

U.S. Lime Market Report: 2021–2022

International Fresh Produce Association is committed to providing members with relevant market data and insights to guide their business considerations and decisions. This paper discusses the lime market in the United States from August 1, 2021, to July 31, 2022. The data was collected and analyzed by Ag Tools.

“The 2021–2022 U.S. lime market produced two records. The season featured the highest volume traded in a week in the prior 10 years, and prices reached never-seen-before levels.”

– Joe Watson, IFPA Vice President Of Retail, Foodservice, Wholesale Membership

Limes are a nutrient-rich, popular citrus fruit used in a variety of cuisines, especially Mexican, Vietnamese, and Thai. Lime prices rose throughout 2022 due to global demand as well as quality and supply chain issues, and supply chain issues. At the same time, lime supply in the United States increased by 25–30% over 2021, but prices did not drop. Consumers see a multi-year cycle where continued high demand will support higher prices.

Mexico is the world’s largest lime producer; Colombia takes a distant second place. These two countries predominantly supply the world’s top two lime markets – Europe and the United States. Of the two, Mexico is the dominant U.S. supplier at 92%. During the study period, Mexican lime volume to the United States dropped 3%. However, because of Mexico’s dominant market share, this provided only a small benefit to other suppliers.

Prices reached historic levels in all U.S. and export markets. Price pressure began in December 2021, and prices peaked in April, falling in May to prior-year averages.

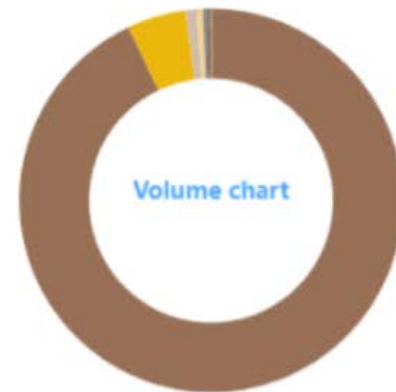


SUPPLIER VOLUME BY REGION: 2021-2022

USA Volume Report

Location	Volume Lbs	Description	Var. %
MEXICO	1,383,587,462	43,838,656 lbs less than same period 2020-2021	-3.07%
COLOMBIA	73,474,132	29,917,909 lbs more than same period 2020-2021	68.69%
PERU	14,200,214	11,360,769 lbs more than same period 2020-2021	400.11%
HONDURAS	7,318,659	1,625,079 lbs more than same period 2020-2021	28.54%
GUATEMALA	6,097,335	4,505,231 lbs more than same period 2020-2021	282.97%
DOMINICAN REPUBLIC	3,017,239	2,558,984 lbs more than same period 2020-2021	558.42%
ECUADOR	926,455	572,095 lbs less than same period 2020-2021	-38.18%
CHILE	217,960	108,910 lbs more than same period 2020-2021	99.87%
EL SALVADOR	138,696	91,836 lbs more than same period 2020-2021	195.98%
Total:	1,488,978,152		

Range: 2021-08-01 to 2022-07-31



■ MEXICO
 ■ COLOMBIA
 ■ PERU
 ■ HONDURAS
 ■ GUATEMALA
 ■ DOMINICAN REPUBLIC
 ■ ECUADOR
 ■ CHILE
 ■ EL SALVADOR

<https://www.ag.tools>

Despite supply fluctuations, Mexico’s lime exports reached 1.4 billion pounds in this period, down a little more than 3% (43.8 million pounds) from the prior year – resulting in a 92% U.S. market share. Second-place supplier, Colombia, offered more than 73.4 million pounds, up more than 68% with a market share of almost 5%. Peru is the third-highest U.S. lime supplier, with more than 14.2 million pounds, about 1% of the market. Although new regions had significant growth, their contribution to the market is small, due to Mexico’s supply dominance.



GROWTH AND MARKET SHARE BY REGION

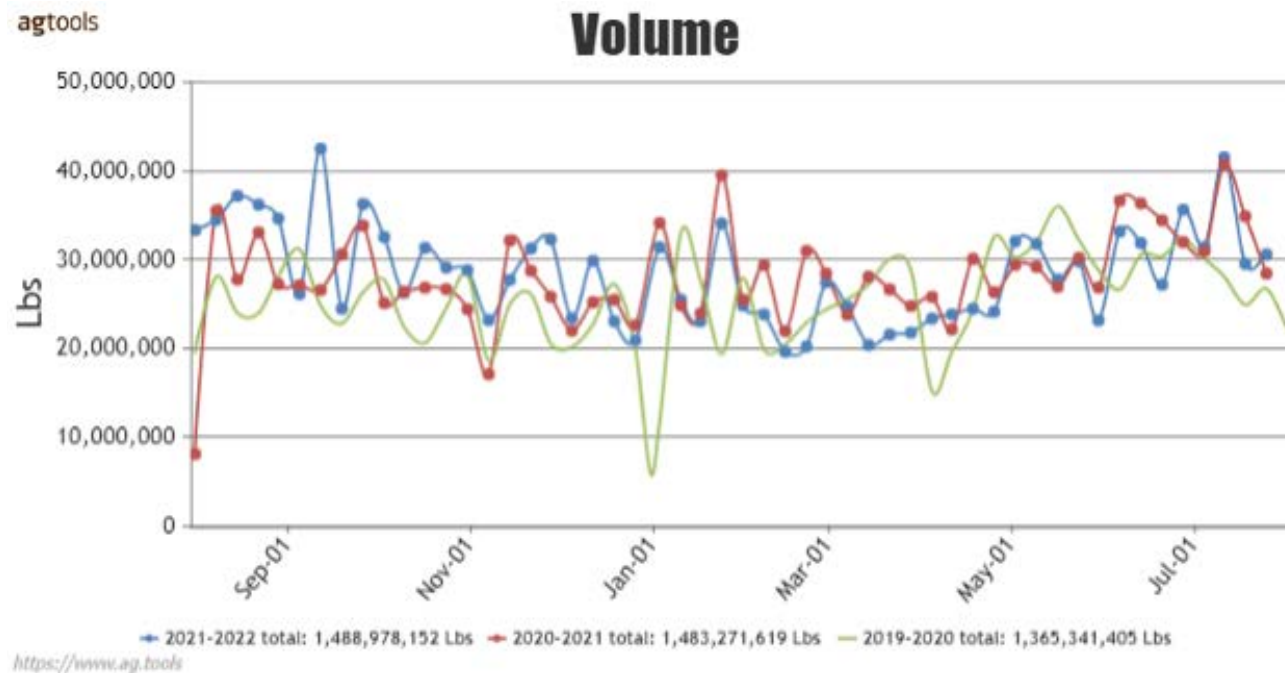
COMPARATIVE GROWTH OF LIMES FROM AUGUST 1ST 2021 THRU JULY 31ST 2022						
REGION	2021-2022	PART %	VAR LBS	VAR %	2020-2021	PART %
Mexico	1,383,587,462	92.9%	(43,838,656)	-3.1%	1,427,426,118	96.2%
Colombia	73,474,132	4.9%	29,917,909	68.7%	43,556,223	2.9%
Peru	14,200,214	1.0%	11,360,769	400.1%	2,839,445	0.2%
Honduras	7,318,659	0.5%	1,625,079	28.5%	5,693,580	0.4%
Rest of the regions	10,397,685	0.7%	6,641,432	176.8%	3,756,253	0.3%
TOTAL (lbs)	1,488,978,152	100.0%	5,706,533	0.4%	1,483,271,619	100.0%

In the United States, limes saw a marginal growth of 0.4% from 2021 to 2022, with a total of 1.5 billion pounds in 2021-2022.

- Mexico’s market share dropped from 96% to 92%.
- Colombia’s share increased from 2.9% to 4.9%.
- Peru’s share grew from 0.2% to 1%, a 500% increase from the prior year.

Because Mexico’s volume was down at the beginning of the year, other regions found greater business opportunities. These new regions, however small they may seem, may have an important role in the future.

3-YEAR COMPARISON OF TOTAL WEEKLY LIME VOLUME IN THE UNITED STATES





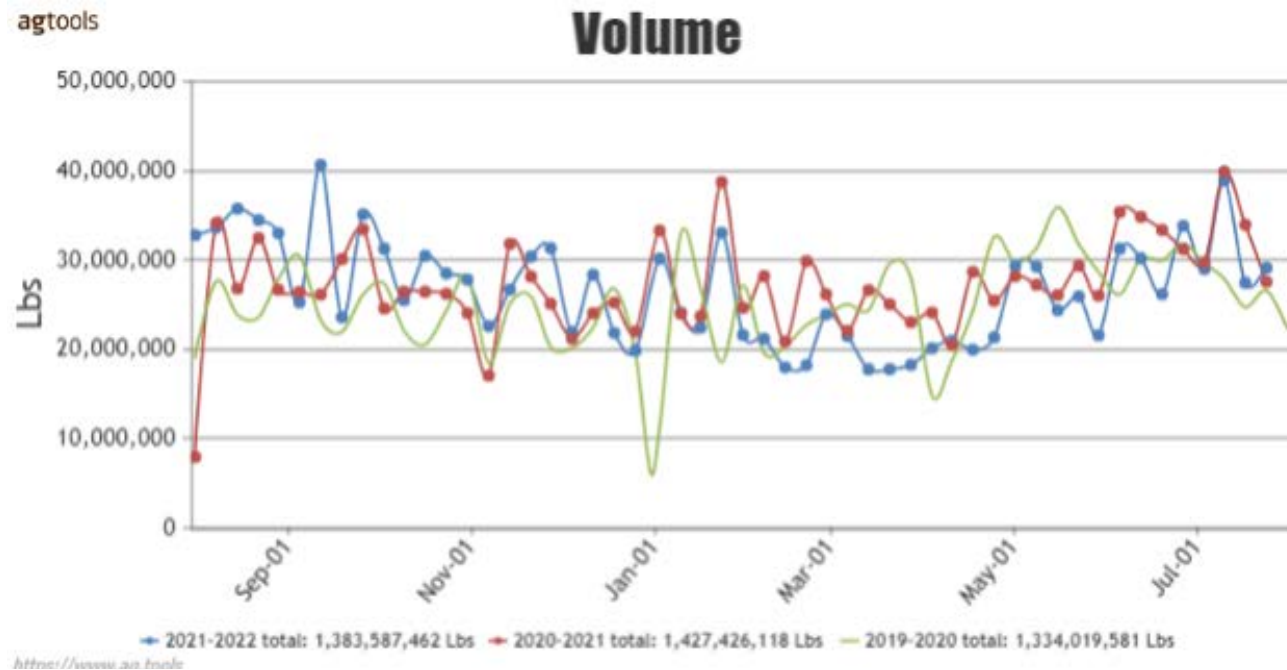
The most active season is May to November, with the lowest volume December through April. In the 2019-2020 season (green line) volume exceeded 1.3 billion pounds. The market varied from February to May due to pandemic restrictions. Top weekly volume occurred in the first week of May at more than 36 million pounds but immediately dropped to 28 million pounds.

For 2020-2021 (red line), volume increased 8% to nearly 1.5 billion pounds, which was considered a good number after a year of pandemic issues. The lowest volume was in early November, with only 17 million pounds. However, despite some ups and downs, volume continued to grow, culminating in almost 41 million pounds of fruit in the second week of July 2022, exceeding 39 million pounds in the fourth week of January of 2022.

Volume for first six months of the 2021-2022 season (blue line) exceeded almost every comparable week of the previous year, continuing the great performance of the second half of the red line. In fact, in the second week of September, volume reached 42 million pounds in one week, a record for the last seven years. Volume fell sharply in the winter, and February numbers were below the volume of two years ago.

The beginning of 2022 was one of the most complicated for this fruit, because for several weeks the volume was around 22 million pounds and only in a few weeks exceeded the volumes of the previous year. Despite this, in the second week of July, volume exceeded the record of the previous season with 41.5 million pounds.

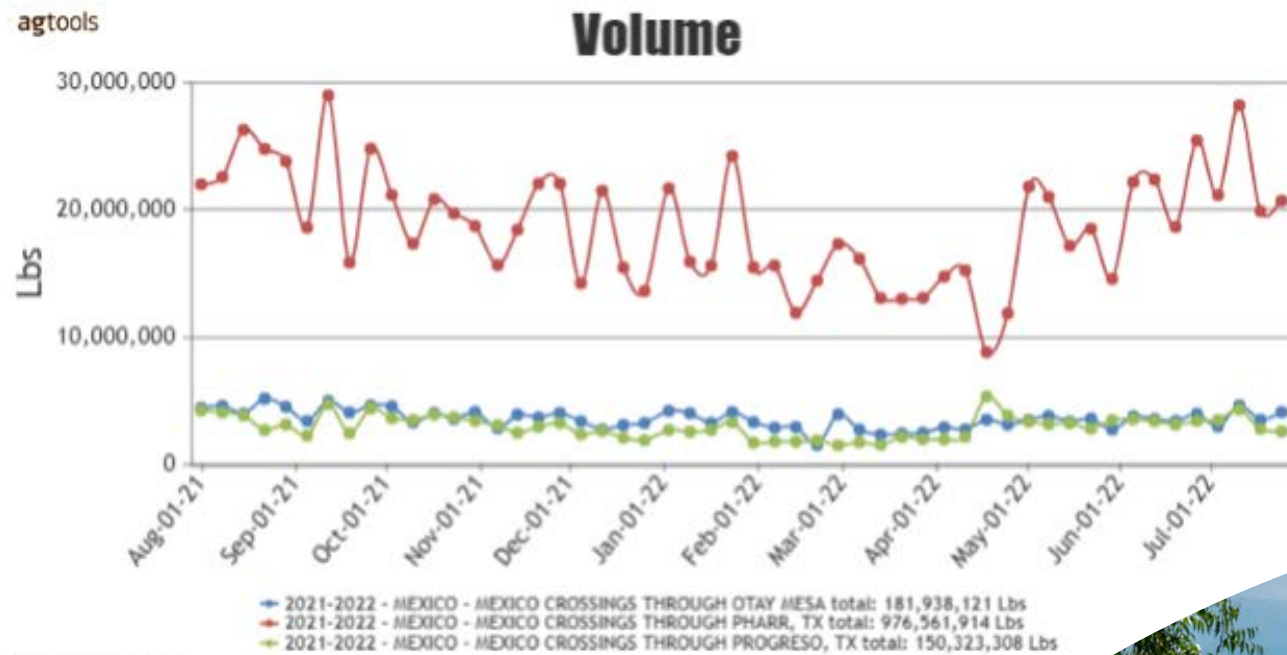
3-YEAR COMPARISON OF MEXICO WEEKLY LIME VOLUME IN THE U.S. MARKET





Because of Mexico’s dominant export market share, its performance is practically equal to that of the total market. However, early in the 2021-2022 season (blue line), Mexico’s weekly U.S. export volume was lower than in the previous season (red line). From February to May, which is when other lime export countries were most active in the U.S. market, the lack of fruit was accentuated. The chart shows volume recovery in May, although it reached prior-year levels for only a few weeks. July showed volume similar to the previous season.

COMPARISON OF MEXICAN IMPORT VOLUME AT MAIN U.S. BORDER CROSSINGS



For Mexican limes entering the United States:

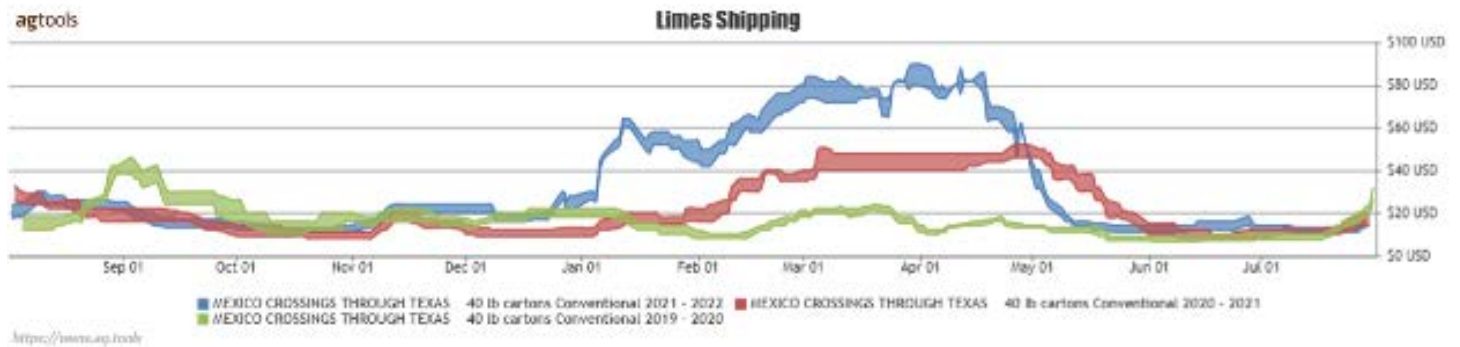
- 70.5% of the total enters through Pharr, Texas.
- 13.4% enters through Otay Mesa, California.
- 11.6% comes across at Progreso, Texas.

The rest of the volume is distributed among other crossings such as Nogales, Arizona; Laredo, Texas; and Brownsville, Texas. Crossings at Pharr were at their lowest in April, coinciding with greater volume crossing at Progreso.





3-YEAR PRICE COMPARISON FOR PERSIAN LIMES (SIZE 200) IN PHARR TEXAS



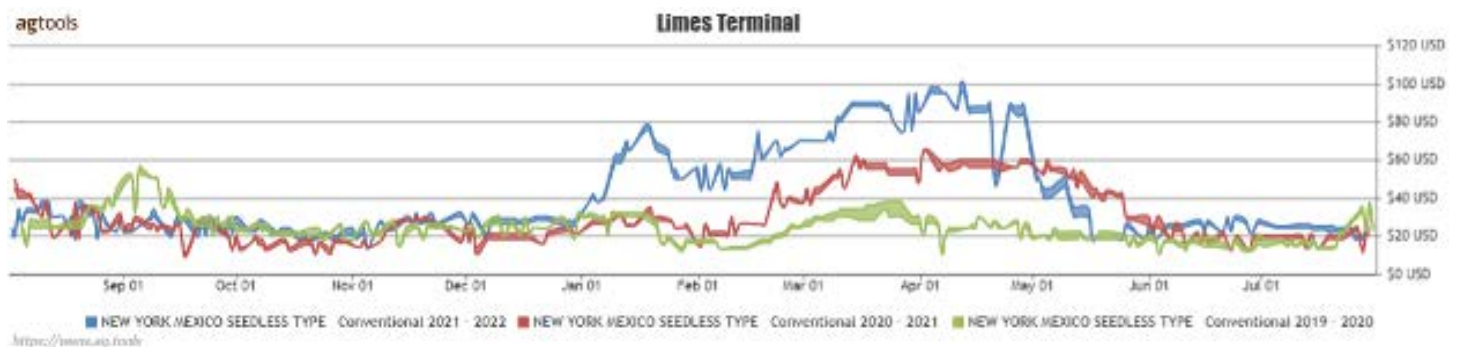
Because more than 70% of Mexican lime volume crosses at Pharr, it is a good point for price analysis. This chart looks at size 200 Persian limes. The graph shows that prices have varied over the last three years. From August to January of each year, despite some ups and downs, prices remained stable. An anomaly occurred in September 2019 when prices exceeded \$40, dropping in October to below \$20. Outside of that increase, prices have been similar for three years.

The data shows changes from January, where in 2020 (green line) instead of rising, prices dropped, reaching the lowest level of \$8 in the second week of February, fluctuating up to \$10 throughout the rest of the year. In January 2021 (red line), prices rose weekly from \$8 to \$50 in the first week of March. Prices fluctuated about \$2 a box until the last week of April, and then dropped to \$8, a price similar to that of the previous season.

In the last week of December 2021 (blue line), low volume pushed prices significantly higher. However, in the first week of January, prices jumped from \$30 to \$64 dollars in just one week – a record. Prices subsequently fell to \$46 on average in the first week of February. Prices then rose again, reaching maximum level of \$90 in the last week of March, remaining at more than \$80 until the third week of April, where prices dropped at an accelerated rate to \$14, holding there for the rest of the season, a price similar to previous years.

The lack of Mexican product in the spring prompted two record price levels in just a few weeks. However, the price of more than \$80 a box limited consumption, and when volume increased in the first week of May, prices plummeted drastically.

3-YEAR PERSIAN LIME (size 200) PRICE COMPARISON AT NEW YORK TERMINAL MARKET





Prices in the terminal markets reflected f.o.b. trends. For Persian limes during the study period, New York terminal market pricing mimicked price trends at the South Texas crossing, as shown in this chart. Terminal markets depend on Mexican lime supply as Mexico is practically the only supplier. Terminal market prices were about \$20 higher than the Pharr prices due to transportation, handling, and marketing expenses. The top price at the terminal market was a record \$100 a box on April 12, 2022.

In short, the 2021-2022 season led the limes market into an uncommon scenario. On the one hand, the lack of volume in Mexico caused other regions to grow drastically. Market vulnerability was evident when one main producing region had an overwhelming market share. Likewise, higher prices reflected product shortages, reaching record levels several times in the spring and a significant collapse when volume rose.

“We face a new reality based on factors like the pandemic, climate change, and shifting consumer behavior. We must be more aware of what happens when climate changes affect production areas and new consumer dynamics and social changes affect shopper behavior. It is more important than ever to use data and technologies that help us understand and anticipate where these changes are going, so we can improve investment returns, reduce risk, and reduce food wastes.”

– Joe Watson, IFPA Vice President Of Retail, Foodservice, Wholesale Membership

