

# WPGA Conference 2017

## The Pecan Industry in Chihuahua, Mexico: Challenges and Successes



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NMSU Professor Emeritus

# Acknowledgements

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- **M.S. Víctor Esparza**

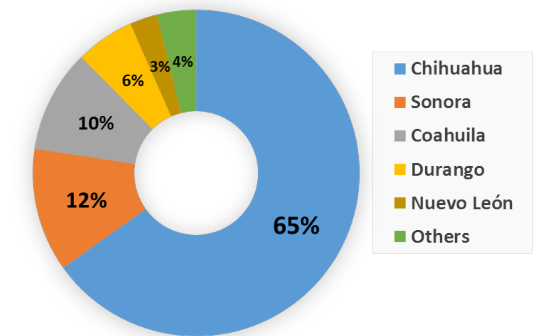
NMSU alumnus & President of the Mexican Pecan System-  
Product Committee (COMENUEZ)

# Today's Talk

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- **Pecan Industry's Overview:**
  - National and Chihuahua State Levels
- **Topics:**
  - Production
  - International trade
  - Acreage
  - Market and marketing
  - Tendencies
  - Challenges and Successes

# Main Pecan-Producing States in Mexico



Source: SIAP-SAGARPA

# Mexican Pecan Growers: *How are they organized?*

National Level



State Level

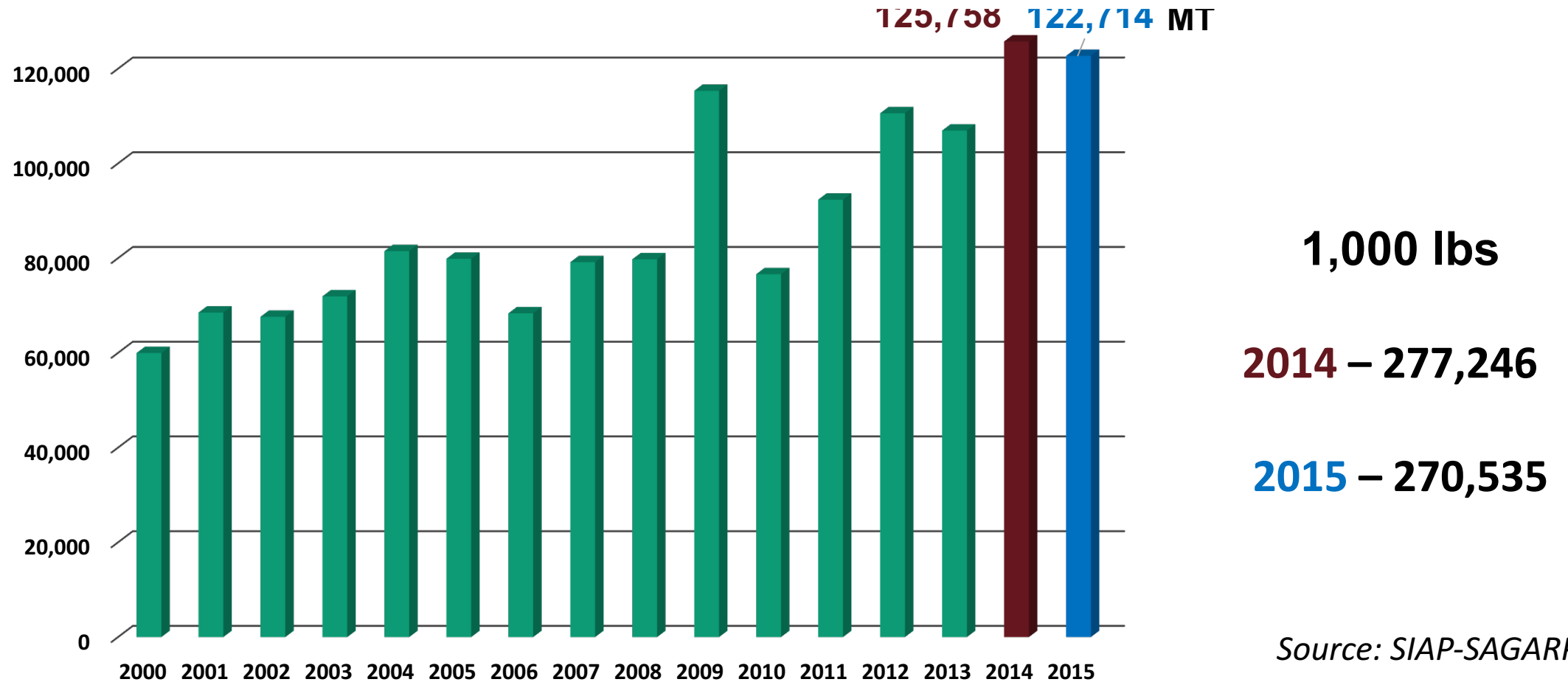


Local Level

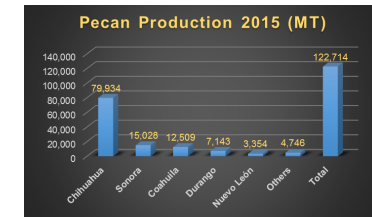


Regional Associations

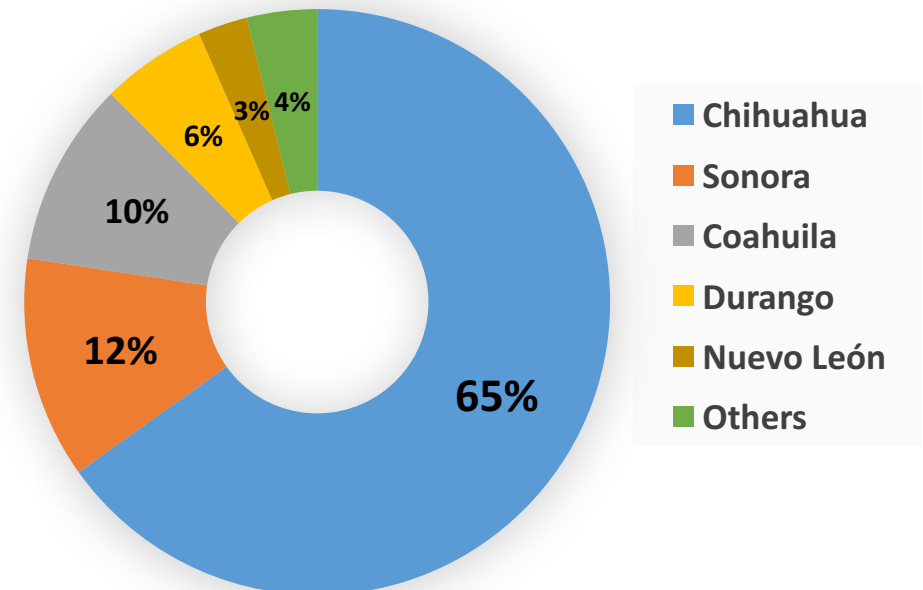
# Mexico's Pecan Production (MT)



# Production by State

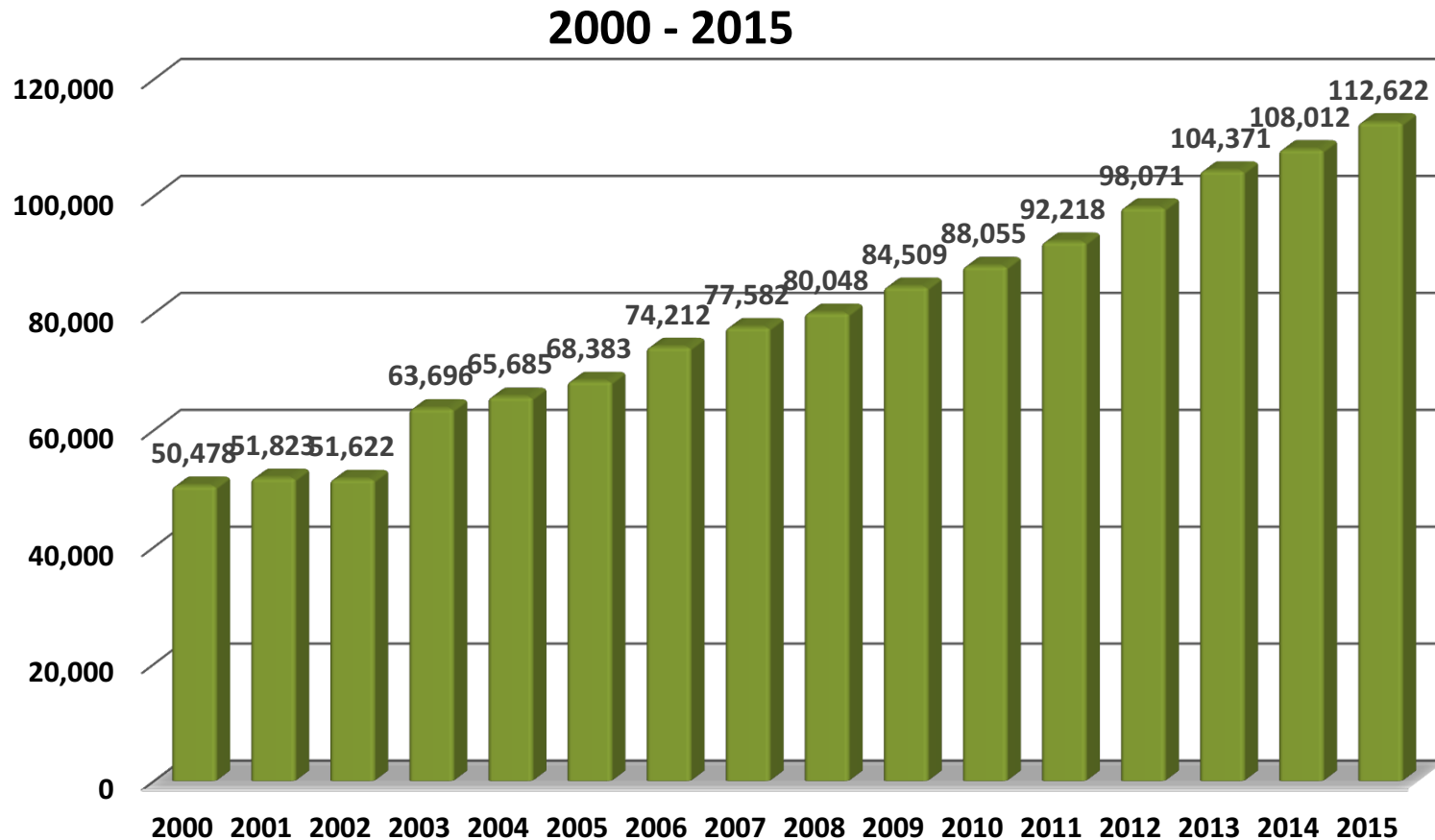


State	Production 2015 (MT)
Chihuahua	79,934
Sonora	15,028
Coahuila	12,509
Durango	7,143
Nuevo León	3,354
Others	4,746
	<b>122,714</b>



Source: SIAP-SAGARPA

# Pecan Hectares in Mexico



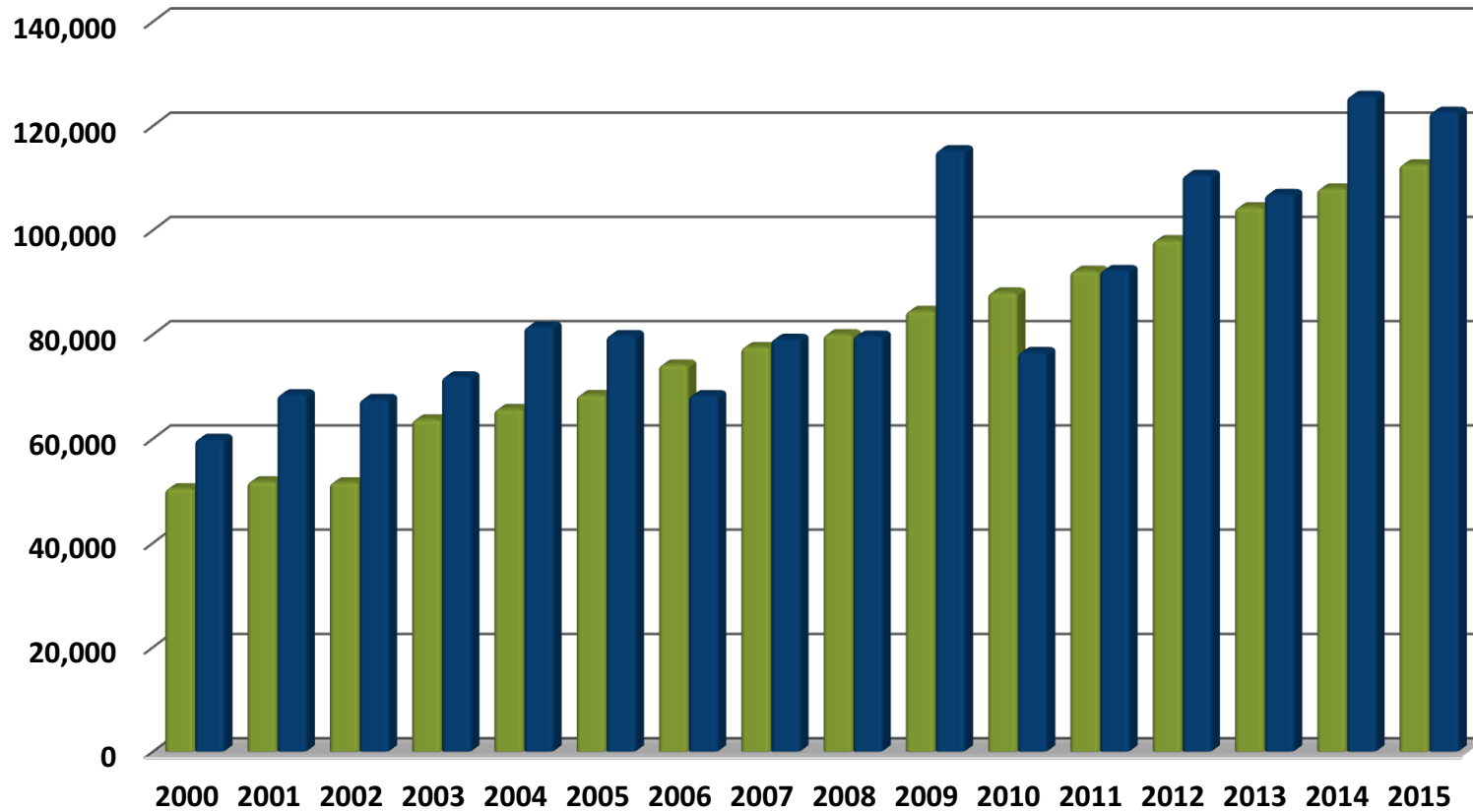
**Year 2015**  
**112,622 Has**

Source: SIAP-SAGARPA



# MX's Production and Hectares

2000 - 2015



**Year 2015**

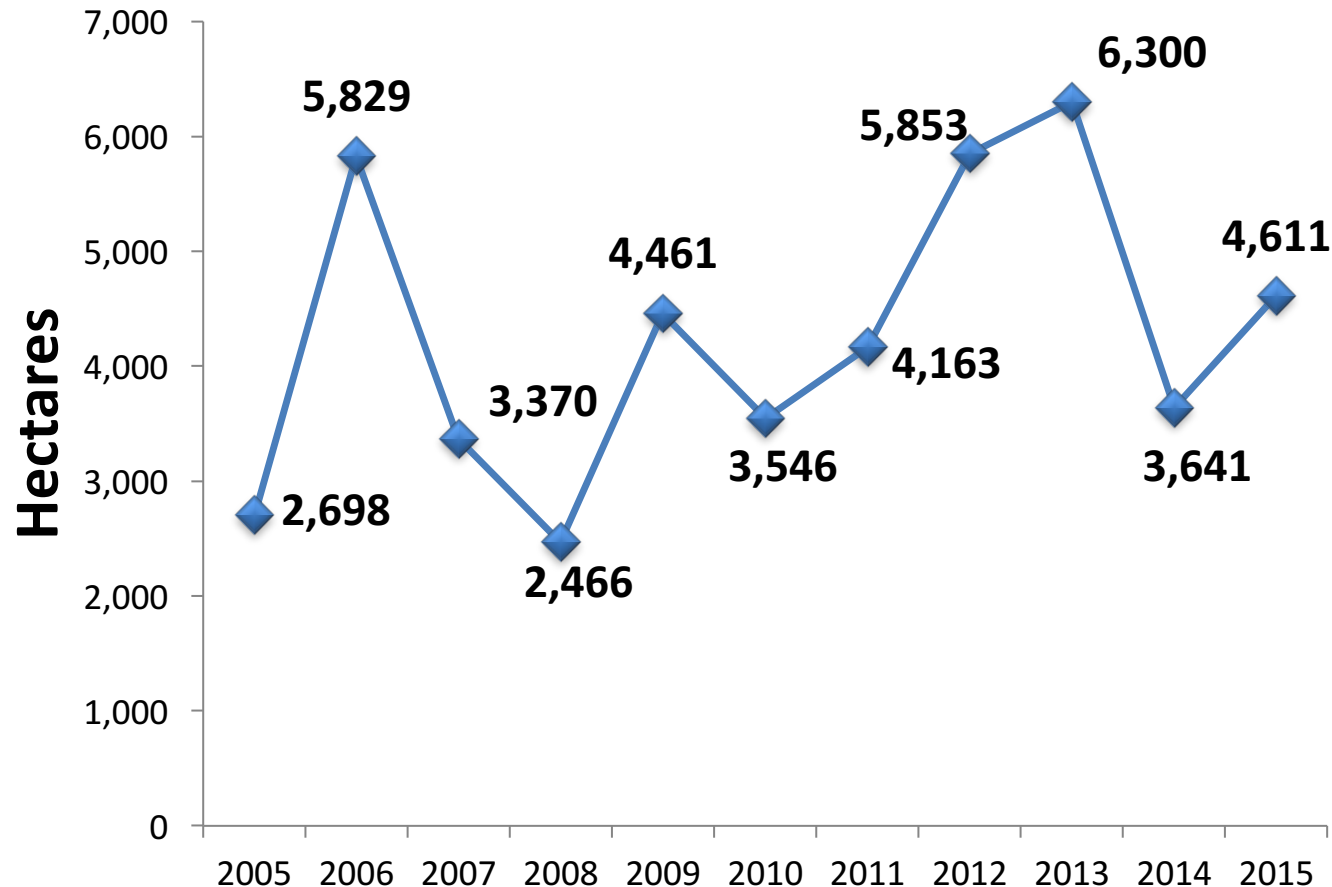
**122,714 MT**

**112,622 Has**

Source: SIAP-SAGARPA

■ Sup. Sembrada (Has) ■ Producción (Ton)

# New Plantings in Mexico

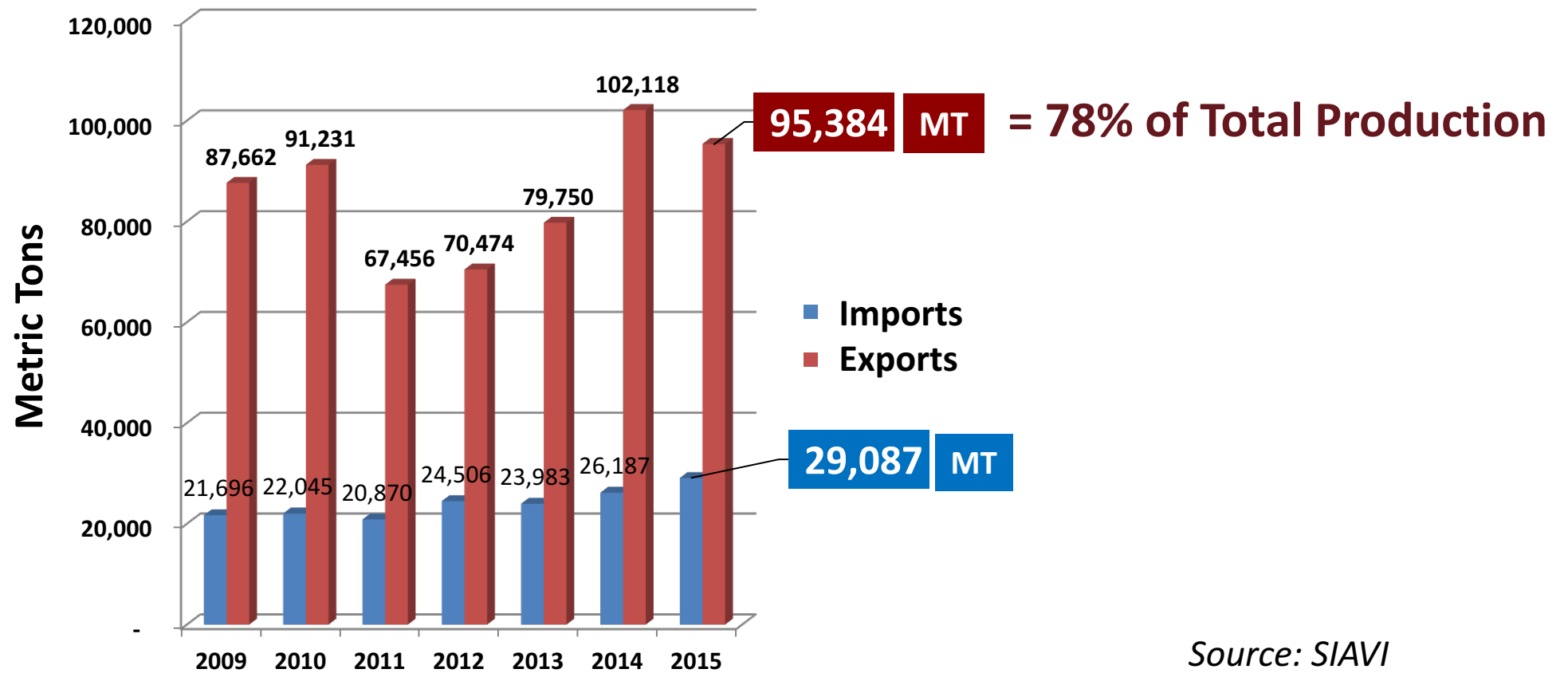


**Avg. Increase per Year**  
**4,267 Has**

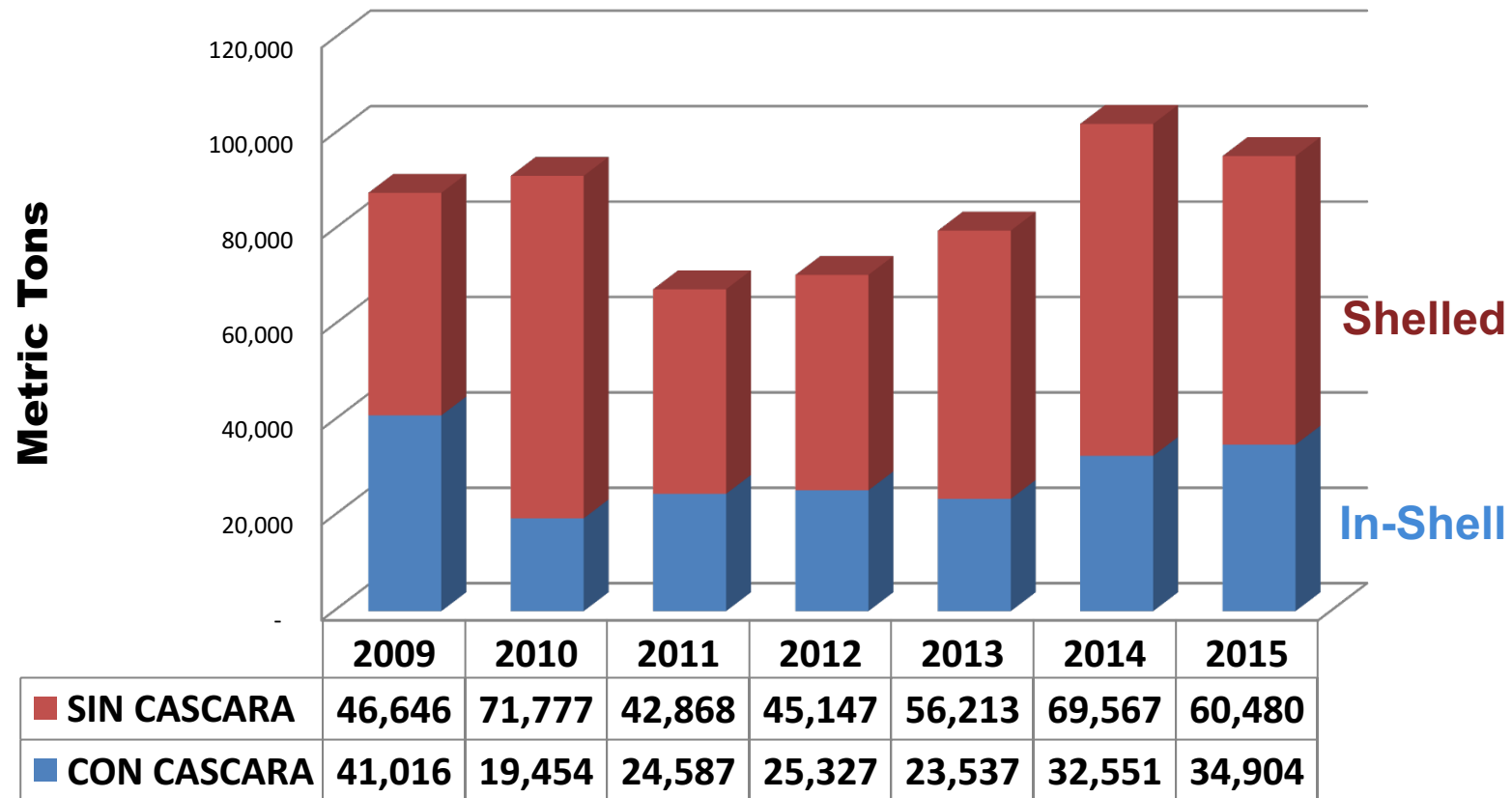
***Estimated to be***  
**5,000 – 7,000 Has**

*Source: SIAP-SAGARPA*

# International Trade Mexico-USA



# Exports from Mexico to USA



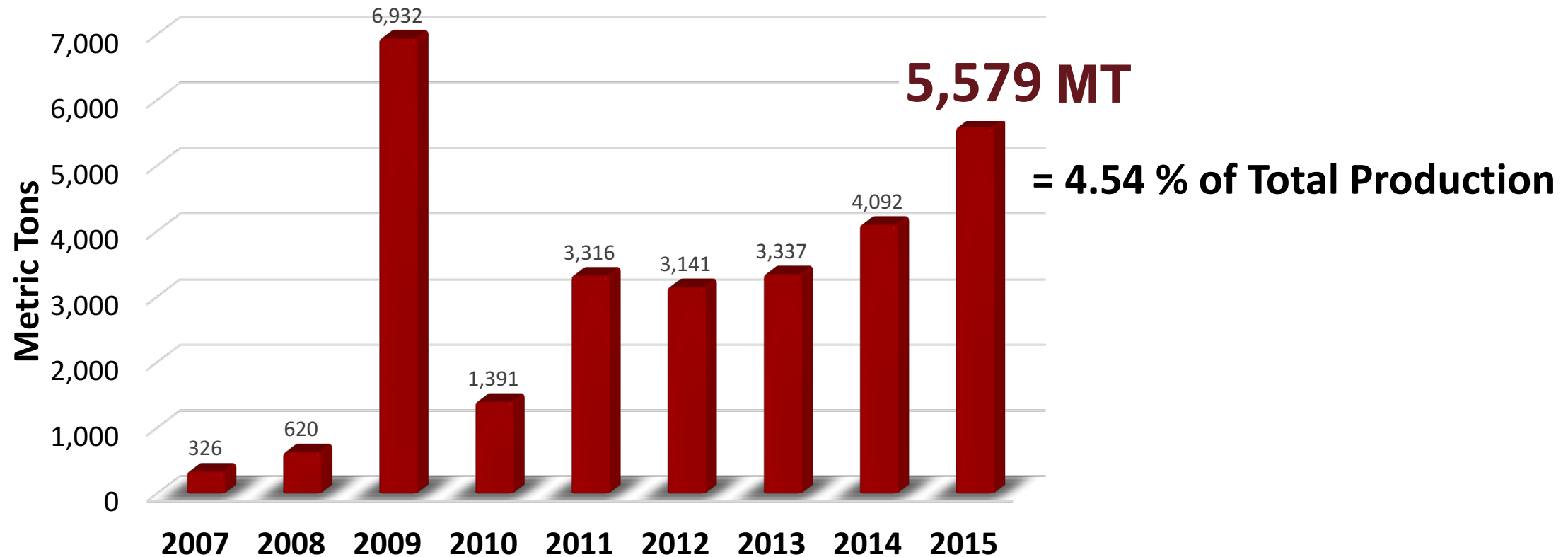
**Total 2015**  
**95,384 MT**

**78% of Mexico's**  
**Production**

*Source: SIAVI and COMENUEZ*

# Mexican Exports to China

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# Mexico and China

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- ▶ Sonora State: currently the biggest exporter to China (in-shell nuts).
- ▶ Smaller trade operations from other Mexican states. Chihuahua could be in the future a major player in exporting to China.



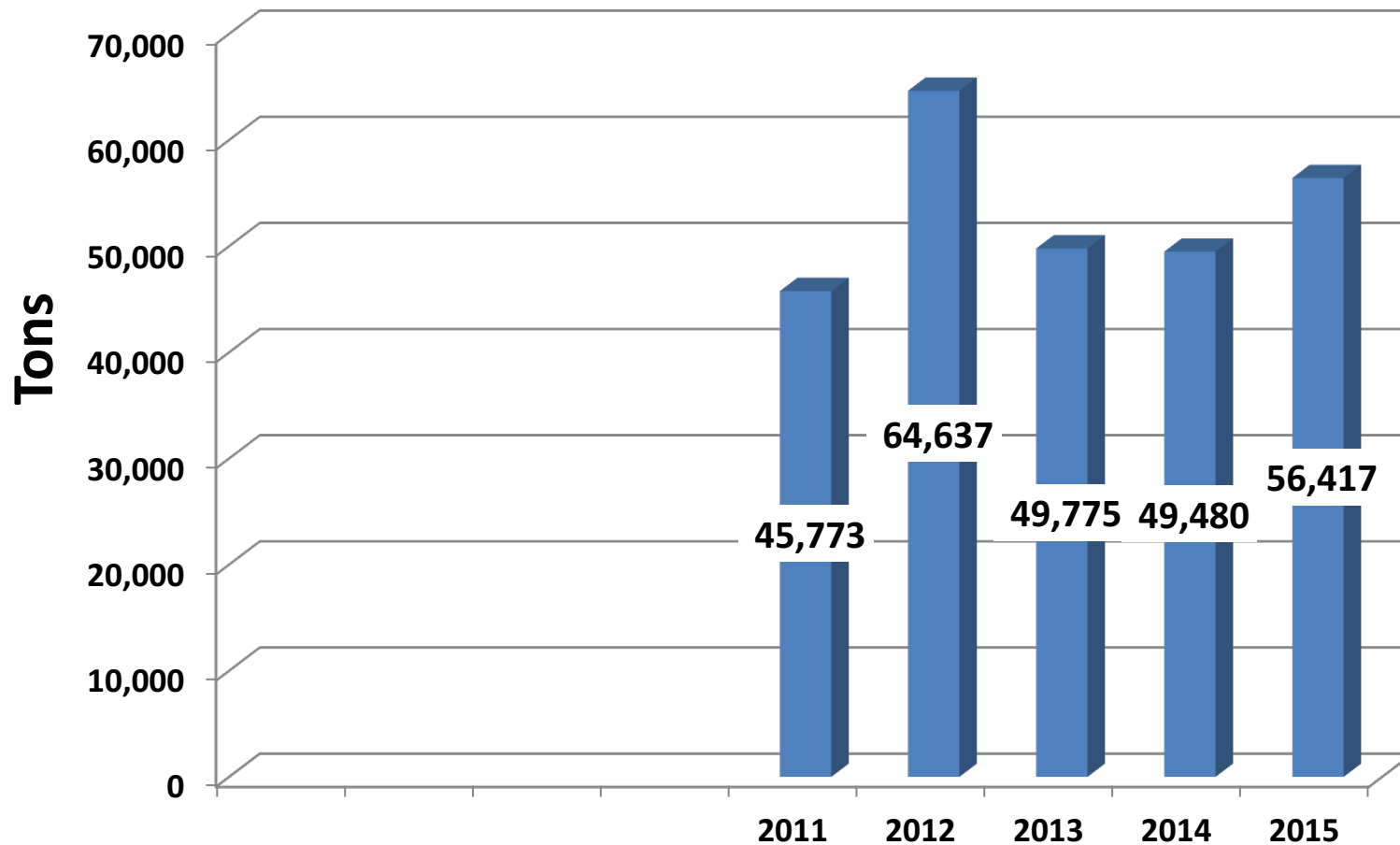
**2016**

## **China in Mexico:**

- **28 Buyers representing 14 Companies**
- **Import Tax lowered: 25 to 10%**

<http://www.sagarpa.gob.mx/Delegaciones/distritofederal/boletines/Paginas/JAC0236-29.aspx>

# Pecan Apparent Consumption in Mexico



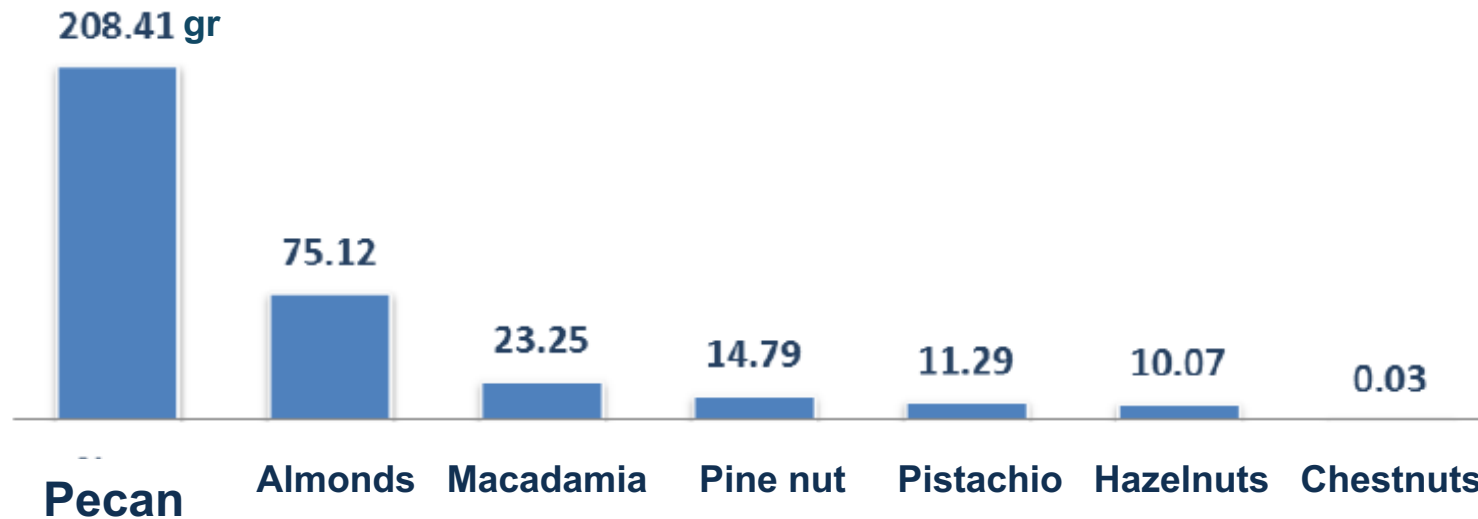
**Apparent Consumption**  
**Production**  
*plus*  
**Imports**  
*minus*  
**Exports**

**Avg. Apparent Consumption**  
**53, 216 MT**

Source: SIAVI

# Per Capita Consumption in Mexico (2014)

MÉXICO  
Nueces: Consumo per cápita  
(gramos/hab.)



Year 2014

26,132 MT

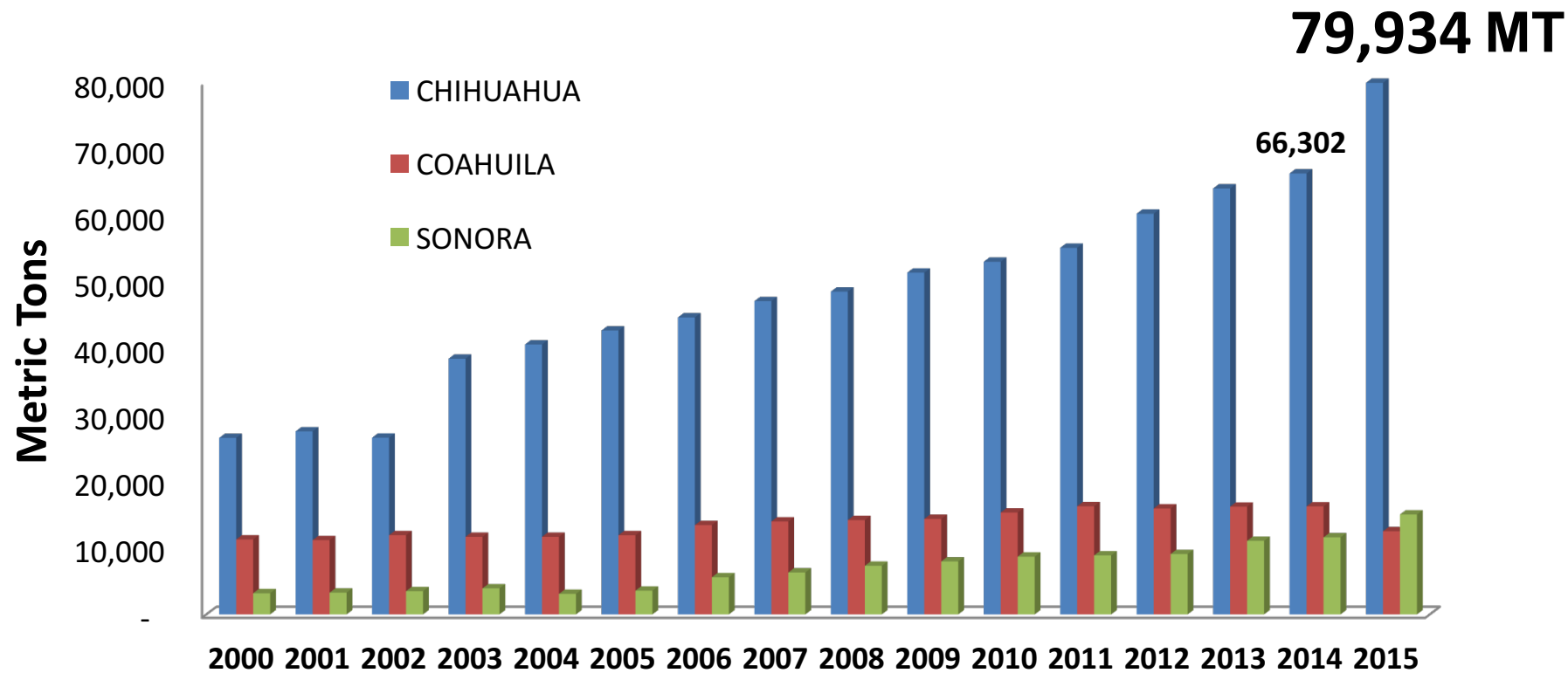
Source: COMENUEZ



# Pecan Industry in Chihuahua



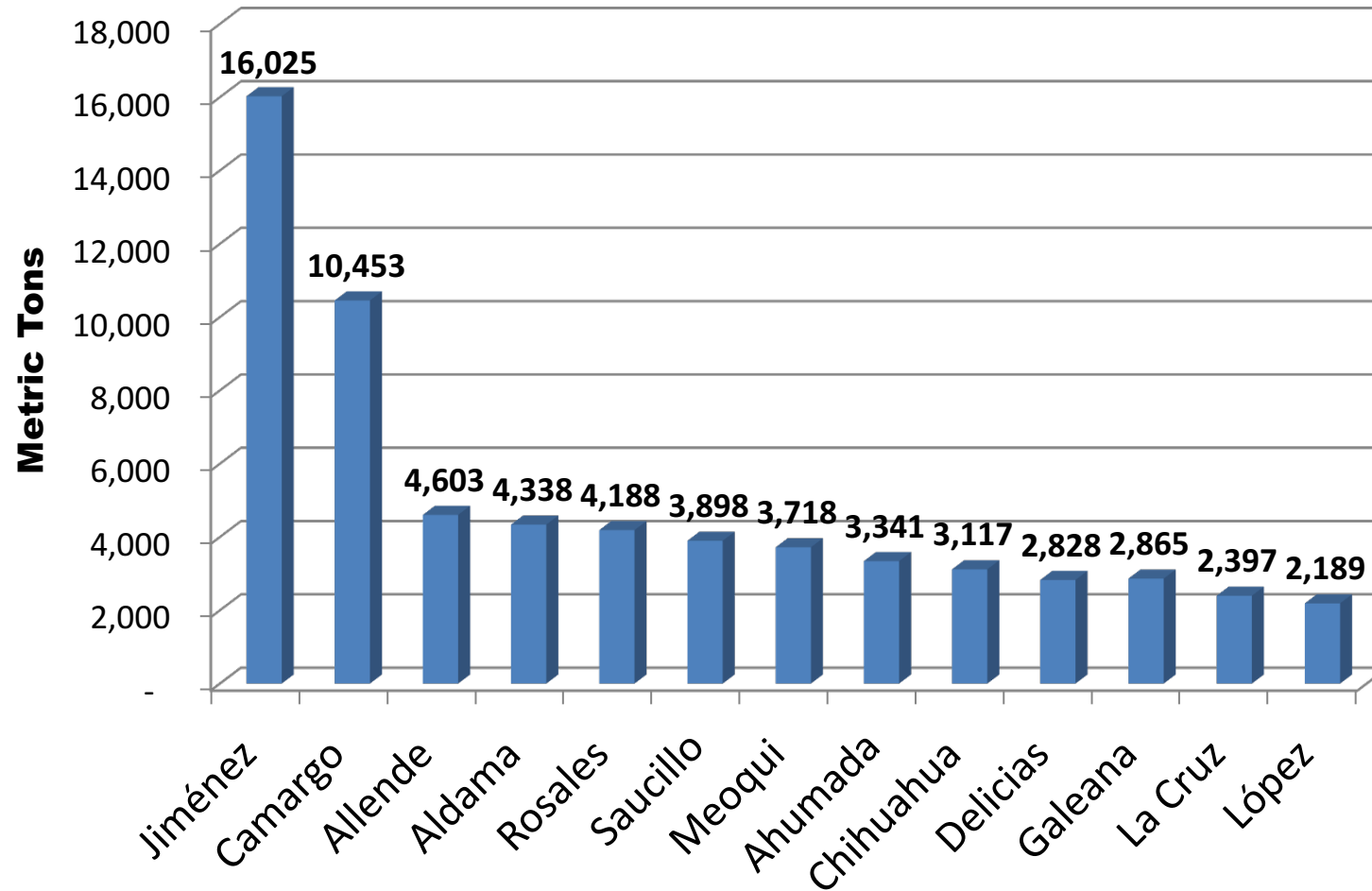
# Pecan Production in Chihuahua



Source: SIAP-SAGARPA

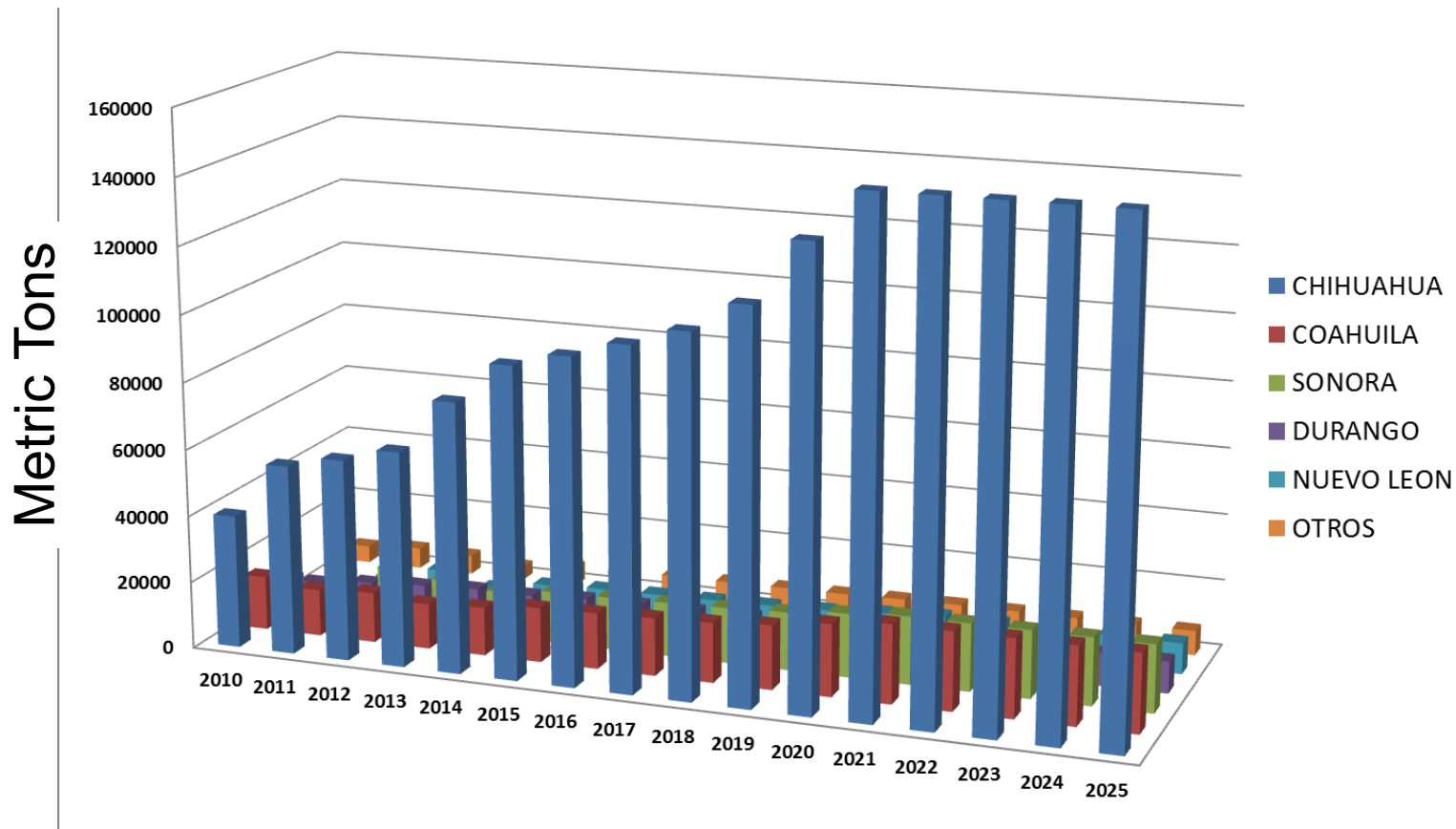
# Pecan-producing Regions

## Year 2014



Source: COMENUEZ

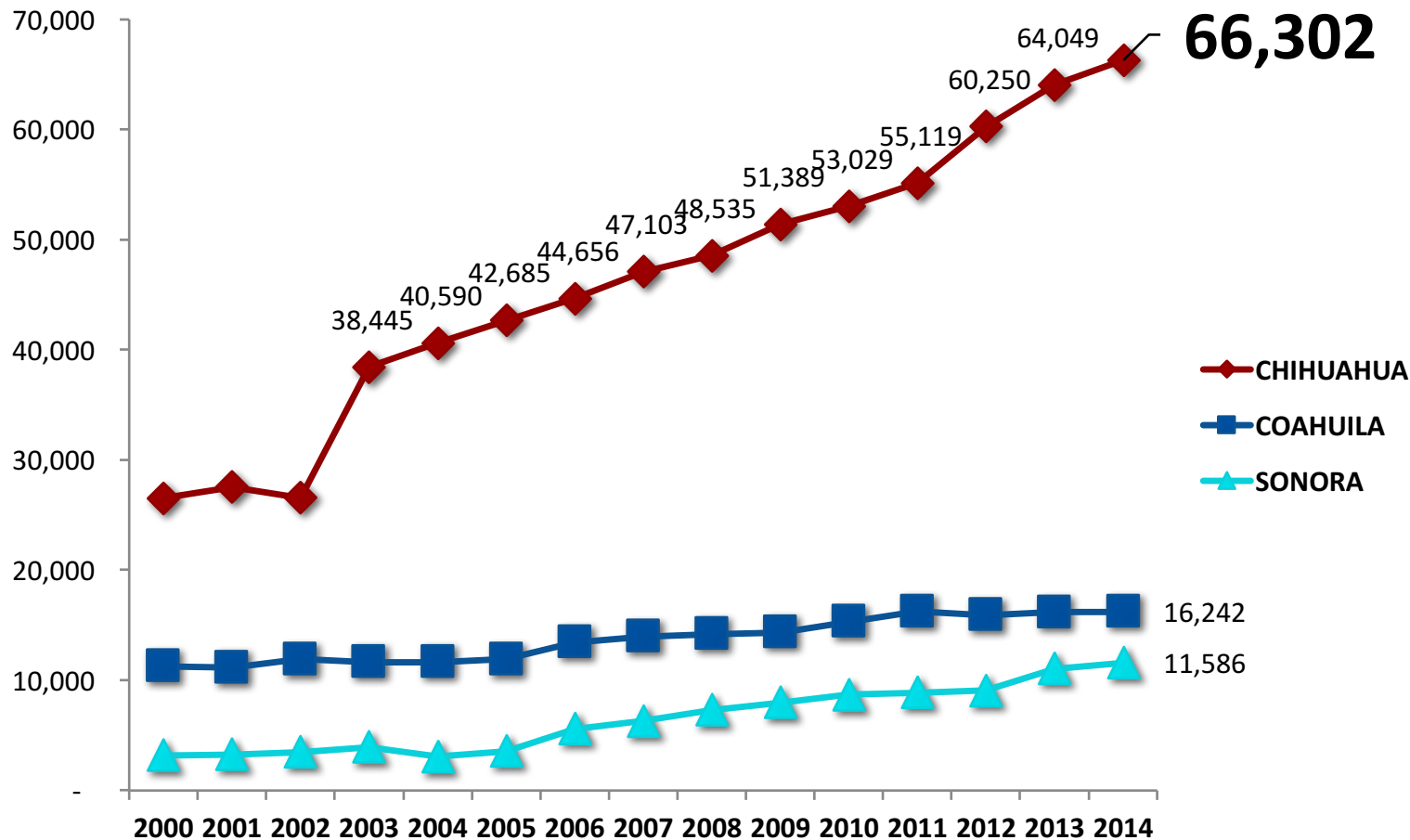
# Pecan Production Forecasting



- Chihuahua could reach a production as high as 150,000 MT by 2025.

Source: COMENUEZ

# Chih's Pecan Hectares



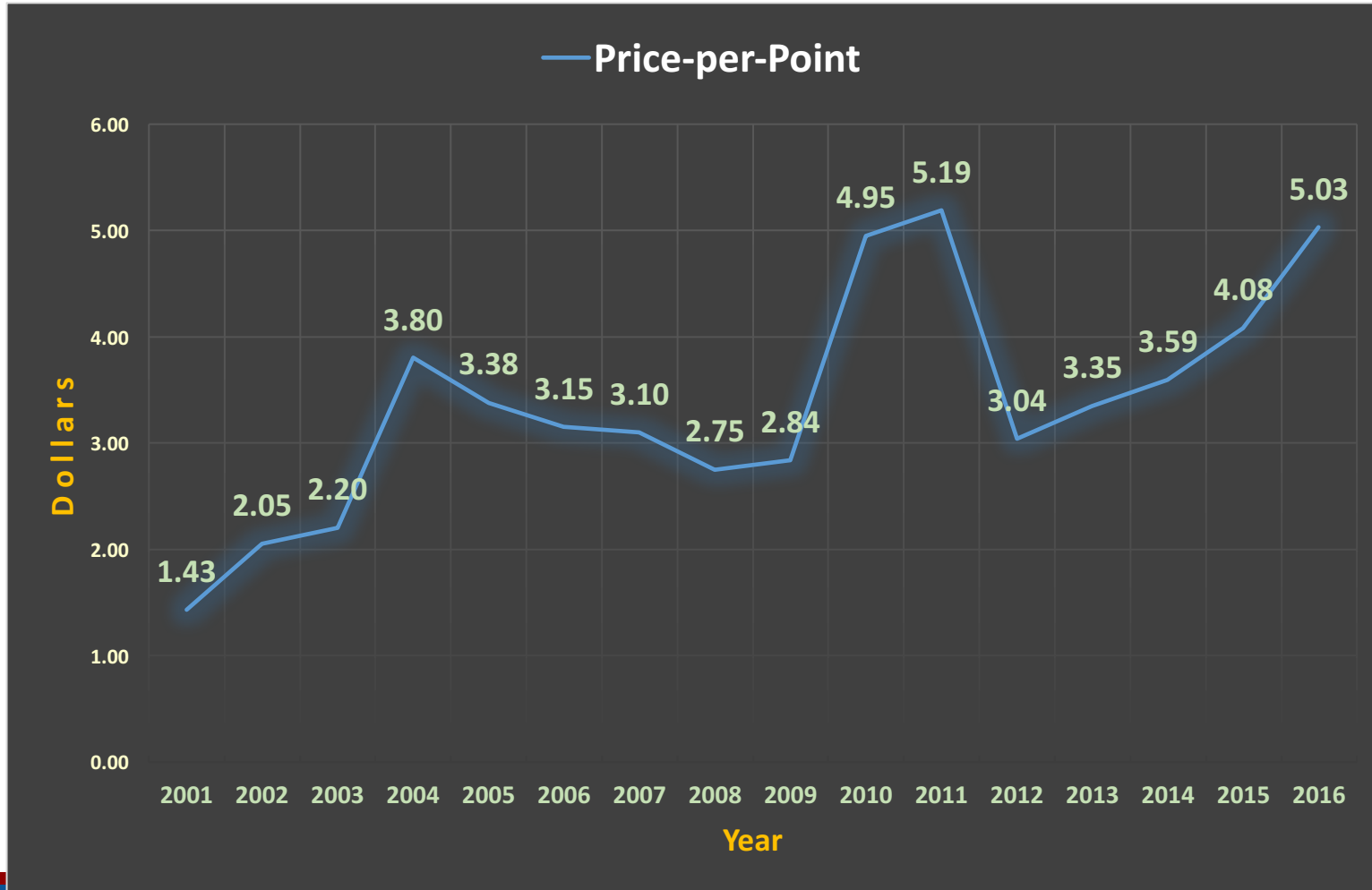
**Yr 2015**  
**68, 823 Has**

**AVG. Increase per Year**  
**2,532 Has**  
*estimated*  
**3,000 – 5,000 Has**

**For 2016**  
*estimated*  
**70% production**  
**30% development**

Source: SIAP-SAGARPA

# Price-per-Point in Chihuahua (2001 – 2016)

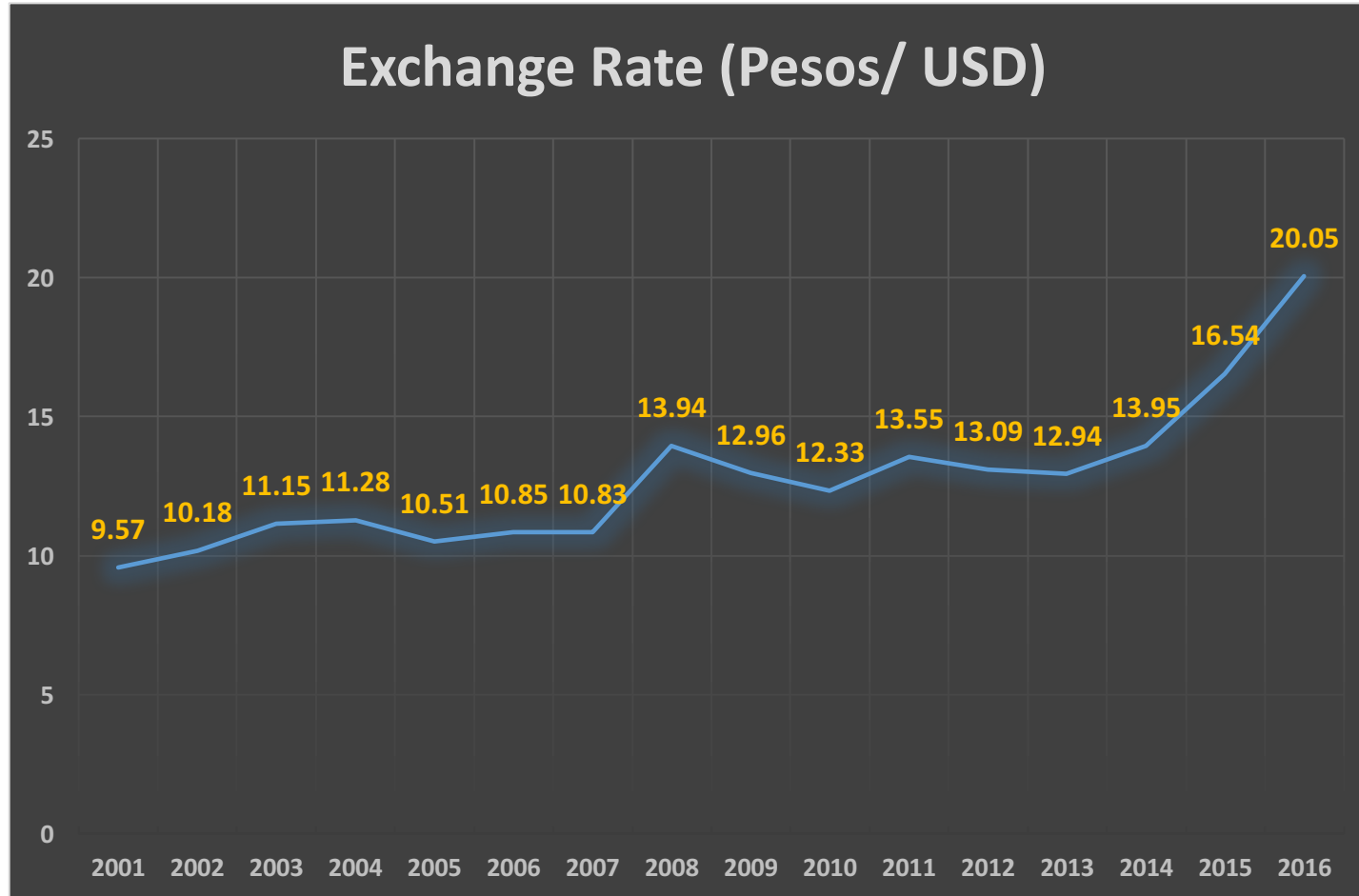


- Source: COMENUEZ and Pecan Growers
- Estimated Average Price
- Price Fluctuation 2016 - 2017:  
4.20 – 5.65 USD
- Feb 17th's Price : \$ 4.20, Pecans 54% Meat

# Price per Kg in Chihuahua (2001 – 2016)



# Exchange Rate (2001 – 2016)





# Challenges and Successes

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# Success 1

- ▶ Mexican Pecan growers have developed good pecan management knowledge and skills through short courses, conferences, talks, publications, etc.



FORO 2016  
**TENDENCIA**  
del mercado  
de la **NUEZ**  
**PECANERA**

Viernes 05 de agosto de 2016  
de 9:00 a.m. a 1:00 p.m.  
Hotel Casa Grande  
Av. Tecnológico #4702, Las Granjas,  
en la Cd. de Chihuahua, Chih.

 **COMENUEZ**  
Comité Mexicano del Sistema Producto Nuez

 **FIRA**  
FOROS Y INSTITUCIONES EN RELACION CON LA AGRICULTURA

*"Prepárate para permanecer competitivo"*

**PROGRAMA**

- Presentación de Producción Actual y Proyección de la producción, nuevas plantaciones, búsqueda de nuevos mercados
- Programa de financiamiento al sector nogalero, FIRA
- Exigencias para entrar en los mercados internacionales
- Importancia de la Certificación para el cumplimiento de regulaciones de los mercados internacionales

**CUPO LIMITADO** Confirma tu asistencia al (614) 151-8782 o al e-mail: [info@comenuez.com](mailto:info@comenuez.com)

# Success 2

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## ► Good growers' organizations.

National Level



State Level



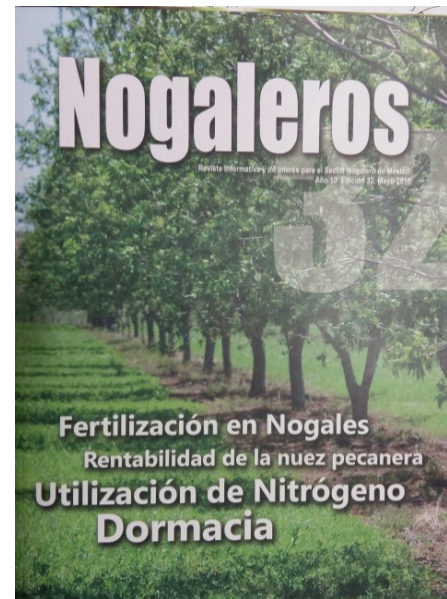
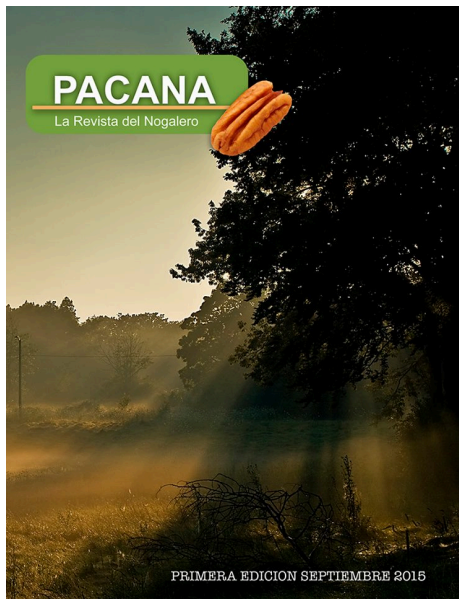
Regional Level



Regional Associations

# Success 3

- ▶ Plenty of orchard management information available: magazines, Facebook, webpages, etc.



# Challenge 1

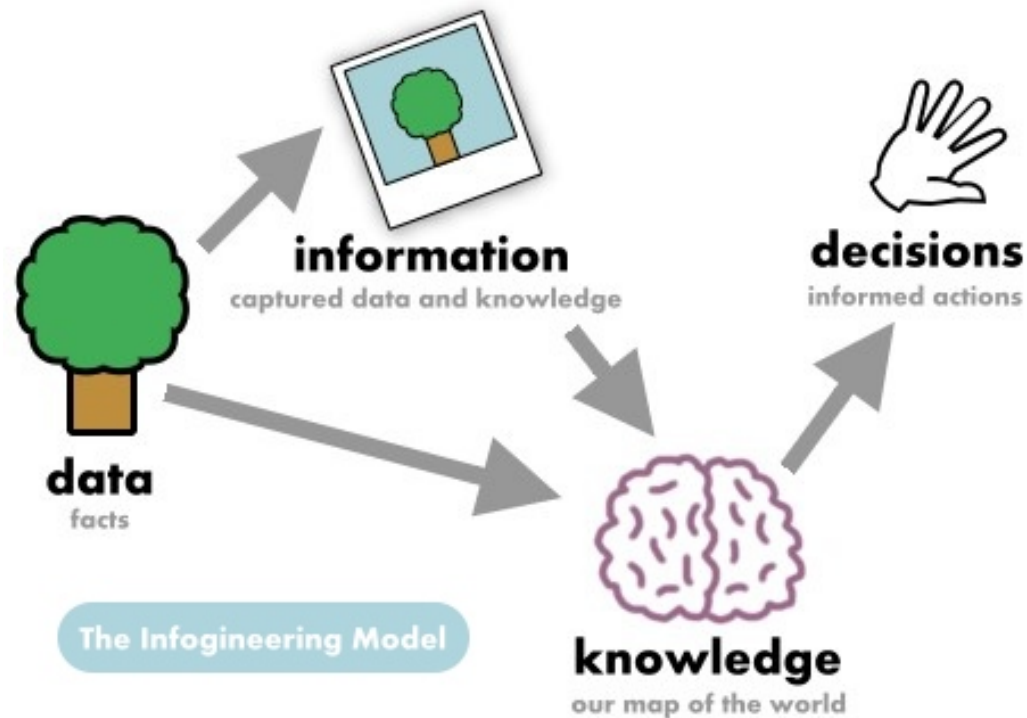
- ▶ Improving Pecan Growers-Government team work.



# Challenge 2

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- ▶ Need of accurate, reliable data of pecan industry.





# Challenge 3

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► New Markets: Asia and Europe.



# Challenge 3

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- ▶ Participating in Food & Trade Fairs.



**TASTE THE FUTURE**  
COLOGNE 10. – 14.10.2015





# Challenge 4

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- ▶ Consolidation of domestic market.



Current pecan prices represent the main factor to increasing consumption.

# U.S. International Trade in goods and services

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## MEXICO

“In 2015, U.S. exports of goods and services to Mexico were \$267.3 billion, down 1.4% from 2014, and imports from Mexico were \$325.3 billion, up 0.7% from 2014. As a result, the trade deficit with Mexico increased to \$57.9 billion.”

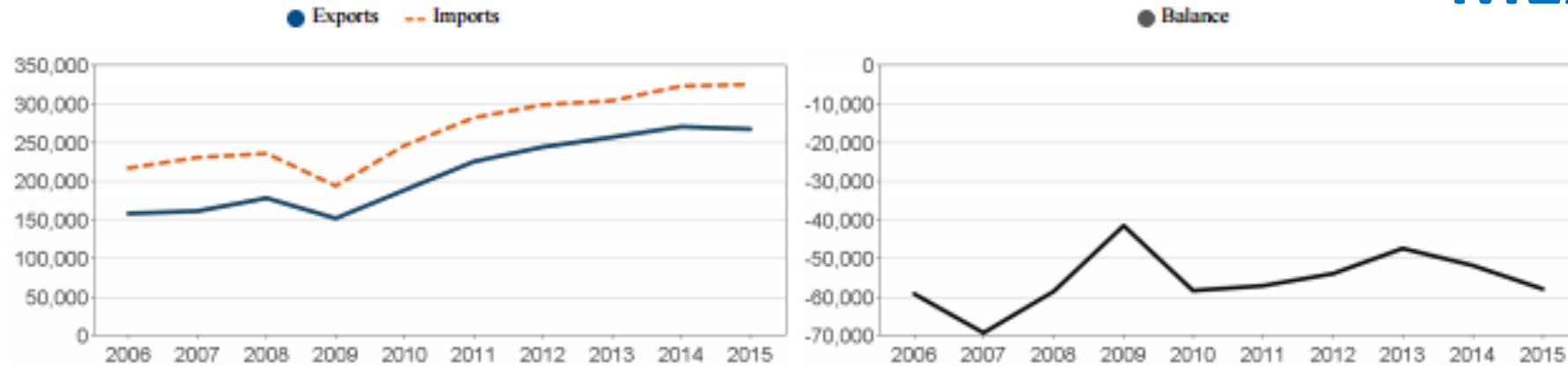
“In 2015, exports to Mexico accounted for **11.8%** of total U.S. exports, and imports from Mexico accounted for **11.8%** of total U.S. imports. Exports were led by capital goods (excluding automotive), which accounted for **31.2%** of U.S. exports to Mexico, and imports were led by automotive vehicles, parts, and engines, which accounted for **32.7%** of U.S. imports from Mexico.”

“Who owns the automotive companies?”

# U.S. International Trade in goods and services

**Exports, Imports, and Balance**  
[Millions of dollars]

**MEXICO**



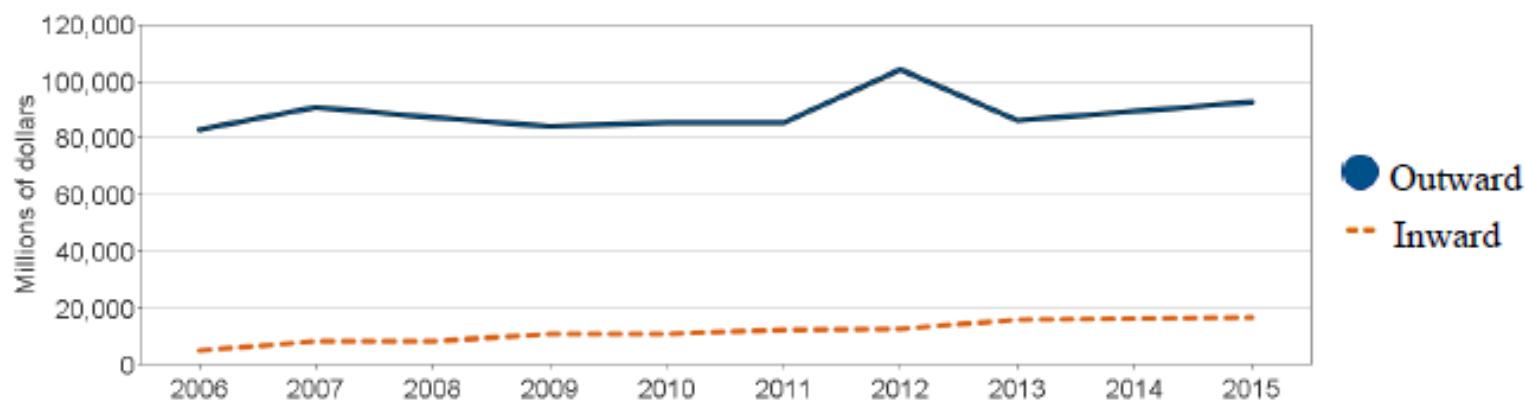
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Exports</b>	157,800	161,145	177,842	152,154	188,337	225,058	244,584	256,511	271,049	267,337
<b>Imports</b>	216,992	230,456	236,410	193,659	246,769	282,027	298,599	303,988	322,956	325,276
<b>Balance</b>	-59,193	-69,311	-58,568	-41,505	-58,432	-56,968	-54,015	-47,477	-51,907	-57,939

**“Consumer Products and Autos Drive the U.S. Trade Deficit”**

# U.S. International Trade in goods and services

## Direct Investment of Multinational Enterprises in Mexico

In 2015, the U.S. direct investment position in Mexico (outward) was \$92.8 billion, an increase of 3.5% from 2014. The direct investment position from Mexico in the United States (inward) was \$16.6 billion, an increase of 0.2% from 2014.



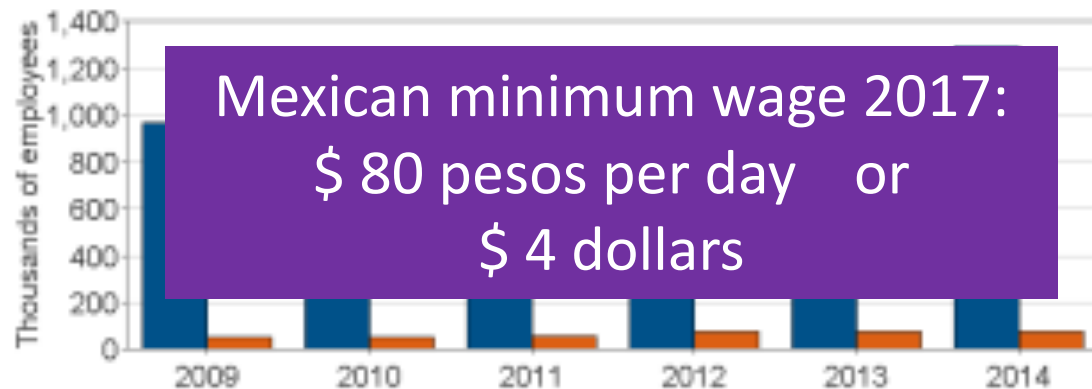
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Outward</b>	82,965	91,046	87,443	84,047	85,751	85,599	104,388	86,433	89,650	92,812
<b>Inward</b>	5,310	8,478	8,420	11,111	10,970	12,500	12,751	15,869	16,567	16,597

# U.S. International Trade in goods and services

## Activities of Multinational Enterprises in Mexico

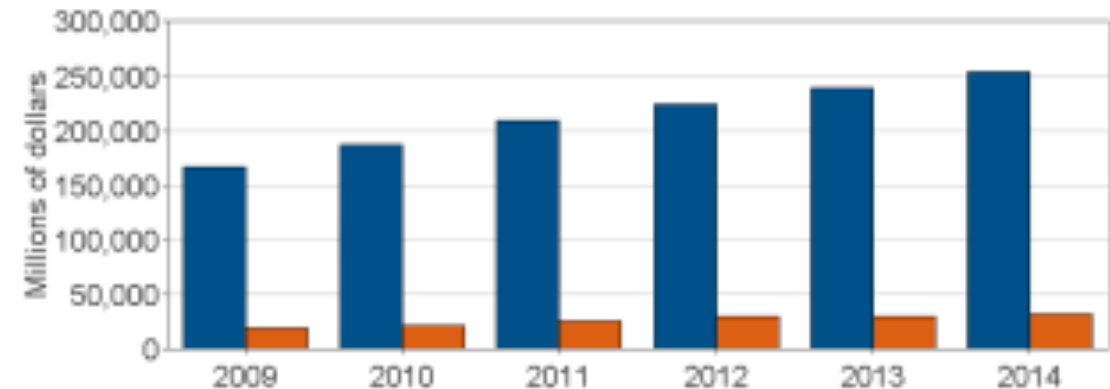
In 2014, Mexico-based majority-owned affiliates of U.S. MNEs employed 1.29 million people and sales were \$253.4 billion. U.S.-based majority-owned affiliates of Mexican MNEs employed 77.8 thousand people in 2014, an increase of 3.7% from the previous year; sales were \$32.8 billion, up 7.3%.

### Employment<sup>1</sup>



Mexican minimum wage 2017:  
\$ 80 pesos per day or  
\$ 4 dollars

### Sales<sup>1</sup>



- U.S. MNEs: Majority-Owned Affiliates in Mexico
- Mexican MNEs: Majority-Owned Affiliates in the United States

# U.S. Trade in goods with...

(Millions of U.S. dollars)

		Exports	Imports	Balance
Year 2016	China	115,775.1	462,813.0	- 347,037.9
	Japan	63,264.3	132,201.8	- 68,937.6
	Mexico	230,959.1	294,151.0	- 63,191.9

**China Deficit:  
5.49 more times than  
Mexico**

<https://www.census.gov/foreign-trade/balance/index.html>

Source:



# Challenge 5

## ► USA New Administration Policies: NAFTA?



A screenshot of a news article from The Guardian. The top navigation bar is dark blue with white text for various sections: UK, world, sport, football, opinion, culture, business, lifestyle, fashion, environment, tech, travel. Below this is a grey bar with "home &gt; world &gt; US" and sub-sections: americas, asia, australia, africa, middle east, cities, development, europe. The article title is "All Nafta measures 'put on the table' under Trump, says commerce nominee" in a large, dark font. Below the title is a sub-headline: "At confirmation hearing for commerce secretary job, Wilbur Ross says next administration will address trade deal 'very, very early'". A link reads "● Wilbur Ross confirmation hearing: the key points". On the left, there are social media sharing icons (Facebook, Twitter, Email, More), a timestamp "This article is 1 month old", a share icon, the number "25", the author's name "Sam Thielman", and his Twitter handle "@samthielman". At the bottom left of the article area, it says "Wednesday 18 January 2017 23.01 GMT". On the right, there is a photograph of a man in a dark suit sitting at a podium during a hearing, with other people seated behind him.



# Challenge 5

## ► USA New Administration Policies: NAFTA?

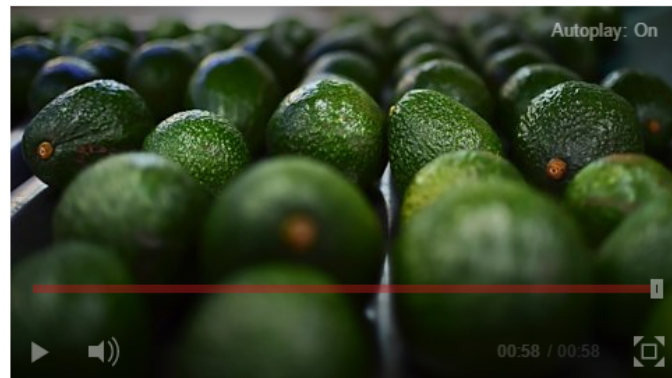


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**NEWS**

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US & Canada



### Avocado anxiety over Trump's border tax

3 hours ago

The White House has proposed a 20% "border tax" on Mexico as one of the ways to recoup the costs of building a US-Mexico border

EL PAÍS

*Mundo Global*

CRÓNICAS INTERNACIONALES



BLOGS

f t G+

### Primer efecto Trump en Argentina: paralizada la exportación de limones

El país austral es el primer productor mundial y había logrado hace un mes desbloquear los permisos



CARLOS E. CUÉ

Buenos Aires - 24 ENE 2017 - 14:01 CST



# Challenge 5

## ► USA New Administration Policies: NAFTA?

### Frena EU exportaciones de tomate; se quedan aquí

Cinthy Ávila/  
El Diario | Viernes 03 Febrero 2017 | 00:01:00 hrs

631 631 Compartir



CNN

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Trumponomics

## Mexico ready to retaliate by hurting American corn farmers

by Patrick Gillespie @CNNMoney

February 13, 2017: 12:06 PM ET

Recommend 2.2K

# WPGA Conference 2017

The Pecan Industry in Chihuahua, Mexico:  
Challenges and Successes...**And maybe fears?**

## Thank you!

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