

Challenges Facing Texas Pecans in the Mexican Market

Luis A. Ribera
Professor and Director
Center for North American Studies
Texas A&M University

Texas Pecan Growers Conference, July 31, 2023

Outline

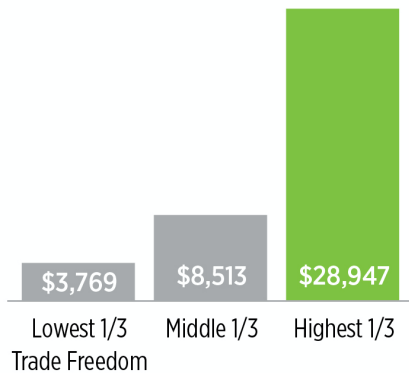
- Freedom and Trade
 - U.S. and Texas Pecan Trade
 - Challenges in the Mexican Market
-

Results of Trade Freedom

Nations with More Trade Freedom Also Have ...

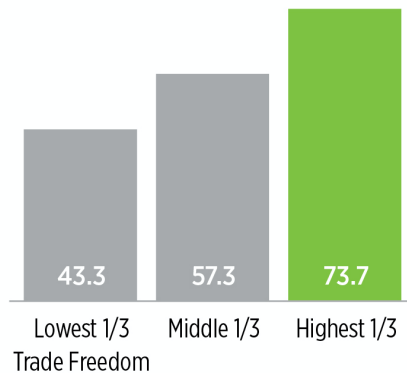
... Higher Average National Income

Average National Income



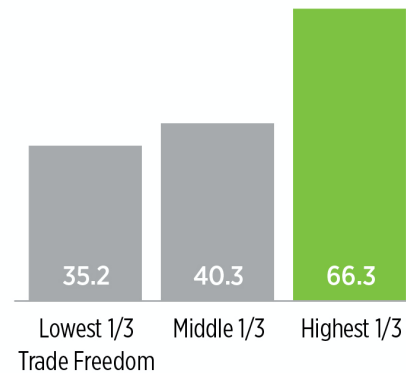
... More Food Security

Higher scores indicate more food security



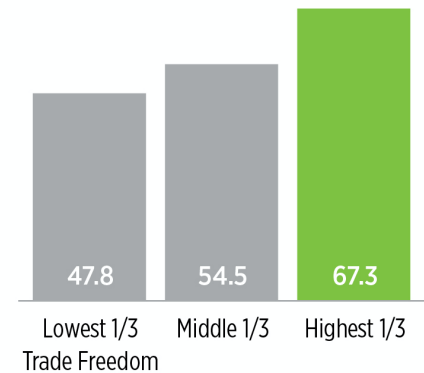
... More Political Stability and Less Violence and Terrorism

Higher scores indicate more political stability and less politically motivated violence and terrorism



... Healthier Environments and Less Polluted Ecosystems

Higher scores indicate better environmental protection



SOURCES: World Bank, The Economist Intelligence Unit, Yale University, and The Heritage Foundation's 2020 Index of Economic Freedom (forthcoming 2020).

Consumer Expenditures Spent on Food, 2021

	Country/Territory	Share of consumer expenditures		Consumer expenditures ³	Expenditures on food ²
		Food ²	beverages and tobacco		
		Percent		U.S. dollars per person	
1	USA	6.7	1.9	45,898	3,070
2	Singapore	8.4	2.0	22,639	1,893
3	United Kingdom	8.7	4.0	27,934	2,418
4	Ireland	9.2	5.5	23,241	2,148
5	Switzerland	9.9	3.5	43,462	4,313
27	Panama	15.7	1.7	7,937	1,245
30	Brazil	16.3	1.7	4,443	722
36	Chile	18.5	3.4	9,764	1,807
37	Colombia	18.6	3.5	4,338	807
39	Uruguay	18.8	1.3	10,364	1,951
52	Argentina	23.2	1.9	6,443	1,495
56	Mexico	26.2	3.6	6,690	1,754
57	Ecuador	26.3	0.8	3,741	984
59	El Salvador	26.5	0.5	3,903	1,035
60	Peru	26.6	2.4	4,214	1,121
61	Dominican Republic	26.8	3.8	6,247	1,674
70	Bolivia	29.2	2.1	2,261	660
73	Paraguay	30.3	4.2	3,712	1,124
75	Costa Rica	31.6	0.7	8,412	2,656
76	Honduras	31.9	4.9	2,230	712
83	Guatemala	34.6	1.3	4,291	1,485
103	Myanmar	56.6	0.6	886	502
104	Nigeria	59.0	1.0	1,269	749

Pecan Trade

Estimated US Pecan Production

Estimated Annual Pecan Production for U.S. States, Metric Tons*

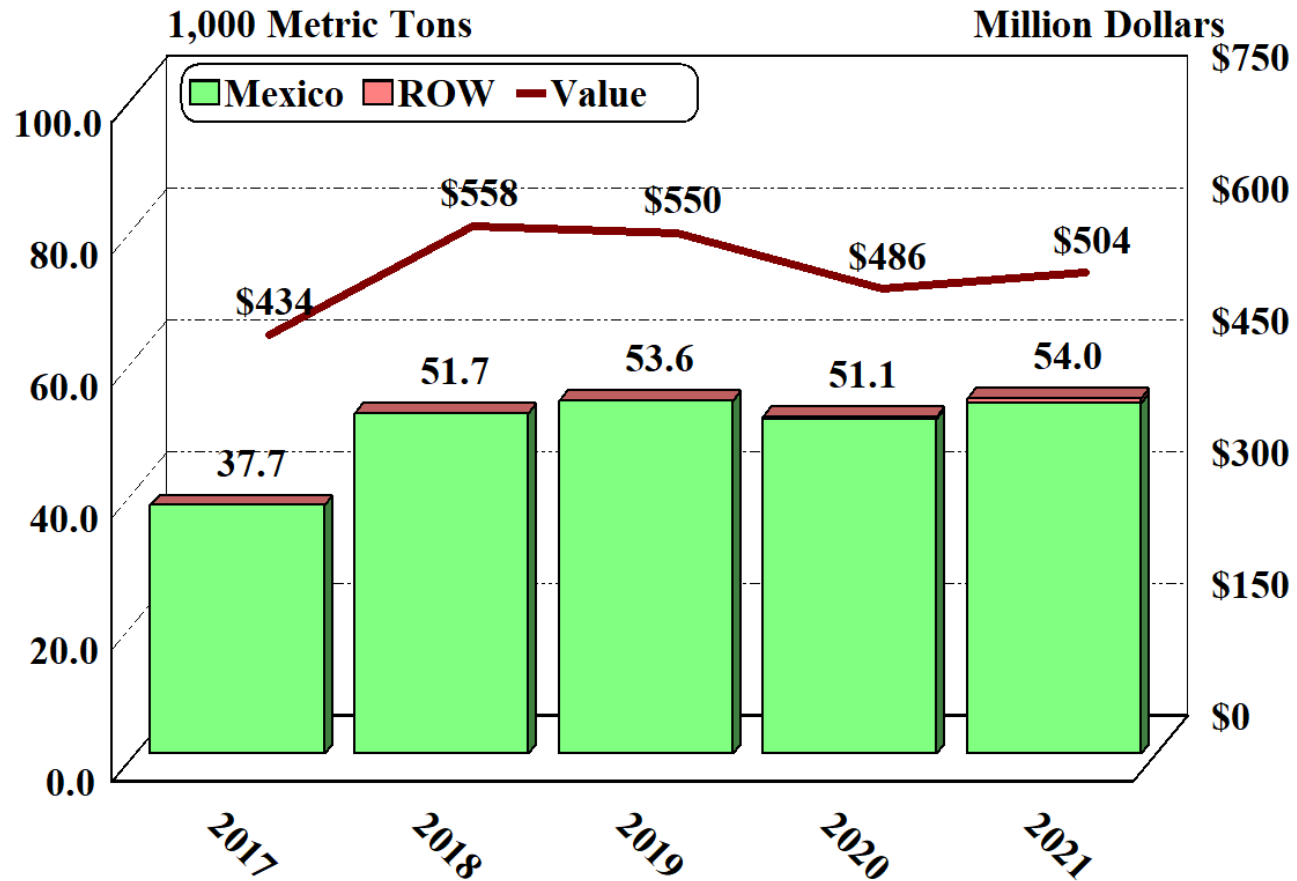
	2017	2018	2019	2020	2021
Arizona	12,698	12,644	16,372	13,238	18,558
Georgia	48,526	31,728	33,113	66,848	40,180
New Mexico	41,723	40,408	39,796	35,714	35,673
Oklahoma	6,349	4,082	9,592	3,059	5,116
Texas	22,222	15,238	17,016	18,961	16,213
Other States	6,735	5,138	-	-	-
U.S. Total	138,254	109,238	115,888	137,821	115,740

Source: National Agricultural Statistics Service, NASS/USDA

Production is estimated using data on acres bearing pecans and production per acre

U.S. Shelled Pecan Imports

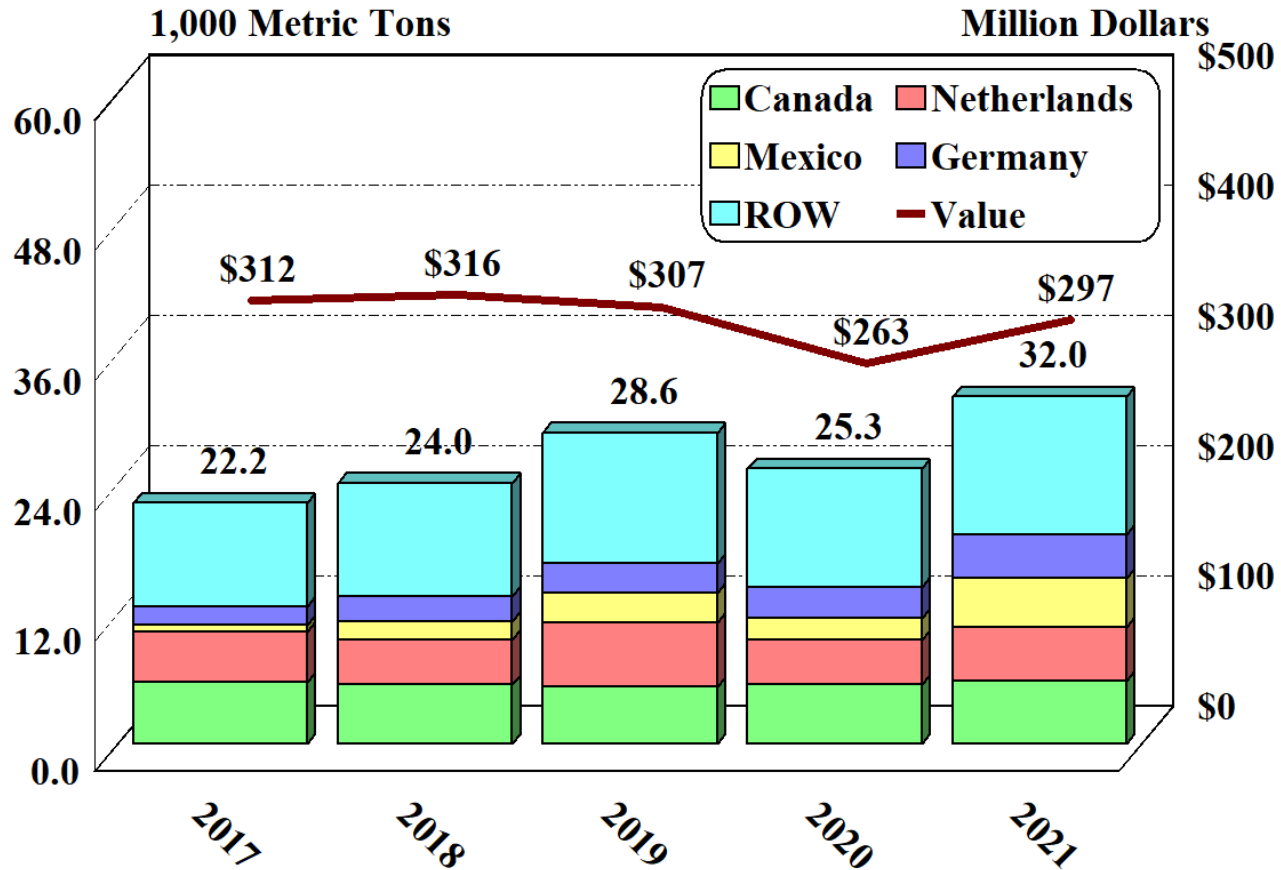
U.S. Shelled Pecan Imports, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

U.S. Shelled Pecan Exports

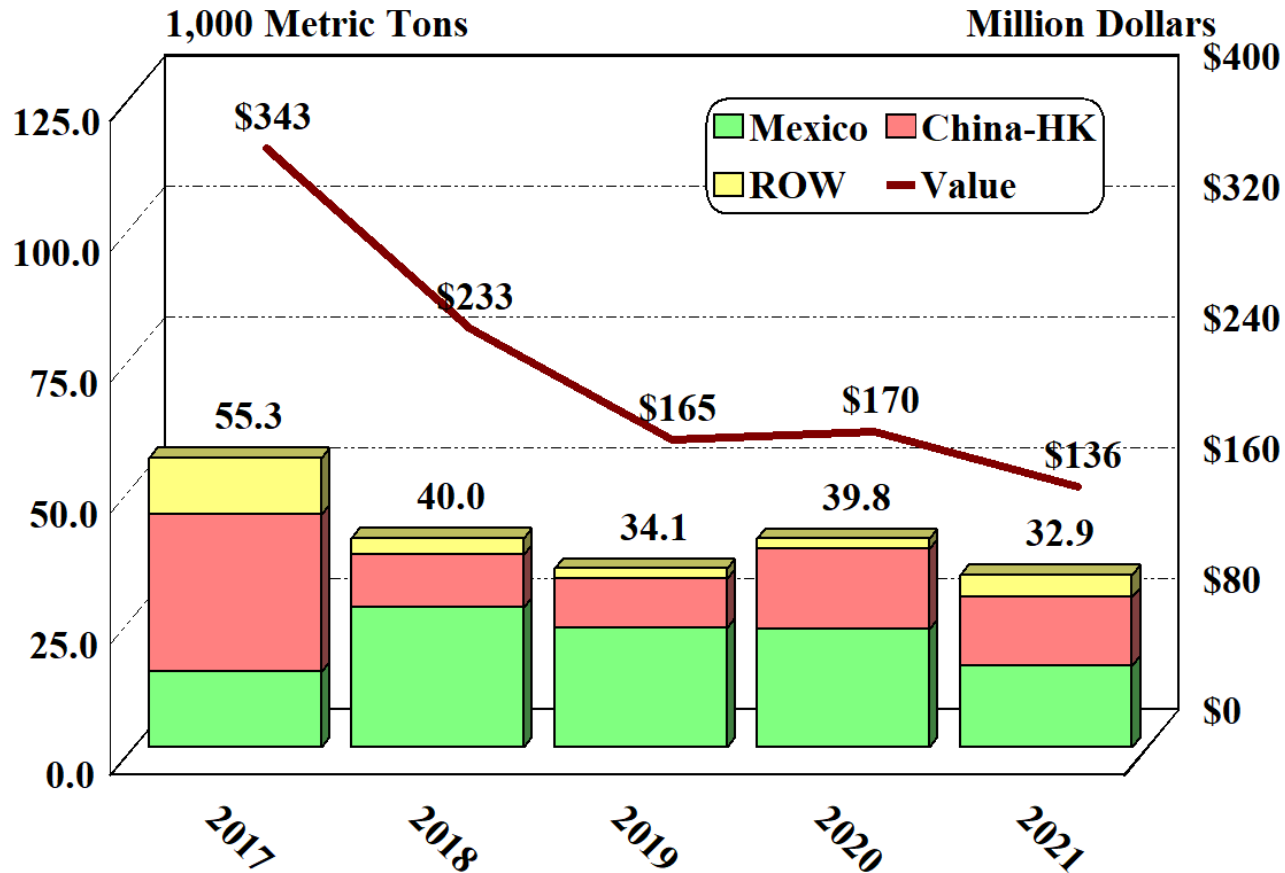
U.S. Shelled Pecan Exports, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

U.S. In-shell Pecan Exports

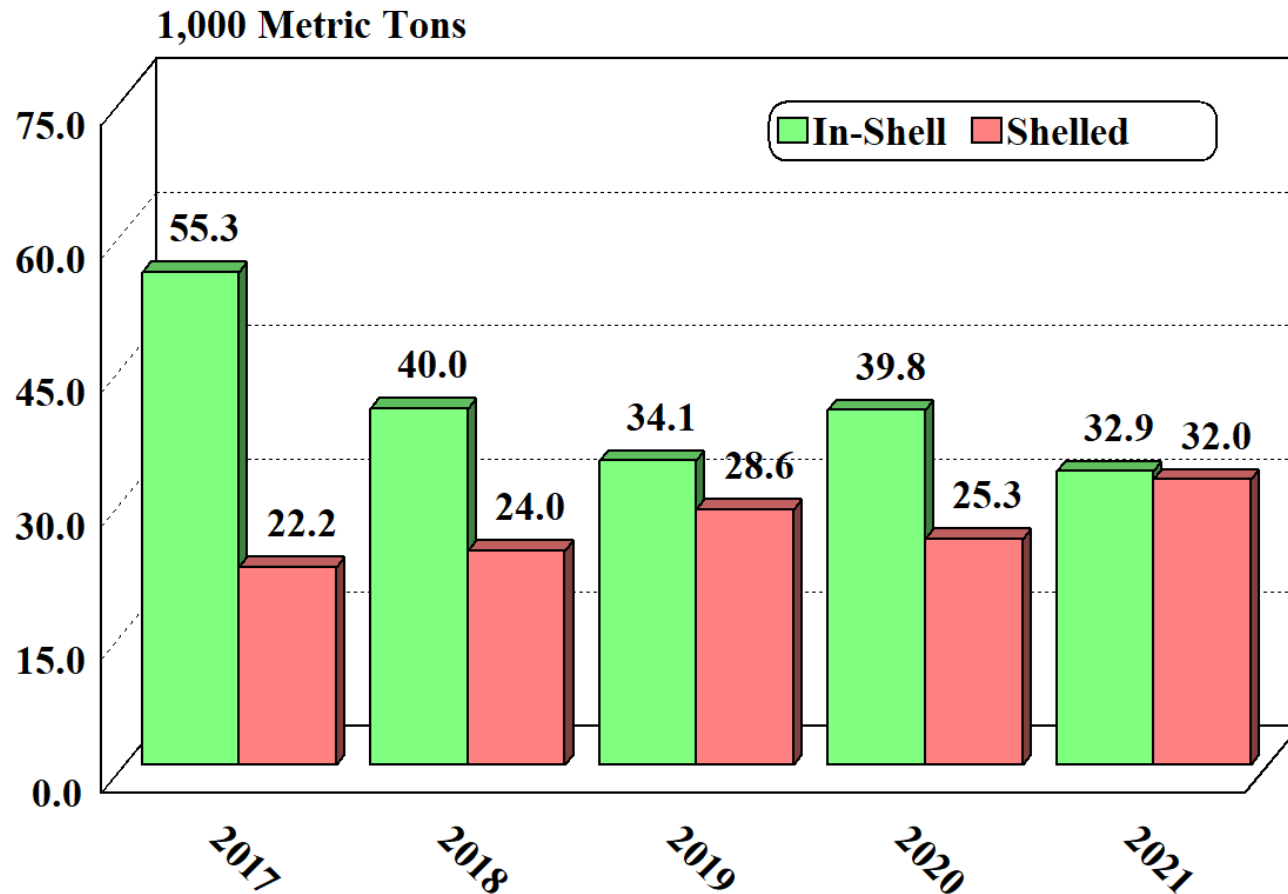
U.S. in-shell Pecan Exports, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

U.S. Pecan Exports

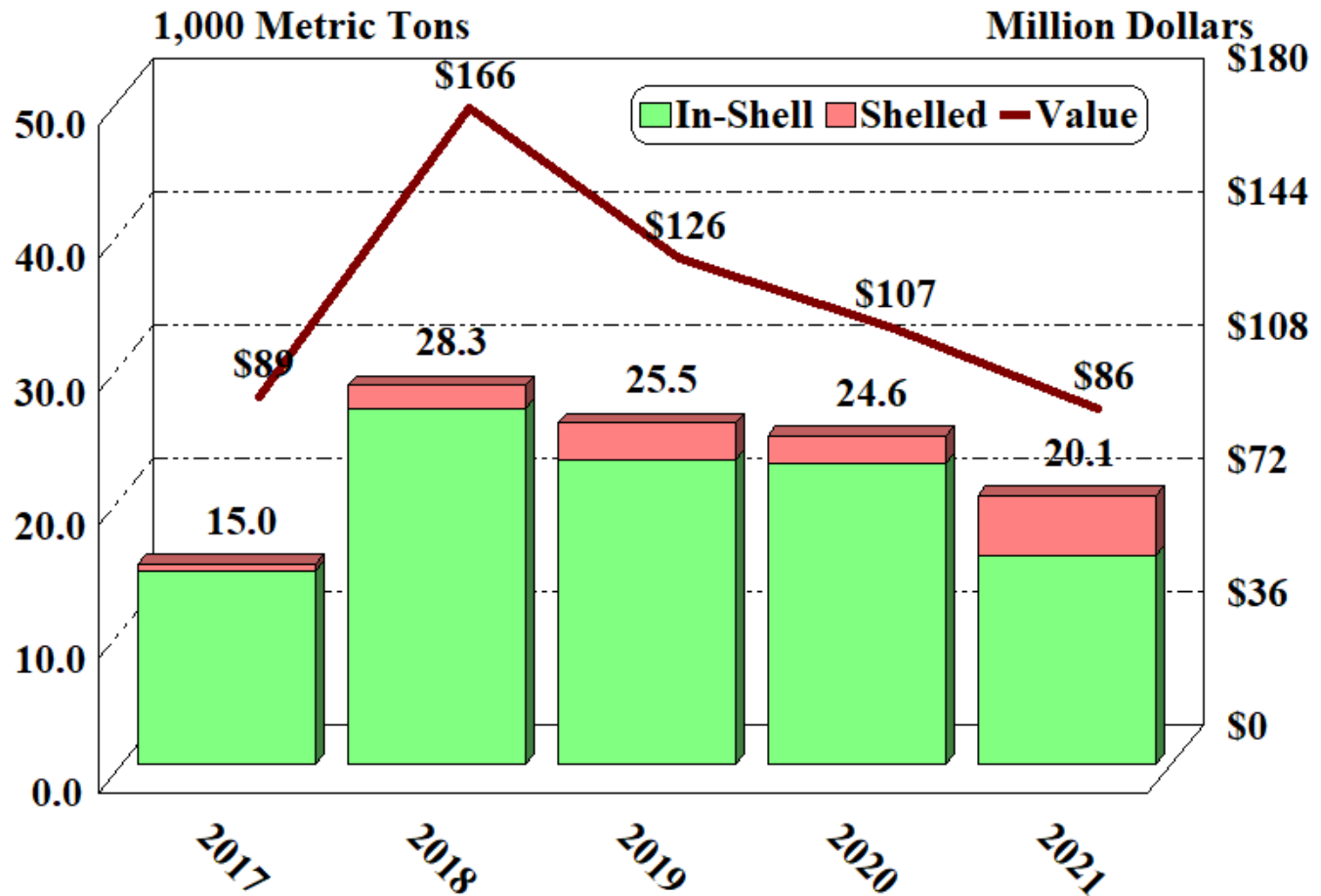
U.S. Pecan Exports, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

U.S. Pecan Exports to Mexico

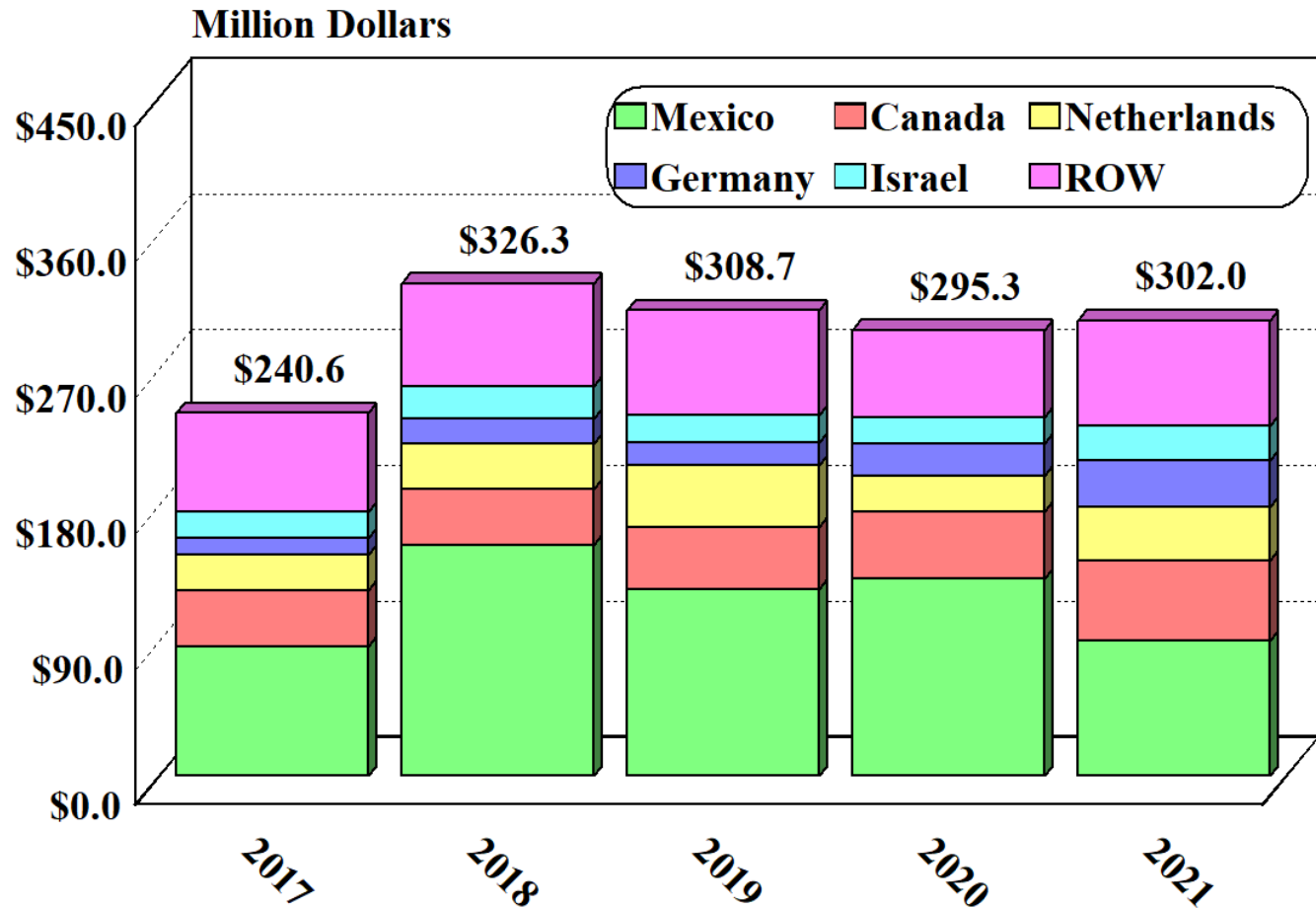
Total U.S. Pecan Exports to Mexico, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

Texas Pecan Exports

Texas Pecan Exports*, 2017 - 2021



Source: Global Agricultural Trade System (GATS), USDA/FAS

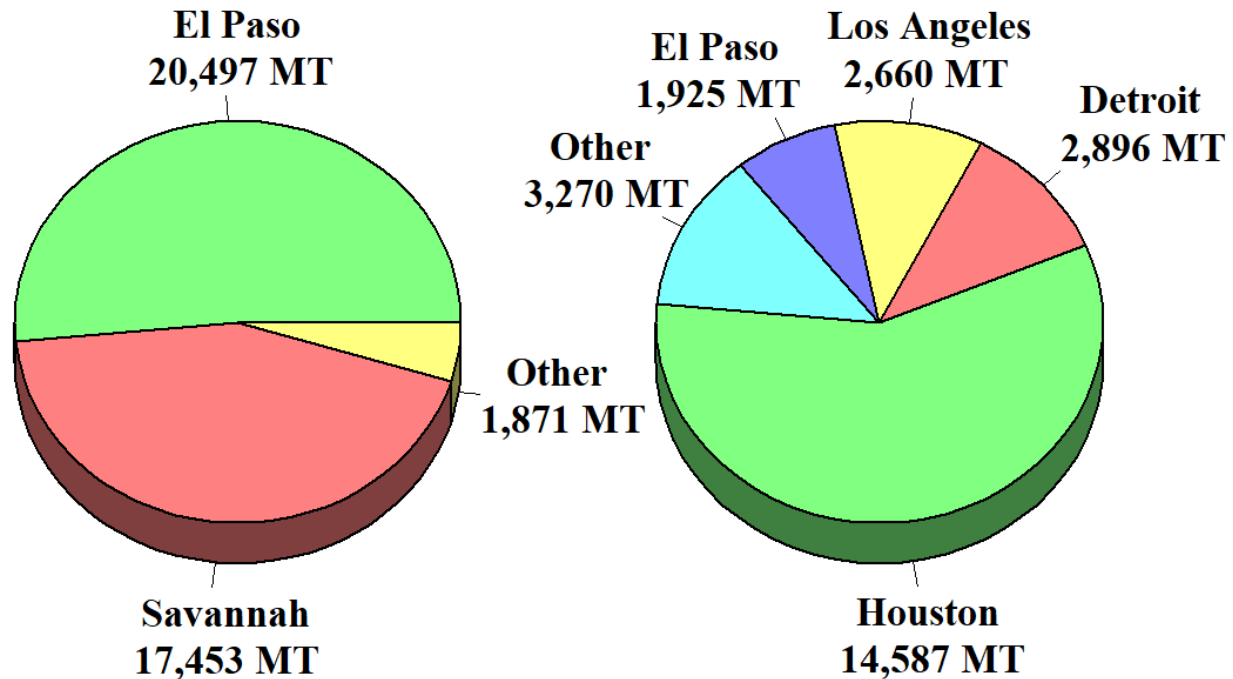
*- State export data not specific to in-shell/shelled

U.S. Pecan Exports by Port District

U.S. Pecan Exports by Port District, MT, 2020

In-Shell Pecan Total:
39,821 MT

Shelled Pecan Total:
25,336 MT



Challenges to the Mexican Market

Challenges

- Pecan Weevil Quarantine
 - Acceptance of Lower Grade Pecans
 - Shipment Issues Across Ports
-

Pecan Weevil Quarantine

- Mexico has quarantine on multiple U.S. states, now from Georgia to most of Texas
 - Only five counties in Texas granted quarantine relief: Culberson, El Paso, Hudspeth, Jeff Davis, and Presidio
 - AR, CA and NM have no quarantine except Otero County in NM
-

Pecan Weevil Quarantine

- Texas SPS regulations allows in-shell pecans from quarantine areas after cold storage treatment or hot water bath
- Eligible pecan exports to Mexico are required similar cold storage treatment or a methyl bromide fumigation by TDA
- Dr. Marvis Harris study showed that weevils were unable to survive in -20°C or -4°F for a minimum of 30 hours (Harris, 1973)

Pecan Weevil Quarantine

- TDA requires -17.78°C for seven days
- Dr. Luis Aguirre, former SENASICA Director and Dr. Harris' former student agrees
- Both APHIS and SENASICA certify that the cold treatment eliminates the presence of weevil
- After cold storage treatment in-shell pecan eliminates the risk of weevil infestation

Acceptance of Lower Graded Pecan

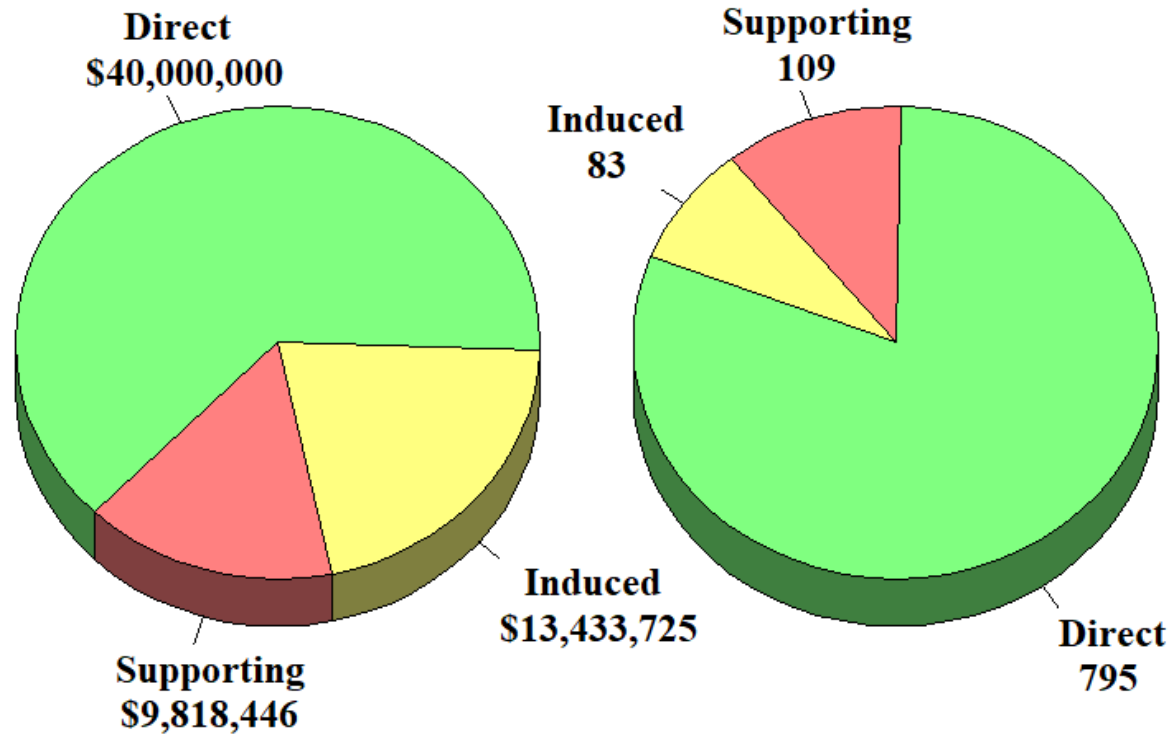
- Around 20% of production fall into this lower quality categories
 - Currently, there's no additional requirements of these lower quality pecans by APHIS or SAGARPA
 - They should follow same requirements as in-shell pecans
 - Average economic impact of \$11.1 million and support 159 jobs
-

No. 2 Pecan Exports from Texas

Maximum Impact of No. 2 Pecan Exports from Texas

Value Generated:
\$63,252,171

Jobs Supported:
988 Jobs



Source: IMPLAN Model Estimation

Shipment Issues Across Ports

- Two authorized ports: El Paso-Juarez and Del Rio-Acuña
 - Since Del Rio falls outside the non-quarantine zone pecans grown near are not eligible for export
 - What about Presidio-Ojinaga?
 - Lack of infrastructure on the Mexican side
-

Conclusions

- Pecan exports to Mexico are important to U.S. and Texas
 - Cold storage highly effective in eliminating the presence of weevil
 - Lower quality pecan has potential to grow
 - Lack of infrastructure on Mexican side prevents pecan exports through Presidio-Ojinaga port
-

Questions

Luis A. Ribera

Professor and Extension Economist

Texas A&M AgriLife Extension Service

lribera@tamu.edu

Phone: 979-845-3070

 **@cnastamu1**

TEXAS A&M
AGRI LIFE
EXTENSION



<http://cnas.tamu.edu/>
