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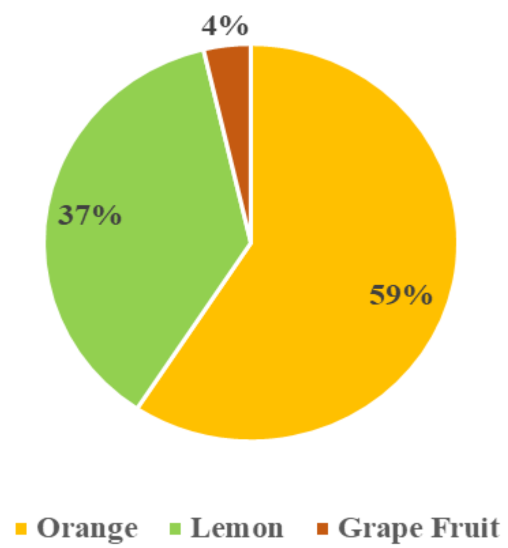
Report Highlights:

Total citrus production in Mexico across oranges, lemons/limes, and grapefruit is expected to decline in market year (MY) 2022/23 due to challenges such as damage to trees from increasingly severe weather conditions over multiple seasons, particularly in Northeastern producing states, and the rising costs of inputs and logistics for producers that is pressuring yields downward. Fresh concentrated orange juice production is also forecasted down over this period due to tighter supply in fresh oranges, but the country remains a major producer and exporter. Mexico's total domestic consumption is down only one percent across fresh citrus, with rebounding demand in the country's hospitality/tourism sector mostly offsetting decreased purchasing power of the average Mexican household. Export demand remains strong, with orange and grapefruit exports projected up marginally, but production declines in the outyear mean lower exportable supply in lemons/limes.

According to Mexico's Agri-food and Fisheries Information Service (SIAP), in 2021, total planted area for citrus covered in this report (oranges, lemons/limes, and grapefruit) surpassed 581,000 hectares (ha); with oranges accounting for 59 percent of planted area.

Figure 1: Total Citrus Planted Area, 2021 (% of Area)



Source: SIAP

Fresh Oranges

Table 1: Mexico Fresh Oranges – Production, Supply, and Distribution

Oranges, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Nov 2020		Nov 2021		Nov 2022	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	347645	343245	349421	344285	0	352000
Area Harvested (HECTARES)	313795	327756	321000	331438	0	314600
Bearing Trees (1000 TREES)	65725	64100	67141	64800	0	64200
Non-Bearing Trees (1000 TREES)	4520	0	4397	5500	0	5200
Total No. Of Trees (1000 TREES)	70245	64100	71538	70300	0	69400
Production (1000 MT)	4136	4649	4280	4595	0	4200
Imports (1000 MT)	36	36	34	20	0	35
Total Supply (1000 MT)	4172	4685	4314	4615	0	4235
Exports (1000 MT)	72	69	75	74	0	75
Fresh Dom. Consumption (1000 MT)	2750	2416	2539	2391	0	2400
For Processing (1000 MT)	1350	2200	1700	2150	0	1760
Total Distribution (1000 MT)	4172	4685	4314	4615	0	4235
(HECTARES), (1000 TREES), (1000 MT)						

Planted Area

Post projects orange planted area for MY 2022/23 (November/October) at 352,000 hectares (ha), a marginal increase from the previous MY as farmers have concerns on unpredictable adverse climate change effects like drought and extreme temperatures. In some cases, farmers in peri-urban areas report that selling productive land to real estate developers is a profitable alternative to cultivation, but Post projects a net increase in planted area nationally.

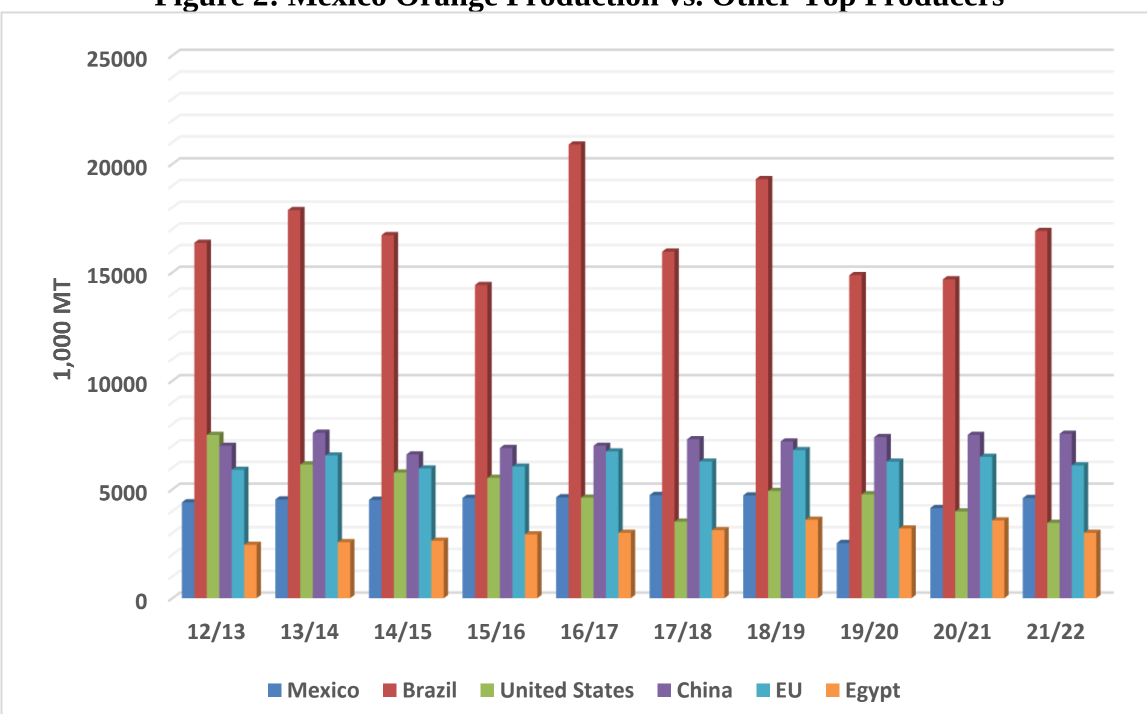
Mexico's MY 2021/22 planted area is estimated to be 344,285 ha, based on available official data. This represents a marginal increase from MY 2020/21. However, there remains some uncertainty among growers on the condition of planted hectares, considering that areas of Veracruz, Tamaulipas, and Nuevo Leon have suffered from prolonged, multi-year drought conditions, prolonged high temperatures, and often wider swings in temperature throughout the year. Mexico's principal states in terms of hectares planted are Veracruz accounting for 49 percent of total planted area; Tamaulipas (10 percent), San Luis Potosí (10 percent), Puebla (9 percent), and Nuevo Leon (8 percent).

Production

Post forecasts orange production for MY 2022/23 at 4.2 million metric tons (MMT), 9 percent lower than the previous MY due to prolonged drought in northeastern Mexico that affected most severely the states of Tamaulipas and Nuevo Leon. Areas of Veracruz and San Luis Potosi also experienced prolonged drought and abnormally high temperatures.

Mexico's MY 2021/22 orange production is estimated at 4.6 MMT based on available data. This represents a 1 percent decrease from MY 2020/21 as adverse climate change effects, lack of water, and high temperatures impacted major orange producing states. Based on Post estimates for Mexico and USDA official data for MY 2021/22, Mexico is estimated to be the fifth-largest orange producer in the world behind Brazil, China, India, and the United States.

Figure 2: Mexico Orange Production vs. Other Top Producers

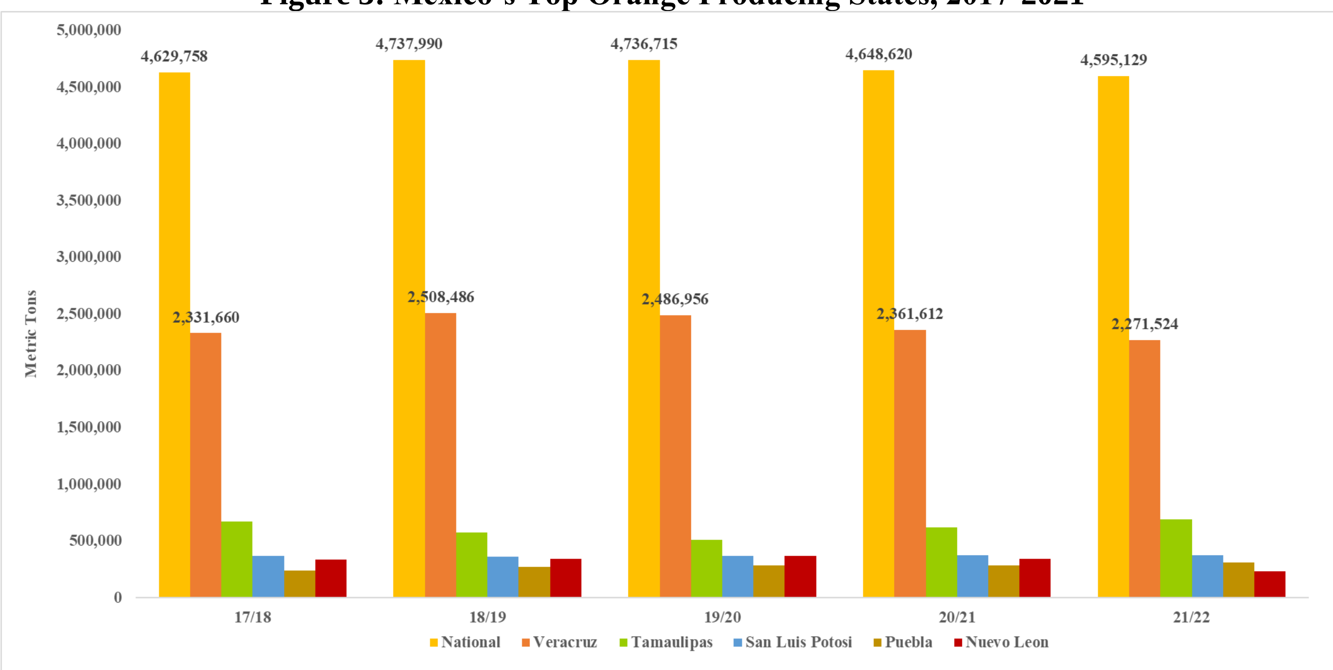


Source: USDA Production, Supply & Distribution (PS&D)

National orange yield for MY 2022/23 is forecast at 13 metric tons per hectare (MT/ha), 7 percent lower than the previous MY considering prevailing factors like decreasing water availability, negative effects of climate change, and high cost of fertilizers. Since 2021, farmers in Mexico, including citrus growers, struggled with the high price of fertilizers that escalated dramatically in 2022, due to the war in Ukraine. Citrus growers report 187 percent to 200 percent price increases in these inputs. To cope with the high cost of fertilizers, farmers are adjusting application rates. Further on, citrus farmers planting decisions for the following year are also impacted by increased fertilizer prices. Post considers that the key factors mentioned above will have implications on citrus yield/planting/production in 2023.

According to SIAP official data, orange production in MY 21/22 is below the previous MY as production in Veracruz, the largest producing state, went down 3.8 percent. Production in smaller producing states like Tamaulipas and Puebla increased 11.6 percent and 9.7 percent respectively, versus MY20/21, but not enough to offset declines in Veracruz. Production in Nuevo Leon decreased steeply by 31 percent versus the previous MY. While Nuevo Leon is a small producer compared to the total national crop, drought conditions were most severe in this area. Most planted area in the state is irrigated. However, the severe water shortage experienced this past year in the Monterrey metro area, the capital of Nuevo Leon and largest city in Northern Mexico, has put agricultural water usage in the spotlight in this region.

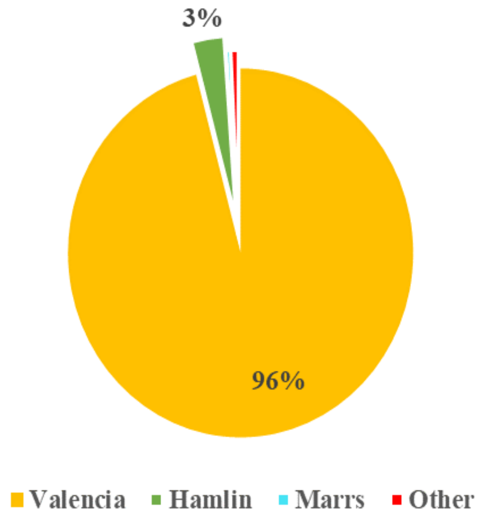
Figure 3: Mexico's Top Orange Producing States, 2017-2021



Source: SIAP

According to available data, orange production in Mexico surpassed 4.59 MMT in 2021. The Valencia variety accounts for 96 percent of national orange production. The Hamlin variety accounts for 3 percent, and the Marrs, Navel, and the sour orange or Criolla variety constitute the final 1 percent of national production (Figure 4 below).

Figure 4: Orange Varieties in 2021 (% of Volume)



Source: SIAP

Figure 5: Mexico's Top Orange Producing States, 2020 (% of Value)

Source: SIAP

Citrus Greening

Ongoing efforts to contain, eliminate, and reduce the impact of citrus greening, or *Huanglongbing* (HLB), on citrus production continue at federal and state levels including research, quarantine/containment, fumigation, awareness campaigns, and onsite training for growers on good agricultural practices necessary to mitigate this virus.

Table 2: Production by State MY 2021/22

Orange	Planted Area (ha)	Harvested Area (ha)	Production (mt)	Yield (mt/ha)
Total	**344,285**	**331,438**	**4,595,129**	14
Veracruz	167,321	166,404	2,271,524	21
Tamaulipas	34,347	32,047	688,237	12
San Luis Potosí	32,852	32,228	376,613	12
Puebla	31,812	25,774	308,434	9
Nuevo León	25,854	25,267	232,437	14
Others	52,100	49,719	717,883	14

Source: Agri-food and Fisheries Information Service (SIAP)

Consumption

Post forecasts Mexico's domestic fresh orange consumption at 2.4 MMT in MY 2022/23, largely unchanged from the previous MY considering that higher production costs of orange have been transferred onto consumers. Affordability issues will continue to hinder consumption growth in products such as oranges and other citrus fruits. These figures consider the effect of inflation on the average Mexican household budget and a decline of purchasing power to buy groceries as Mexico's annual inflation level has surpassed 8 percent (8.7 percent annual inflation in September 2022, according to INEGI). As most basic food products have increased in price in Mexico, price sensitive consumers are reducing or altogether forgoing purchases of products such as oranges that, while listed in the country's "Canasta Basica", are not necessarily staple products. Consumption in MY 2021/22 is estimated to be 2.39 MMT.

Trade

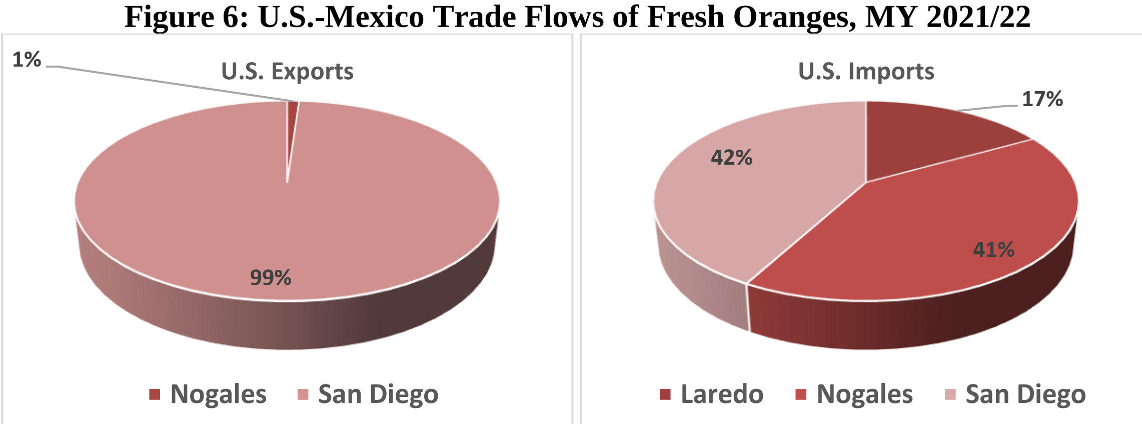
Post forecasts Mexico's fresh orange exports for MY 2022/23 at 75,000 MT, nearly unchanged from the previous year. This is lack of growth is based upon decreased production in Veracruz primarily but also Nuevo Leon, which is a large exporter to the United States relative to its production volume. Some growers also report that lower national production and high prices locally are making the domestic market more profitable. In MY 2021/22, exports are estimated at 74,000 MT based on available data and current pace of trade. Over the past five marketing years Mexico's total exports of fresh orange is relatively consistent with no abrupt changes. Over 97 percent of Mexico's fresh orange exports go to the U.S. market.

The Post forecast for MY 2022/23 fresh orange imports is 35,000 MT. Mexico imports fresh oranges exclusively from the United States, primarily for fresh consumption at the border region. Mexico's MY 2021/22 imports are estimated at 20,000 MT based on available data and current pace of trade. Lower imports in MY 2021/22 reflect stable domestic production and lower available supply from the United States.

Figure 5: Mexico's Orange Exports to the World and to the U.S. – MY 2021/2022 YTD (Nov '21-Sep '22)

Source: U.S. Census Bureau

Figure 6: U.S.-Mexico Trade Flows of Fresh Oranges, MY 2021/22



Source: Global Agricultural Trade System (GATS)

The figure above uses data by U.S. Customs District to show estimated trade flows of U.S. exports and imports of oranges with Mexico in the 2021/22 market year. Southbound oranges originate primarily through the San Diego district, while Mexican exports to the United States show a more diverse pattern.

As shown in the table below, fresh orange prices in Mexico, already somewhat elevated in 2021, rose further in mid-2022 to as high as 24.50 pesos/kg. Prices have since returned to lower levels but remain elevated from prices in the beginning of 2021 and earlier.

Table 3: Wholesale Valencia Orange Prices (Pesos/Kg) Mexico City

Month	2021	2022
January	NA	14.50
February	7.00	13.00
March	6.30	11.70
April	6.80	14.20
May	9.20	15.90
June	14.50	18.00
July	14.60	21.00
August	12.80	24.50
September	13.50	18.30
October	10.00	16.50
November	17.20	12.90
December	15.90	12.60

Source: National Market Information Service (SNIIM)

Policy

Export of fresh oranges, grapefruit, and tangerines from Mexico to the United States is allowed for compliant product under current USDA/APHIS and SADER/SENASICA work plans. The state of Sonora is declared as a fruit fly free zone and product from this state is not regulated by applicable citrus work plans.

Frozen Concentrated Orange Juice (FCOJ) 65^0 Brix

Table 4: Mexico Orange Juice – Production, Supply, and Distribution

Orange Juice	2020/2021		2021/2022		2022/2023	
Market Year Begins	Nov 2020		Nov 2021		Nov 2022	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	1350000	2200000	1700000	2150000	0	1760000
Beginning Stocks (MT)	2000	2000	2000	2000	0	2000
Production (MT)	135000	220000	170000	215000	0	176000
Imports (MT)	1000	3000	850	1750	0	2000
Total Supply (MT)	138000	225000	172850	218750	0	180000
Exports (MT)	130000	217000	160850	210000	0	171000
Domestic Consumption (MT)	6000	6000	7000	6750	0	7000
Ending Stocks (MT)	2000	2000	5000	2000	0	2000
Total Distribution (MT)	138000	225000	172850	218750	0	180000
(MT)						

Production

Post's MY 2022/23 FCOJ production forecast is 176,000 MT, a decrease from Post's MY 2021/22 estimate of 215,000 MT, but 3.5 percent higher than the USDA official figure of 170,000 MT. This is based upon the expectation of slightly lower available supply in Mexico for the 22/23 market year. While exact proportions may vary from year to year based upon supply, Mexico generally sends around 40 percent of its orange production into juice processing.

Post's MY 2021/22 FCOJ production estimate is 215,000 MT based on industry reports on available supply of fresh oranges. This represents a marginal decrease from Post's MY 20/21 FCOJ production estimate. Despite reports of production challenges in Mexico's fresh orange sector, the last several years are still characterized by relatively high production volume compared to previous years, and thus higher availability of oranges for delivery to processors. The 22/23 production forecast reflects the expectation of slightly decreased orange production in Mexico.

Consumption

Post's MY 2022/23 FCOJ domestic consumption forecast is 7,000 MT, fractionally higher than the previous MY. MY 2021/22 FCOJ domestic consumption is estimated at 6,750 MT. Industry reports that less than 5 percent of Mexico's orange juice/concentrate production goes towards domestic juice and beverage industries. Mexico's domestic FCOJ consumption also ultimately depends on U.S. demand, as juice producers first look to supply the export market.

Trade

The Post export forecast for MY 2022/23 is 171,000 MT, 19 percent lower than Post's previous MY estimate due to lower available supply. Post forecasts MY 2022/23 imports at 2,000 MT, as Mexico imports a small amount of orange juice for supermarkets or small processors. Processors report that the majority of FCOJ imports is juice produced in Mexico that was shipped for bottling/packaging to the United States and reimported for sale in supermarkets. The U.S. market is preferred by Mexican exporters due to proximity and logistics.

Producers/processors in Mexico report that, locally, there is not significant storage capacity as most product can be stored with processors in the United States. The overwhelming majority of Mexican FCOJ production is exported, and almost exclusively to the United States, but the European Union, Canada, Japan, and numerous countries throughout the Western Hemisphere also import smaller volumes of FCOJ from Mexico. HS codes used to calculate FCOJ estimates are 2009.11, 2009.12, and 2009.19.

Fresh Lemons/Limes

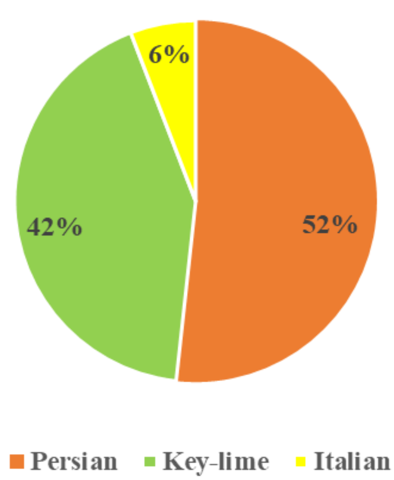
Table 5: Mexico Fresh Lemons/Limes – Production, Supply, and Distribution

Lemons/Limes, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Nov 2020		Nov 2021		Nov 2022	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	215848	209120	221918	215167	0	217000
Area Harvested (HECTARES)	190220	178416	196768	193284	0	194219
Bearing Trees (1000 TREES)	49462	49462	50065	49700	0	50000
Non-Bearing Trees (1000 TREES)	7142	7142	6892	7000	0	6500
Total No. Of Trees (1000 TREES)	56604	56604	56957	56700	0	56500
Production (1000 MT)	2998	2870	3217	2954	0	2800
Imports (1000 MT)	6	3	7	9	0	5
Total Supply (1000 MT)	3004	2873	3224	2963	0	2805
Exports (1000 MT)	769	769	730	678	0	600
Fresh Dom. Consumption (1000 MT)	1885	1754	2094	1885	0	1855
For Processing (1000 MT)	350	350	400	400	0	350
Total Distribution (1000 MT)	3004	2873	3224	2963	0	2805
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Planted Area

Post's forecast for MY 2022/23 (November-October) planted area is 217,000 ha, with harvested area forecasted at 194,219 ha. This is derived from year-to-date information from SIAP and indications that Michoacan, the state with largest planted area to produce limes, has marginally increased (less than 1 percent) its planting surface in recent years. The state of Colima, which was once a relatively large producer among Mexican states, experienced a decrease in planted area of 28 percent in 2021. Lime production in Colima has been pressured downward by a number of factors, including HLB, and in some cases growers switched to other crops including vegetables, mango, papaya, and bananas. Michoacan represents 30 percent of total planted area followed by Veracruz with 24 percent, Oaxaca with 10 percent, and Colima with 10 percent.

Figure 8: Mexico Lime Varieties in 2021 (% of Volume)



Source: SIAP

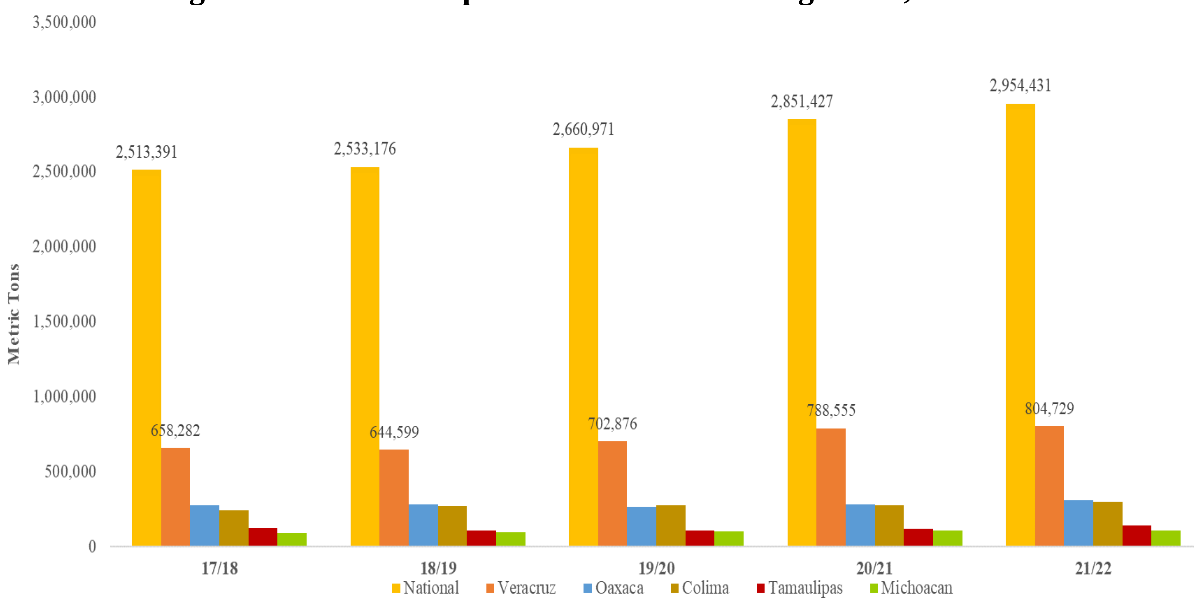
Production

Post's production forecast for MY 2022/23 is 2.8 MMT, 7 percent lower than the previous MY. While as previously mentioned, Post projects planted area to increase marginally, but the continued high price of inputs is likely to depress yields.

MY 2021/22 production is estimated to be 2.95 MMT based upon available date. During this season, growers from Colima (the fourth-largest lime producer) continued to switch to other crops because of the HLB virus disease damaging a great number producing trees. However, despite some production challenges, this national figure represents the highest annual production level to date, based on SIAP statistics. Lemons and limes are the second largest category of citrus produced behind oranges in Mexico. Nationally, lemons and limes account for 36 percent of total citrus production covered in this paper. Principal producing states are Michoacán, Veracruz, Oaxaca, and Tamaulipas. The states of Veracruz and Michoacan are the largest producers, each with 27 percent of production, followed by Oaxaca with 10.4 percent and Colima with 10 percent.

Mexico's lime production consists of three main varieties. The Persian lime is a variety gaining importance in the national market, though most of this fruit is for export. Veracruz is the largest producer of Persian Lime with over 52 percent of production of that variety. The Mexican or sour lime variety, also known as Key lime is cultivated throughout the country. This sour variety is an ingredient that is important in Mexican gastronomy. Key limes are primarily commercialized in the national market. Michoacan accounts for over 60 percent of total production of this variety. The Italian lime variety is of high quality and with characteristics that make this fruit highly competitive in the international market. Mexico's production is almost exclusively exported. Tamaulipas accounts for over 77 percent of total production of this variety.

Figure 9: Mexico's Top Lime/Lemon Producing States, 2017-2021



Source: SIAP

Figure 10: Top Lime/Lemon Producing States, 2020 (% of Value)

Source: SIAP

Table 6: Lime Production by State MY 2021/22

Limes	Planted Area (ha)	Harvested Area (ha)	Production (mt)	Yield (mt/ha)
Total	**215,167**	**193,284**	**2,954,431**	**15**
Veracruz	51,920	51,122	804,729	16
Michoacán	63,981	50,658	800,219	16
Oaxaca	22,272	21,403	306,009	14
Colima	21,107	21,004	299,506	14
Tamaulipas	8,523	6,972	141,917	20
Others	47,363	42,125	602,051	14

Source: Agri-food and Fisheries Information Service (SIAP)

Lime production in Veracruz and Michoacan amounts to almost 1.6 MMT, which represents 54.5% of total production.

Consumption

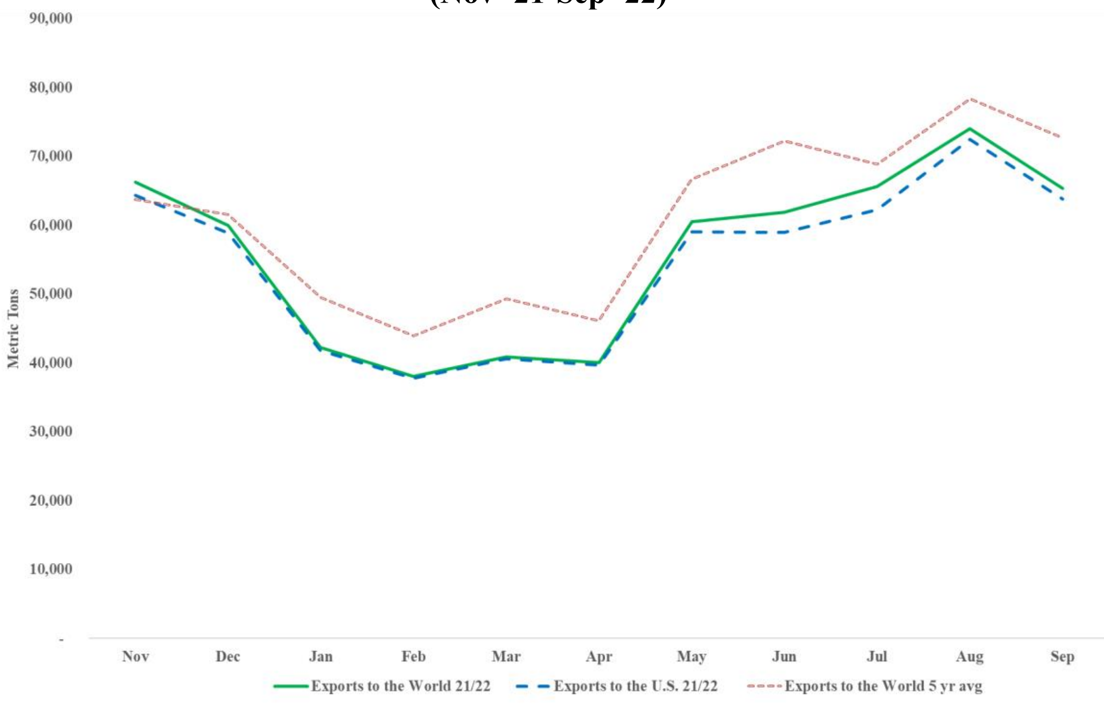
Post forecasts Mexico's lemon/lime consumption for MY 2022/23 at 1.86 MMT, marginally lower than the previous MY based on higher production costs transferred to the consumer. As mentioned previously in the orange section, affordability issues will continue to set back consumption growth of citrus products such lemons, limes, and other citrus fruits. These figures consider the effect of inflation on the average Mexican household budget and a decline of purchasing power to buy groceries as Mexico's annual inflation level has surpassed 8 percent (8.7 percent annual inflation in September 2022, according to INEGI). Domestic price volatility has been especially acute for limes. According to SNIIM, the wholesale price for Key lime (limón mexicano) spiked from $11.58 MX pesos per kilo in November 2021, to $40.00 MX pesos per kilo in March 2022. For more information, see Tables 7 and 8 below.

Persian lime is a representative crop of Mexico. In the past few years demand has been favored in the national market due to its acidity, larger size compared to the Mexican lime, and for not having seeds. On the other hand, Italian lime availability is less steady in the local market and the greater volume of this crop is for export to the U.S. For MY 2021/22 Post domestic consumption is estimated at 1.89 MMT.

Trade

Post forecasts Mexico MY 2022/23 exports at 600,000 MT. This projection is based on steady demand driven by the U.S. market but lower available supply. In MY 2021/2022, Post estimates Mexico´s total lemon/lime exports at 678,000 MT based on available data and pace of trade. Through September, MY 21/22 exports have surpassed 600,000 MT with expectations of continued steady demand through the last month of the market year. The U.S. market represents over 97 percent of total exports. The great majority of lime exports to the United States correspond to the Persian and Italian varieties. Exports to the Netherlands, United Kingdom, France, Japan, and Russia represent 3 percent of total exports. Post projects MY 2022/23 total lemon/lime imports at 5,000 MT and estimates MY 2021/22 imports at 9,000 MT.

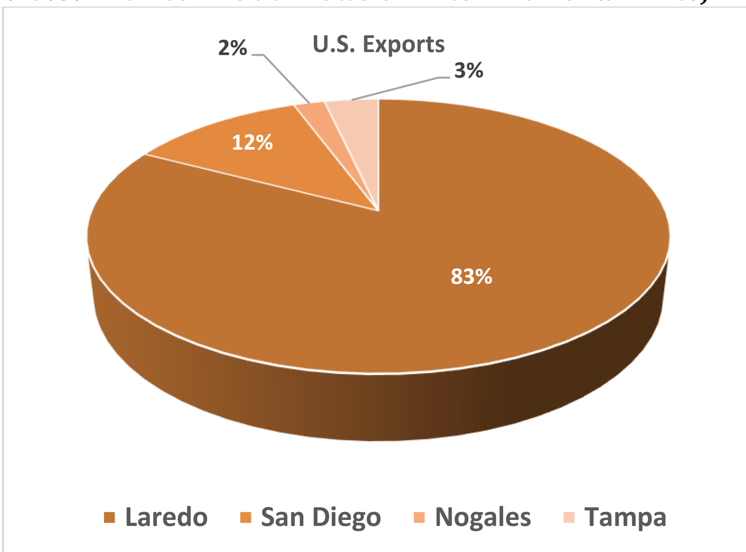
Figure 12: Mexico's Lemon/Lime Exports to the World and to the U.S. – MY 2021/2022 YTD (Nov '21-Sep '22)



Source: Census Bureau

Mexico is the largest supplier of limes to the United States market. In 2021, over 80 percent of total lime imported by the U.S. correspond to Mexican fruit, followed by Argentina with 8 percent; Chile with 7 percent; and Colombia with 3 percent.

Figure 13: U.S.-Mexico Trade Flows of Fresh Lemons/Limes, MY 2021/22



Source: GATS

As opposed to Mexico's fresh orange exports, Mexican lime exports to the United States are more heavily oriented towards the eastern Ports of Entry along the U.S.-Mexico border in the Laredo district, as well as some lesser volumes through San Diego/Nogales and the Gulf (Tampa).

Table 7: Key Lime Wholesale Prices (Pesos/Kg) Mexico City

Month	2021	2022
January	N/A	20.00
February	9.47	26.32
March	10.00	40.00
April	6.32	25.50
May	5.79	18.50
June	5.79	21.50
July	5.79	31.00
August	7.89	27.50
September	6.84	25.00
October	7.89	19.50
November	11.58	17.50
December	25.26	19.00

Source: SNIIM

Table 8: Persian Lime Wholesale Prices (Pesos/Kg) Mexico City

Month	2021	2022
January	NA	37.00
February	18.00	56.00
March	27.00	61.00
April	28.00	45.00
May	15.00	23.00
June	6.00	14.00
July	7.00	13.00
August	13.00	14.00
September	10.30	14.30
October	9.20	12.00
November	12.20	12.50
December	14.00	11.50

Source: SNIIM

Policy

Export of fresh lemon/limes from Mexico to the United States are not regulated under current USDA/APHIS and SADER/SENASICA work plans.

Fresh Grapefruit

Table 9: Mexico Fresh Grapefruit – Production, Supply, and Distribution

Grapefruit, Fresh	2020/2021		2021/2022		2022/2023	
Market Year Begins	Nov 2020		Nov 2021		Nov 2022	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	21479	21151	21610	21418	0	21500
Area Harvested (HECTARES)	21124	19834	21340	19955	0	19747
Bearing Trees (1000 TREES)	5985	5895	5895	5900	0	6000
Non-Bearing Trees (1000 TREES)	612	745	745	740	0	760
Total No. Of Trees (1000 TREES)	6597	6640	6640	6640	0	6760
Production (1000 MT)	510	491	534	453	0	420
Imports (1000 MT)	2	2	1	2	0	2
Total Supply (1000 MT)	512	493	535	455	0	422
Exports (1000 MT)	21	21	23	17	0	20
Fresh Dom. Consumption (1000 MT)	397	472	407	438	0	402
For Processing (1000 MT)	94	0	105	0	0	0
Total Distribution (1000 MT)	512	493	535	455	0	422
(HECTARES) ,(1000 TREES) ,(1000 MT)						

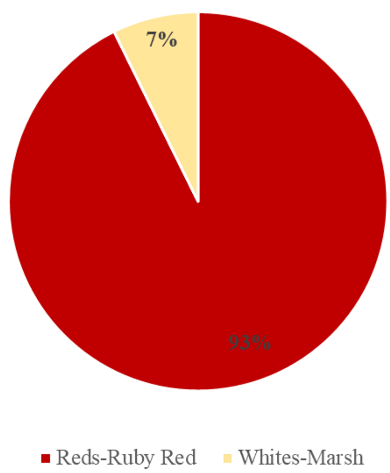
Planted Area

Post forecasts Mexico's grapefruit planted area for MY 2022/23 at 21,500 ha based on available data. This represents a small increase from MY 2021/2022 considering that from 2019 to 2022, total planted area has not increased more than one percent. The state of Veracruz accounts for 37 percent of planted area followed by Michoacan with 28 percent, Tamaulipas with 11 percent, and Nuevo Leon with 10 percent. These four states represent 94 percent of total planted area. Mexico's MY 2021/22 planted area is estimated to be 21,418 ha, based on available data. This represents a 1.2 percent increase from MY 2020/21.

Production

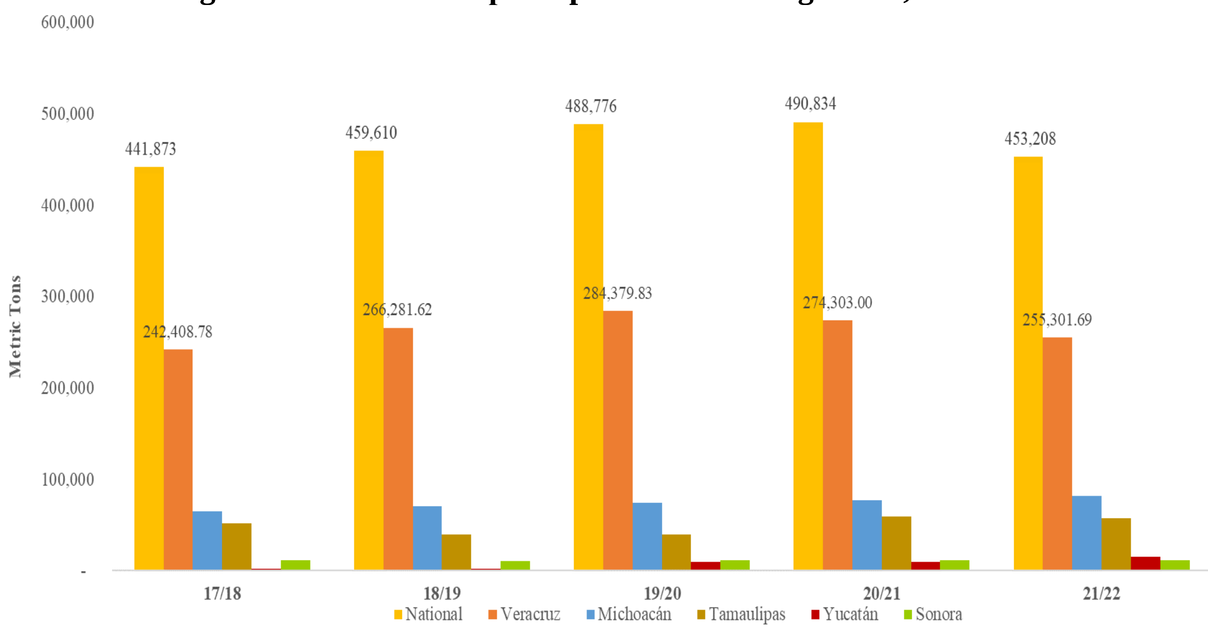
Post's grapefruit production forecast for MY 2022/23 is 420,000 MT, considering that planting area growth is less than 1 percent versus previous MY. This is also attributed to higher production and logistical costs and potential temporary yield declines.

Figure 14: Grapefruit Varieties in 2021 (% of Volume)



Source: SIAP

Figure 15: Mexico's Top Grapefruit Producing States, 2017-2021



Source: SIAP

MY 2021/22 grapefruit production is estimated to be at 453,000 MT based on available data. This estimate reflects an 8 percent decrease versus previous MY. The largest volume of grapefruit produced in Mexico corresponds to the "Doble Roja or double red" category; varieties included are the Rio Red, Flame, and Ruby Red. Of these the largest volume corresponds to Rio Red considered as the tastiest and juiciest of the Red´s. White grapefruit production is second in importance with the Marsh variety. Much like in fresh oranges, Veracruz is the main producing region, with Michoacan, Tamaulipas the other main producing states.

Figure 16: Top Grapefruit Producing States, 2020 (% of Value)

Source: SIAP

Table 9: Production by State MY 2021/22

Grapefruit	Planted Area (ha)	Harvested Area (ha)	Production (mt)	Yield (mt/ha)
Total	**21,419**	**19,955**	**453,208**	**23**
Veracruz	8,029	7,998	255,302	32
Michoacán	6,023	5,330	81,776	15
Tamaulipas	2,306	2,195	57,693	26
Yucatán	1,070	792	15,105	19
Sonora	532	416	11,690	28
Others	3,459	3,224	31,643	10

Source: Agri-food and Fisheries Information Service (SIAP)

Consumption

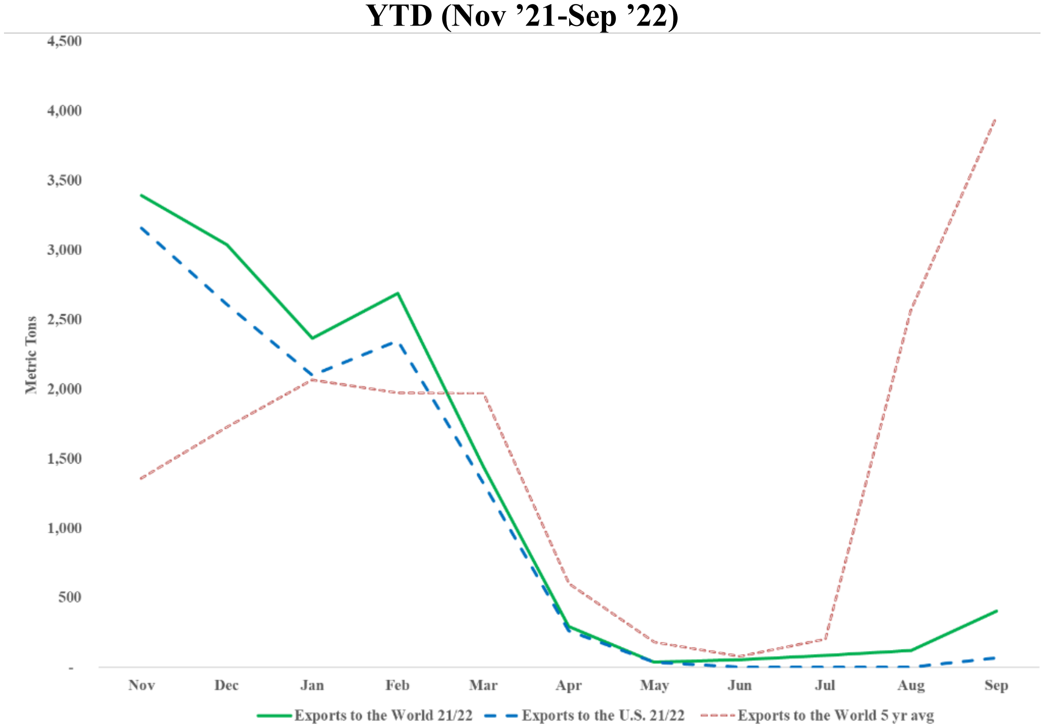
Post projects Mexico's MY 2022/23 grapefruit consumption at 402,000 MT, 8 percent lower than the previous year based on higher production costs transferred to the consumer which is hindering affordability. As mentioned previously in the orange and lemons/limes sections, affordability issues will continue to set back consumption growth of grapefruit along with other citrus fruits mentioned above. These figures consider the effect of inflation on the average Mexican household budget and a decline of purchasing power to buy groceries as Mexico's annual inflation level has surpassed 8 percent (8.7 percent annual inflation in September 2022, according to INEGI). Mexico's domestic fresh grapefruit consumption for MY 2021/22 is estimated at 441,000 MT 7 percent below previous MY due tighter supply, and higher wholesale and retail prices.

Trade

Post forecasts Mexico's fresh grapefruit exports for MY 2022/23 at 20,000 MT. This reflects Mexico's relatively stable year-to-year grapefruit exports, despite some minor production and trade concerns in the current market year.

Mexico's MY 2021/22 exports are estimated down slightly to 17,000 MT based on available data and current pace of trade. Weather issues in Mexico's northeastern producing states affected the availability of exportable supply to the United States. In MY2021/22, over 52 percent of Mexico's total exports went to the United States, followed by Japan with 23 percent, Netherlands with 16 percent, and Canada with 5 percent. For a number of years, exports to the United States and other destinations remained steady. However, in MY 2021/22 the U.S. market represented over 85 percent of Mexico's exports to the world with little or no exports to Japan, Netherlands, or Canada.

Figure 12: Mexico's Grapefruit Exports to the World and to the U.S. – MY 2021/2022 YTD (Nov '21-Sep '22)



Source: U.S. Census

Mexico's grapefruit imports remain negligible. The Post forecast for MY 2022/23 fresh grapefruit imports is 2,000 MT. Available data shows that over the past 5 years, Mexico imported fresh grapefruits only from the United States.

Table 10: Red Grapefruit Wholesale Prices (Pesos/Kg) Mexico City

Month	2021	2022
January	N/A	11.00
February	9.00	10.20
March	8.10	11.15
April	8.70	13.80
May	12.00	15.80
June	17.8	18.50
July	17.50	22.50
August	17.20	20.00
September	13.2	17.50
October	9.80	16.30
November	10.80	17.50
December	11.50	16.50

Source: SNIIM

Policy

Export of fresh grapefruit from Mexico to the United States is allowed for compliant product under current USDA/APHIS and SADER/SENASICA work plans. The state of Sonora is declared as a fruit fly free zone and product from this state is not regulated by applicable citrus work plans.

Attachments:

No Attachments