

U.S. Imports of Mexican Orange Juice and the NAFTA Quota

This report updates the situation regarding U.S. imports of Mexican orange juice under NAFTA. Mexico's orange and orange-juice production is briefly reviewed, followed by presentation of updated data on U.S. imports of Mexican orange juice.

In recent years, Mexican orange production has leveled off after recovering from the 1980 freezes. In 1994-95, Mexico's orange production is estimated at 66.1 million boxes. The record orange production level is 71.4 million boxes in 1992-93.

About 10% to 15% of Mexico's orange crop is utilized for processing, with the remainder utilized fresh, mostly in the domestic market.

Orange-juice production in Mexico has increased in recent years and is expected to be 55.7 million SSE gallons in 1994-95, up 21.2% from last season. Most of Mexico's orange juice is exported. In recent years, exports have accounted for more than 90% of Mexico's orange-juice shipments. Most of Mexico's orange-juice exports are shipped to the U.S.

The NAFTA quota for U.S. imports of Mexican orange juice (44.1 million SSE gallons) is 91.7% filled as of July 16, 1995, based on data from the U.S. Department of Commerce's Quota Branch.

Data on all U.S. imports of Mexican orange juice are not as current as the quota data. For the January through May period, U.S. imports of Mexican orange juice in 1995 are up 74.3% from last year. Monthly imports in 1994 were high in the first part of the year and then declined as the year progressed. Imports in 1995 appear to be following the same declining pattern.

In April, the Agricultural Attache indicated that 1994-95 Mexican exports of oranges were expected to increase about 5.6% from the previous season's level. Given the U.S. receives most of Mexico's orange-juice exports, this would suggest a sharp decline in U.S. imports of Mexican orange juice in the remaining months of 1995. However, devaluation of the pesos this year has made it more profitable to utilize oranges for processing in Mexico, and more oranges may be made into orange juice than estimated by the Agricultural Attache. To the extent this occurs, Mexican orange-juice production and exports to the U.S. in 1995 could be higher than estimated.

If you have any questions, please contact [Dr. Mark G. Brown](#)