MEXICO: COUNTRY REPORT

World Avocado Congress
Cairns, Australia
September 9, 2011
OVERVIEW OF PRESENTATION

• Producing areas and production trends
• Exports to USA
• Exports to other countries
• Forecast for the 2011-12 season
• Conclusions
PRODUCING STATES

MAIN PRODUCING STATES

MICHOACAN: LARGEST PRODUCING STATE
## MAIN PRODUCING STATES

<table>
<thead>
<tr>
<th>STATE</th>
<th>HECTARES</th>
<th>GROWERS</th>
<th>CROP (Tons)</th>
<th>SHARE</th>
<th>% △</th>
</tr>
</thead>
<tbody>
<tr>
<td>MICHOACAN</td>
<td>107,058</td>
<td>14,650</td>
<td>920,276</td>
<td>85%</td>
<td>3.3</td>
</tr>
<tr>
<td>JALISCO</td>
<td>8,468</td>
<td>298</td>
<td>29,985</td>
<td>3%</td>
<td>12.4</td>
</tr>
<tr>
<td>MEXICO</td>
<td>3,615</td>
<td>825</td>
<td>21,332</td>
<td>2%</td>
<td>1.0</td>
</tr>
<tr>
<td>MORELOS</td>
<td>3,348</td>
<td>1,090</td>
<td>26,935</td>
<td>2%</td>
<td>5.7</td>
</tr>
<tr>
<td>NAYARIT</td>
<td>2,708</td>
<td>748</td>
<td>25,843</td>
<td>2%</td>
<td>7.6</td>
</tr>
<tr>
<td>GUERRERO</td>
<td>2,394</td>
<td>195</td>
<td>12,338</td>
<td>1%</td>
<td>&lt; 1%</td>
</tr>
<tr>
<td>PUEBLA</td>
<td>1,644</td>
<td>289</td>
<td>8,171</td>
<td>1%</td>
<td>&lt; 1%</td>
</tr>
<tr>
<td>OTHER STATES</td>
<td>5,090</td>
<td>2,203</td>
<td>32,625</td>
<td>3%</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL</td>
<td>134,325</td>
<td>20,298</td>
<td>1,077,505</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

Datos 2010 (Cantidades expresadas en toneladas)
Fuente: Elaborado por el Servicio de Información Agroalimentaria y Pesquera (SIAP), con información de las Delegaciones de la SAGARPA.
MICHOACAN: MAIN PRODUCING AREA

- Mountain areas, volcanic origin
- Altitude: 1,350 to 2,400 masl
- Rainy, subtropical climates
- Average yield < 10 ton/ha
EXPORT PROGRAM
TO USA
MICHOACAN: EXPORT PROGRAM TO USA (2011-2012)

- 24 CERTIFIED MUNICIPALITIES
- 36 CERTIFIED PACKINGHOUSES
- 56,645 CERTIFIED HECTARES (53%)
- 6,869 GROWERS (47%)
- 10,172 CERTIFIED ORCHARD
EXPORTS TO USA (2010-2011)

HARVESTED: 361,524 TONS

EXPORTED: 284,214 TONS

15,130 TRUCKLOADS
USA SUPPLIERS 2010-2011

<table>
<thead>
<tr>
<th>Country</th>
<th>Tons</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEXICO</td>
<td>284,214 TONS</td>
<td>53%</td>
</tr>
<tr>
<td>CHILE</td>
<td>54,295</td>
<td>10%</td>
</tr>
<tr>
<td>CALIFORNIA</td>
<td>195,709</td>
<td>37%</td>
</tr>
</tbody>
</table>
USA SUPPLIERS 2006-2011

*Cantidades en toneladas

2006-2007
- California: 158,263
- Mexico: 124,475
- Chile: 104,351

2007-2008
- California: 158,263
- Mexico: 125,573
- Chile: 85,327

2008-2009
- California: 301,548
- Mexico: 134,811
- Chile: 104,351

2009-2010
- California: 270,215
- Mexico: 134,811
- Chile: 122,471

2010-2011
- California: 284,214
- Mexico: 195,709
- Chile: 54,295

USA SUPPLIERS 2006-2011
CONSUMPTION HAS INCREASED 200% BETWEEN 1997 AND 2010

GEOGRAPHICAL EXPANSION 1997-2007

YEAR-ROUND AVAILABILITY

GROWTH OF HISPANIC POPULATION

PROMOTIONAL PROGRAMS
DEVELOPMENT OF THE USA MARKET

1997
19 STATES
4 MONTHS

2001
30 STATES
6 MONTHS

2004
49 STATES
12 MONTHS

FEBRUARY 1ST, 2007
ALL CONTINENTAL STATES
YEAR-ROUND
HISPANIC POPULATION

30 million in 2000;
45 million in 2007
Estimated 55 million in 2050

Group with the highest consumption in fruits and vegetables:

228 USD per family/month, vs. 165 (Anglos) & 130 (African-americans)
DEVELOPMENT OF THE USA MARKET

INVESTMENT IN PROMOTIONS

MHAIA: 13-14 million USD in 2010-11
In synergy with HAB, CAC & CAIA

APEAM’s Program: 7 million

[Graph showing investment in promotions from 2002-03 to 2010-11]
EXPORTS TO OTHER COUNTRIES
FORECAST: SEASON 2011-12

• TOTAL PRODUCTION IN MICHOACAN:
  • 1’110,000 TONS

• EXPORTS TO USA
  • 310,000 TONS

• EXPORTS TO OTHER MARKETS
  • 100,000 TONS

• DOMESTIC MARKET
  • 700,000 TONS
MAIN CHALLENGES

Increase productivity by improving pre- and post-harvest technology

Maintain marketing efforts to increase consumption in main markets (domestic and international)

Establish industry-wide development programs
  • Research
  • Sustainability
  • Food Safety
  • Quality Assurance
The Mexican avocado industry keeps growing, at a constant and moderate rate

Export activities show high dynamism and accelerated growth
- Increasing percentage of our crop for export markets
- New producing areas

The industry is focused in the US market
- Japan, Canada and Central America are also important markets
- Europe is an occasional market
- Other markets in Asia and Latin America have potential in the long term
THANK YOU!!!