



STRAWBERRY ANALYSIS 2021

PRODUCTION, PRICES & COVID IMPACT



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Overview

What is the outlook for strawberry production in Mexico?

Without a doubt, Mexican strawberries are world recognized for their quality and flavor, with several states standing out in the production of this crop, such as Baja California, Guanajuato, Jalisco and Michoacán.

In the last 19 years of accumulated records, we have seen a growth in demand and especially in strawberry production in the world,

as it has practically doubled from 4.5 to 8.8 million tons.

If we talk about the world area harvested of strawberries, the growth has not been proportional to the production obtained, remaining at 31% in the last 19 years, which implies that the world average yield has increased significantly.

This is due to the fact that some of the strawberry producing regions in the world have increased their yields considerably, so that the world average has gone from 14 to 19 tons in the last 19 years.

In the last 15 years a curious pattern can be noticed: 1 year of rebound in production and 4 consecutive years of stagnation or reduction, perhaps we can begin to notice trends in the



behavior of climate cycles, or pay attention to the analysis of soils and apply crop rotation to determine what factor may be causing this trend.

Currently, the largest strawberry producer in the world is China,

although we can note that its yields are low and its cultivated area is the largest in the world.

In second and third place as world producers are the United States and Mexico respectively, with a crop area significantly smaller than China but with a yield of more than 50% compared to China, in fact the best yields in the world, a good point for North American producers.

No other country in the American continent participates in the Top 10 world producers, only the United States and Mexico.

In 2019 Mexico was the second largest exporter of strawberries, only being behind Spain, a country that exported 85.2% of its total production, an amount that conformed 31.9% of world

exports, even Spain in 2019 exported more than Mexico and the United States together, the next two countries in amount of exports.

In 2020 there was an important change, as Mexico was very close to Spain in terms of exports, so we will have to pay attention to whether in the following years there can be a change in leadership.

99.3% of Mexican strawberry exports went to the United States,

being the largest importer in the world.

It is interesting to know that a large amount of the strawberries imported by the United States arrive with the intention of being frozen and processed and then exported again to another destination, among U.S. customers.

Mexico also imports strawberries, in a quantity of less than 20 thousand tons, mainly as frozen and processed products, mainly from the United States (probably

strawberries imported from Mexico and processed in the United States and then returned to the Mexican market).

An interesting fact is that organic strawberry consumption has increased since strawberries have remained at the top of The Dirty Dozen list, which ranks the least clean agricultural products according to their level of pesticide residues in the United States, reaching the top position in 2020.



There are many producers who work hard to achieve the necessary quality, get a customer and meet the export requirements, however, we know the typical story of the producer who exports and his customer does not pay him, with the impossibility of acting legally in his country, so producers also need to have a legal and financial structure to protect them.

For this reason, the alliance between **ProducePay** and **Treembo** seeks to connect producers interested in exporting to the U.S. market with potential clients, financial structures and certifying agencies.



Daily Price Report

If you want to be updated with the prices of strawberry in the U.S. market, subscribe for free to the **Daily Market Report** offered by ProducePay, in which you will also find information on many other agricultural products.

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Harvest map

If you are a strawberry producer, remember that in Treembo you can **place your crop on our Harvest map**, so you can find technical advisors, input suppliers, potential buyers, news and more. Register for free.



Worldwide strawberry production



Worldwide Strawberry Production (2000 - 2019)

Globally in 2019, a total of 8,885,028 tons of strawberries were produced, which meant an increase of 3.8% over the previous year, thus, production had an average growth of 3.2% in the last decade (2010-2019).

It is worth mentioning that the increase in harvested area, between 2018 and 2019, was just 0.4%, so what explains the increase in production is the average yield, which went from 18.0 to 19.0 t/ha.

Strawberry production obtained in the world

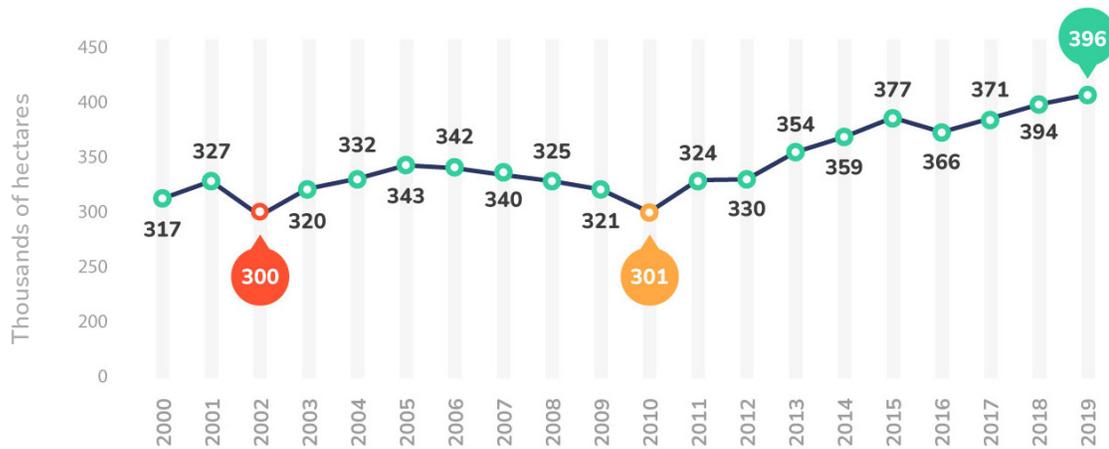
Source: FAOSTAT



Over the past two decades, world strawberry production has been growing steadily. The question is: how long will this continue?

Harvested area of strawberries in the world

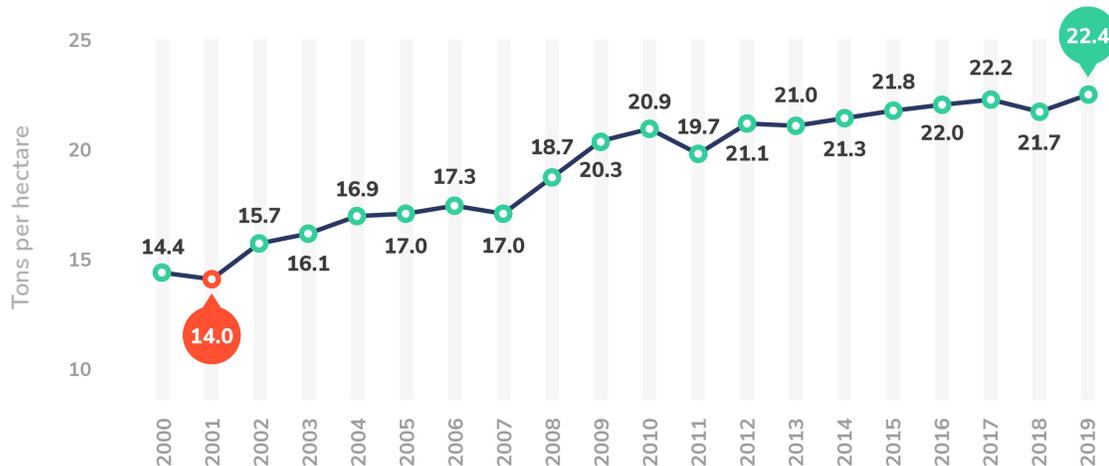
Source: FAOSTAT



Between 2000 and 2019 the lowest harvested area was 300,271 ha in 2002 and the highest harvested area was 396,401 ha in 2019, a variation of 32.0%.

Average strawberry yield in the world

Source: FAOSTAT



Over the last 8 years, the average world strawberry yield has remained between 21.0 and 22.4 t/ha, i.e. relatively stable.

Of the strawberry producing countries, China stands out with 36.2% of the world total, while the second and third positions are occupied by the

United States and Mexico, with 11.5% and 9.7%, respectively. No other country in the American continent ranked in the first ten positions.

Main strawberry producing countries in 2019

Source: FAOSTAT



	Country	Production obtained (t)	Harvested area (ha)	Average yield (t/ha)
①	China	3,212,814	125,637	25.6
②	United States	1,021,490	18,130	56.3
③	Mexico	861,337	16,429	52.4
④	Turkey	486,705	16,090	30.2
⑤	Egypt	460,245	11,772	39.1
⑥	Spain	351,960	7,260	48.5
⑦	Russia	208,800	31,122	6.7
⑧	South Korea	192,971	6,212	31.1
⑨	Poland	185,400	49,900	3.7

It is important to note that both Russia and Poland have much larger strawberry area than Mexico, yet they are not close in production levels due to their very low yields.



The United States and Mexico have the highest yields worldwide, with 56.3 and 52.4 t/ha, respectively

Average strawberry yield around the world

Source: FAOSTAT

		Country	Average yield (t/ha)
①		United States	56.3
②		Mexico	52.4
③		Morocco	48.6
④		Spain	48.5
⑤		Greece	46.2
⑥		Netherlands	46.1
⑦		Israel	45.4
⑧		Albania	43.6
⑨		Kuwait	43.6
⑩		Egypt	39.1



Exporters and importers



Mexican strawberry customers

Source: SIAP



United States



Canada



Hong Kong



Saudi Arabia



Japan



United Kingdom



Costa Rica



Peru



Kuwait



El Salvador



Panama

The Mexican strawberry has international recognition, in 2019 it consolidated a new historical maximum in exported volume: 286,915 tons.



Monthly distribution of foreign trade in the United States (%)

Source: SIAP

Exports from Mexico occur mainly in the winter and early spring, since there is no production in the United States at this time of year.

What is striking is that the United States exports 70.1% of the tons of strawberry that it imports, which means that it imports a lot of fresh product for processing, and thus exports frozen and processed fruit.

In fact, in 2019 the volume of strawberries traded in the world was: 53.9% fresh, 37.6% frozen and 8.5% processed, which means that the frozen and processed product is quite important.

Month	Import	Export
January	11.2%	0.6%
February	17.1%	0.6%
March	17.4%	0.9%
April	16.9%	5.8%
May	11.7%	17.0%
June	6.5%	15.4%
July	4.0%	19.2%
August	1.0%	18.7%
September	0.9%	11.0%
October	1.4%	6.7%
November	3.3%	3.2%
December	8.6%	0.9%

Strawberry exports in 2019

Main strawberry exporting countries in 2019

Source: FAOSTAT

	Country	Tons	Share
①	 Spain	300,036	31.9
②	 Mexico	137,393	14.6
③	 United States	130,784	13.9
④	 Netherlands	57,071	6.1
⑤	 Greece	45,175	4.8
⑥	 Belgium	45,069	4.8
⑦	 Egypt	38,543	4.1
⑧	 Turkey	25,352	2.7
⑨	 Morocco	21,439	2.3
⑩	 Yemen	18,800	2.0

Spain was the leading strawberry exporting country in 2019, with 31.9% of the world total, exceeding Mexico and the United States combined, which were left with 28.5%, so the advantage it has is remarkable.

Main strawberry exporting countries in 2019

Source: FAOSTAT

	Country	Dollars (MD)	Share
①	 Spain	670	24.5
②	 Mexico	564	20.6
③	 United States	451	16.5
④	 Netherlands	262	9.6
⑤	 Belgium	181	6.6
⑥	 Egypt	88	3.2
⑦	 Morocco	68	2.5
⑧	 Greece	61	2.2
⑨	 South Korea	53	1.9
⑩	 Germany	45	1.7

Although Spain exports 162,643 metric tons more than Mexico, in terms of income from this item they are fairly even, with a percentage difference of 3.9%, possibly because Mexico sells at a higher price.

In 2019, fresh strawberries were the 1,011st most traded product in the world, generating a revenue of 2.9 million dollars.

Between 2018 and 2019, fresh strawberry exports grew fastest in Mexico with US\$232 million, Morocco with US\$20.2 million, Greece with US\$19 million, Egypt with US\$12 million, and South Korea with US\$6.66 million (OEC, 2019).

Strawberry exports in 2020

Source: TRIDGE



Mexico, about to become the leading exporter.

In 2020, Mexico ranked second in terms of export value, accounting for 23.3% of total exports, behind only Spain, which obtained 23.9%.

Mexican strawberry exports totaled more than

US\$654 million, up 16.0% from 2016, when they remained at US\$564 million.

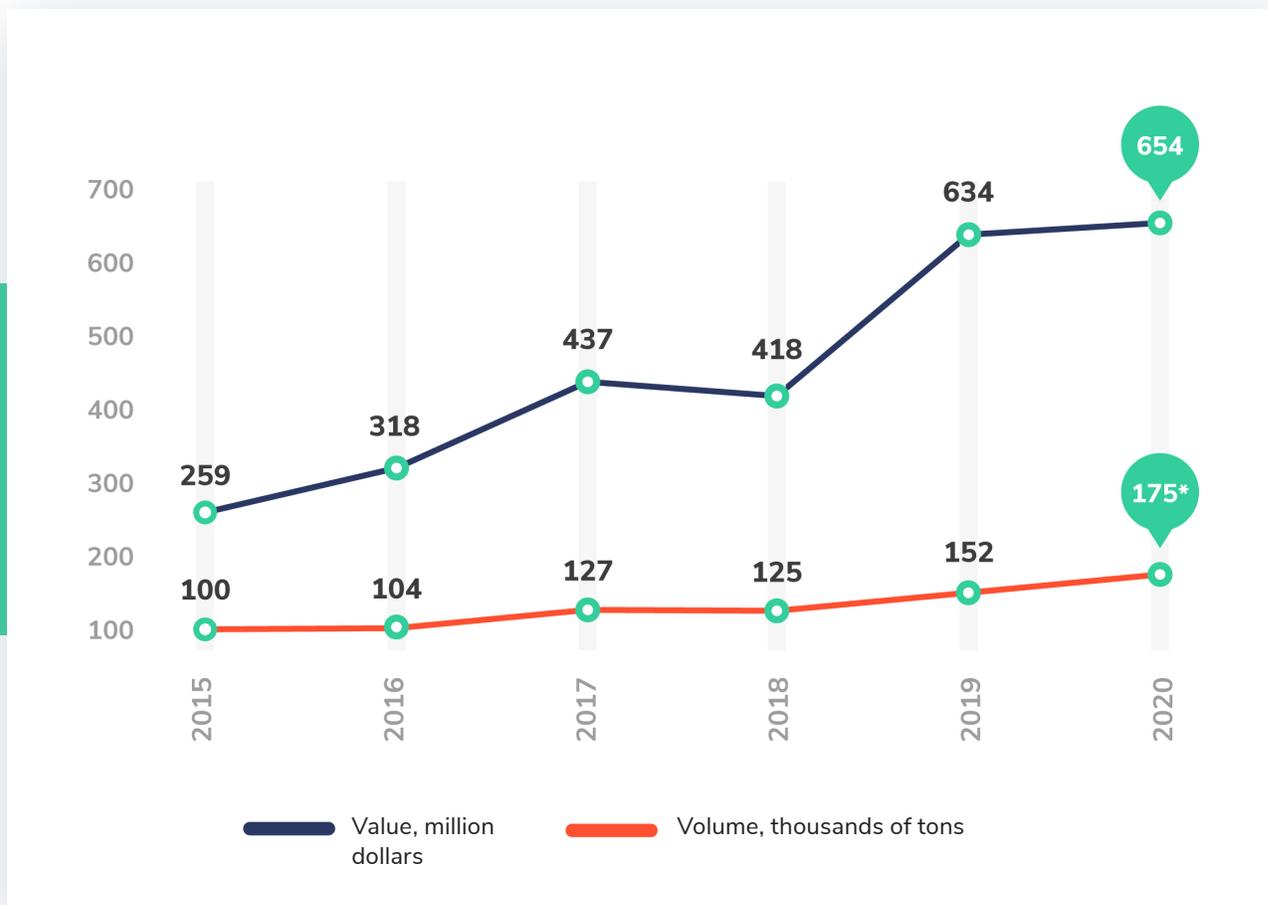
This means that, in just one year, Mexico was 2.5% behind Spain, when in 2019 it was at 15.8% difference in the value of exports.



89.9% of Mexican strawberry exports went to the United States, the world's largest importer, while 9.5% of the fruit was shipped to Canada; in other words, the two countries together accounted for 99.4% of Mexico's fresh strawberries.

Mexican strawberry exports

Source: TRIDGE



Historically, Mexico surpassed Belgium in strawberry exports in 2012, the Netherlands in 2016, the United States in 2019 and is now quite close to surpassing Spain, although we have to wait if the Spanish strawberry industry recovers, in which case it may still take Mexico a few more years to exceed it.

Strawberry suppliers to Mexico

Source: SIAP



United States



Canada



Peru



China



Puerto Rico



Spain



Costa Rica



Thailand



Netherlands



Belgium

On the other hand, Mexico imported 16,960 tons of strawberries in 2019, mainly as frozen and processed products, which come from the countries listed above. Even so, it is not part of the list of the main countries that import this product.

Fresh strawberry imports

Main strawberry importing countries in 2019

Source: FAOSTAT

	Country	Tons	Share (%)
①	 United States	186,499	19.2
②	 Germany	128,105	13.2
③	 Canada	96,912	10.0
④	 France	64,357	6.6
⑤	 United Kingdom	57,379	5.9
⑥	 Russia	43,885	4.5
⑦	 Italy	42,314	4.4
⑧	 Belgium	33,325	3.4
⑨	 Netherlands	30,113	3.1

The United States imports more fresh strawberries than France, the United Kingdom and Russia combined. Germany is the only European country with an import share above 10%.

Main strawberry importing countries in 2019

Source: FAOSTAT

		Country	Dollars (Million Dollars)	Share (%)
①		United States	871	27.7
②		Canada	328	10.4
③		Germany	299	9.5
④		United Kingdom	207	6.6
⑤		France	162	5.2
⑥		Belgium	112	3.5
⑦		Netherlands	108	3.4
⑧		Italy	98	3.1
⑨		Russia	77	2.4
⑩		Austria	65	2.1

The United States remained the leader in terms of the value of imports, buying more than the next three countries as a whole. Even so, we know that a large part of the imports go to the transformation of strawberries to be exported in other presentations.



Strawberry imports from Mexico to the United States

Source: USDA Border Crossing Data

Product	Total (Million Dollars)	% change	% change (Million Dollars)
 Strawberry	\$1,939	151%	\$339



In 2019, Mexican strawberry imports by the United States had a rebound of almost 200 million dollars, indicating the importance of this product for the U.S. market.

Mexican strawberry supplier companies (2015-2020)

Source: USDA Border Crossing Data

		Company	Shipping weight (kg)
①		Sun Belle Inc.	46,631,036
②		Always Fresh Farms	10,504,392
③		Supreme Berry Farms	5,131,403
④		La Bodega Meat & Produce	2,498,366
⑤		Seven Seas Global Berry Sales	2,297,260
⑥		Coast Citrus Distributor Inc.	1,231,042
⑦		Martinez Mexican Produce Llc	987,374
⑧		Ev Produce International Inc.	906,557
⑨		Jalisco Fresh Produce	439,650
⑩		Nogales Produce Inc.	428,574
⑪		Sweet Seasons Llc	409,848
⑫		Coliman Produce Inc. Dba Eagle Fresh Produce	409,695
⑬		Green Field Produce Llc	344,436
⑭		Chosen Foods Llc	319,550
⑮		Divine Flavor LLC	247,453

The market for fresh strawberry sales in the United States is a very competitive market, with many players wanting to obtain a larger share of the market.

Mexican strawberry selling companies (2015-2020)

Source: USDA Border Crossing Data

		Company	Shipping weight (kg)
①		Sun Belle Mexico S.A. De C.V.	57,373,186
②		B C T Corp. S.A. De C.V.	3,566,687
③		Javier Fernando Lopez Guerra	3,174,393
④		Comercializadora Gorega SA D Cv	2,478,930
⑤		Martinez Exp. Produce SA De Cv	987,374
⑥		Coliman Frutas Finas S.De R.L.De C.V.	409,695
⑦		MexiFrutas S.A. De C.V.	319,550
⑧		Angel Pastrana Waldo	264,522
⑨		Nayeli Sayli Meza Gonzalez	225,788
⑩		Frutos Orgánicos Selectos S.P.R. De R.L.	210,726
⑪		Los Rancheros Comercializadora S.A. De C.V.	126,067
⑫		Star Te S.A. De C.V.	49,821
⑬		Citrofrut SA De Cv	48,420
⑭		Jessica Patricia Sanchez Garcia	42,862
⑮		Paisano Capital SA De Cv	37,367

There are many companies that ship fresh strawberries to the United States, although Sun Belle is the one that sends the largest amount of tons, far exceeding the others.



Consumption and price trends

Key strawberry indicators

Strawberry indicators

Source: "Fresh Facts on Retail 2019" Report

	% Homes buying	2019 Value (Million Dollars)	Change vs 2018	Pounds (Thousand)	Change vs 2018	Avg. price per pound	Change vs 2018
Strawberries	65%	\$2,693	-0.2%	842	-4.5%	\$3.20	4.5%

Speaking in terms of value generated by consumption, strawberries rank 4th in the U.S. market, with \$2,693 million dollars, below apples, grapes and bananas, which occupy the first 3 places with 3,741, \$3,308 and \$3,140 million dollars, respectively.

When to buy organic?

In recent years, the consumption of organic strawberries in the United States has increased considerably and one of the factors that has driven this growth is the constant appearance of strawberries at the top of The Dirty Dozen, the prestigious list presented annually by the Environmental Working Group (EWG) in which it reveals the least safe agricultural products, according to their level of pesticide residues in the United States.

In 2020 the strawberry took the top spot in The Dirty Dozen.



For the above reasons,

strawberries rank among the top organic products consumed in U.S. households.

According to the Fresh Facts on Retail 2019 report, prepackaged salads were in first place, followed by apples and carrots, with strawberries coming in 4th.

Organic strawberry purchases

Source: “Fresh Facts on Retail 2019” Report

	2019 Value (Million Dollars)	Change vs 2018	Pounds (Thousands)	Change vs 2018	Avg. price per pound	Change vs 2018
Strawberries	\$334	10.8%	75	10.1%	\$4.48	0.6%



Although the position of organic strawberries is becoming more and more established in the U.S. market, the truth is that it is quite far from the first position, as organic prepackaged salads had a value in 2019 of \$1,114 million dollars, that is, 3.3 times more than organic strawberries.

Strawberry volumes entering the U.S. market *

Source: Daily Market Report of ProducePay

	2015	2016	2017	2018	2019	2019 vs 2015	
						Tons	%
Central California	546,271	586,651	605,126	674,449	602,912	56,641	62%
Mexico	79,139	94,920	130,845	129,339	145,151	66,012	15%
Southern California	143,786	127,597	135,095	140,789	130,300	(13,485)	-9%
Florida	105,348	99,751	116,711	107,394	92,334	(13,014)	-12%
Others	1,601	1,919	2,499	2,830	3,243	1,642	103%
Total	876,145	910,836	990,275	1,054,178	973,941	97,796	11%

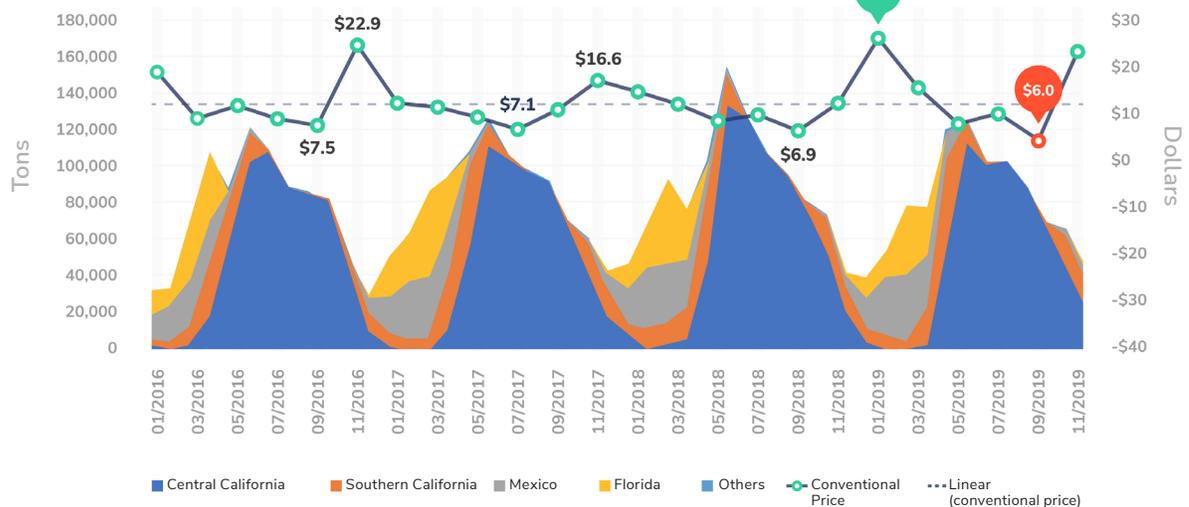
*Conventional and organic, all crossings and shipping points, all types of packaging. Figures in tons.

The volume of Mexican strawberries entering the U.S. market has increased each year, especially in 2019. For the same year, volumes from Central California and Southern California decreased significantly, as did the volume generated by the state of Florida.



Strawberry volumes and prices per month in the U.S. market *

Source: Daily Market Report of ProducePay



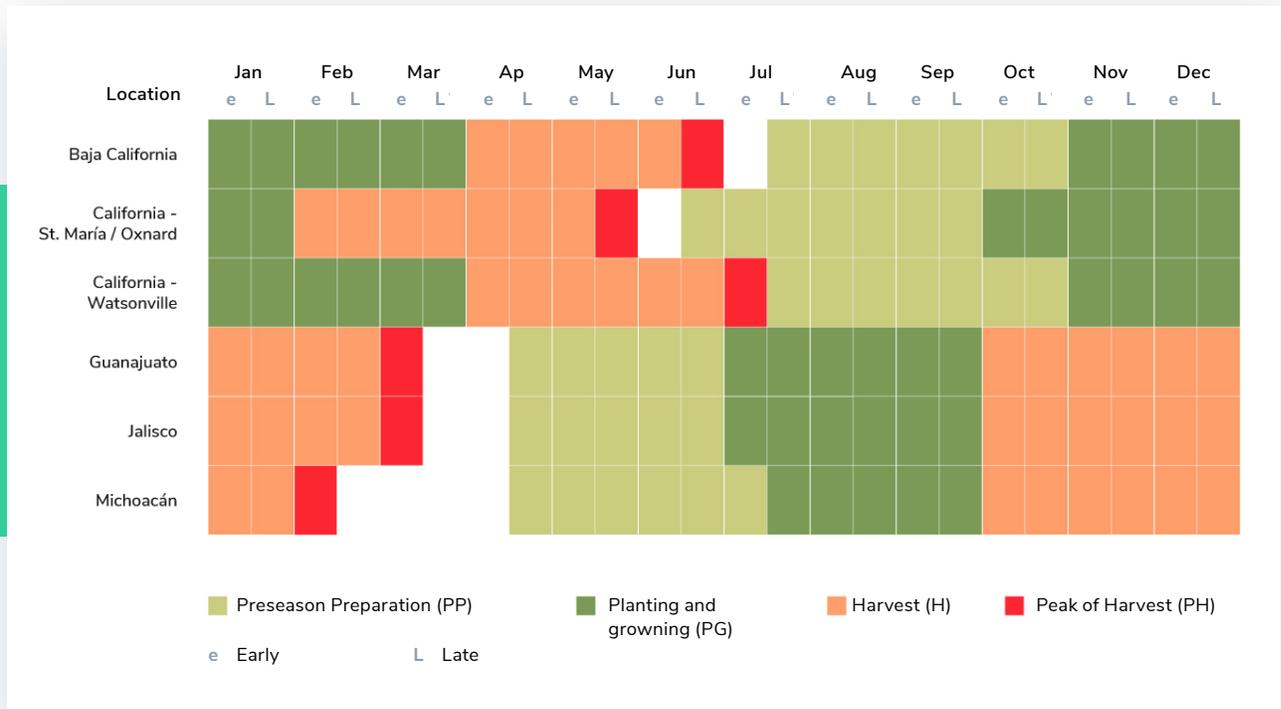
*Prices: conventional product, flats packaging 8 1-lb containers with lids, all origins and sizes.

*Volumes: conventional and organic product, all origins, packaging and sizes.

The analysis of volumes and prices between 2016 and 2019 tells us that the peak of the strawberry season occurs between the months of May to July, which are accompanied by a significant decrease in prices, which recover towards the end of the year, reaching their best prices between October and December.

Agronomic calendar of berries

Source: Daily Market Report of ProducePay



The seasonality of strawberry production in Mexico is coupled to the needs of the U.S. market, since when there is no harvest in the United States, there is in Mexico, allowing for market complementarity.



Conventional strawberry prices in the U.S. market *

Source: Daily Market Report of ProducePay

	January	February	March	April	May	June	July	August	September	October	November	December	Average	Min	Max	Range
2015	\$12.5	\$11.1	\$7.8	\$10.9	\$11.2	\$8.5	\$8.6	\$12.9	\$10.1	\$14.8	\$27.1	\$19.0	\$12.7	\$7.8	\$27.1	\$19.3
2016	\$20.2	\$16.4	\$8.9	\$12.0	\$10.3	\$8.5	\$8.2	\$10.0	\$7.5	\$11.4	\$22.9	\$14.9	\$12.9	\$7.5	\$22.9	\$15.4
2017	\$13.4	\$10.8	\$12.0	\$9.8	\$8.8	\$9.0	\$7.1	\$8.2	\$10.8	\$9.9	\$16.6	\$14.9	\$11.2	\$7.1	\$16.6	\$9.5
2018	\$15.2	\$12.0	\$12.2	\$11.6	\$8.1	\$6.8	\$8.5	\$6.9	\$10.4	\$8.8	\$16.1	\$25.6	\$11.7	\$6.8	\$25.6	\$18.8
2019	\$20.9	\$15.0	\$13.8	\$8.7	\$8.1	\$9.8	\$9.8	\$6.0	\$13.7	\$12.4	\$15.4	\$22.6	\$13.8	\$6.0	\$22.6	\$16.6
2020	\$14.7	\$13.9	\$13.6	\$9.7	\$10.2	\$9.4	\$15.7	\$12.0	\$15.9	\$17.5	\$20.6	\$25.7	\$14.9	\$9.4	\$25.7	\$17.5
2021	\$18.3	\$16.5	\$11.0										\$15.2			
	\$16.4	\$13.6	\$11.3	\$10.4	\$9.4	\$8.6	\$9.6	\$9.3	\$11.4	\$19.7	\$19.7	\$20.4	\$13.2	\$7.4	\$23.4	\$16.1



 Low Price High Price

*Conventional product, all origins. Pack flats 8 1-lb containers with lids, sizes from Medium to LGE.

Conventional strawberry prices have shown an increase in recent years, and throughout the year the best prices are reached in the months of November and December, while the lowest prices are between June and August.



Conventional vs. organic strawberry prices in the U.S. market *

Source: Daily Market Report of ProducePay



*Pack flats 8 1-lb containers with lids, all origins and sizes.

In recent years the difference between conventional and organic strawberry prices has decreased, although the trend is clear and increases towards the end and beginning of the year, which is when organic strawberries reach their highest prices of the season.



Organic strawberries

Source: The Packer

Organic berry sales topped 760 million dollars in 2019

and comprised 12.3% of berry retail sales, according to IRI data. Marketers moved more than 13.7 million pounds of berries in 2019.

One-third of all strawberry shoppers said they opted for organic produce at least some of the time, according to Organic Fresh Trends 2021. Fourteen percent said they always choose organic strawberries.

Age is a factor in the purchase of organic strawberries.

Shoppers under the age of 40 are much more likely, sometimes two to three times more likely, to always buy organic strawberries compared to older consumers.

Families with children are more likely to always buy organic strawberries at 16% than those without children at 13%.

Shoppers with two children at home were twice as likely to purchase organic berry products as those with three or more children.



For the third consecutive year, consumers in the western United States were the region most likely to choose organic strawberries at least part of the time, followed by those in the northeastern United States.

Sales	2019
Pounds sold	113,705,681
Average retail price per pound	\$ 6.69
Retail sales	\$ 760,196,696
Percent of total organic produce sales	13.7%
Organic percent of retail berry sales	12.3%
Change in sales from last year	1.68%

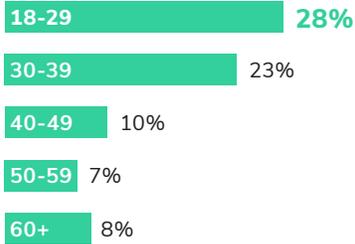
Source: IRI



Organic purchasing patterns of strawberries



Likelihood of Organic Only purchase base on age



Likelihood of Periodic Organic purchase based on ethnicity



Source: Farm Journal & Stock

Top 20 fruit purchases in 2020

Source: The Packer

This year, consumers were surveyed through an online study conducted between October 11 and October 27, 2020. The study was responded to by 1,000 targeted respondents who are members of a nationwide consumer panel. The outgoing sample was balanced to reflect the U.S. population, where possible in terms of gender, age, ethnicity and household income.

Results include households that purchased at least one of the 50+ fresh fruits or vegetables listed in the last 12 months.

The first question asked what fruits and vegetables consumers bought in the last 12 months. In addition, only those who are responsible for all, most, or equal parts of their household's grocery purchases were included in the final sample, and participants had to be 18 years of age or older.

Data were also collected on varieties purchased and organic purchases.

The margin of error at the 95% confidence level for the Fresh trends 2021 survey is +/- 3%. This means that the numbers are within +/- 3% of what is true for the entire population.



For example, if something is true for 85% of consumers surveyed, you can be 95% sure that it is true among 82% to 88% of all produce users.

Packer and Key Survey / World App use quality procedures that ensure that such errors are kept to a minimum.

Top 20 fruits*

*The percentage indicates the share of respondents who have purchased this item in the last 12 months.

	Product	Percentage
①	 Banana	65%
②	 Apple	63%
③	 Strawberry	58%
④	 Grape	55%
⑤	 Orange	51%
⑥	 Watermelon	48%
⑦	 Blueberry	43%
⑧	 Lemon	43%
⑨	 Peach	41%
⑩	 Avocado	49%
⑪	 Pineapple	35%
⑫	 Cherry	35%
⑬	 Cantaloupe melon	33%
⑭	 Pear	31%
⑮	 Lime	30%
⑯	 Raspberry	30%
⑰	 Blackberry	28%
⑱	 Clementine Tangerine	28%
⑲	 Plums	24%
⑳	 Nectarine	23%



Domestic strawberry production



Domestic strawberry production

Source: SIAP



Mexico is
world's 3rd largest producer



From 2018 to 2019 its production increased by

31.7% to 861,337 tons

which derived from a 20.3% increase in harvested area and a 9.5% increase in average yield.

Thanks to these increases,

the national value of strawberry production increased by 53.6% compared to 2018,

thus positioning it as the eighth most economically important crop in Mexico, only after grain corn, avocado, sugarcane, agave, tomato, green chili and grasses.





Strawberry production in Mexico

Source: SIAP

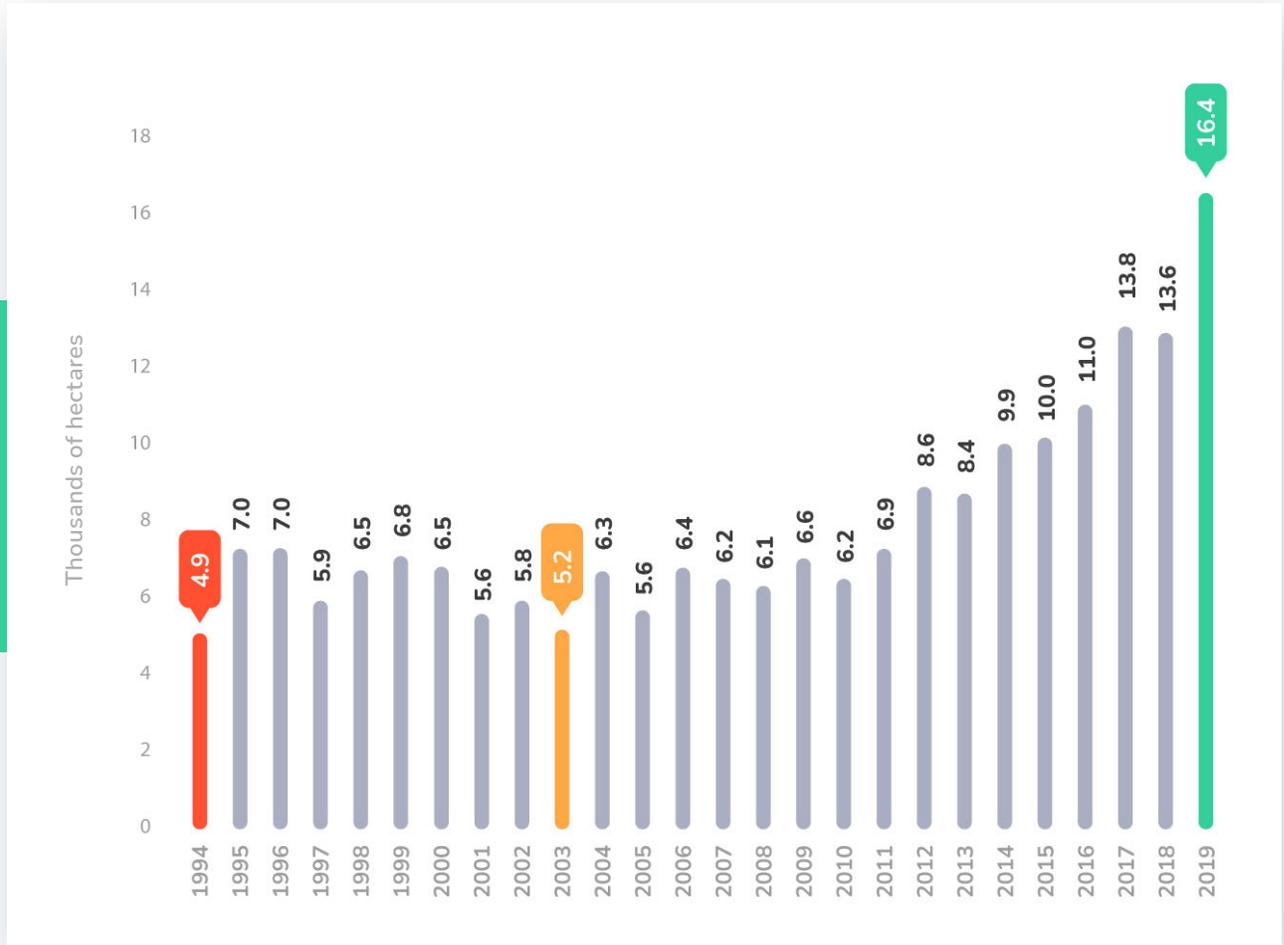


In 2019 there was a 31.8% increase in domestic strawberry production, compared to the previous year, and since 1994 production has increased just over 9 times, demonstrating the importance of this crop for Mexico.

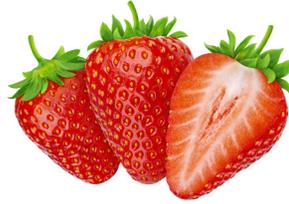


Harvested area of strawberries in Mexico

Source: SIAP

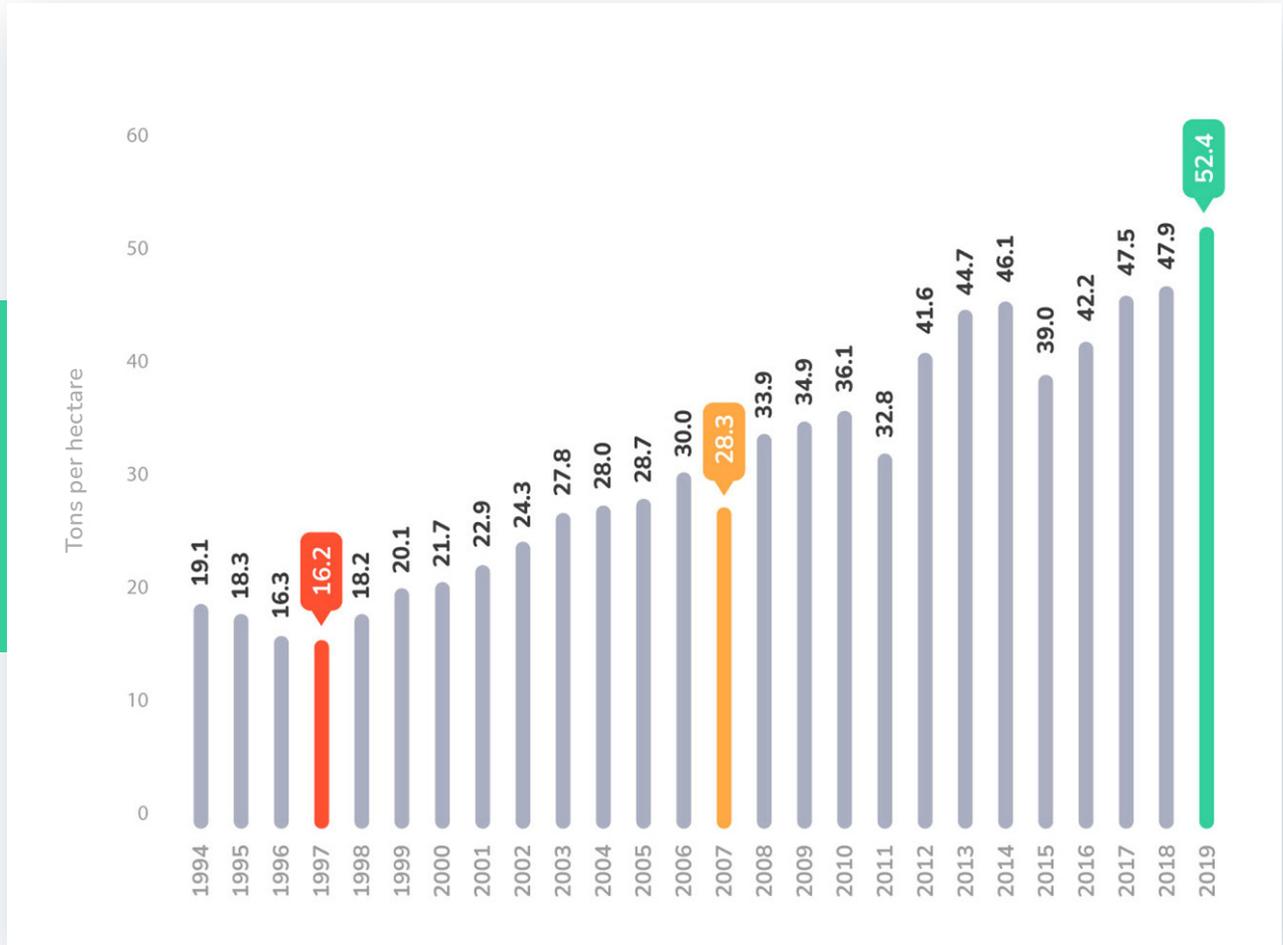


The increase in the harvested area of strawberries in Mexico has been constant during the last decade, presenting some decreases certain years, although in 2019 the increase was 20.3% compared to 2018, which represented 2,777 hectares more.



Average strawberry yield in Mexico

Source: SIAP

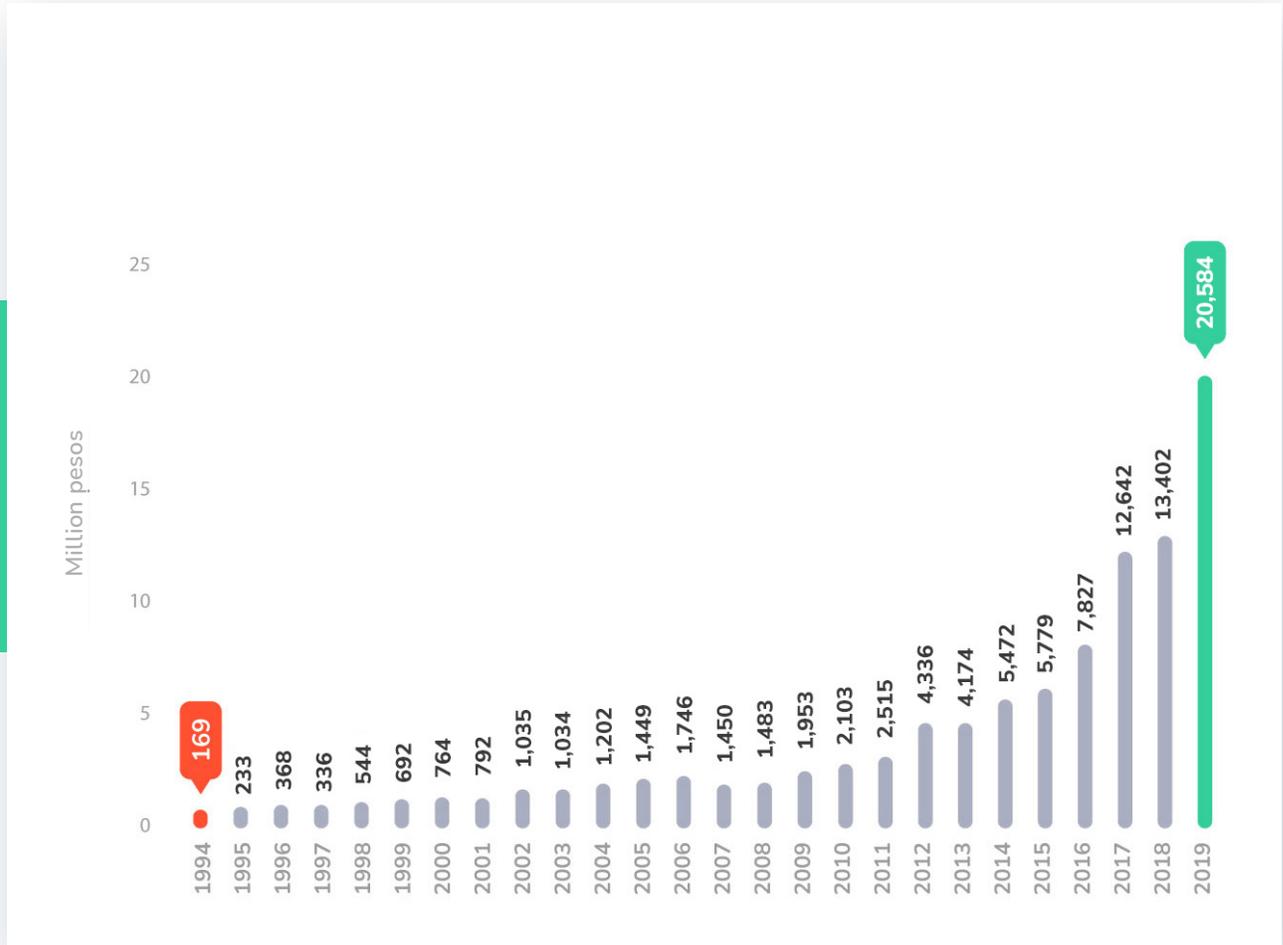


In 2019 strawberry reached its highest historical yield at the national level with 52.4 tons per hectare, which implied an increase of 9.5% compared to 2018, a quite important figure that indicates considerable improvement in this crop.



Strawberry production value in Mexico

Source: SIAP



In 2019, the value of strawberry production for Mexico was 20,584 million pesos, reaching its historical maximum and exceeding the value of 2018 by 7,182 million pesos, i.e., there was an increase of 53.6%.

Strawberry producing States in 2019

Source: SIAP

	State	Production obtained (t)	Harvested area (ha)	Average yield (t/ha)	Production value (MP)
①	 Michoacán	564,554	11,734	48.1	11,742
②	 Baja California	200,571	2,705	74.2	7,673
③	 Guanajuato	79,752	1,381	57.7	844
④	 México	7,770	354	21.9	126
⑤	 Aguascalientes	3,069	60	50.9	54
⑥	 Baja California Sur	2,520	56	45.0	64
⑦	 Jalisco	1,671	56	30.0	56
⑧	 Zacatecas	433	38	11.5	7
⑨	 Puebla	352	21	16.8	4
⑩	 Tlaxcala	273	6	45.5	6
⑪	 Oaxaca	171	7	25.7	4
⑫	 Morelos	106	8	14.1	1
⑬	 Chihuahua	66	2	37.6	2
⑭	 Veracruz	31	3	9.4	0

The states with the highest strawberry production in 2019 were Michoacán (65.5%), Baja California (23.3%) and Guanajuato (9.3%); in total for this year there were 14 states in which strawberries were produced. In terms of yield, Baja California stands out, with 74.2 t/ha, while Michoacán remained at 48.1 t/ha.

Top 10 strawberry producing States

Source: SIAP



Of the slightly more than 8.8 million tons of strawberries harvested in the world,

9.7% originate in Mexican strawberry fields.

After a slight drop in production in 2018, this strawberry recovered in 2019 by increasing its harvested volume 31.8%, as a result of a

22.8% and 20.3% growth in planted and harvested area, respectively.



Main producing States

Michoacán, besides being the main producer, it is the State with the highest contribution in terms of value,

accounting for 52% of the national total.

The strawberry quotation in Michoacán increased 1.8% compared to 2018, so the amount of sales of the fruit was 11 thousand 746 million pesos. Meanwhile, the supply of the crop in the state was 565 thousand tons.



Baja California, Guanajuato and Aguascalientes lead in performance.

The three states maintain a better average yield compared to Michoacán.

Baja California leads with 74.2 t/ha, followed by Guanajuato with 57.7 t/ha and finally Aguascalientes with 50.9 t/ha. Michoacán is in fourth place with 48.1 t/ha.





Domestic monthly production in 2019

Source: SIAP



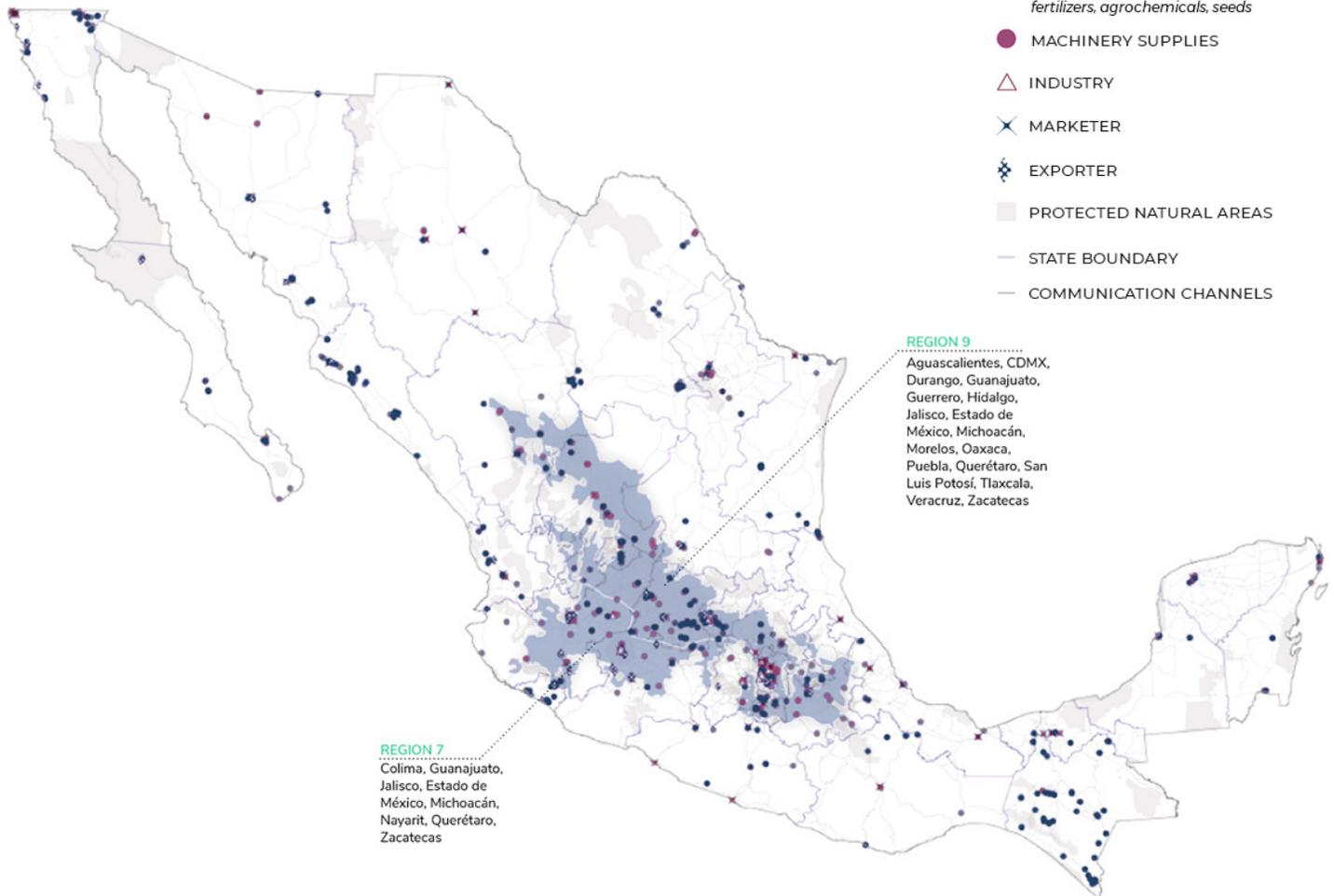
During May and June most of the national strawberry production is concentrated, while between August and October the production volume drops to its minimum, and by the end of the year production begins to rebound again.

Strawberry strategic regions in Mexico, spring - summer

Source: SADER

STRAWBERRY INFRASTRUCTURE

SPRING - SUMMER (PERENNIAL)



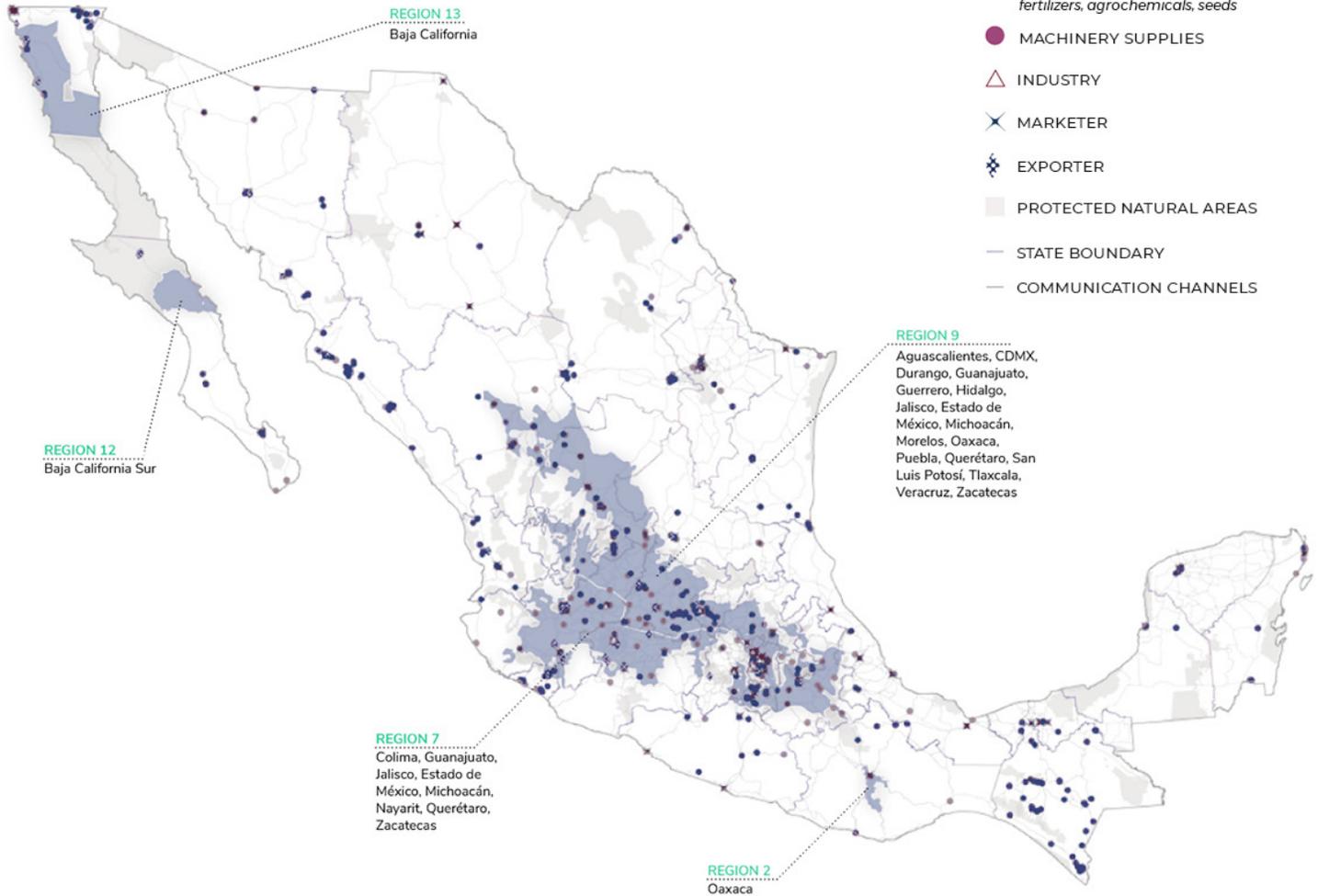
National agricultural regions 7 and 9 are the most relevant for strawberry cultivation during the spring and summer seasons.

Strategic strawberry regions in Mexico, autumn - winter

Source: SADER

STRAWBERRY INFRASTRUCTURE

FALL - WINTER



During autumn and winter, agricultural regions 7 and 9 continue to be relevant, but are joined by regions 12 and 13, and to a lesser extent by region 2.



United States and Mexican strawberries

Mexican strawberry imports: Competition with U.S. producers

Source: Fresh Plaza & Opportimes

As an origin, Mexico accounted for

**98% of total U.S. strawberry imports
in 2020 from the United States
during 2020.**

Fresh market strawberries are highly perishable with extremely limited short-term storage options. As a result, Mexico has a comparative advantage in strawberry imports from the United States due to its climate and geographic proximity.

Strawberry imports into the United States totaled US\$850 million in 2020,

**of which US\$839 million
originated in Mexico.**



Competitive advantages

Pedro Antonio Dávalos González, researcher at INIFAP, indicated that Mexican producers have become major export competitors thanks to the:

- Weather
- Use of foreign improved varieties
- Protected macro-tunnel cultivation
- Low labor cost

Complaints from Florida farmers

The increase in strawberry imports by the United States has led Florida farmers to ask their government to limit imports of fresh Mexican fruit because, according to them, it comes at very competitive prices at the time when they start the harvest, reducing their profitability.

However, Dávalos González points out that within the T-MEC,

Mexico is the main producer and exporter of fresh strawberries during the fall and winter, when there is a deficit in that nation, since California and Florida are just beginning to produce.



With respect to the U.S. growers' central argument, the alleged subsidies granted by the Mexican government to its producers, Dávalos clarifies that in Mexico there are no subsidies for strawberry growers and, on the other hand,

around 60% of their supplies are imported and paid at a higher price.

"Most of the inputs used, improved varieties, vegetative material, fertilizers, plastics and drip irrigation inputs, pesticides and even fuels come from abroad; only 40% of domestic inputs are used to produce strawberries, which includes land, water, labor, electricity and fuel," he says.



Strawberry, California's favorite berry

Source: The Packer

The largest berry in the category, both in individual size and consumer popularity, is the strawberry.

Strawberries are the third most popular fruit, after bananas and apples,

among U.S. shoppers, according to The Packer's Fresh Trends 2021. The report showed that 58% of customers purchased strawberries in the past 12 months.

According to the California Strawberry Commission, the California strawberry season is year-round and accounts for 90% of all strawberries produced in the United States.

California and Florida vs Mexico

Both California and Florida farmers placed significantly less fresh strawberries in the U.S. market during 2020, while Mexican farmers significantly increased their market share during the same year.

California shipments:

(until April 24 of each year)

2021

29.4 million
of boxes

2020

36.0 million
of boxes

2019

35.2 million
of boxes



Nick Chapell

Sales Director of California
Giant Berry Farms

Southern California strawberry growing areas started the season on schedule, but weather, such as heavy rains, hail and high winds, caused crop setbacks, said Chappell of California Giant.

Oxnard's harvest should conclude in mid-May, while Santa Maria is entering its peak supply window and will continue at that level through June with very good quality, he said.

"Watsonville-Salinas strawberry farmers have had a difficult time gaining momentum due to the weather," Chappell said.

"The plants did not receive ideal chilling weather over the winter; combined with wet and cooler spring temperatures, the fruit has not yet ripened compared to the weather in previous years."

That region has a 30% volume backlog and a three-week backlog.

Plants are healthy and loaded with green fruit, so as warmer weather arrives and berries ripen, Chappell and Marketing Director Kyla Oberman said they expect abundant, promotable strawberry volume for May and June especially, "which will make up for the lost time and volume at the end," Chappell said.

The general peak of the California strawberry season should be from the third week of May through the end of June.



Florida strawberries are generally available from November through April,

months during which Mexican strawberries, which compete directly with Florida strawberries, are widely available.

North Carolina ranks fourth in U.S. strawberry production with approximately 1,100 acres annually, according to the state Department of Agriculture and Consumer Services.

April marks the start of the North Carolina season, which should last until May 31.

"The recent frost kept strawberry farmers busy protecting the plants' tender blossoms, but farmers have reported that those efforts appear to have been successful and consumers will be able to find local berries," Agriculture Commissioner Steve Troxler said in a news release.

Florida shipments:
(until April 24 of each year)

2021
24.1 million
of boxes

2020
26.6 million
of boxes

2019
21.1 million
of boxes

Shipments from Mexico :
(until April 24 of each year)

2021
36.5 million of
boxes

2020
27.1 million
of boxes

2019
30.7 million
of boxes



Well·Pict Berries

Source: The Packer



Well·Pict Berries has expanded considerably since its beginnings five decades ago, but its goal has remained constant over the years: to provide customers with berries of the highest quality, time and time again. Premium and Proprietary are two key words at Well·Pict Berries. Together, they are the driving force behind the brand and the motto of the company,

"Flavor First".

Well·Pict ships premium conventional strawberries and raspberries, along with organic strawberries year-round. Its goal has been to supply its customers with berries that have True Berry Taste™ year-round, as well as exceptional color, aroma and size. As their network of farmers grows, so does their commitment to continually produce the best tasting berries on the market.

By rotating between strategically selected cultivation areas,

Well • Pict Berries can ensure availability in several markets and in any season.



By choosing the right region and determining the most advantageous planting times,

they have been able to completely fill the "winter supply gap" when quality berries can be hard to find.

Florida's strawberry growing season begins in December and runs through April. As the winter strawberry capital of the world, it was only natural for Well·Pict to partner with growers in the Sunshine State.

Eastern markets, which were accustomed to seeing berries only in the summer months, have been thrilled to find ripe strawberries in stores during the winter.



Among the other factors that distinguish Well·Pict Berries from the rest of the pack is its willingness to invest time, research and financial investment in the development of new varieties.

The Well·Pict Berry Academy

The academy was developed to provide retailers and store teams with insights into the science and story behind the Well·Pict brand, as well as helpful tips for handling, storing and merchandising Well·Pict berries in stores.



COVID-19 Economic Impact

Mexico: export values remained stable, in spite of COVID-19

Source: Portal Frutícola

According to information from Aneberries, the country's strawberry industry continued to recover despite the sanitary contingency caused by the Covid-19 pandemic.

"While the growth values were slightly lower, they still show positive numbers." they point out.

At the same time, the agency stated that they expect that, with the beginning of the new season, "growth percentages will be regularized". Regarding the behavior of the markets, Aneberries commented that at the beginning of the pandemic

there was a greater demand for fruit, but it decreased in the following weeks with the closing of the food service.



However, "the volume of frozen fruit exports increased". This, together with the increase in the value of the dollar, would have compensated for the slight drop in prices.

Export figures

The main destination market, as usual, was

the United States, with 98% of total volumes, followed by Europe (0.95%), Asia (0.76%) and South America/Oceania (0.04%).

"Once the current situation stabilizes, the plan is to continue with the development of the Middle East, Asia and Europe," said Aneberries.

Regarding the pandemic, Aneberries commented that they had problems with transportation out of the continent, because commercial flights were affected, as there was a significant increase in fees".



If you are interested in knowing the strawberry prices at the moment, click on the button

[Click here](#)

Driscoll's needs to know about U.S. demand for strawberries

Source: The Wall Street Journal

Forced to establish production well in advance, the berry supplier miscalculated in 2020 and is now trying to make the right decision this year, during the reopening after the pandemic.

A little over a year ago, Soren Bjorn, who helps run the world's largest berry company, made a bad decision.

After that, Americans stuck at home binged on berries. Demand for strawberries soared.

This past March Bjorn made the opposite decision and told farms to increase their strawberry acres when they plant this fall. Those acres won't bear red fruit until next spring.

Colossal challenges for food suppliers came with the pandemic last year, which affected every stop along the food continuum from farm to table.



Now, as the pandemic moves into its last phase thanks to vaccination, but still unpredictable, it is proving even more challenging for food companies to navigate ever-evolving consumer appetites and a reluctant supply chain.

The list of questions is long, from how many restaurants will reopen and at what pace, to how long many Americans will continue to work from home. Labor shortages and supply disruptions complicate any plans put in place by food companies.



March 2020

Large buyers of berries, such as theme parks and cruise ships, closed abruptly. One customer canceled an order for 15 truckloads of raspberries.

Driscoll's sent \$20 million worth of unwanted fresh berries to be frozen or made into juice, getting as little as 10 cents on the dollar. Some of the excess, growers threw into ditches.

Two months later, demand for Driscoll's berries had recovered, with more profits in stores.

Sales of berries in U.S. grocery stores grew by 8% in the first quarter of 2010

in volume for the 52 weeks ended April 17, compared to year-ago levels, and average prices were up 4%, according to Nielsen data.

Fourteen months after Covid-19, Bjorn believes that the models that once guided him are inadequate to measure how consumers or prices will behave once the pandemic subsides.

He is in near-constant contact with customers such as Costco Wholesale Corp. and Amazon.com Inc.'s Whole Foods Market.



Soren Bjorn

President of the American Division of Driscoll's Inc.

The fertile fields along the California coast are the heart of soft fruit production in the United States.

Strawberries were for a long time the star, but their economics became more difficult as labor costs eroded producers' profits.

Strawberry farmers are operating on low margins:

- **Investment**
68,000 USD per acre*
- **Profit**
2,300 USD per acre*

**One acre is equivalent to 0.4046 hectares.*

Several producers have gone out of business in recent years or have switched fields to blackberries, raspberries and blueberries, as industry insiders call the other three main berries.

Dane Scurich of Scurich Berry Farms Inc. cut his family farm's strawberry acreage by more than 80% over a decade, switching to blackberries. Now, persuaded by Driscoll's optimism, new varieties and strong 2020 yields, he is preparing to expand his strawberry plot by 5 acres, or more than 10%, this fall.



Dane Scurich

President of Scurich Berry Farms Inc.

Other options

Shipping fresh berries over long distances is risky. They can be crushed and rejected upon arrival.

The market for frozen berries is also booming and processors are paying for berries to be frozen.

That means the frozen berry market could draw more fruit and further limit fresh supplies, said Anthony Gallino, vice president of sales for Bobalu Berries, a California grower, packer and processor.

Restaurants and other businesses struggling to break even are looking for a break in berry prices, Bjorn said, while grocery stores that are in an exceptional year are willing to pay to get the fruit they need.

He is eager to support restaurant customers as they rebuild, but he also can't turn his back on shopkeepers, who supported Driscoll's business during the pandemic.

"You feel like you should be able to manage because we've been in this environment for some time," Bjorn said. "However, it feels a little unmanageable."





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 PRODUCEPAY

RESEARCH, ANALYSIS AND DESIGN

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INTERVENTIONS

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June 2021