The agreement established reference prices for round, Roma, vine, and specialty tomatoes ranging from \$0.31 to \$0.826 per pound. It also created an inspection mechanism for round, Roma, and bulk grape tomatoes (packages weighing more than two pounds), which began April 4, 2020, and is conducted by USDA's Agricultural Marketing Service.

AMS Marketing Order for Round Tomatoes

Since 1955, AMS has implemented a marketing order for fresh round tomatoes produced in Florida. Amended in 1986, the order regulates the quality and package requirements and provides authority for research and promotion of fresh round tomatoes grown in Florida. Per section 8e of the order, imported tomatoes must meet the same or comparable minimum grade, size, quality, and maturity requirements as specified in the order. As a result, imported tomatoes from Mexico are subject to border inspection for the above quality requirements from October 10 through June 15.

Tariffs

Mexico typically imports all tomatoes from the United States. Mexico’s most favored nation (MFN) applied tariff rate for tomato (HTS 0702) imports is 10 percent. Countries with tariff-free access to Mexico include the United States, Canada, Chile, Costa Rica, Nicaragua, Uruguay, Bolivia, the European Union, and Japan. There is an applied tariff rate of 28 percent for tomatoes from Colombia. Tomatoes are classified under tariff codes 0702.0001 and 0702.0099.

Prices

Tight supplies Roma supplies out of Sinaloa and supply chain complications as a result of the Covid-19 pandemic resulted in high prices for both round and Roma prices on the domestic market in 2020.

**Table 8: Mexico- Wholesale Round Tomato Prices
Mexico City- Pesos /Kg**

Month	2019	2020	2021	% Change
Jan	27.38	28.76	N/A	N/A

Feb	11.30	35.09	8.05	-77.05
Mar	10.50	26.01	10.42	-59.93
Apr	10.47	15.56	11.95	-23.20
May	23.92	19.63	18.62	-5.14
Jun	21.40	N/A	-	-
Jul	21.29	15.10	-	-
Aug	20.36	17.80	-	-
Sep	19.14	15.63	-	-
Oct	19.24	24.76	-	-
Nov	29.02	23.86	-	-
Dec	27.18	18.74	-	-

Source: SNIIM

**Table 9: Mexico- Wholesale Roma Tomato Prices
Mexico City- Pesos /Kg**

Month	2019	2020	2021	% Change
Jan	17.54	21.88	N/A	N/A
Feb	9.40	25.48	5.50	-78.41
Mar	11.94	17.24	7.00	-59.39
Apr	10.20	15.61	10.08	-35.42
May	10.95	19.07	12.68	-33.50
Jun	10.27	N/A	-	-
Jul	9.52	14.38	-	-
Aug	9.41	14.66	-	-
Sep	11.51	11.83	-	-
Oct	12.55	16.42	-	-
Nov	14.23	12.71	-	-
Dec	19.65	8.08	-	-

Source: SNIIM

Tomato Production by State and Growing Cycle

State	Fall/Winter	Spring/Summer
Total	28	31
Aguascalientes	✓	✓
Baja California	✓	✓
Baja California Sur	✓	✓
Campeche	✓	✓
Chiapas	✓	✓

Chihuahua		✓
Ciudad de México		✓
Coahuila	✓	✓
Colima	✓	✓
Durango		✓
Guanajuato	✓	✓
Guerrero	✓	✓
Hidalgo	✓	✓
Jalisco	✓	✓
México	✓	✓
Michoacán	✓	✓
Morelos	✓	✓
Nayarit	✓	✓
Nuevo León	✓	✓
Oaxaca	✓	✓
Puebla	✓	✓
Querétaro	✓	✓
Quintana Roo	✓	✓
San Luis Potosí	✓	✓
Sinaloa	✓	
Sonora	✓	✓
Tabasco	✓	✓
Tamaulipas	✓	✓
Tlaxcala		✓
Veracruz	✓	✓
Yucatán	✓	✓
Zacatecas	✓	✓

Attachments:

No Attachments