

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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Required Report - public distribution

**Date:** 11/1/2011

**GAIN Report Number:** MX1080

## Mexico

### Fresh Deciduous Fruit Annual

#### Imports Projected Higher Due to Tariff Removal

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**Report Highlights:**

Apple production in Mexico for MY 2011/12 (August/July) is forecast at 605,000 metric tons (MT), a small increase over last year. Chihuahua, the main apple producing state, will see increased production due to increasing use of intensive management practices. Total pear production is forecast at 25,200 MT for MY 2011/12 (July/June) - a marginal increase from MY 2010/11. Total Mexican table grape production for MY 2011/12 (May/April) is forecast at 210,000, slightly less compared to last year due to freezing temperatures during the growing season. The United States remains the major supplier of deciduous fruits to Mexico. Retaliatory duties imposed on U.S. deciduous fruit were removed on October 21, 2011, a welcome outcome that should bolster demand for these commodities.

**Commodities:**

Select

Apples, Fresh

Grapes, Table, Fresh

Pears, Fresh

**Production:****FRESH APPLES**

Apple production in Mexico for MY 2011/12 (August/July) is forecast at 605,000 metric tons (MT), a 3.4 percent increase compared to MY 2010/11 production. Trade sources indicate that Chihuahua, the main apple producing state, will increase production as weather was better compared to last MY 2010/11. Dry weather, however, resulted in fewer large sized apples. Apple production estimates for MY 2010/11 were revised upward from previous estimates to 584,655 MT, due to revisions in official statistics. The national average yield for MY 2010/11 was estimated at 10.13 MT per hectare (ha). Yields in Chihuahua are usually the highest in the country and average between 15-17 MT/ha.

Total area planted for MY 2011/12 is forecast to decrease marginally from MY 2010/11 area as increases in some states are offset by decreases in other areas. Planted and harvested area for MY 2010/11 was revised slightly upward based on official estimates. Planted and harvested area for MY 2009/10 remains unchanged. The state of Chihuahua accounts for 43 percent of total area planted in Mexico, Durango accounts for 18 percent while Puebla accounts for 14 percent of planted area. Growers indicated that Mexico's planted area is not expected to expand much due to higher costs of production, limited credit availability, and water scarcity.

New crop Gala and Golden Supreme varieties from Chihuahua enter the market in mid-August. Near the end of August, the Red Delicious apple harvest starts. Rome Beauty apples are usually harvested in early October and all harvest in the state of Chihuahua is completed by the end of October. Producers in Chihuahua generally use more advanced production technology than other states, resulting in higher quality apples. Industry sources report that large-scale and technologically sophisticated growers in Chihuahua are renewing old orchards and planting with greater tree densities. There is also more investment in cold storage facilities using controlled atmosphere technology and hail protection. According to growers, about 40 percent of the apple area in Chihuahua utilizes advanced technology.

Yields are forecast to continue increasing due to greater planting density. In order to remain competitive, producers in Chihuahua continue replacing a number of older orchards with higher yielding (about 80 MT/ha) and higher density apple trees (800 trees/ha or more). In addition, they are using advanced technology and newer irrigation systems. According to data, almost 41 percent of the area in Mexico is planted with the Golden Delicious variety and 34 percent with the Red Delicious variety. For the state of Chihuahua, almost 54 percent of the area is planted with the Golden Delicious variety and 35 percent with the Red Delicious variety. The Gala variety comprises about five percent of the total Chihuahua planted area and continues to gain ground. High-density varieties account for approximately 30 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.

Costs of production typically range from U.S. \$2,240 to \$3,200 per hectare. Production costs will tend towards the higher end of the estimate if growers have frost protection equipment and new irrigation systems. According to producers, electricity, fuel, and packing costs (the last of which depend on foreign inputs like imported boxes and wax cartons), continue to rise compared to previous years.

## **CONSUMPTION**

Apple consumption for MY 2011/12 is forecast at 710,740 MT, slightly higher than MY 2010/11 due to more affordable prices. Imported U.S. apples faced a 20 percent duty that was reduced to 10 percent on July 7, 2011. This tariff modification was a reduction of the retaliatory duties imposed by the Government of Mexico (GOM) due to dissolution of the U.S.-Mexico Cross-Border Trucking Demonstration Project (see Policy Section). Since this issue was resolved on October 14, 2011, the Secretariat of Economy from Mexico (SE) proceeded to remove the retaliation tariffs and as a consequence, more fruit will likely be imported (see Trade section). Apple consumption for MY 2010/11 was revised upward from previous estimates due to better than expected demand. Consumption for MY 2009/10 was updated based on U.S. trade data.

## **TRADE**

Apple imports for MY 2011/12 are forecast to increase slightly from MY 2010/11 due to better prices as the end of a trade dispute over the cross-border trucking program revoked the current 10 percent tariff on U.S. imported apples (see Policy section). Traders indicate that imports will be easier as they do not have to pay tariffs cash in advance. Fluctuating Peso/Dollar exchange rates, have led importers to operate more cautiously, which could result in a slower rate of imports. For example, instead of a single large shipment, an importer may decide to bring in several smaller shipments periodically throughout the year. Traders indicate, however, that demand will remain strong as end consumers are used to having apples year round. Apple imports for MY 2010/11 were revised downward almost 3 percent from previous estimates due to the effects of retaliatory duties on final prices, and less availability of exportable U.S. origin apples. Import estimates for MY 2009/10 were updated based on U.S. trade data.

More than 90 percent of apple imports originate from the United States and it is expected that the United States will remain the main supplier. U.S. Red and Golden Delicious varieties continue to account for the bulk of U.S. apple exported to Mexico, however Gala variety is also becoming important. Apple varieties like Rome Beauty, Jonagold, and Pink Lady are being imported at more affordable prices but in much smaller quantities, based on consumer preferences.

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

## **POLICY**

The 10 percent duty on all U.S. apple imports was modified on July 7, 2011, down from a 20 percent duty imposed in retaliation for the dissolution of the U.S.-Mexico Cross-Border Trucking Demonstration Project. (See GAIN reports [MX0054](#), [MX1055](#)). Since the first carrier was cleared to cross the border on October 14, 2011, under the U.S. Department of Transportation's cross-border trucking pilot program, the SE declared that within 5 business days, the tariffs for all products would be suspended. In fact, SE published on October 21, 2011, in the Diario Oficial an [announcement](#) revoking the retaliatory import tariffs on 99 U.S. agricultural and industrial products that was originally imposed on March 18, 2009. Therefore all fruit affected including apples went down to a zero duty again.

The NAFTA tariffs for U.S. and Canadian apples were completely lifted on 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. The Mexican government has established protocols and agreements with the Chinese government and initial test shipments have begun. Among the products to be imported from China 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 domestic consumers.

## **MARKETING**

The U.S. apple industry's continued marketing and promotional efforts have significantly contributed to the dominant position that U.S. apples have in Mexico. Strong U.S. apple import months are from January to May although the United States starts shipping in smaller volumes in November. The retail market remains the primary channel of distribution for fresh apples in Mexico, representing around 95% of fresh apples consumed in the country. The food processing industry in Mexico is likely to increase consumption for apples as healthy trends lead to higher demand for naturally flavored fruit juices and cocktails. U.S. apples continue to maintain a consumer perception as a high quality, durable product that comes in a number of varieties and are known to be a healthy food that compliments the country's efforts to promote and follow a healthier lifestyle.

The U.S. Fresh Fruits Promotional Campaign, a Global Based Initiative (GBI) funding program, began its first year of a 3-year cycle in Mexico in October of 2010, lasting for several weeks. The Washington Apple Commission, Pear Bureau Northwest, and California Table Grape Commission in collaboration with Lazy Town Entertainment, several major retail chains and wholesale groups in Mexico, and with the backing of the Mexican Secretariat of Health, successfully carried out a month-long point of sale campaign throughout Mexico. Washington Apples reported an increase of 150,000 boxes of apples shipped to Mexico compared to the previous November, representing a 29% increase, the highest export sales to Mexico in November in the past 7 years. The campaign is set to kick off in October 2011 with pears and grapes, followed by a second round of promotions focusing on apples in March 2012 (see Pear and Grape sections).

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 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 Rome Beauty, which is mainly used for baking and cooking. Lately, the Royal Gala has become more attractive to Mexican consumers and can now be found 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, introducing several varietal characteristics in an effort to target different population groups. The Chilean promotion strategy focuses more on price than on quality.

Wholesale prices for 2011 were slightly higher compared to 2010 prices still reflecting the retaliatory duty and lower availability of imported apples. About 80 percent of apples harvested in Chihuahua do not reach the fresh market in October and, instead, go directly to cold storage and are sold gradually over the following months.

## **FRESH PEARS**

### **PRODUCTION**

Mexico's pear production is relatively low so SAGARPA only publishes pear production data on an annual basis. Total pear production is forecast at 25,200 MT for MY 2011/12 (July/June) - a marginal increase from MY 2010/11. Pear production is not expected to show significant increases in the near future, as growers are not heavily investing in this crop due to the high cost of production. Pear production for MY 2010/11 was revised upward from previous estimates as some more acreage entered into production. Pear production for MY 2009/10 remains unchanged.

Approximately 87 percent of the pear planted area is rain fed. Michoacan, Puebla, and Morelos are Mexico's major pear producing states and account for 76 percent of total Mexican production. Lack of investment, high costs of production, scarce water supplies in pear producing regions, and disease problems have limited domestic 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 2011/12 is not expected to change much from the previous year. Planted area for MY 2010/11 was revised upward according to official data as there has been some growth in the state of Morelos but at the same time there has been a decrease in other states like Chihuahua and Puebla. Harvested area was also revised upward from previous estimates as more acreage entered into production in Michoacan and Morelos states. Area planted and harvested for MY 2009/10 remains unchanged.

### **CONSUMPTION**

Domestic demand is satisfied mainly by imports from the United States. As in the case of apples (See Apples Consumption Section), U.S. pears also faced a 20 percent retaliation duty that was reduced to 10 percent on July 7, 2011, which prevented more pears from being imported. Since this issue is resolved and the retaliation tariffs were removed, imported pears will be priced lower and thus will be more affordable for the consumer. Considering this scenario, pear consumption for MY 2011/12 is forecast at 102,166 MT, an increase of nearly 6 percent over MY 2010/11 consumption levels.

Pear consumption estimates for 2010/11 were revised slightly downward due to lower demand and increasing prices. Furthermore, sources report that the 20-percent tax imposed on U.S. pears prevented more pears from being imported. Consumption for MY 2009/10 was revised downward 1.3 percent as demand was slightly lower than expected.

## **TRADE**

Pear imports for MY 2011/12 are forecast to increase over 7 percent compared to MY 2010/11, as demand is expected to increase due to the suspension of the 10 percent retaliation tariff on U.S. imported pears. However, traders have to be cautious as the swings in the peso/dollar exchange and market prices for fruit could somewhat affect demand. Pear imports for MY 2010/11 were revised downward as demand was hampered by the 20 percent retaliation tariff on U.S. imported pears. The import estimate for pears for MY 2009/10 was revised downward by 1.7 percent as demand was affected by the 20 percent import tax.

Approximately 80 percent of Mexican pear demand is met by imported product, mainly from the United States. U.S. Bartlett pears are 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 2010/11, U.S. pears met 71.2 percent of demand. 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 not significant.

## **MARKETING**

As Mexico's main pear supplier, market promotion efforts for U.S. pears continue in several Mexican cities, supermarkets, and street markets. As noted above for apples, U.S. pears are also enjoying the benefits resulting from the additional promotional efforts provided through the GBI-funded U.S. Fresh Fruits Promotional Campaign in Mexico which began its first year of a 3-year cycle in Mexico in October of 2010. The primary channel of distribution and consumption for fresh pears in Mexico is the retail market, representing around 95% of fresh pears consumed in the country, followed by the foodservice and food processing industries. Pears are increasingly popular for use in juices, jams, cereals, breakfast bars, baby food, and baked goods. Pears, like apples, will continue to be popular among consumers as they are known to be a healthy food that fits into Mexico's shift towards healthier eating habits. According to traders, in-store promotions have helped increase sales. Most imported U.S.-origin pears are from Washington, Oregon, and California.

Due to limited scales of production, Mexican pears are sold, almost exclusively, through local markets with very few sold in supermarkets. The most popular Mexican pear varieties among Mexican consumers are the Kiefer variety - better known as Pera Piña -, and the Paraiso variety.

U.S. Anjou pears were priced at U.S. \$31.42 per 18-kg box in August 2011 and by October 2011, were about U.S. \$35.95 per box. Anjou pears continue to be the most sought after variety in the market followed by Bosc, Bartlett, and the Red Anjou varieties. Other pear varieties are not in high demand.

Wholesale prices for U.S. pears in Mexico were higher, on average, in MY 2010/11 compared to MY 2009/10. However, it is expected that the suspension of the import duty will ease prices a little.

## **FRESH TABLE GRAPES**

### **PRODUCTION**

Total Mexican table grape production for MY 2011/12 (May/April) is forecast to reach 210,000 MT, slightly less compared to MY 2010/11 production due to freezing temperatures during the growing season. Harvesting began in May and typically ends in July. Total production is sometimes 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 2010/11 was revised upward from previous estimates to 214,560 MT as yields were better than expected. Sonora has been losing vineyards due to higher costs of production as well as unfavorable weather. Baja California, however, has increased planted area as producers consider this region to have better weather conditions. Table grape production for MY 2009/10 remains unchanged.

Area planted for MY 2011/12 is forecast to increase only marginally from MY 2010/11 as higher costs of production resulting from fluctuating exchange rates does not allow for larger increases. The good export season and good international prices should encourage producers to keep similar acreage as the last marketing year. Growth in planted area is limited as production costs are high and water is scarce. Planted and harvested areas for MY 2010/11 were revised downward due to decreases in the state of Queretaro. Adverse exchange rates or loss of profits could result in additional lost vineyards. Data for MY 2009/10 remains unchanged.

The state of Sonora accounts for approximately 82 percent of the total planted area for table grapes. Market and growing conditions are favorable but water scarcity continues to limit aggressive expansion as all table grape area is irrigated. The national average yield for MY2011/12 is estimated to remain high at 12.3 MT/ha due to expected good weather conditions. The average yield for MY 2010/11 was 12.5 MT/ha. Some of the main grape varieties that Mexico produces include Perlette, Flame, Sugraone, and Red Globe.

Costs of production in Mexico have been increasing in recent years. According to producers, costs for 2011 were between U.S. \$12,300/ha and U.S. \$16,000/ha. Producers indicate that expansion is limited mainly because of water scarcity in Sonora aquifers. As a result, producers are trying to increase yields and become more efficient rather than increase acreage. High interest rates for credit lines also limit table grape expansion. Producers report that the only credit to which they have access comes from U.S. brokers and distributors who give advance payments for harvesting and packing of table grapes.

### **CONSUMPTION**

Table grape consumption for MY 2011/12 is forecast at 129,000 MT, an increase of about 24 percent compared to MY 2010/11 due to better prices resulting from more product availability, domestic and imported, and the suspension of the retaliatory duties (see Apple Policy Section) for U.S. table grapes.

The volume of Mexican grapes on the market depends on export volumes as producers tend to supply the international market before the domestic market. MY 2010/11 consumption estimates were revised upward from previous estimates due to stronger demand despite the retaliatory tariff in place. The consumption estimate for MY 2009/10 was revised slightly downward as more grapes than expected were exported.

## **TRADE**

Table grape imports for MY 2011/12 are forecast at 69,000 MT, an increase of about 13 percent compared to MY 2010/11 due to the removal of the import retaliation duties of 10 percent. However, as in other imported fruit, the swings in the exchange rate makes importers very cautious and trade could be slow. Table grape imports increased in MY 2010/11 compared to MY 2009/10 due to the lowering of the import retaliation duties to 20 percent from 45 percent.

Not only does Mexico grow grapes that compete in the early part of California's season, Mexico also imports from Chile. Chile's grape production is primarily counter-seasonal but Chilean grapes are also available during California's early and late season. Under different trade agreements, the import duty on grapes from the United States and Chile, have a zero tariff rate, but both the United States and Chile 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 phytosanitary restrictions that prohibit imports from other U.S. states.

Table grape exports in MY 2011/12 are forecast to decrease compared to MY 2010/11 exports due to lower availability and a good domestic market. Exports for MY 2010/11 were revised slightly downward based on U.S. trade data, but still reflecting a high increase compared to MY 2009/10 as Mexico had the advantage of a larger market share in the U.S. market left by Chile. Exports for MY 2009/10 were revised upward from previous estimates based on U.S. trade data.

Most of Mexico's table grapes are exported to the United States. Growers indicated that free on board (FOB) export prices at the beginning of the season in May 2011 began at higher prices of about U.S. \$42 per 8-kg box of Perlettes and then lowered to an average of U.S. \$20 per 8-kg box. Flame seedless grapes began at a high of U.S. \$24 per 8-kg box and then lowered to an average of U.S. \$16 per 8-kg box. Mexican export prices usually range between U.S. \$14-16/box.

Although there is a little cross-over, there is no significant direct competition in Mexico between U.S. and Chilean table grapes. 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 allows Mexican table grapes to be exported duty free since 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.

## **MARKETING**



The United States is expected to remain Mexico's main supplier of table grapes with 70% of the market share. U.S. promotional efforts to market different table grape varieties have resulted in an increase in exports to the Mexican market. Promotions are focused on the retail market where grapes are most widely distributed as well as in the wholesale market which also serves as a major channel for U.S. grape distribution.

U.S. grapes also partake in the Lazytown Fresh Fruits GBI campaign in Mexico, as mentioned above, which started in 2010. The first year brought a more than 25% increase in retail sales for grapes as a result of the promotion and led to very positive consumer perceptions regarding U.S. grapes. Grapes are perceived as a healthy and convenient snack, with very high popularity among younger consumers. Demand and consumption of U.S. grapes in Mexico is expected to increase as consumers become more health conscience. While U.S. Globe and Thompson varieties remain among the most popular in Mexico, importers base their purchases on the variety which is offered at the best price while still containing a good sugar level. There are currently over 50 varieties of U.S. grapes that enter the market depending on the season.

MY 2010/11 prices for imported grapes decreased due to the lowering of the retaliation tariffs. July 2011 prices for Mexican table grapes from Sonora were U.S. \$13.64 per 8-kg box for Flame Seedless, U.S. \$21.97/ box for Globe grapes, and U.S. \$13.02/ box for Perlette grapes. Imported U.S. Globe grapes were approximately U.S. \$20.85 per 8-kg box.

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

**Table 1. Mexico Fresh Apple Production**

<b>Apples, Fresh Mexico</b>	<b>2009/2010</b>		<b>2010/2011</b>		<b>2011/2012</b>	
<b>Ha, MT, 1,000 Trees</b>	<b>Market Year Begin: Aug 2009</b>		<b>Market Year Begin: Aug 2010</b>		<b>Market Year Begin: Aug 2011</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
Area Planted	60,228	60,228	61,000	61,219		60,535
Area Harvested	56,991	56,991	57,000	57,742		57,800
Bearing Trees	13,222	13,222	13,224	13,396		13,409
Non-Bearing Trees	751	751	928	807		635
Total Trees	13,973	13,973	14,152	14,203		14,044
Commercial Production	556,492	556,492	535,000	579,655		600,000
Non-Comm. Production	5,000	5,000	5,000	5,000		5,000
Production	561,492	561,492	540,000	584,655		605,000
Imports	216,214	215,264	220,000	213,457		216,000
Total Supply	777,706	776,756	760,000	798,112		821,000
Fresh Dom. Consumption	677,440	676,489	664,740	702,855		710,740

Exports	266	267	260	257		260
For Processing	100,000	100,000	95,000	95,000		110,000
Withdrawal From Market	0	0	0	0		0
Total Distribution	777,706	776,756	760,000	798,112		821,000

**Table2. Mexico Fresh Pear Production**

Pears, Fresh Mexico	2009/2010		2010/2011		2011/2012	
	Market Year Begin: Jul 2009		Market Year Begin: Jul 2010		Market Year Begin: Jul 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	3,820	3,820	3,820	4,217		4,220
Area Harvested	3,732	3,732	3,740	3,986		4,000
Bearing Trees	783	783	785	837		840
Non-Bearing Trees	18	18	17	48		46
Total Trees	801	801	802	885		886
Commercial Production	23,870	23,870	23,200	23,979		24,200
Non-Comm. Production	1,000	1,000	1,000	1,000		1,000
Production	24,870	24,870	24,200	24,979		25,200
Imports	85,721	84,257	75,000	74,540		80,000
Total Supply	110,591	109,127	99,200	99,519		105,200
Fresh Dom. Consumption	108,559	107,095	97,170	96,485		102,166
Exports	32	32	30	34		34
For Processing	2,000	2,000	2,000	3,000		3,000
Withdrawal From Market	0	0	0	0		0
Total Distribution	110,591	109,127	99,200	99,519		105,200

**Table 3. Mexico Grape Production**

Grapes, Fresh Mexico	2009/2010		2010/2011		2011/2012	
	Market Year Begin: May 2009		Market Year Begin: May 2010		Market Year Begin: May 2011	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	18,614	18,614	18,700	17,088		17,100
Area Harvested	16,801	16,801	16,900	17,038		17,000
Commercial Production	191,669	191,669	193,000	213,560		209,000
Non-Comm. Production	1,000	1,000	1,000	1,000		1,000
Production	192,669	192,669	194,000	214,560		210,000
Imports	38,640	38,640	65,000	61,096		69,000
Total Supply	231,309	231,309	259,000	275,656		279,000

Fresh Dom. Consumption	103,835	103,135	85,000	104,309		129,000
Exports	127,474	128,174	174,000	171,309		150,000
For Processing	0	0	0	0		0
Withdrawal From Market	0	0	0	0		0
Total Distribution	231,309	231,309	259,000	275,618		279,000

<b>Table 4. Mexico -Average Monthly Wholesale Apple Import Prices</b>			
<b>Red Delicious</b>		<b>Pesos/kilogram</b>	
Month	2010	2011	Change percent
January			
February			
March	20.12		
April	20.06	21.11	5.23
May	20.60	21.10	2.42
June	21.56	20.78	(3.61)
July	21.29	21.53	1.12
August	21.11	22.50	6.58
September	21.04	24.05	14.30
October	21.22		
November			
December			

CIF-Mexico City  
Source: Servicio Nacional de Informacion de Mercados  
2010 Exchange Rate Avg.: U.S.\$1.00 = 12.62 Pesos  
October 18, 2011 Exchange Rate: U.S.\$1.00 = 13.29 Pesos

<b>Table 5: Mexico -Average Monthly Wholesale Apple Domestic Prices</b>			
<b>Red Delicious</b>		<b>Pesos/kilogram</b>	
Month	2010	2011	Change percent
January	13.00	18.50	42.30
February	14.33	18.48	28.96
March	14.50	17.29	19.24
April	N/A	17.35	N/A
May	N/A	N/A	N/A
June	N/A	N/A	N/A
July	N/A	N/A	N/A
August	N/A	N/A	N/A
September	N/A	16.26	N/A

October	17.56	18.77	6.89
November	18.93	N/A	N/A
December	18.79	N/A	N/A
CIF-Mexico City Source: Servicio Nacional de Informacion de Mercados 2010 Exchange Rate Avg.: U.S.\$1.00 = 12.62 Pesos October 18, 2011 Exchange Rate: U.S.\$1.00 = 13.29 Pesos			

<b>Table 6: Mexico -Average Monthly Wholesale Pear Import Prices</b>			
<b>D'ANJOU</b>	<b>Pesos/kilogram</b>		
Month	2010	2011	Change percent
January	20.46	24.49	19.69
February	20.59	24.64	19.66
March	19.49	24.42	25.29
April	18.82	24.41	29.70
May	20.58	23.84	15.84
June	22.52	21.69	(3.68)
July	23.48	21.13	(10.00)
August	23.80	21.39	(10.12)
September	24.29	24.88	2.42
October	25.00	26.11	4.44
November	24.36		
December	23.78		
CIF-Mexico City Source: Servicio Nacional de Informacion de Mercados 2010 Exchange Rate Avg.: U.S.\$1.00 = 12.62 Pesos October 18, 2011 Exchange Rate: U.S.\$1.00 = 13.29 Pesos *As of 3rd Week of October of 2011			

<b>Table 7: Mexico -Average Monthly Wholesale Grape Import Prices</b>			
<b>Globe</b>	<b>Pesos/kilogram</b>		
Month	2010	2011	Change percent
January	52.56	33.65	(35.97)
February	40.66	34.46	(15.24)
March	33.28	32.68	(1.80)
April	32.69	31.18	(4.61)
May	31.85	35.33	10.92
June	29.00	35.62	22.82
July	25.62	N/A	N/A
August	N/A	30.41	N/A

September	N/A	29.48	N/A
October	28.00	31.63	12.96
November	29.78	N/A	N/A
December	37.75	N/A	N/A
CIF-Mexico City Source: Servicio Nacional de Informacion de Mercados 2010 Exchange Rate Avg.: U.S.\$1.00 = 12.62 Pesos October 18, 2011 Exchange Rate: U.S.\$1.00 = 13.29 Pesos * As 3rd Week of October of 2011			

**Table 8: Mexico – Trade Matrixes**

**Fresh Apples**

<b>Apples</b>		<b>H.S. 0808.10</b>	<b>Unit: Metric Tons</b>	
<b>Exports for MY 2009/10 (Aug-Jul) to:</b>			<b>Imports for MY 2009/10 (Aug-Jul) from:</b>	
U.S.		0	U.S.	206,861
COSTA RICA		0	CHILE	6,191
BELIZE		267	CANADA	1,075
OTHER		0	OTHER	1,137
<b>TOTAL</b>		<b>267</b>	<b>TOTAL</b>	<b>215,264</b>

<b>Apples</b>		<b>H.S. 0808.10</b>	<b>Unit: Metric Tons</b>	
<b>Exports for MY 2010/11 (Aug-Jul) to:</b>			<b>Imports for MY 2010/11 (Aug-Jul) from:</b>	
U.S.		0	U.S.	200,293
COSTA RICA		0	CHILE	10,973
BELIZE		257	CANADA	1,878
OTHER		0	OTHER	313
<b>TOTAL</b>		<b>257</b>	<b>TOTAL</b>	<b>213,457</b>

**Fresh Pears**

<b>Pears</b>		<b>H.S. 0808.20</b>	<b>Unit: Metric Tons</b>	
<b>Exports for MY 2009/10 (Jul-Jun) to:</b>			<b>Imports for MY 2009/10 (Jul-Jun) from:</b>	
U.S.		0	U.S.	77,783
BELIZE		32	ARGENTINA	4,068
			CHILE	2,056
OTHER		0	OTHER	380
<b>TOTAL</b>		<b>32</b>	<b>TOTAL</b>	<b>84,287</b>

<b>Pears</b>		<b>H.S. 0808.20</b>		<b>Unit: Metric Tons</b>	
<b>Exports for MY 2010/11 (Jul-Jun) to:</b>			<b>Imports for MY 2010/11 (Jul-Jun) from:</b>		
U.S.	4	U.S.	64,286		
BELIZE	30	ARGENTINA	7,781		
		CHILE	2,147		
OTHER	0	OTHER	325		
<b>TOTAL</b>	<b>34</b>	<b>TOTAL</b>	<b>74,539</b>		

### Table Grapes

<b>Table grapes</b>		<b>H.S. 0806.10</b>		<b>Unit: Metric Tons</b>	
<b>Exports for MY 2009/10 (May-Apr) to:</b>			<b>Imports for MY 2009/10 (May-Apr) from:</b>		
U.S.	126,759	U.S.	19,916		
COSTA RICA	185	CHILE	18,724		
OTHER	1,230	OTHER	0		
<b>TOTAL</b>	<b>128,174</b>	<b>TOTAL</b>	<b>38,640</b>		

<b>Table grapes</b>		<b>H.S. 0806.10</b>		<b>Unit: Metric Tons</b>	
<b>Exports for MY 2010/11 (May-Apr) to:</b>			<b>Imports for MY 2010/11 (May-Apr) from:</b>		
U.S.	169,748	U.S.	41,589		
COSTA RICA	376	CHILE	19,507		
OTHER	1,185	OTHER	0		
<b>TOTAL</b>	<b>171,309</b>	<b>TOTAL</b>	<b>61,096</b>		
<b>SOURCE: SIAP</b>					

**Table 9. Mexico: Monthly Exchange Rate Averages for 2008-2011**  
Pesos per U.S. \$1.00

	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>January</b>	10.91	13.15	12.80	12.13
<b>February</b>	10.77	14.55	12.95	12.06
<b>March</b>	10.74	14.71	12.59	12.00

<b>April</b>	10.52	13.41	12.23	11.73
<b>May</b>	10.44	13.19	12.71	11.64
<b>June</b>	10.33	13.47	12.72	11.80
<b>July</b>	10.24	13.36	12.65	11.67
<b>August</b>	10.10	13.00	13.15	12.22
<b>September</b>	10.61	13.41	12.84	12.97
<b>October</b>	12.56	13.24	12.44	13.63
<b>November</b>	12.31	13.12	12.33	
<b>December</b>	13.40	12.85	12.39	
<b>Annual Avg.</b>	11.14	12.33	12.65	11.86

Source: Mexican Federal Register

Note: Monthly rates are averages of daily exchange rates from the Banco de Mexico.