

Required Report: Required - Public Distribution

Date: June 02, 2023

Report Number: MX2023-0028

Report Name: Tomatoes and Products Annual

Country: Mexico

Post: Monterrey ATO

Report Category: Tomatoes and Products

Prepared By: Eduardo Lozano

Approved By: Jonn Slette

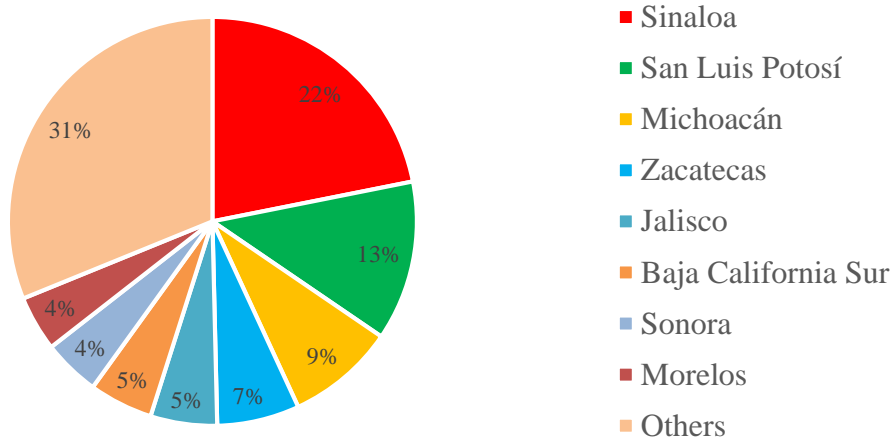
Report Highlights:

Assuming normal growing conditions for open-field and shade house cultivation, as well continued greenhouse technology use, Post forecasts Mexico's 2023 fresh tomato production at 3.87 million metric tons (MMT), a marginal increase over the Government of Mexico's (GOM) official 2022 production estimate of 3.8 MMT. Despite adverse weather conditions in some major producing areas, to date, Mexican tomato production has not been adversely affected. Sinaloa remains Mexico's largest tomato-producing state and accounts for 22 percent of total production, followed by San Luis Potosi, Michoacán, Zacatecas, Jalisco. Mexican tomato exports to the United States will remain strong due to robust supplies and flat domestic consumption.

Production

In 2023, Post forecasts Mexican tomato production at 3.87 MMT, a two-percent increase over 2022. Stable U.S. demand and increasing adoption of greenhouse technologies account for the uptick in year-on-year production growth. Mexican tomato production occurs throughout the year with two overlapping production/harvest peaks. From December to April, the state of Sinaloa, Mexico's largest open-field and shade house tomato producer, dominates the domestic market and exports over 80 percent of its crop to the United States. From May to November, the states of San Luis Potosi followed by Michoacan, Zacatecas, Jalisco, Baja California Sur, Sonora, Morelos, and Puebla become major suppliers. According to the GOM's Agrifood and Fisheries Information Service (SIAP), the official 2022 production estimate reached 3.8 MMT, with Sinaloa's production reaching over 821,000 metric tons (MT) followed by San Luis Potosi with 475,149 MT, Michoacan with 322,153 MT, Zacatecas with 244,706 MT, Jalisco with 197,946 MT, and Baja California Sur with 189,659 MT.

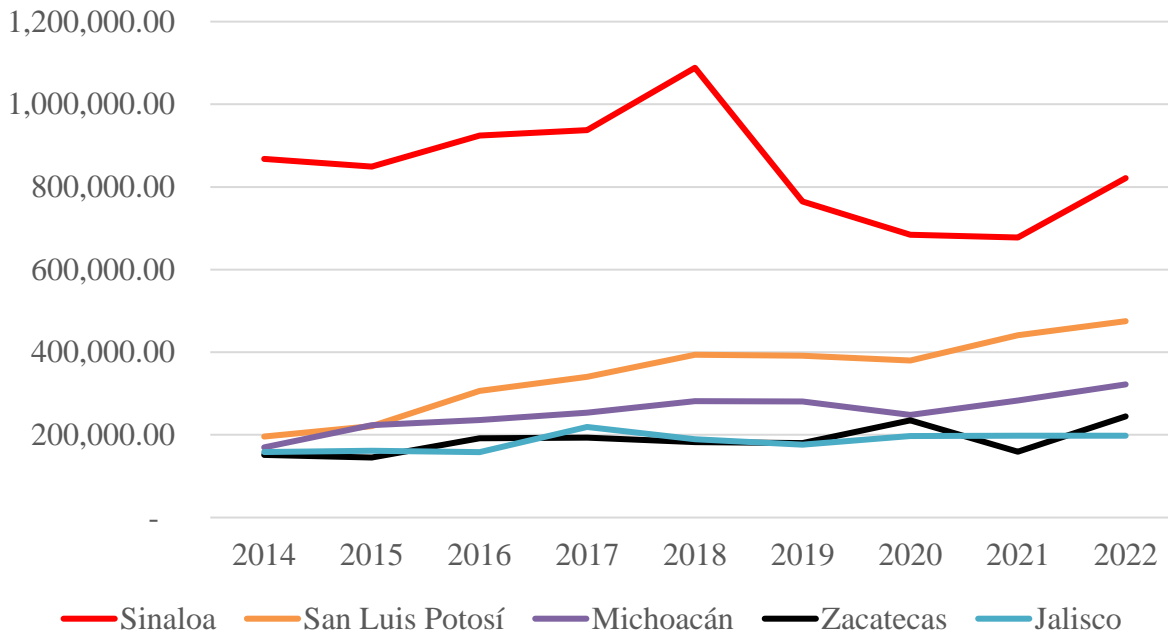
Graph 1: 2022 Mexico Tomato Production by State



Source: SIAP

San Luis Potosi, Michoacan, Zacatecas, and Jalisco account for over fifty five percent of national production, but tomatoes are grown throughout the country (see Graph 2 below). While Sinaloa currently remains Mexico's largest state-level producer, most of the overall production growth is dispersed across San Luis Potosi, Michoacan, Jalisco, as well as other smaller producing states.

Graph 2: Top Five Producing States



Source: SIAP

Mexico exports over half of its annual tomato production and growers throughout the country use greenhouses, shade houses, high-tunnel systems, and other climate-control technologies to supply the U.S. market year-round. According to the Secretariat of Agriculture and Rural Development (SADER), tomato production is among Mexican agriculture's most technologically sophisticated, with 67 percent of total production under controlled conditions.

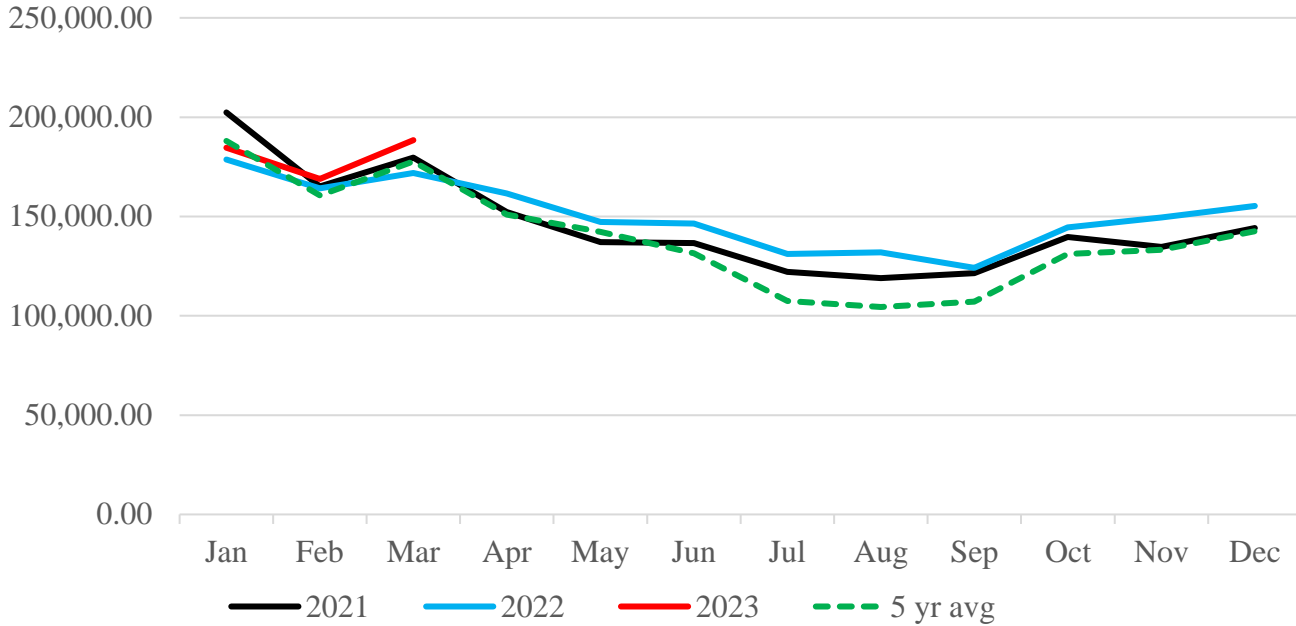
Based on available population and annual per capita consumption data, domestic annual tomato consumption stands at about 1.8 MMT. In 2022, SADER estimated annual per capita consumption of tomatoes in Mexico at 13.4 kg/person. Although tomatoes are a staple product and are included in the country's *Canasta Basica*, or basic food basket, domestic tomato prices remain subject to market fluctuations and can become cost prohibitive for some consumers below the poverty line during periods of lower stocks and higher prices.

Trade

Based on available data, Post forecasts Mexico's 2023 fresh tomato exports at 2.06 MMT, a five percent increase over 2022, due to expected higher production, stagnant domestic consumption, and robust U.S. demand. Mexico remains the largest supplier of fresh tomatoes to the United States and is the world's largest exporter of fresh tomatoes as a result. Although exports to the United States occur year-round and are consistently above 100,000 MT per month, the largest volume of exports generally takes place from January to March and from October to December (see Figure 3). In 2022, Mexico exported over 1.81 MMT of tomatoes to the United States and accounted for about 91 percent market of tomatoes imported into the United States, with Canada and several other Latin American suppliers accounting for

the remainder. Likewise, the United States absorbs nearly all of Mexico’s exportable fresh tomatoes. Mexican imports of U.S. fresh tomatoes reached just 1,456 MT in 2022.

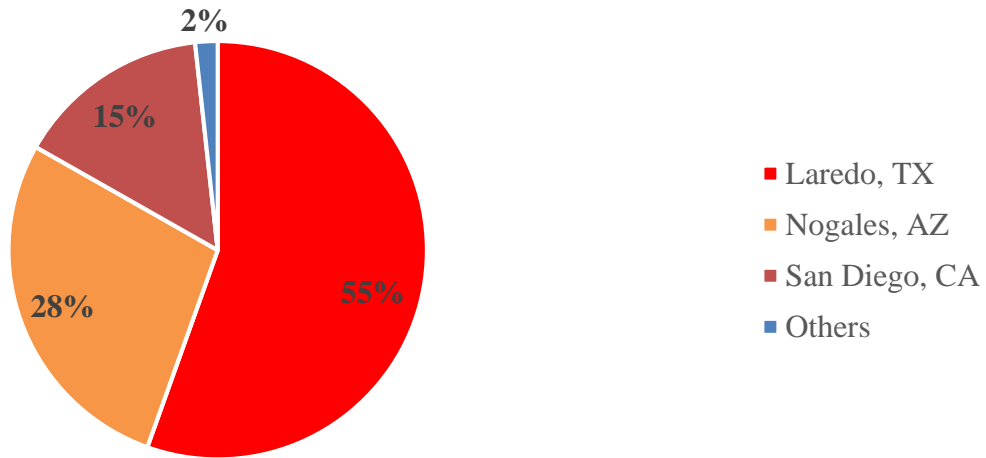
Graph 3: U.S. Monthly Imports of Mexican Fresh Tomatoes



Source: U.S. Census Bureau

Mexican tomatoes follow well-established supply chains to markets throughout the United States. The greatest volume of Mexican tomatoes imported into the United States enters through the Laredo Customs District, followed by the Nogales and San Diego Customs Districts. The Laredo District has four important ports of entry (POE) for fresh tomato shipments, chiefly Pharr, Laredo, Brownsville, and Progreso. In comparison, the Nogales and San Diego Customs Districts each have just one POE for tomatoes. For the share of tomato exports by Customs District see Figure 4 below. Once processed and cleared by U.S. authorities, specialized wholesalers redistribute product to retail distribution centers throughout the United States. Product crossing through the Laredo POE typically reach distribution centers in Texas to be consolidated with other goods and distributed to points of sale.

Graph 4: 2022 U.S. Tomato Imports From Mexico by Customs District



Source: U.S. Census Bureau

Policy

The ongoing Tomato Suspension Agreement ([TSA](#)) of fresh tomatoes grown in Mexico ensures that signatory producers and exporters sell all fresh and chilled tomatoes to the United States at or above the TSA reference price. Tomatoes for processing are exempt from the reference price. Tomato shipments are inspected upon entry for compliance with existing U.S. import regulations by agencies including Customs and Border Protection (CBP), U.S. Department of Agriculture (USDA), state departments of agriculture, and the Food and Drug Administration (FDA). The reader should be cognizant that the TSA is different from import requirements of fresh tomatoes under [Section 8e](#) of the USDA Agricultural Marketing Agreement Act of 1937 ([AMAA](#)). Also, tomatoes are inspected at U.S. ports of entry by CBP and USDA to ensure product is free of evidence of Tomato brown rugose fruit virus ([ToBRFV](#)), and are also subject to FDA inspection.

Attachments:

No Attachments