

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Mexico

**Post:** Mexico

### **Christmas Trees in Mexico - Importers Say Bah Humbug to Tough Season**

**Report Categories:**

Wood Products

Product Brief

Agricultural Situation

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**Report Highlights:**

U.S. Christmas trees have had a tough season in Mexico, as higher prices, the peso depreciation, pest detections, and competition with domestic and artificial trees have all taken their toll. Imports are expected to be significantly less than in previous years.

## General Information:

### Production

Domestic production of Christmas trees has increased over the past several years. Production is promoted by Mexico's National Forest Commission (CONAFOR), part of the Secretariat of Environment and Natural Resources (SEMARNAT). CONAFOR's estimates of planted area vary, but its latest figures indicate that there are 10,000 hectares of Christmas trees planted. Generally each hectare contains between 2,200 and 4,400 trees. It takes approximately five to ten years for each tree to grow to maturity.

Most of Mexico's Christmas tree production is concentrated near the large population centers that support the industry. As of 2008, Mexico City and its metropolitan area accounted for approximately 60 percent of Mexican Christmas tree purchases; unsurprisingly, the surrounding states are the largest producers. Estado de Mexico's environment secretary indicates that the state produces nearly half of the country's Christmas trees. Other states that produce Christmas trees include: Guanajuato, Distrito Federal, Coahuila, Veracruz, Durango, Michoacán, Puebla, Morelos, Tlaxcala, Jalisco, Nuevo Leon, Zacatecas, Hidalgo, Querétaro, Tamaulipas, San Luis Potosí, Sonora, Aguascalientes, and Chiapas.

According to CONAFOR estimates, Mexico has approximately one million Christmas trees available for the 2015 Christmas season. CONAFOR indicates that domestic trees supply roughly 65 percent of total Mexican demand for Christmas trees.

SEMARNAT permission is required to harvest Christmas trees, and consumers are responsible for ensuring that the trees they purchase have the appropriate markings indicating that the trees were approved for harvest.

CONAFOR promotes the Christmas tree industry through its National Forest Program (PRONAFOR). The program is intended to increase the forested area of Mexico, to encourage the productive and sustainable use of forests, and to promote forest conservation and restoration. The program can be used for a variety of purposes, including studies, environmental services, and establishment of commercial forests. In 2014, CONAFOR reported supporting the establishment of 4,551 hectares of Christmas tree production through PRONAFOR (2015 figures are not available).

The primary Christmas tree species produced by Mexico include: *Pinus ayacahuite* (Mexican white pine), *Pinus greggii* (Gregg's pine), *Pinus cembroides* (pinyon pine), *Abies religiosa* (sacred fir), *Picea* (spruce), *Pseudotsuga* (Douglas fir), *Cupressus lindleyi* (white cedar), *Chamaecyparis* (Lawson cypress), and *Platyclusus* (thuja).

### Trade

Based on inspection information from the Federal Attorney for Environmental Protection (PROFEPA), over 895,000 Christmas trees had been imported this season as of December 11, the official end of the annual inspection program. Historically, Mexico has imported Christmas trees from both the United States and Canada. However, Mexico has not imported Christmas trees from Canada since 2009, and the United States has been the sole source of imported Christmas trees since then.

In 2014, Mexico imported 25,850 metric tons (MT) of Christmas trees (HS 0604.2003), valued at U.S. \$22.3 million. This represented a slight decrease in volume, but an increase in value compared to the two previous years.

<b>Mexican Christmas Tree Imports from the United States</b>					
	2010	2011	2012	2013	2014
<b>Volume (MT)</b>	21,755	25,153	28,250	26,708	25,850
<b>Value (USD)</b>	\$12,672,467	\$19,170,813	\$20,130,811	\$20,574,867	\$22,346,222

The import season is October-December. Approximately 75-80 percent of imported Christmas trees enter Mexico in November, with about 20 percent entering in December and a small amount in October. Importers generally purchase the trees from U.S. growers months in advance of the Christmas season. It can be very difficult for importers to obtain additional trees once the season starts. This is due in part to limited availability of additional trees, and also due to phytosanitary requirements that mandate that imported trees be treated three to six weeks prior to harvesting and shipment.

According to Mexico City importers, the 2015 season has been much less successful than previous years. High prices for U.S. trees, coupled with the approximate 18 percent depreciation of the Mexican peso between November 2014 and November 2015, have made imported Christmas trees much more expensive. Importers estimate the price increase at 200 to 400 pesos per tree. Mexico is a very price-sensitive market, and sales have declined significantly as a result of higher prices. The city's largest Christmas tree importer indicated that the company was importing only 40 percent of the volume imported in 2014.

The main imported species are Douglas fir and Noble fir. Despite being more expensive, importers indicate that the Noble fir is more popular with consumers for its perceived quality and larger size. Noble fir is not grown domestically.

Anecdotal evidence suggests that there has been a higher rate of rejections at the border due to pest issues in the 2015 season. As of December 11, PROFEPA indicated that 18,164 trees from the U.S. had been rejected due to quarantine pests, double the number rejected in 2014. This represents a rejection rate of approximately 2 percent. Media reports indicate that the most commonly found pests were weevils (*Cylindrocopturus furnissi*, *Otiorynchus rugosostriatus* and *Pissodes strobi*).

All imported trees must be inspected by PROFEPA for compliance with NOM-013-SEMARNAT-2010, which establishes the list of quarantine pests on imported Christmas trees. For additional information regarding this regulation, please see [MX0085](#).

## **Consumption and Marketing**

Domestic consumption of Christmas trees is estimated at 1.5-2 million trees per year. As noted above, the domestic industry is supplying an increasing proportion of total demand. Government agencies and producers promote fresh trees as being better for the environment; they improve air quality, reduce illegal deforestation, and biodegrade much more quickly than artificial trees. Nevertheless, a 2009 survey by the Federal Attorney's Office of Consumers (PROFECO) indicated that 81 percent of respondents purchased artificial trees.

According to media reports, average Mexico City retail prices for Christmas trees for the 2015 season range from 300 to 800 pesos. However, more expensive varieties such as imported Noble firs can cost in excess of 1,000 pesos. Artificial trees can cost from 200 pesos to 2,500 pesos. On average, press reports indicate that an artificial tree can cost approximately twice as much as a similarly sized fresh tree.

In the past several years, there have been a few companies in Mexico City and other metropolitan areas offering Christmas trees for rent. The trees are delivered to customers' homes in pots, and then collected and replanted following the Christmas season. However, supplies are low and prices are significantly higher than for cut trees, and this service's share of the Christmas tree market remains small.