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Poinsettia Growers in Mexico Expanding Domestic Sales, Still Not Allowed to Export to U.S. Market

by *Carlos Navarro*

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Growers in central Mexico have found a lucrative business in raising poinsettia flowers, with sales increasing steadily in the past three years. The most common variety has a deep red color identified with Christmas and is known in Mexico as flor de Nochebuena, or the Christmas Eve flower. The flower, which is generally thought to have originated in Mexico, was known by its Nahautl name of *tlaxochtiltli*, which means "flower of petals that are resistant like leather."

Nochebuena flowers still grow in the wild in some areas of central Mexico, primarily in the Texcal region of Morelos state, which includes the municipalities of Jiutepec, Tepoztlán and Yautepec. But cultivating the traditional plant has become a major industry in Mexico, with millions of flowers produced in greenhouses on the equivalent of about 320 hectares. The flowers are grown primarily in the states of Morelos, Michoacán, México, Puebla, and the Distrito Federal. Some flowers are also grown in Veracruz, Querétaro, Guanajuato, Chiapas, and Guerrero states.

The Secretaría de Agricultura, Ganadería, Desarrollo Rural, Pesca y Alimentación (SAGARPA) estimates that Mexican growers will sell as many as 20 million Nochebuena flowers this holiday season, with a commercial value of about 400 million pesos (US\$32 million). Sales have been increasing gradually in the past three years, with this year's projected total surpassing the estimated 15 million plants produced in 2007.

According to recent estimates, there are slightly more than 2,000 growers around the country, and their operations generate 3,000 direct jobs and about 9,600 indirect jobs. SAGARPA said those estimates might be outdated, and, with the recent growth of the industry, the number of growers is probably higher.

The greenhouses produce about 30 commercial varieties, but Freedom, Subjidi, Festival, Prestige, Orión, Son, Monet, Mármol, and Morada are the most popular. Scientists from the Sistema Nacional de Recursos Fitogenéticos (SINAREFI) are conducting genetic experiments to improve yields of the poinsettia.

But the danger of higher yields is overproduction, which can affect prices, said José Rubén Dávila Mendoza, director of the Secretaría de Desarrollo Agropecuario (SEDAGRO) in México state. Dávila says that pricing was a problem in 2009 because growers in Morelos and Michoacán overproduced, causing them to sell their flowers at a lower price. Growers in México state did not overproduce last year and initially decided to maintain their prices, which made their flowers expensive relative to the lower-quality offerings from neighboring states, Dávila told the online English-language newspaper

Most of the Nochebuena flowers grown in México state come from the communities of Atlacomulco, Texcoco, Malinalco, and Donato Guerra.

While México state takes pride in its poinsettia crops, growers and state officials in Michoacán are also quick to boast about their product.

State Agriculture Secretary Bernardo Pastrana Gómez said growers in Cuernavaca, Jiutepec, Cuautla, Yautepec, and Tepoztlán are the principal suppliers to companies that sell Nochebuena flowers in Mexico, including Empresas Floraplants, Tecnoflor, Finaflor, Vivero Internacional, and PSI México. Michoacán accounts for 6 million of the Nochebuena flowers grown in Mexico each year.

US regulations block Mexican Nochebuena flower exports

Mexican growers see a strong sales potential north of the border because of the growing popularity of the plant in the US during Christmas. In the US, the flowers are named after Joel Poinsett, the first US ambassador to Mexico, who is said to have brought the first plants to the US in 1828.

But exports to the US are hampered by US restrictions dating back to the early 20th century, which prohibit the importation of soil. And Nochebuenas—unlike other imported flowers—are best sold in pots or containers rather than in bunches. A challenge under the North American Free Trade Agreement (NAFTA) is not an option for the Mexican government because the accord allows a country to enact measures that would prevent the introduction of diseases and pests harmful to its agriculture industry.

Mexican officials are considering other possibilities, including exporting the Nochebuena flowers to the US in an artificial medium such as the vermiculite nuggets found in some potting soil or a substitute made of coconut shells. Both would be sterilized before being used for export, Enrique Lobo, an agriculture official at the Mexican Embassy in Washington said recently.

The lack of competition from Mexican imports has allowed growers in California and other states to corner the US poinsettia market during the Christmas holiday season. US growers produce more poinsettias than Mexico, with about 60 million plants sold each year. That's triple the number estimated for Mexico this year.

Mexican growers are not totally shut out of the US market because they are able to export thin green cuttings, about the size of a toothpick, to US nurseries. But even in many of these cases, the cuttings are developed in facilities established by US nurseries in Mexico. The cuttings cost US growers the equivalent of US\$0.10 per unit, compared with the average retail cost of US\$15.00 in the US for a fully grown plant.

"The Americans have taken this plant of ours and really made it a business," said export consultant Javier Lozana. "In Tijuana and Ciudad Juarez, you're seeing people bringing back Nochebuenas from the United States now. It's a little sad."

The Mexican growers are certain they could gain a strong share of the US market if allowed to ship fully grown plants because their Nochebuena flowers are of high quality and cost less than US counterparts. For example, plants at a market in Toluca, México state, sell for 40 to 80 pesos (US\$3.20 to US\$6.45), compared with the average price of US\$15 in the US.

Mexican nurseries have also been developing varieties with names like Freedom Reds, Red Angels and Gingerbells, which have not been available in the US. "Just imagine how well we could do if we could sell these plants in the United States," Diana Esquivel, financial manager of Finaflor Nurseries in Cuernavaca, Morelos state, said in an interview with the in 2004.

But US nurseries also have access to these same varieties through the cuttings that they produce at greenhouses in Mexico and ship to the US. Additionally, they are developing their own varieties

with names like Premium Picasso, Monet Twilight, Shimmer, and Surprise and obtaining patents on these plants. "The plants in stores aren't your grandma's poinsettias," said the . "They're the result of state-of-the-art hybridizing and research, both in California and Europe."

"It's our plant, but now they have the patents and the name, too," said Esquivel.

Christmas festivals help boost demand in Mexico

Because of a lack of opportunity to export to the US, Mexican growers are doing what they can to expand sales in the domestic market. They have accomplished this not only through sales to individual consumers but also by targeting specific events. For example, the popular tourist destination of Taxco in Guerrero state for the past two years has organized the Día Nacional de la Nochebuena Cuertlaxóchtli on Dec. 8. The Taxco event is a full-fledged festival event featuring concerts and other cultural activities. "There was a new variety of white Flor de Nochebuena created for us called Tlachco," said festival coordinator Elena Trauwitz de Berger.

The Taxco festival is just one of the venues where Nochebuena flowers are prominent in Mexico. The plants are exhibited at conferences and cultural events with the purpose of attracting new buyers. "These types of activities are promoted by all three levels of government, as well as companies and growers interested in promoting the traditional flor de Nochebuena, which adorns plazas, buildings, streets, and homes throughout the country during the Christmas season."

While growers will continue to press for access to the US market, for now they are proud that a flower whose origins are in Mexico is a symbol of Christmas around the world.

"[Nochebuena flowers] are a gift from Mexico to the world," said Pastrana Gómez. "This is a gift with universal value because of its beauty and symbolism. It has become part of the ornaments used in December celebrations, along with the Christmas tree and the manger." [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Dec. 13, 2010, reported at 12.40 pesos per US\$1.00]

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