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Mexico to Revise Christmas Tree Requirements as 2016 Imports Fall

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Report Highlights:

On December 15, 2016, Mexico's Secretariat of Environment and Natural Resources (SEMARNAT) published draft modifications to the regulation (NOM-013-SEMARNAT) establishing phytosanitary requirements for imported Christmas trees. Key changes include the addition of ten new quarantine pests. Mexico imported 709,336 Christmas trees during the 2016 season, primarily from Oregon. Importers report that high prices suppressed sales this season.

General Information:

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

Mexico Publishes New Draft Phytosanitary Requirements for Christmas Trees

The Secretariat of Environment and Natural Resources (SEMARNAT) is the Mexican federal entity responsible for establishing the phytosanitary requirements to regulate imported Christmas trees. These regulations are implemented by the Office of the Attorney General for Protection of the Environment (PROFEPA), SEMARNAT's operating arm, in the form of inspections of each shipment at the port of entry.

SEMARNAT has been in the process of revising the current Christmas tree import requirements outlined in NOM-013-SEMARNAT-2010 throughout 2016. This process is required every five years for all official NOM regulations according to Mexican law. On December 15, 2016, SEMARNAT published the [resulting draft regulation](#) in Mexico's *Diario Oficial* (Federal Register) for public comment. The primary changes proposed by SEMARNAT are to increase the sampling rate from 1.5 percent to 2 percent, and to add ten new quarantine pests to the regulation. Mexican officials indicate that these new pests are ones that have actually been detected at ports of entry during PROFEPA inspections. The new pests are:

- *Barypeithes pellucidus*
- *Lepesoma spp*
- *Magdalis spp*
- *Nemoscestes spp*
- *Otiorhynchus rugosostriatus*
- *Synanthedon spp*
- *Pissodes fasciatus*
- *Polistes dominula*
- *Sciopithes spp*
- *Steremnius sp*

Note that new pests *Pissodes fasciatus*, *Polistes dominula*, *Sciopithes spp*, and *Steremnius sp* were inadvertently omitted from the draft regulation published in December, as were *Orgya pseudotsugata*, *Pissodes strobi*, and *Rhyacionia bouliana*, which are already included in the current version of the regulation. SEMARNAT plans to submit comments on the regulation to propose adding these pests back into the final version.

These proposed changes are intended to address concerns regarding increased pest detections at the ports of entry. However, the new regulation does not make any changes to the treatment requirements for imported Christmas trees, which include treatment with pyrethroids three to six weeks before cutting and mechanical shaking for at least 15 seconds at 700 revolutions per minute in the place of origin. Shipments must be accompanied by a phytosanitary certificate with an additional declaration stating (in Spanish): “The trees in this shipment have been inspected, were chemically treated, submitted to a process of mechanical shaking, and are found free of quarantine pests for Mexico in conformity with NOM-013-SEMARNAT-2017.” This new language is a modification from the current declaration, which does not specifically mention chemical treatment or mechanical shaking.

The official comment period for the draft NOM closes on February 13, 2017. However, Mexico has also notified this regulation to the World Trade Organization for input from trading partners, and comments may be submitted to the Secretariat of Economy under that notification until March 12, 2017. For additional information, please see WTO notification [G/SPS/N/MEX/310](#).

Import Volumes Down in 2016 as Oregon Remains Primary Supplier

Importers indicate that 2016 was a difficult season due to both pricing and phytosanitary issues. Anecdotal reports indicate that prices for imported Christmas trees were 70 percent higher this season compared to 2015, due to higher prices for U.S. trees in general and to the falling value of the Mexican peso versus the U.S. dollar. The average exchange rate was 17.09 MXN per USD in December 2015, compared to 20.52 MXN per USD in December 2016; a change of approximately 20 percent. The fairly rapid change in the exchange rate between October and December 2016 may have had a particularly sharp impact on imports and sales, as many consumers that traditionally purchase imported Christmas trees were unable to afford them in 2016. As a result of these factors, private sector sources indicate that most importers were unable to sell their entire stock of trees for the first time in recent memory. Inspection data indicates that Mexico imported nearly 27 percent fewer Christmas trees in 2016 compared to 2015.

Source: PROFEPA

PROFEPA Inspections of Imported Christmas Trees

	2015	2016
Trees Inspected	985,610	740,223
Trees Returned	18,164	30,887
Total Imported	967,446	709,336

Private sources also
PROFEPA appeared to
phytosanitary
strictly in 2016, an

indicated that
be enforcing
requirements more
impression that is at

least partially supported by official data. As noted in the table above, during the 2016 import season (November 3-December 9), PROFEPA inspected shipments containing 740,223 Christmas trees. Of these, 30,887 trees (37 shipments) were returned due to the presence of quarantine pests, a rejection rate of approximately 4.2 percent. In comparison, the rejection rate for 2015 was just 1.8 percent.

Just prior to the 2016 import season, SEMARNAT sent an instruction to inspectors indicating that the number and species of trees in a shipment must correspond exactly to the number and species of trees that appear on the phytosanitary certificate, or the shipment would be denied entry. There is no tolerance for any discrepancy. While SEMARNAT indicates that this policy did not result in any rejections in 2016, importers report that the change did reduce their flexibility and created some logistical difficulties in shipping trees to Mexico this season. The requirement for shipments to coincide

exactly with the phytosanitary certificate is not explicitly included in the draft regulation described above; however, this policy is expected to continue. Traders should be aware of this requirement and should take appropriate measures to ensure that their certificates reflect the exact number and species of the shipment.

**Value of Mexican Christmas Tree Imports in U.S. Dollars
(HS 0604.2003)**

	2012	2013	2014	2015	2016
United States	20,130,513	20,574,867	22,346,222	22,642,159	20,952,396

Source: Secretariat of Economy

According to SEMARNAT, major ports of entry for Christmas tree imports are, in order of importance: Mexicali, Baja California; Nogales, Sonora; Tijuana, Baja California; Colombia, Nuevo Leon; San Luis Rio Colorado, Sonora; and Nuevo Laredo, Tamaulipas.

As in previous years, the State of Oregon remains the primary provider of imported Christmas trees in Mexico. While some vendors at Mexico City’s largest cut flower market claimed to be selling trees imported from Canada, importers and Mexican officials confirmed that this is inaccurate. This misrepresentation could be due to confusion over the fact that Mexico uses the common name “Canadian pine” for certain species of pine; alternatively, importers indicate that apparent consumer preference for Canadian trees may lead some vendors to intentionally or unintentionally mischaracterize their wares. Nevertheless, official import statistics confirm that Mexico has not imported trees from any country other than the United States for several years.

For additional information regarding the Mexican Christmas tree market, including an overview of domestic Christmas tree production, please see GAIN Report [MX5058](#).

For More Information: Visit the FAS home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does not in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the aforementioned sites.