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Food exports surpass oil for Mexico

May 11, 2016

MEXICO CITY — Mexican food exports are key to the future of the country, according to the country's top agriculture official.

José Calzada heads SAGARPA, which is the national secretariat for agriculture, ranching, rural development, fish and nutrition. In late April, Calzada sat for an hour with *The Produce News* in his office, here, to discuss the bright future that is emerging for his nation's food industry.

In U.S. dollars, "We had \$26.6 billion in agricultural exports to the world last year," he said. "Of that amount, \$22.9 billion were sales to the U.S. market. We export \$60 million a day to the U.S. The U.S.



market is huge.” Raúl Urteaga, general coordinator for international affairs, and José Calzada, Mexico’s secretary of agriculture, in Calzada’s SAGARPA office in Mexico City.

In 2015, according to SAGARPA figures, the United States received 80.1 percent of Mexican agri-food and fisheries exports.

Canada ranks second to the U.S. market, receiving \$1.5 billion a year from Mexico. The European Union is third and Japan has become the fourth-largest importer of Mexican agricultural products.

“Now, the amount of resources we get from Mexican ag products is bigger than oil or tourism,” he said. “Agriculture is not only an important part of Mexican exports but is strong and growing. We continue to invest in technology and the mechanization of Mexican land. We are moving from traditional agriculture to a lot more mechanization and technological ways of producing. That makes a difference in value.”

Previously, Mexico’s department of agriculture spent a large part of its budget to support “very traditional” agriculture. “Now most of the budget goes to support technology. We support greenhouse construction to access better infrastructure.”

The world’s agricultural producers will need to provide for population growth by producing 70 percent more food in 2050 than is grown today. To work in that direction, “We plan to be the 10th largest food producer in the world in the next 10 years. If we keep growing 5 or 6 percent per year, we will make it. We think we will grow by 4.5 percent this year.

“The future of Mexican agriculture is very positive,” Calzada continued. “We are investing in the right places and are delivering the message that investing in agriculture is a good business. We need a lot of young people. Many of left the fields for the cities. We need for them to strategically move back for the Mexican economy and social wellness. We have 25 million people in rural areas and 7 million work in the fields.”

Although agriculture is competing against automobile manufacturers for labor, “We have enough workers if we pay them right,” said Calzada.

The growth of labor needs in Mexican agriculture certainly involves the need for many with advanced education and technical expertise, he added. Food safety, phytosanitary standards and advances in traceability are already big contributors to recent export gains.

Calzada added that SAGARPA's quality branding program, Mexico Calidad Suprema, "is an asset to our producers and provides the motivation" to produce foods of the highest quality and safety standards.

A new sector of Mexico is the rapidly expanding production and export of organic produce. "Organics are expanding and are big in the world," he said. "The U.S. and E.U. have the biggest organic interest."

In mid-May Calzada and Raúl Urteaga, SAGARPA's general coordinator for international affairs, were scheduled to take a Middle East trade tour. The pair was taking 46 producers to visit Saudi Arabia, the United Arab Emirates, Kuwait and Qatar. Two Mexican chefs were to accompany the party to highlight Mexican cuisine in the work to increase the exports of Mexican fresh produce, canned fruit, beef, tuna and other fish.

In June the SAGARPA leaders are taking another group to promote ag exports to China. In 2014, Mexico exported agricultural products worth \$2.5 million to the Chinese market. That figure is expected to reach \$100 million in five years, according to Calzada. A twice-weekly air connection from Guadalajara to Chicago and then to Hunan, China, is key to achieving that goal, and Chicago may eventually be dropped in favor of a direct route to China from Mexico.

Avocados are the fastest-growing Mexican export food for China. Berries, pork and beef are also important, as is tequila, which also is counted as part of Mexico's ag exports.

Currently, 30 million blue agave plants are growing in Mexico's warm soil. Each plant will produce five or six liters (1.5 gallons) of tequila. This allows Mexico to export 400 liters (106 gallons) of tequila a minute, according to Calzada. Tequila industry leaders proudly showed *The Produce News* how it is premium tequila that is building rapid growth.

Mexico's Pacific seaport of Manzanillo lends direct sea access to Asia. To mention just one relevant commodity, Japan and Korea are strong buyers of Mexican lemons.

Agricultural products have surpassed petroleum exports in value for Mexico. Only the automobile industry is a greater-value export item for the country, Calzada said.

As the next step of development in the produce industry, investment is needed in the processing and value-added sector, said Calzada.

"We have the labor and we are investing in technology and infrastructure" needed to meet the top standards of foreign buyers, he said. "Technology has changed the products we produce. Years ago we did not have greenhouses. Now we have increased the value of the product in Mexico. We have increased trade with countries which didn't trade with us years ago."

