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Fresh Deciduous Fruit

Annual Report

2004

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Report Highlights:

Apple production for MY 2004/05 is forecast at 510,000 MT. Apple imports are forecast to increase only 3 percent 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 the largest supplier of apples. Pear production is forecast to increase slightly to 29,500 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 191,800 MT. The U.S. continues to be the main table grape supplier.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
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SECTION I. SITUATION AND OUTLOOK

APPLES

PRODUCTION

The MY 2004/05 (August/July) is forecast at 510,000 MT. Trade sources indicate that weather conditions in Chihuahua, the main apple producing state, were good. Normal freezing temperatures and some hailstorms caused minimal damage to the crop. In general, the color, size and quality of apples harvested are expected to be good. The national average yield for MY 2004/05 is forecast at 8.3 MT/Ha. Yields in Chihuahua are forecast at 15 MT/ha. The production estimate for MY 2003/04 was revised upward based on preliminary official estimates and better-than-expected yields. Chihuahua accounts for 42 percent of total Mexican apple production, Coahuila accounts for 11 percent, Durango accounts for 18 percent, and Puebla accounts for 15 percent. Production data for MY 2002/03 remains unchanged.

Area planted and harvested for MY 2004/05 is forecast to increase slightly because Chihuahua is increasing area planted. Some large growers in the northern states are optimistic, due to the good 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 at higher tree densities. Area planted and harvested for MY 2003/04 was revised downward based on official estimates, but still reflects a slight growth in area planted and harvested compared to MY 2002/03. Growers indicate that the planting rate almost offset the uprooting rate in Chihuahua. Producers also indicate 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 and Durango are irrigated. Official area planted and harvested for MY 2002/03 remains unchanged.

Grower prices for Red and Golden Delicious apples in Chihuahua were about \$4 to \$4.50 pesos/kg (US\$0.37 to \$0.41/kg) during MY 2003/04, and growers expect similar prices for MY 2004/05. Costs of production range from \$23,000 to \$37,000 pesos/Ha. (US\$2,000 to \$3,217/Ha). This cost will depend on whether growers have frost protection equipment, hail protection equipment, and new irrigation systems. According to producers, electricity, gas, 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 2004/05 is forecast at 587,000 MT, which represents an increase of 3.4 percent over MY 2003/04. Good demand is expected due to the availability of domestic apples at good prices and affordable prices of imported apples from Canada, the United States, and Chile. However, the antidumping duties applied to U.S. Red and Golden Delicious apples, are keeping U.S. apple volumes at lower levels, compared to pre-2002/03 levels. The apple consumption estimate for MY 2003/04 was revised upward to reflect a 1.2-

percent increase over MY 2002/03 consumption levels. Lower U.S. apple supplies at higher prices plus the antidumping duties, have resulted in less U.S. apples available on the Mexican market. MY 2002/03 consumption remains unchanged. According to growers, apples for processing for MY 2004/05 will be approximately 92,000 MT, but the final amount will depend upon international prices for concentrated apple juice, which have not been favorable. The estimate for apple supplies for processing for MY 2003/04 was revised upward based on producers information. The figure for apples for processing for MY 2002/03 remains unchanged.

The new apple crop in Chihuahua is expected to hit the market by the beginning of September. However, the early crop of the Golden variety from Chihuahua hit the market in mid-August 2004 at high retail prices of \$29.30 pesos/kg (US\$2.54/kg). These prices are expected to decrease as more volume reaches the market. 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 2004 at higher prices than the domestic ones. Wholesale prices for U.S. Red Delicious apples began at an average price of approximately US\$27.27 per 18-kg box in March/April 2004, and ended at US\$26.95 per box by the end of July 2004. By the beginning of August 2004, some large supermarkets carried mostly Chilean apples. A kilogram of imported Chilean apples were priced, on average, at \$26 pesos/kg (US\$2.26/kg). Braeburn apples from Washington State were available at \$23.90 pesos/kg (US\$2.07/kg). Wholesalers indicated that since Chilean apples were cheaper at this time they were being sold first.

TRADE

Apple imports for MY 2004/05 are forecast at 169,000 MT due to expected good demand. Imported apples from the United States have decreased in volume, due to the anti-dumping duty of 46.85 percent imposed on U.S. Red and Golden Delicious apples in August 2002 (see report MX2120). While U.S. apple imports are expected to increase slightly due to lower U.S. apple prices resulting from the larger MY 2004/05 crop, Canadian and Chilean apples are still expected to fill part of the void left that cannot be filled by U.S. apples because of the anti-dumping duty. 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 to avoid exchange-rate risks and will tend to limit the volume of apples they import at any one time. Other U.S. states, like Virginia and Michigan, continue exporting limited volumes to Mexico. Other apple varieties like Gala, Rome Beauty, Jonagold, and Pink Lady that are not subject to the antidumping duty, are being imported at more affordable prices, but still at smaller quantities. Additionally, two U.S. companies are exempt from the dumping duties.

Apple imports for MY 2003/04 remain unchanged. According to Mexican trade data, Chilean and Canadian apples gained more market share, due to the void left by the U.S. apples (see report MX4011). The estimate for MY 2002/03 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 U.S. and Canadian apples were completely lifted as of January 1, 2003, bringing the duty to zero. For Chilean apples, the 2004 import quota will be 2,752 MT

at the low-tariff rate of 3.3 percent and a snapback of 23 percent. Apples from other countries are subject to a 20-percent 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. On the other hand, fruit importers are expecting Chile to send larger volumes of apples now that U.S. apples have a slightly smaller 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.

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 2004/05 is expected to be at US\$91-\$93 per MT. However, as the 2004 crop fruit damage is small, prices for fruit for processing could go higher. According to the industry, the amount of apples destined for processing for MY 2004/05 is estimated at 92,000 MT. There is no information available on CAJ production, but it is expected to continue at low levels for export purposes, unless international prices increase. Fruit for the processing industry for MY 2003/04 was revised slightly upward, because of more demand from the industry. Reportedly, few plants worked during MY 2003/04.

The United States is Mexico's largest CAJ market. According to Mexican trade data, CY 2003 exports show an increase in Mexican exports of CAJ to the United States, due to better international prices. 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 good international prices.

PEAR

PRODUCTION

Pear production in Mexico is not very significant, and, as a result, data is only available from the Mexican government on an annual basis. Total pear production in Mexico for MY 2004/05 (July/June) is forecast at 29,500 MT, a slight increase compared to MY 2003/04, due to good weather. Despite this, pear 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 average during the growing season. Overall, pear area planted and harvested has declined. Although some states, like Puebla, have increased area planted, other states, like Michoacan, have decreased area planted. 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 longer shelf-life varieties. Growers indicated that, unless more credit becomes available, area planted for MY 2004/05 would be 4,660 has. Michoacan and Puebla are Mexico's main pear producing states, accounting for 75 percent of total Mexican production.

Pear production estimates for MY 2003/04 were revised downward based on official estimates, reflecting some weather related problems in Michoacan where yields were slightly lower. Planting and harvesting data have also been revised downward, according to recent estimates. Michoacan decreased non-irrigated area planted due to low yields and the state of Chihuahua has decreased area planted to plant apples. Pear production for MY 2002/03 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 2004/05 is forecast at 117,500 MT, due to good demand. The void in Mexico's domestic apple market as a result of the anti-dumping duty on U.S. apples, has led to a slight increase in pear consumption. Pear consumption estimates for MY 2003/04 were revised downward because of higher prices and lower demand. Consumption estimates for MY 2002/03 remain unchanged.

U.S. wholesale pear prices were slightly higher for MY 2003/04. Prices for D'anjou pears began 7 percent higher in October 2003 compared to October 2002, at approximately US\$22 per 18-kg box ending in July 2004 at approximately US\$28 per box. Chilean pears were priced at about US\$24 per box by the end of July 2004. Retail prices in supermarkets by July 2004 were about \$20.90 pesos/kg (US\$1.81/kg) for D'anjou pears and \$14.50 pesos/kg (US\$1.26/kg) for California Bartlett pears. 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 2004/05 are forecast to increase to 90,000 MT, due to good demand and expected affordable prices. According to traders, the depreciation of the peso against the U.S. dollar could affect trade of imported pears but that is expected to be slightly offset by the good demand brought on by the lower prices of the large U.S. pear crop. Pear import estimates for MY 2003/04 were revised downward, due to lower demand and higher pear prices. 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 2002/03 remains unchanged. The presence of Chilean and Argentinean pears are 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 2004. Under the different trade agreements, the import duty on pears from the U.S., Chile, and Argentina is zero.

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 91 percent of the market, while imports from Chile and Argentina represent approximately 4 percent each.

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 2005 (Jan/Dec) is forecast at 191,800 MT, an increase of almost 15 percent compared to MY 2004 production, due to expectations of better weather. 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 2004 was revised downward based on industry data reflecting adverse weather conditions. Producers indicated that unexpected high and low temperatures resulted in a late start in harvesting in Sonora and lower yields. MY 2003 production data reflects official final data.

Area planted for MY 2005 is forecast to be the same as that of MY 2004 and area harvested is forecast at 17,100 hectares. Sonora will keep the current area planted even though the previous export season was not as good as expected. Area planted and harvested for MY 2004 was revised downward from previous estimates based on adverse weather conditions preventing producers from increasing planting or harvesting area. Area planted and harvested for MY 2003 was also revised downward based on official final 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 2005 is expected at 11 MT/Ha but is dependent on cultural practices. The national average yield for MY 2004 is estimated to be 9.8 MT/Ha due to the adverse weather conditions in Sonora. Sonora has an average yield of 12 MT/Ha. According to producers, the cost of production in Sonora for 2004 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 2005 is forecast at 121,800 MT. The volume of Mexican grapes in the market will depend on the volume exported, as producers tend to serve the international market first. Consumers will keep buying grapes 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 2004 was revised downward from previous estimates, but still reflects an increase from MY 2003 consumption levels. Unexpectedly, the market had more domestic product at lower prices that could not be exported due to quality problems. Consumption estimates for MY 2003 were revised downward because of higher prices for imported grapes.

Wholesale prices for domestic Perlette grapes began in June 2004 at approximately US\$8.26/9-kg box, lower than the June 2003 prices of US\$8.40/9-kg box. Domestic prices remained more or less similar during the season. However, some large supermarkets marked prices down as quality was not as good as the previous year. Imported Red Globe grapes in June 2004 were on average US\$15.65/9-kg box compared to the June 2003 prices of US\$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 2005 are forecast at 90,000 MT, a 10-percent increase from MY 2004, due to expected good demand. However, the depreciation of the peso versus the U.S. dollar could affect trade of imported grapes. Table grape imports for MY 2004 were revised downward due to lower demand. Imported grapes were priced higher than expected and were affected by greater domestic availability of grapes at lower prices. 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 downward, due to lower demand, as U.S. grape prices were high and quality was not as good. 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. 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 2005 are forecast at 160,000 MT, assuming that international demand continues to be good. Exports for MY 2004 were revised downward, due to lower demand from the international market and a late harvest that affected quality. Most of Mexico's table grapes are exported to the United States. Growers indicated that export f.o.b. prices at the beginning of the season -- May 2004 -- were, on average, about US\$27/8-kg box of perlettes and approximately US\$19/box of flame seedless; however prices plummeted at the end of May to approximately US\$14/box. Mexican export prices usually range between US\$14 and \$16/box. Grape exports for MY 2003 were revised downward based on final official Mexican trade data.

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 percent to zero by 2008. Mexico has not been able to take full advantage of this agreement, since most of its grapes are being exported to the U.S. However, grape producers participated in February 2004 in an important European Trade Show in Germany and defined sales volumes that will be marketed under one label “Sonora Spring Grapes”.

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 Table

Country	Mexico					
Commodity	Apples, Fresh			(HA) (1000 TREES) (MT)		
	2002 Revised		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	08/2002		08/2003		08/2004	
Area Planted	62475	62475	63500	62995	0	63180
Area Harvested	60890	60890	61000	60973	0	61100
Bearing Trees	13700	13700	13725	14145	0	14175
Non-Bearing Trees	356	356	1125	469	0	482
Total Trees	14056	14056	14850	14614	0	14657
Commercial Production	472616	472616	483000	488216	0	503000
Non-Comm. Production	7000	7000	7000	7000	0	7000
TOTAL Production	479616	479616	490000	495216	0	510000
TOTAL Imports	170808	170808	164000	164000	0	169000
TOTAL SUPPLY	650424	650424	654000	659216	0	679000
Domestic Fresh Consump	560424	560424	564000	567216	0	587000
Exports, Fresh Only	0	0	0	0	0	0
For Processing	90000	90000	90000	92000	0	92000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	650424	650424	654000	659216	0	679000

Pear, PS&D Table

Country	Mexico					
Commodity	Pears, Fresh		(HA) (1000 TREES) (MT)			
	2002 Revised		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	07/2002		07/2003		07/2004	
Area Planted	4820	4820	4800	4659	0	4660
Area Harvested	4683	4683	4750	4530	0	4550
Bearing Trees	979	979	992	946	0	950
Non-Bearing Trees	28	28	10	26	0	22
Total Trees	1007	1007	1002	972	0	972
Commercial Production	30951	30951	31500	27993	0	28500
Non-Comm. Production	1000	1000	1000	1000	0	1000
TOTAL Production	31951	31951	32500	28993	0	29500
TOTAL Imports	91978	91978	93000	87000	0	90000
TOTAL SUPPLY	123929	123929	125500	115993	0	119500
Domestic Fresh Consump	121929	121929	123500	113993	0	117500
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	123929	123929	125500	115993	0	119500

Table Grapes, PS&D Table

Country	Mexico					
Commodity	Grapes, Table, Fresh			(HA) (MT)		
	2002 Revised		2003 Estimate		2004 Forecast	
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin	01/2003		01/2004		01/2005	
Area Planted	18700	18693	19000	18700	0	18700
Area Harvested	18100	16932	18200	17000	0	17100
Commercial Production	203200	195607	176500	165500	0	190000
Non-Comm. Production	1800	1800	1800	1500	0	1800
TOTAL Production	205000	197407	178300	167000	0	191800
TOTAL Imports	97000	84279	100000	82000	0	90000
TOTAL SUPPLY	302000	281686	278300	249000	0	281800
Domestic Fresh Consump	134000	114930	146300	127000	0	121800
Exports, Fresh Only	168000	166756	132000	122000	0	160000
For Processing	0	0	0	0	0	0
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	302000	281686	278300	249000	0	281800

Trade Matrixes

Trade Matrix Apples

Apples		Unit: Metric Tons	
Exports for MY 2003/04 (Aug-July*) to:		Imports for MY 2003/04 (Aug-July*) from:	
U.S.	21	U.S.	65,512
BELIZE	43	CHILE	32,068
OTHER	0	OTHER	13,923
TOTAL	64	TOTAL	111,503

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

* Figures for MY 2003/04 as of May 2004

Trade Matrix Pears

Pears		Unit: Metric Tons	
Exports for MY 2003/04 (Jul-June*) to:		Imports for MY 2003/04 (Jul-June*) from:	
U.S.	1	U.S.	72,949
BELIZE	8	ARGENTINA	3,655
OTHER	6	CHILE	3,066
TOTAL	15	OTHER	3
		TOTAL	79,673

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

* Figures for MY 2003/04 as of May 2004

Trade Matrix Table Grapes

Table grapes		Unit: Metric Tons	
Exports for MY 2003 (Jan-Dec) to:		Imports for MY 2003 (Jan-Dec) from:	
U.S.	166,371	U.S.	42,233
GUATEMALA	163	CHILE	42,042
OTHER	223	OTHER	4
TOTAL	166,757	TOTAL	84,279

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

Trade Matrix Table Grapes

Table grapes		Unit: Metric Tons	
Exports for MY 2004 (Jan-Dec*) to:		Imports for MY 2004 (Jan-Dec*) from:	
U.S.	30,410	U.S.	468
SALVADOR	15	CHILE	28,766
OTHER	15	OTHER	0
TOTAL	30,440	TOTAL	29,234

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

* Figures for MY 2003/04 as of May 2004

Apple Prices

AVERAGE MONTHLY WHOLESALE APPLE IMPORT PRICES RED DELICIOUS PESOS/KILOGRAM			
Month	2003	2004	Change %
January			
February			
March	14.87	17.04	14.59
April	14.66	16.33	11.39
May	14.78	16.40	10.96
June	14.44	17.04	18.00
July	14.35	17.44	21.53
August	14.16		
September	13.83		
October			
November			
December			
CIF-Mexico City			

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

Source: Servicio Nacional de Informacion de Mercados
as of July 29, 2004

2003 Exchange Rate Avg.: U.S.\$1.00 = 10.79 pesos
July 29, 2004 Exchange Rate: U.S.\$1.00 = 11.48 pesos

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

Pear Prices

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

Table Grape Prices

AVERAGE MONTHLY WHOLESALE GRAPE IMPORT PRICES GLOBE			
Month	2003	2004	Change %
January	15.93	23.07	44.82
February	15.00	17.78	18.53
March	15.08	14.98	(0.66)
April	15.32	15.97	4.24
May	14.57	16.22	11.32
June	13.82	19.10	38.20
July	15.91	19.04	19.67
August	18.30		
September	18.17		
October	17.92		
November	14.98		
December	20.71		
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados

As of July 29, 2004

2003 Exchange Rate Avg.: U.S.\$1.00 = 10.79 pesos

July 29, 2004 Exchange Rate: U.S.\$1.00 = 11.48 pesos



Shaded area indicates that prices were not available

Table grape prices

AVERAGE MONTHLY WHOLESALE GRAPE DOMESTIC PRICES PERLETTE PESOS/KILOGRAM			
Month	2003	2004	Change %
January			
February			
March			
April			
May			
June	8.95	11.11	24.13
July	8.81	10.61	20.43
August			
September			
October			
November			
December			
CIF-Mexico City			

Source: Servicio Nacional de Informacion de Mercados
 2003 Exchange Rate Avg.: U.S.\$1.00 = 10.79 pesos
 July 29, 2004 Exchange Rate: U.S.\$1.00 = 11.48 pesos



Shaded area indicates that prices were not available

Exchange Rate

MONTHLY EXCHANGE RATE AVERAGES			
	2002	2003	2004
January	9.16	10.59	10.93
February	9.10	10.93	11.01
March	9.07	10.92	11.00
April	9.14	10.61	11.26
May	9.49	10.25	11.52
June	9.75	10.49	11.38
July	9.79	10.44	11.53
August	9.83	10.75	N/A
September	10.05	10.92	N/A
October	10.09	11.17	N/A
November	10.19	11.12	N/A
December	10.21	11.25	N/A
Annual Avg.	9.82	10.79	N/A
<p style="text-align: center;">Source: Mexican Federal Register Note: Monthly rates are averages of daily exchange rates from the Banco de Mexico.</p>			