Mexico:

Business Opportunities

Agro-food & Horticulture
**Agro (horticulture) chain opportunities in Mexico**

**Why Mexico? Facts & Figures**

- Domestic market of more than 110 million inhabitants and a demanding consumer market in North America
- High potential for horticulture production due: mild climate, large arable land areas, labour
- Free trade agreement with North America, Asian and European countries
- United States as import partner for horticultural produce, growing trend
- Government’s effort and resources to promote and diversify Mexican horticultural exports
- More transparent measures regarding market access issues, trade issues
- Growing demand for higher agricultural technology such as greenhouses
- The Netherlands perceived as a serious high quality and innovative agri supplier
- Total agricultural and related imports from the Netherlands to Mexico reached 136 million Euros in 2011, of which more than 6% was of agricultural equipment, greenhouses, seeds and other agri food inputs
- Governments are actively promoting agroparks were companies are clustered. The Agropark Querétaro is the first horticultural agropark (200 ha) and on the eve to start their second phase. The Netherlands perceived as a knowledgeable partner for horticulture training
- There is a cluster of Dutch horticultural companies around the Querétaro region and recently the Dutch government approved the 2g@there program MexiCultura were horticultural companies cooperate to enter the market
- The agricultural office of the Netherlands Embassy has an active network in this sector, with both Dutch and Mexican contacts.

**Production of horticulture**

Thanks to the positive conditions Mexico has a wide variety of horticultural produce. Fresh vegetables such as tomatoes, bell peppers and cucumbers have a high export rate (Mexico is world’s biggest exporter of tomatoes), and production under protected conditions has increased their yield level and quality. In terms of fruits, Mexico exports berries and strawberries with a share of greenhouse production, and other fruits such as avocado, melons, papaya and mango, among others. Mexico has been able to diversify its export markets by means of higher quality products, more attention to phytosanitary issues and agreements with its export partners by means of FTA’s or other agreements.

Within the framework of horticulture, we can also consider the production of ornamentals. Mexico’s production of fresh flowers and pot plants are mainly for the domestic market, mainly due to quality and price issues. Major cut and pot flowers produced are: poinsettias, chrysanthemums, gladioli, geranium and statice. However, greenhouse production is mainly of lilium, calanchoe and Dutch tulips.
Greenhouses
Mexican use of greenhouses has grown notably in the last few years, from 9.9 thousand hectares in 2008 to 14.8 thousand hectares in 2010. The Association of Greenhouse Producers (AMHPAC) estimates that by 2014, Mexico will have more than 20 thousand hectares of greenhouse production.

Agroparks
The development of the agropark scheme in the state of Querétaro and now the agropark concept that has been introduced by Wageningen University in the state Aguascalientes generates an interesting potential for Dutch firms (both horticultural and agricultural) to penetrate the market and position their product on a long term basis. Companies located in agropark Querétaro where Dutch intelligence has been put to practice are now also using Dutch expertise and technology, as well as different types of products.

Business Opportunities
High quality horticultural produce is the result of expertise combined with the adequate inputs, equipment and machinery, as well as enough and skilled labour force and climate conditions. Mexico has been able to commit to the compliance of its domestic and international clients by means of an intelligent selection of these elements.

Today, Mexico realizes the importance of importing inputs, equipment and machinery, including greenhouses that can highly improve the quality of its fresh produce, as we can see below. Bulbs and seeds, agricultural equipment and greenhouses are by far the most important import products from the Netherlands for this activity.

Mexico’s growing need to obtain higher quality produce has led companies to look for adequate technology. Dutch greenhouses, equipment and inputs were able to penetrate the Mexican market once presenting their products to the Mexican horticultural producer and participating in joint missions, among other efforts. And more and more Dutch companies see the attractiveness of Mexico as location for their company: to produce for the American market and/or to sell and give service to Mexico’s growing horticultural sector.

When looking into import numbers, bulbs and seeds, agricultural and food equipment and prefabricated buildings (greenhouses) stand out as the most important import products from the Netherlands. These products together with many other equipment and inputs for agriculture and food production made up for more than 130 billion euro’s in 2011, which explains why Mexico has a high market potential for these and similar products. In addition, the EU-Mexico Free Trade Agreement signed in 2000 has given preferential tariffs (or zero tariffs) to a number of agricultural inputs and equipment. Together with this, recent negotiations with Mexican authorities in the field of plant health issues has also facilitated trade conditions and benefitted Dutch exporters.
Events (Trade Fairs)

**Expo Agro Sinaloa**
*Sector/subsector: horticulture, inputs, equipment, machinery*
*Month: February (yearly event)*
*Location: Culiacán, state of Sinaloa*
www.expoagro.org.mx

**Expo Agro Alimentaria Guanajuato**
*Sector/subsector: horticulture, inputs, equipment, machinery*
*Month: November (yearly event)*
*Location: Irapuato, state of Guanajuato*
www.expoagrogto.com

**PMA**
*Sector/subsector: horticulture, inputs, equipment, machinery*
*Month: October (yearly event)*
*Location: United States*
www.freshsummit.com

Useful Links

**Ministry of Agriculture**
Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (SAGARPA)
www.sagarpa.gob.mx

**Ministry of Agriculture**
National Service of Agricultural and Food Health and Quality Issues (SENASICA)
- Animal and Plant Health Services
www.senasica.gob.mx

Ministry of Health: Federal Commission for the Protection against Sanitary Risk
Secretaría de Salud (COFEPRIS)
- Trade and distribution of food and pharmaceuticals
www.cofepris.gob.mx

Relevant local Trade Organisations

**AMHPAC - Asociación Mexicana de Horticultura Protegida, A.C.**
(Mexican Association of Protected Horticulture)
- Scope: national organization
- Focus associates: producers of horticulture under protection (nets, greenhouses)
- Other associates: producers or distributors of equipment, greenhouses, inputs
- Website: www.amhpac.org

**CAADES - Confederación de Asociaciones Agrícolas del Estado de Sinaloa**
(Confederation of Agricultural Associations of the State of Sinaloa)
- Scope: local organization (state of Sinaloa)
- Focus associates: producers of horticulture
- Other associates: producers or distributors of equipment, greenhouses, inputs
- Website: www.caades.org.mx
PDA Patronato para el Desarrollo Agropecuario de Guanajuato, A.C.  
(The Association for Agricultural Development in Guanajuato)  
- Scope: local organization (state of Guanajuato)  
- Focus associates: producers of horticulture  
- Other associates: producers or distributors of equipment, greenhouses, inputs  
- www.expoagrogto.com/english/que.html

AMCI - Asociación Mexicana de Constructores de Invernaderos  
- Scope: national organization  
- Focus associates: manufacturers of greenhouses  
- Other associates: manufacturers or distributors of equipment, inputs for greenhouses  
- Website: www.amci.org.mx

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Follow up  
Information will be provided by Market Advisor, Suggestions are welcome.
## ANNEX – MEXICAN AGRICULTURE (HORTICULTURE) STATISTICS

### Mexican Imports of Agricultural Products from the Netherlands

<table>
<thead>
<tr>
<th>Tariff code</th>
<th>Description</th>
<th>European Union Euros</th>
<th>Share %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total imports</td>
<td>1,546,491,548</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total agricultural products, inputs, equipment</td>
<td>114,326,243</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Share agricultural products / total imports</td>
<td>7%</td>
<td>6% 6%</td>
</tr>
<tr>
<td>06</td>
<td>Live plants, bulbs, ornamentals</td>
<td>20,755,255</td>
<td>21%</td>
</tr>
<tr>
<td>19</td>
<td>Cereals, starch</td>
<td>10,637,107</td>
<td>13%</td>
</tr>
<tr>
<td>8422 - 37</td>
<td>Agricultural and Food equipment</td>
<td>12,187,458</td>
<td>12%</td>
</tr>
<tr>
<td>04</td>
<td>Dairy products, honey, eggs</td>
<td>13,526,783</td>
<td>12%</td>
</tr>
<tr>
<td>12</td>
<td>Seeds</td>
<td>23,320,743</td>
<td>11%</td>
</tr>
<tr>
<td>9406</td>
<td>Prefabricated buildings (incl. greenhouses)</td>
<td>14,925,166</td>
<td>9%</td>
</tr>
<tr>
<td>18</td>
<td>Cocoa And Cocoa Preparations</td>
<td>3,113,519</td>
<td>4%</td>
</tr>
<tr>
<td>01</td>
<td>Live animals (incl. genetic material)</td>
<td>1,980,598</td>
<td>4%</td>
</tr>
<tr>
<td>11</td>
<td>Mill preparations, gluten</td>
<td>2,398,436</td>
<td>3%</td>
</tr>
<tr>
<td>21</td>
<td>Diverse food preparations</td>
<td>3,777,325</td>
<td>3%</td>
</tr>
<tr>
<td>24</td>
<td>Tobacco and substitutes</td>
<td>2,838,196</td>
<td>3%</td>
</tr>
<tr>
<td>20</td>
<td>Vegetables, fruits, nuts</td>
<td>166,584</td>
<td>2%</td>
</tr>
<tr>
<td>31</td>
<td>Fertilizers</td>
<td>1,321,353</td>
<td>2%</td>
</tr>
<tr>
<td>22</td>
<td>Beverages, spirits, vinegar</td>
<td>3,377,720</td>
<td>1%</td>
</tr>
</tbody>
</table>

Source: World Trade Atlas with information from INEGI

### Mexican Production of Major Exportable Products, 2010

Source: Ministry of Agriculture, Mexico. SAGARPA / SIAP

<table>
<thead>
<tr>
<th>Product</th>
<th>Harvested area (Ha)</th>
<th>Production (Ton)</th>
<th>Yield (Ton/Ha)</th>
<th>Median Rural Price ($/Ton)</th>
<th>Production value (thousand pesos)</th>
<th>Production value (thousand Euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOMATO</td>
<td>9,892,16</td>
<td>949,970,16</td>
<td>891,53</td>
<td>8,363,85</td>
<td>8,117,104,17</td>
<td>463,834,52</td>
</tr>
<tr>
<td>BELL PEPPER</td>
<td>1,726,16</td>
<td>134,362,38</td>
<td>520,61</td>
<td>8,657,66</td>
<td>995,672,99</td>
<td>56,895,60</td>
</tr>
<tr>
<td>CUCUMBER</td>
<td>1,803,41</td>
<td>135,863,19</td>
<td>186,96</td>
<td>7,137,47</td>
<td>877,214,35</td>
<td>50,126,53</td>
</tr>
<tr>
<td>EGGPLANT</td>
<td>28,50</td>
<td>1,710,75</td>
<td>82,72</td>
<td>10,771,54</td>
<td>11,445,08</td>
<td>654,00</td>
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<tr>
<td>ZUCCHINI</td>
<td>57,89</td>
<td>1,619,48</td>
<td>59,86</td>
<td>7,344,69</td>
<td>10,491,10</td>
<td>599,49</td>
</tr>
<tr>
<td>Strawberry</td>
<td>6,70</td>
<td>556,10</td>
<td>83,00</td>
<td>12,500,00</td>
<td>6,951,25</td>
<td>397,21</td>
</tr>
</tbody>
</table>

**TOTAL**      | 13,514,82            | 1,224,082,06     | 1,824,69       | 10,018,878,83             | 572,507,37                       |

**Euro = 17,50 pesos**
Mexican Exports of Agri Food Products (U.S. million dollars)

Source: Mexico's Agribusiness Ministry, National Institute of Statistics, Geography, and Informatics
*Estimated figure, 2005
Colofon

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