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Fresh Deciduous Fruit

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Approved by:

David Williams
Mexico City

Prepared by:

Dulce Flores/ Gabriel Hernandez

Report Highlights:

Apple production for MY 2003/04 is forecast at 490,000 MT. Apple imports are forecast to increase very slightly as the apple anti-dumping duty on U.S. Red and Golden Delicious apples is expected to limit import volumes. However, the U.S. is expected to continue to be largest supplier of apples. Pear production is forecast to increase slightly to 32,500 MT. The volume of imported U.S. pears is expected to increase as the domestic market continues to rely on imports. Table grape production is forecast at 178,300 MT. Grape imports from the U.S. are expected to continue to grow.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Mexico [MX1]
[MX]

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SECTION I. SITUATION AND OUTLOOK

APPLES

PRODUCTION

The MY 2003/04 (August/July) is forecast at 490,000 MT. Trade sources indicate that weather conditions in Chihuahua, the main apple producing state, were good. There were no freezing temperatures during the flowering season, and a few hailstorms caused minimal damage to the unprotected crop. In general, the color, size and quality of apples harvested are expected to be good. The national average yield for MY 2003/04 is forecast at 8 MT/Ha. Yields in Chihuahua are forecast at 13.6 MT/ha. The production estimate for MY 2002/03 was revised upward based on preliminary official estimates and better-than-expected yields, due to good weather conditions. Non-commercial production for MY 2002/03 was revised downward as some areas were converted either to commercial planting areas or uprooted. Chihuahua, Coahuila and Durango account for 80 percent of total Mexican apple production. Production data for MY 2001/02 remains unchanged.

Area planted for MY 2003/04 is forecast to increase slightly because Chihuahua is increasing area planted. Some large growers in the northern states are optimistic, due to the higher prices achieved for domestic apples in the market as a result of the antidumping duty on U.S. apples. Therefore, growers are planting some new areas or renewing old orchards. However the planting rate almost offsets the uprooting rate in Chihuahua. Growers indicate, however, that increasing costs of production, and tight credit, could restrict future expansion. Yields are forecast to continue increasing, due to increased density in planted areas. To remain competitive, some old orchards are being replaced with higher-yielding and higher-density apple trees (600 trees per hectare or more), using new technology and irrigation systems. According to growers, almost 70 percent of the area in Chihuahua is planted with the Golden Delicious variety, and 30 percent with Red Delicious variety. The Gala variety area comprises less than 5 percent of the total planted area in Chihuahua. According to growers, high-density varieties account for approximately 20 percent of Chihuahua's planted area. The remainder of the apple producing areas is planted at the more traditional 200 trees per hectare. Most areas in Chihuahua are irrigated. Data for area planted and harvested for MY 2002/03 was updated based on preliminary official data. Official area planted and harvested for MY 2001/02 remains unchanged.

Grower prices for Red and Golden Delicious apples in Chihuahua were about \$4 to \$4.50 pesos/kg (US\$0.40 to \$0.44/kg) during MY 2002/03, and growers expect similar prices for MY 2003/04. Costs of production range from \$22,000 to \$35,000 pesos/Ha. (US\$2,095 to \$3,333/Ha). This cost will depend on whether growers have frost protection equipment, hail protection equipment, and new irrigation systems. According to producers, packing costs, which depend on imported inputs, have increased more than 10 percent, due to the peso's depreciation against the U.S. dollar.

CONSUMPTION

Apple consumption for MY 2003/04 is forecast at 556,000 MT. Although good demand is expected, the antidumping duties imposed on U.S. Red and Golden Delicious apples, in August 2002, will result in fewer (compared to pre-2002/03 levels) U.S. apples available in the market at affordable prices. The apple consumption estimate for MY 2002/03 was revised upward, based on higher-than-expected demand. MY 2001/02 consumption remains unchanged. According to growers, apples for processing for MY 2003/04 will be approximately 90,000 MT, but the final amount will depend upon international prices for

concentrated apple juice, which have not been favorable. Apple supplies for processing for MY 2001/02 and 2002/03 remain unchanged.

The new apple crop in Chihuahua is expected to hit the market by the beginning of September. Domestic apple production competes heavily from January to March with other fruits like mango and papaya. U.S. apple imports dominated the market after April 2003 despite higher prices than the domestic ones, and higher prices compared to 2002, due to the antidumping duty. Wholesale prices for U.S. Red Delicious apples began at an average price of approximately US\$25.09 per 18/kg box in March 2003, and ended at US\$23.14 per box by the end of August 2003. Retail prices were about 62 percent above the wholesale prices, mainly during September/October 2002. A kilogram of imported apples in the large supermarkets were priced on average at \$22 to \$24 pesos (US\$2.07 to \$2.26/kg). Prices for domestic apples for MY 2003/04 are expected to continue to be high.

TRADE

Apple imports for MY 2003/04 are forecast slightly higher at 156,000 MT. Imported apples from the United States decreased due to the antidumping duties imposed on U.S. Red and Golden Delicious apples in August, 2002 (see report MX2120), and, if the same duty continues, growth of imported U.S. apples is expected to continue to be slow. Another factor that could affect fruit imports is the weakness of the Mexican peso versus the U.S. dollar. Although the peso's depreciation against the U.S. dollar has been gradual, importers are always cautious in avoiding exchange-rate risks and will tend to limit the volume of apples they import at any one time. Other U.S. states, like Virginia, exported Rome Beauty apples during February and March 2003. Since this variety is not subject to the antidumping duty, they were more affordable, but the smaller sizes hampered consumer acceptance.

Apple imports for MY 2002/03 were revised upward to 155,000 MT, based on increased demand. Available data show that Chilean and Canadian apples have gained more market share, due to the void left by the U.S. apples. The estimate for MY 2001/02 remains unchanged.

Red and Golden Delicious varieties continue to account for almost all U.S. apple exports to Mexico. 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 continue to face strong competition from other countries, especially Chile. Apples from Argentina and South Africa continue to be imported, but are still not significant.

POLICY

The NAFTA safeguards for United States and Canadian apples were completely lifted as of January 1, 2003, bringing the duty to zero. For Chilean apples, the 2003 import quota will be 2,621.4 MT at the low-tariff rate of 5% and a snapback of 23%. Apples from other countries are subject to a 20% duty.

MARKETING

Despite the imposition of anti-dumping duties, the United States is expected to remain the main apple supplier to the Mexican market. The U.S. apple industry's continued market and in-store promotion efforts have significantly contributed to creating a market for U.S. apples in Mexico. However, due to the imposition of antidumping duties and the subsequent decrease in the volume of U.S. apple imports since the last quarter of 2002, promotion efforts have been limited. On the other hand, fruit importers are expecting Chile to send

larger volumes of apples now that U.S. apples will have a lower presence in the Mexican market.

Mexican consumers still prefer the Red and Golden Delicious varieties more than any others. Commercially, these two varieties have a competitive advantage over other varieties because of their longer shelf life. Another variety widely demanded by consumers is the Rome Beauty, which is mainly used for baking and cooking. The Royal Gala has become more attractive to the Mexican consumer and is being sold in most supermarkets. Moreover, the Chilean producers are also marketing Royal Gala in Mexico.

Mexican producers continue doing market promotions and are advertising Mexican apples on the radio and certain TV spots. Chilean producers have been working aggressively to penetrate the Mexican market and have introduced several varietal characteristics in an effort to target different population groups. Their promotion strategy focuses on price more than on quality. According to traders, Chile is investing in in-store demonstrations and advertisements. Argentina and South Africa continue to export as well. According to traders, other countries like France and China continue to show an interest in the Mexican fruit market.

CONCENTRATED APPLE JUICE

PRODUCTION AND TRADE

Reliable concentrated apple juice (CAJ) production numbers are difficult to obtain as there is no Mexican statistical data available. Industry tends to keep partial information, most of which is proprietary. According to industry sources, there are about nine primary processing plants in Mexico, of which the most important are four plants in Chihuahua. The industry indicated that the entry of China's CAJ into the U.S. market reduced Mexico's market share. The industry indicates there are difficulties in obtaining fruit at affordable prices. Fruit for the processing industry for MY 2003/04 is expected to be at US\$93.45 per MT. However, since 2003 crop fruit damage is small, prices for fruit for processing could go higher. During MY 2002/03 some processing plants in Chihuahua could only afford to pay about US\$47 per MT and were unable to get fruit, other plants payed higher prices near US\$90 per MT. According to the industry, the amount of apples destined for processing for MY 2003/04 will continue at the same level as in other years. There is no information available on CAJ production, but it is expected to continue at low levels, unless international prices increase. Fruit for the processing industry is forecast at about 90,000 MT for MY 2003/04, the same level as in MY 2001/02 and 2002/03. Reportedly, few plants worked during MY 2002/03.

The United States is Mexico's largest CAJ market. According to Mexican trade data, CY 2002 exports show a decrease in Mexican exports of CAJ to the United States, due to low international prices. However, U.S. trade data differs and shows the reverse -- a slight increase in Mexican CAJ exports to the United States. This difference may be a result of the adjustment in the Mexican tariff categories (see report MX 2120). Three processing plants in Chihuahua are geared towards the export market and they normally export 80 percent of their total CAJ production to the United States. Although Mexico traditionally imports little CAJ, imports are increasing because of low international prices.

PEAR

PRODUCTION

Pear production in Mexico is not very significant, thus periodic data is not available from the Mexican government. Total pear production in Mexico for MY 2003/04 (July/June) is forecast at 32,500 MT, a slight increase compared to MY 2002/03. Although there has been good weather, production is not expected to increase much, as growers are not investing much in this crop. Approximately 85 percent of the area planted in Mexico is non-irrigated. Rainfall was good during the growing season. Overall, pear area planted and harvested has declined. The lack of financial support, high costs of production, scarce water supplies in pear producing regions, and disease problems have resulted in an almost stagnant industry. Some growers, however, have begun to experiment with planting more disease-resistant and long shelf-life varieties. Growers indicated that, unless more credit becomes available, area planted for MY 2003/04 will be forecast at 4,800 has. Michoacan and Puebla are Mexico's main pear producing states, accounting for 75 percent of total Mexican production.

Pear production estimates for MY 2002/03 were revised downward based on official estimates, reflecting some weather related problems in Michoacan where yields were slightly down. Planting and harvesting data have also been revised downward, according to recent estimates. Michoacan decreased non-irrigated area planted due to low yields. Pear production for MY 2000/01 remains unchanged.

CONSUMPTION

Domestic supply continues to rely on imports, mainly from the United States, because Mexican pear production is minimal and not expanding. Pear consumption for MY 2003/04 is forecast at 122,500 MT. However, if fewer apples are available in the market as a result of the effect of anti-dumping duties imposed on U.S. Red and Golden Delicious apples, more pears could be consumed instead. Pear consumption estimates for MY 2002/03 were revised downward because of higher prices and a lower demand. Consumption estimates for MY 2001/02 remain unchanged.

U.S. wholesale pear prices have increased since January 2003 and remained high until the end of the season at approximately US\$24 to US\$30 per 20 kg box. Chilean pears were priced similarly by the end of July 2003. Pears from Argentina averaged US\$23 to \$25 per box. Traders report that pear imports have been steady despite slightly higher prices, but that sales have been slow. Mexicans prefer the Anjou variety followed by the Bartlett variety. The remaining varieties of pears are not yet in high demand by consumers in Mexico.

TRADE

Pear imports for MY 2003/04 are forecast to increase to 92,000 MT. According to traders, the depreciation of the peso against the U.S. dollar could affect trade of imported pears. However, good demand is still expected. Pear import estimates for MY 2002/03 were revised upward, due to better-than-expected demand. Also, the void left by imported U.S. apples was partly filled with pears. U.S. Bartlett pears are usually imported during July, August and September, while U.S. Anjou pears are imported toward the end of September and October. The pear import estimate for MY 2001/02 remains unchanged. The presence of Chilean pears is still not very significant in the Mexican market, but they are of fair to good quality and were priced lower than U.S. pears in 2003. Under the different trade agreements, the import duty on pears from the U.S., Chile, and Argentina is zero. Exports from Argentina are expected to continue to be low.

MARKETING

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. According to traders, in-store promotions have helped to increase sales. Most of the imported pears are from Washington, Oregon and California. Of total imports, U.S. pears account for approximately 94 percent of the market, while Chilean pears represent approximately 5 percent.

Due to limited production, Mexican pears are almost exclusively sold through local, small markets; very few are sold through supermarkets. One of the Mexican pear varieties which consumers like is the Kiefer variety, better known as Pera Piña. Low production, however, keeps it from having an impact on market preferences.

TABLE GRAPES

PRODUCTION

Total table grape production for MY 2004 (Jan/Dec) is forecast at 178,300 MT, a slight decrease compared to MY 2003 production, because MY 2003 enjoyed excellent weather conditions that might not be repeated in MY 2004. Total production, however, is difficult to determine since price relationships between table grapes, raisin grapes, and industrial grapes in any given period might attract more grapes into or out of each market. Table grape production for MY 2003 was revised downward from previous estimates to 182,000 MT. Due to excellent weather conditions, producers in Sonora had an earlier start in harvesting and good yields.

Area planted and harvested for MY 2004 is forecast to grow. Sonora is expected to continue increasing area planted, due to attractive international prices. Area planted for MY 2003 was revised downward based on official estimates, but still reflects an increase compared to MY 2002. Area harvested for MY 2003 was revised upward based on official sources, as new grape areas started to produce commercially. Area planted and harvested estimates for MY 2002 reflect recent official data. All area for table grapes is irrigated.

The state of Sonora accounts for almost 70 percent of the total area planted to table grapes. However, lack of water still limits larger expansions. The national average yield forecast for MY 2004 is expected at 9.8 MT/Ha but is dependent on cultural practices. The national average yield for MY 2003 is estimated at 10.0 MT/Ha. Sonora has an average yield of 12 MT/Ha. According to producers, the cost of production in Sonora for 2003 was between US\$5,000/Ha and US\$7,000/Ha, depending on inputs. 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.

CONSUMPTION

Table grape consumption for MY 2004 is forecast at 146,300 MT. Table grapes will keep on selling as long as prices continue to be affordable. However, the weakness of the Mexican peso versus the U.S. dollar will increase the prices of imported product and thus affect consumer purchasing power. The consumption estimate for MY 2003 was revised downward from previous estimates, because of reduced consumer purchasing power. However, it still

reflects an increase compared to MY 2002 consumption. Consumption estimates for MY 2002 were revised downward because of more grapes being diverted to the export market. Wholesale prices for domestic Perlette grapes began in June 2003 at approximately US\$8.40/10 kg box, lower than the June 2002 prices of US\$9.10/10 kg box. Domestic prices remained more or less similar during the season. Imported Red Globe grapes in June 2003 were U.S.\$11.77/ 9 kg box. The Thompson variety is the most widely sold in Mexico because consumers prefer seedless grapes. Following this variety in consumer preference is the Red Globe and the Superior varieties.

TRADE

Table grape imports for MY 2004 are forecast at 100,000 MT. According to traders, the depreciation of the peso versus the U.S. dollar will affect trade of imported grapes. However, good demand is still expected. U.S. and Chilean imports have a zero duty and both countries continue to increase exports to the Mexican market. Imports for MY 2003 were revised upward, due to better-than-expected demand. According to traders, U.S. promotional efforts to export table grape varieties to Mexico other than Red Globe or Thompson, are resulting in increased sales. Table grape import estimates for MY 2002 were revised upward based on Mexican trade data. U.S. table grapes can only be imported from California, due to Mexico's phytosanitary restrictions on table grapes from other U.S. states.

According to producers, table grape exports for MY 2004 are forecast at 132,000 MT, assuming that international demand continues to be good. Exports for MY 2002 and 2003 were revised upward, due to good demand from the international market and an earlier harvest and access to the international market. Most of Mexico's table grapes are exported to the U.S. Growers indicated that export f.o.b. prices at the beginning of the season, May 2003, were about US\$28/10 kg box of perlettes and about US\$22/box of flame seedless; however prices plummeted at the end of May to approximately US\$12/box. Mexican export prices usually range between US\$14 and \$16/box.

U.S. and Chilean table grape production seasons differ and there is no important 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 are duty free from January 1 to April 14, and from June 1 to December 31. Mexican importers must obtain an import permit from April 15 to May 31.

The Mexico – European Union (EU) Trade Agreement, signed in 2000, has a duty rebate wherein the grape tariff on Mexican table grapes exported to the EU will be reduced from 12.6 % to zero by 2008. However, Mexico has not been able to take advantage of this agreement, since most of its grapes are being exported to the U.S.

MARKETING

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

SECTION II. STATISTICAL TABLES

Apples, PS&D Tables

PSD Table						
Country	Mexico					
Commodity	Fresh Apples			(HA)(1000 TREES)(MT)		
	2001 Revised		2002 Estimate		2003 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	08/2001		08/2002		08/2003	
Area Planted	62395	62395	62500	62475	0	63500
Area Harvested	60997	60997	60600	60890	0	61500
Bearing Trees	13724	13724	13635	13700	0	13837
Non-Bearing Trees	314	314	427	356	0	450
Total Trees	14038	14038	14062	14056	0	14287
Commercial Production	434679	434679	457000	472616	0	483000
Non-Comm. Production	8000	8000	8000	7000	0	7000
TOTAL Production	442679	442679	465000	479616	0	490000
TOTAL Imports	189581	189581	112000	155000	0	156000
TOTAL SUPPLY	632260	632260	577000	634616	0	646000
Domestic Fresh Consump	542260	542260	487000	544616	0	556000
Exports, Fresh Only	0	0	0	0	0	0
For Processing	90000	90000	90000	90000	0	90000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	632260	632260	577000	634616	0	646000

Pears, PS&D Table

PSD Table						
Country	Mexico					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	2001 Revised		2002 Estimate		2003 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	07/2001		07/2002		07/2003	
Area Planted	4892	4892	4900	4820	0	4800
Area Harvested	4858	4858	4860	4683	0	4750
Bearing Trees	1015	1015	1018	979	0	992
Non-Bearing Trees	7	7	8	28	0	10
Total Trees	1022	1022	1026	1007	0	1002
Commercial Production	31468	31468	32000	30951	0	31500
Non-Comm. Production	1500	1500	1500	1000	0	1000
TOTAL Production	32968	32968	33500	31951	0	32500
TOTAL Imports	89436	89436	89500	91000	0	92000
TOTAL SUPPLY	122404	122404	123000	122951	0	124500
Domestic Fresh Consump	120404	120404	121000	120951	0	122500
Exports, Fresh Only	0	0	0	0	0	0
For Processing	2000	2000	2000	2000	0	2000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	122404	122404	123000	122951	0	124500

Table Grape, PS&D Table

PSD Table						
Country	Mexico					
Commodity	Fresh Table Grapes				(HA)(MT)	
	2001 Revised		2002 Estimate		2003 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	01/2002		01/2003		01/2004	
Area Planted	20700	18178	21000	18700	0	19000
Area Harvested	17600	17817	17700	18100	0	18200
Commercial Production	198200	173942	188000	180200	0	176500
Non-Comm. Production	2000	2000	1800	1800	0	1800
TOTAL Production	200200	175942	189800	182000	0	178300
TOTAL Imports	83000	96820	87000	97000	0	100000
TOTAL SUPPLY	283200	272762	276800	279000	0	278300
Domestic Fresh Consump	159200	143751	166800	147000	0	146300
Exports, Fresh Only	124000	129011	110000	132000	0	132000
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	283200	272762	276800	279000	0	278300

Trade Matrix Apples

Apples		Unit: Metric Tons	
Exports for MY 2002 (Aug-Jul) to:		Imports for MY 2002 (Aug-Jul) from:	
U.S.	2	U.S.	151,609
BELIZE	.5	CHILE	30,171
OTHER	0	OTHER	6,003
TOTAL	2.5	TOTAL	187,783

Apples		Unit: Metric Tons	
Exports for MY 2003 (Aug-Jul) to:		Imports for MY 2003 (Aug-Jul) from:	
U.S.	0	U.S.	101,026
EL SALVADOR	21	CHILE	36,037
OTHER	0	OTHER	10,938
TOTAL	21	TOTAL	148,046

SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, May 2003.

Note: Figures for MY 2003 as of May 31, 2003.

Trade Matrix Pears

Pears		Unit: Metric Tons	
Exports for MY 2002 (Aug-Jul) to:		Imports for MY 2002 (Aug-Jul) from:	
U.S.	58	U.S.	82,361
EL SALVADOR	15	CHILE	4,654
OTHER	0	OTHER	2,289
TOTAL	73	TOTAL	89,304

Pears		Unit: Metric Tons	
Exports for MY 2003 (Aug-Jul) to:		Imports for MY 2003 (Aug-Jul) from:	
U.S.	56	U.S.	80,290
EL SALVADOR	8	CHILE	3,147
OTHER	1	OTHER	1,917
TOTAL	65	TOTAL	85,354

SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, May 2003.

Trade Matrix Table Grapes

Table grapes		Unit: Metric Tons	
Exports for MY 2002 (<i>Jan-Dec</i>) to:		Imports for MY 2002 (<i>Jan-Dec</i>) from:	
U.S.	127,831	U.S.	56,909
EL SALVADOR	234	CHILE	39,911
OTHER	946	OTHER	0
TOTAL	129,011	TOTAL	96,820

Table grapes		Unit: Metric Tons	
Exports for MY 2003 (<i>Jan-Dec</i>) to:		Imports for MY 2003 (<i>Jan-Dec</i>) from:	
U.S.	56,783	U.S.	3,241
CANADA	30	CHILE	40,502
OTHER	0	OTHER	
TOTAL	56,813	TOTAL	43,743

SOURCE: Global Trade Information Services, Inc. World Trade Atlas, Mexico Edition, May 2003.

Note: Figures for MY 2003 as of May 31, 2003.

Apple Price

AVERAGE MONTHLY WHOLESALE APPLE IMPORT PRICES RED DELICIOUS PESOS/KILOGRAM			
Month	2002	2003	Change %
January			
February	10.96		
March	10.85	14.87	37.05
April	11.77	14.66	24.55
May	13.61	14.78	8.60
June	12.38	14.44	16.64
July	13.11	14.35	9.45
August	13.16	14.16	6.83
September	13.33		
October			
November			
December			
CIF-Mexico City			

AVERAGE MONTHLY WHOLESALE APPLE DOMESTIC PRICES RED DELICIOUS PESOS/KILOGRAM			
Month	2002	2003	Change %
January	9.13	10.98	20.26
February	8.96	11.05	63.62
March			
April			
May			
June			
July			
August			
September	11.93		
October	11.66		
November	10.55		
December	11.00		
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados
 2002 Exchange Rate Avg.: U.S.\$1.00 = 9.82 pesos
 Aug 1, 2003 Exchange Rate: U.S.\$1.00 = 10.52 pesos

Shaded  area indicates that prices for domestic apples were not available.

Table Grape Prices

AVERAGE MONTHLY WHOLESALE GRAPE IMPORT PRICES			
GLOBE		PESOS/KILOGRAM	
Month	2002	2003	Change %
January	19.88	15.93	(19.87)
February	17.72	15.00	(15.35)
March	13.70	15.08	10.07
April	12.77	15.32	19.97
May	12.22	14.57	19.23
June	15.55	13.82	(11.13)
July	N/A	15.91	N/A
August	18.33	18.30	(0.16)
September	15.00		
October	14.59		
November	13.81		
December	17.78		
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados
 2002 Exchange Rate Avg.: U.S.\$1.00 = 9.82 pesos
 Aug 1, 2003 Exchange Rate: U.S.\$1.00 = 10.52 pesos



Shaded area indicates that prices were not available


AVERAGE MONTHLY WHOLESALE GRAPE DOMESTIC PRICES			
PERLETTE		PESOS/KILOGRAM	
Month	2002	2003	Change %
January			
February			
March			
April			
May			
June	9.00	8.95	(0.56)
July	8.75	8.81	0.69
August	8.87		
September			
October			
November			
December			
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados
 2002 Exchange Rate Avg.: U.S.\$1.00 = 9.82 pesos
 Aug 1, 2003 Exchange Rate: U.S.\$1.00 = 10.52 pesos

Pear Prices

AVERAGE MONTHLY WHOLESALE PEAR IMPORT PRICES D'ANJOU PESOS/KILOGRAM			
Month	2002	2003	Change %
January	11.26	12.20	8.35
February	10.82	12.78	18.11
March	11.11	13.29	19.62
April	11.80	13.33	12.97
May	12.12	12.93	6.68
June	12.05	15.20	26.14
July	13.64	16.67	22.21
August	14.90	17.22	15.50
September			
October	12.78		
November	12.35		
December	12.11		
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados
 2002 Exchange Rate Avg.: U.S.\$1.00 = 9.82 pesos
 Aug 1, 2003 Exchange Rate: U.S.\$1.00 = 10.52 pesos

Shaded  area indicates that prices for imported pears were not available.

Tariffs for Chile

TARIFF REDUCTION SCHEDULE -CHILEAN APPLES, PEARS & GRAPES-				
YEAR	APPLES		PEARS	GRAPES
	Duty	TRQ (MT)	Duty	Duty ^{/d}
1998	13.3%	2,156.7	0%	0%
1999	11.7%	2,200.0	0%	0%
2000	10.0%	2,264.5 ^{/f}	0%	0%
2001	8.3%	2,377.7	0%	0%
2002	6.7%	2,496.6	0%	0%
2003	5.0%	2,621.4	0%	0%
2004	3.3%	2,752.4	0%	0%
2005	1.7%	2,890.0	0%	0%
Starting 1/1/2006	0.0%	0 ^{/g}	0%	0%

Source: Office of Agricultural Affairs based on information from Mexico's *Diario Oficial* (Federal Register) published on July 28, 1999.

^{/d} Grape imports made between January 1 to April 14, and June 1 to December 31 are duty free Imports, from April 15 to May 31 must have an import permit to be duty free.

^{/f} Initial TRQ that will be incremented on an annual basis five percent up from the previous figure starting on 2000 up to 2005 inclusive.

^{/g} Starting on January 1st. 2006, imports of Chilean fresh apples will be duty free and not subjected to TRQ quotas.