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## **Dairy and Products Annual**

### **Mexican Dairy and Products Production and Consumption Grow, Imports Still Large But Mostly Flat**

**Approved By:**

David Wolf

**Prepared By:**

Gabriel Hernandez

**Report Highlights:**

The Mexican dairy sector will again increase production in 2015. Milk, cheese, and most dairy products consumption continue to rise. In 2014, Liconsa, Mexico's producer/consumer support intensified its program to source more product domestically, cutting expectations for dry whole milk powder consumption and imports. Market opportunities open in Mexico for U.S. exporters as traditional suppliers shift focus to other destinations.

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**Commodities:**

Dairy, Butter

Dairy, Cheese

Dairy, Dry Whole Milk Powder

Dairy, Milk, Fluid

Dairy, Milk, Nonfat Dry

**Production:**

The Post MY2015 (January to December) fluid milk production forecast is 11.71 MMT, up slightly from 2014, based upon expectations for relatively low feed and forage prices, domestic herd recovery, continued implementation of better production practices among vertically integrated producers, and improved genetics from better yielding milk cows. The Post fluid milk production estimates for MY2014 and MY2013 are kept unchanged to reflect official data.

As previously reported, the availability of grain at attractive prices, water availability for use in confinement establishments, and pasture availability has allowed producers to again consider expanding production. Currently, milk production in Mexico occurs in two scenarios, the northern and central areas host mainly high-end technology and integrated producers while southern Mexico bases milk production on cattle grazing in pasture lands that does not count on further processing and distribution channels. Nevertheless, both will continue benefiting from recovered water reservoirs and water tables in key producing areas. This situation has alleviated grazing pasture scarcity and quality issues. LICONSA's<sup>1</sup> increased price paid to producers undoubtedly has contributed to higher production levels in 2014. It is expected that these factors will have a similar impact in 2015.

Table 1. Mexico: Fluid Milk Production Volume by State for Calendar Years 2006-2013 and 2014 (through August) in Thousand Liters.

	2008	2009	2010	2011	2012	2013	2014*
AGUASCALIENTES	370,399	367,171	369,253	372,252	367,599	372,090	255,159
BAJA CALIFORNIA	193,422	179,795	174,027	181,190	159,231	158,096	113,250
BAJA CALIFORNIA SUR	46,451	46,104	44,323	41,144	40,566	39,417	26,698
CAMPECHE	35,029	36,271	36,146	36,364	38,424	38,168	26,072
COAHUILA	1,363,762	1,282,618	1,243,058	1,275,065	1,287,918	1,327,450	894,134
COLIMA	36,525	32,349	34,883	36,059	35,548	35,316	16,367
CHIAPAS	372,249	366,393	385,455	402,583	402,727	404,300	261,351
CHIHUAHUA	926,222	923,053	934,928	930,020	979,502	970,479	657,272
DISTRITO FEDERAL	12,322	13,652	13,643	13,784	12,678	14,187	9,073
DURANGO	1,036,581	959,716	1,001,137	997,155	1,037,913	1,015,624	702,734
GUANAJUATO	684,202	761,759	775,108	784,770	735,616	714,073	509,337
GUERRERO	81,552	84,157	86,892	83,764	88,809	89,696	48,419
HIDALGO	452,977	439,361	419,273	398,540	364,018	428,327	282,246
JALISCO	1,855,362	1,900,343	1,960,999	1,991,577	2,024,966	2,070,203	1,348,232
MEXICO	464,573	464,704	478,261	482,082	469,315	467,889	298,367
MICHOACAN	329,079	331,909	331,038	339,389	344,810	336,726	223,433
MORELOS	18,809	20,901	21,784	20,890	22,421	22,206	13,320
NAYARIT	61,974	60,130	60,742	60,104	55,779	42,422	25,592
NUEVO LEON	39,909	40,586	40,397	37,790	38,622	36,505	21,715
OAXACA	145,213	146,406	147,080	147,933	147,102	145,511	92,233
PUEBLA	384,285	395,211	403,100	404,132	422,768	429,299	295,110
QUERETARO	195,791	192,435	192,422	195,147	336,644	343,015	234,957
QUINTANA ROO	5,623	5,829	5,921	5,562	6,128	4,643	2,925
SAN LUIS POTOSI	141,828	132,285	130,899	128,772	125,820	124,690	83,300
SINALOA	93,779	95,943	102,081	105,875	102,519	93,466	66,400

<sup>1</sup> NOTE: LICONSA, S. A. de C.V. is "a state-owned company devoted to the industrialization and distribution of high-quality milk at a reasonable price, whose main purpose is supporting the nutritional resources of disadvantaged families." END NOTE.

SONORA	134,921	126,496	129,355	112,055	110,764	110,028	79,195
TABASCO	110,694	111,533	111,416	101,522	106,960	101,259	75,840
TAMAULIPAS	30,209	32,326	30,242	29,666	28,242	27,579	14,263
TLAXCALA	110,924	120,356	115,223	109,978	109,952	101,476	67,989
VERACRUZ	697,288	708,230	722,465	723,106	715,190	700,715	452,587
YUCATAN	5,608	4,366	3,441	3,153	3,009	2,530	1,675
ZACATECAS	163,293	166,655	171,703	172,867	159,310	159,386	115,527
TOTAL	10,498,994	10,549,038	10,676,691	10,724,288	10,880,871	10,926,771	7,314,771

\*As of August 2014. Source: SIAP-SAGARPA, 2014.

### Consumption:

The Post MY2015 total fluid milk consumption forecast (domestic and factory use) is 11.74 MMT, up slightly on 2014, based on anticipated production levels. The industry forecasts sustained consumption of added-value products for middle and upper income consumers with sustained support from LICONSA for lower income consumers. The Post MY2014 and MY2013 total fluid milk consumption estimate are unchanged based on official Mexican production data.

Industry contacts indicate that total consumption of fluid milk is comprised of both fresh and Ultra High Temperature (UHT) milk. Northern Mexico consumes mostly fresh milk, mirroring the U.S. pattern, while UHT milk is widely consumed in the central region of Mexico. Given the lack of proper means to maintain drinkable fluid milk, consumers in southern Mexico prefer the consumption of powdered milk and UHT, keeping fresh milk consumption in check.

Fresh pasteurized milk consumption accounts for about 56 percent of fluid milk disappearance while 44 percent is UHT milk. Due to energy/refrigeration costs, many retail establishments do not have large dairy cases for fluid milk and keep short supplies on hand with new product delivered several times per week. As such, it is often easier to work with UHT milk as it can be delivered and placed in retail aisles without the added cost of refrigeration.

The dairy industry continues responding to increased demand for specialized products, such as lactose-free, high-calcium, and even reduced fat fluid milk products. Consequently, specialized dairy products continue gaining domestic market share and greater volumes of fluid milk are being directed to processing use.

Consumers, also, are switching to other prepared and processed dairy products such as probiotic and drinkable yogurts. Moreover, flavored milk and Greek yogurt are gaining share among mid-upper-income sector consumers. Fluid dairy preparations offering attractive prices, a full range of flavors, a longer shelf life, and nutritional and functional benefits have been the driving factors that support the consumption of these products.

### Prices:

LICONSA announced a 0.6 pesos (U.S. \$0.04) per liter increase in the price paid to producers for a final purchase price of 6.20 pesos (USD \$0.47) per liter in the second quarter of 2013. This agreement entered into force in the second half of 2013 and as of the start of the second half of 2014 there has not been any change. On the consumer price side, LICONSA announced that the price of milk distributed to low-income households would be raised 0.5 pesos (U.S. \$0.03) per liter for a final price of 4.50 pesos (U.S. \$0.33). LICONSA has maintained this price during 2014 and is not expected to make substantial

changes. According to official information from LICONSA, the daily distribution of fluid milk accounts for 3.1 million liters in 1,949 municipalities across the country under the provisions of 33 Social Supply Programs. This represents 10.2 percent of domestic production.

### **Trade:**

The Post MY2015 import forecast is 41,000 MT, lower than the USDA official estimate for MY2014, based on the potential for increasing domestic production, per the medium to longer-term goal of the current administration. This program seeks to grow the importance of domestic production relative to imports. The Post MY2014 and MY2013 fluid milk import estimate is maintained unchanged from the USDA estimate.

The Post MY2015 fluid milk export forecast is now slightly higher than a year ago at 13,000 MT as an increase in production will allow milk exports to rebound to previous levels. In recent years, the United States, Guatemala, Venezuela and Belize were the main markets for Mexican exports. This is expected to continue in MY2015. Post's MY2014 and MY2013 export estimate were kept unchanged.

### **Marketing:**

The U.S. remains the dominant supplier of dairy products to the Mexico market, capturing 75% market share representing a volume of around 480,000 MT. In 2013, the U.S. dairy products exported to Mexico with the most growth were: Cheeses (+35%), Whey protein (+21%), Yogurt (+81%), Butter (+78%), Evaporated milk (+13%) and Ice Cream (+3%).

The Mexican food industry has been growing rapidly and has been the primary market demand driver contributing to this growth in U.S. exports. Mexico continues to be one of the largest destinations for imported dairy products, the U.S. being its largest supplier. The strong investment in the processed food and retail sectors has led to a constant growth in demand for dairy products, such as dairy ingredients, fluid milk, cheese, yogurt, and frozen dairy desserts among others.

The new fiscal reform that taxes high calorie content products (including ice cream, condensed milk, and novelties) might affect some dairy products, both domestic and imported. Also it's important to highlight that starting in June 2015 there will be a new front-of-pack labeling requirement for packaged consumer foods. The front-of-pack labeling should include nutritional information about sugar, sodium, fats, and caloric content per portion. For more information refer to GAIN Report MX4305- Mexico's New Front-of-Pack Labeling Regulations.

In Mexico, amongst *Lala* and *Alpura*, the top producers of fluid milk and dairy products, there is competition to launch more innovative products and with more specific segmentation to gain market share. Also, consumers are more conscious of what they buy and eat and they are willing to pay more for better quality dairy products. In 2014, yogurt and lactose-free milk are the two fastest growing categories.

### **Cheese**

Spreadable processed cheese had the fastest growth in 2013 with 18% in retail volume terms; the most popular being cream cheese. Soft cheese remains the most popular kind of cheese in Mexico, such as

Oaxaca, Panela and Fresco. There is increased consumption of aged cheeses (gourmet cheese) which are mostly imported. From January to July 2014 the U.S. exported 46,415 MT of cheese products to Mexico.

***Company Shares of Cheese Market in Mexico: % Value 2013***

% retail value rsp*	2013
Sigma Alimentos SA de CV	15.75
Industrial Lala SA de CV, Grupo	10.35
Derivados de Leche La Esmeralda SA de CV	8.47
Ganaderos Productores de Leche Pura SA de CV	5.08
Chilchota Alimentos SA de CV	3.60
Nestlé México SA de CV	2.25
Qualtia Alimentos SA de CV	2.20
Kraft Foods de México S de RL de CV	2.07
Lácteos Menonitas SA de CV	1.47
La Campesina Holandesa SA de CV	1.26
El Torito SA de CV	0.56
Private Label	0.14
Others	46.81
Total	100.00

Source: Euromonitor International \*Retail Selling Prices

**Milk**

The milk category includes fluid milk for drinking, both pasteurized and UHT. The U.S. exported 18,466 MT of fresh fluid milk during the period of January- July 2014. Mexicans consume on average 365 mL of milk daily or 132 liters yearly with much opportunity to grow. Mexico is the 8<sup>th</sup> country in global consumption of milk and other dairy products after China, U.S., India, and Brazil.

**Yogurt**

Greek yogurt kept gaining popularity in Mexico during 2014 and the top dairy brands launched their Greek yogurt in the main Mexican retail sectors. Also busy lifestyles and the health and wellness trend moved sales of on-the-go yogurts, particularly drinkable yogurt. Drinking yogurt had the fastest growth in 2013, with 7% in retail volume terms. *Danone de México* has remained the leader in yogurt followed by *Sigma Alimentos*.

***Company Shares of Yogurt and Sour Milk Products: % Value 2013***

% retail value rsp	2013
Danone de México SA de CV	26.67
Yakult SA de CV	24.07
Sigma Alimentos SA de CV	14.87

<b>% retail value rsp</b>	<b>2013</b>
Industrial Lala SA de CV, Grupo	11.89
Nestlé México SA de CV	8.93
Ganaderos Productores de Leche Pura SA de CV	4.14
Unifoods SA de CV	0.24
Industrias Cor SA de CV	0.08
Private Label	0.66
Others	8.45

Source: Euromonitor

### Stocks:

No stocks are held due to the lack of refrigeration or storage space among producers and end-users. As such, end-users utilize just-in-time delivery for those products which enter value-added processes.

### Production, Supply and Demand Data Statistics:

Table 2. Mexico: Post Fluid Milk Production, Supply, and Demand Analysis

Dairy, Milk, Fluid Mexico	2013		2014		2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Cows In Milk	6,300	6,300	6,350	6,350		6,400
Cows Milk Production	11,255	11,255	11,442	11,442		11,550
Other Milk Production	156	156	157	157		160
Total Production	11,411	11,411	11,599	11,599		11,710
Other Imports	42	42	42	42		41
Total Imports	42	42	42	42		41
Total Supply	11,453	11,453	11,641	11,641		11,751
Other Exports	10	10	11	11		13
Total Exports	10	10	11	11		13
Fluid Use Dom. Consum.	4,160	4,160	4,180	4,180		4,185
Factory Use Consum.	7,283	7,283	7,450	7,450		7,553
Feed Use Dom. Consum.	0	0	0	0		0
Total Dom. Consumption	11,443	11,443	11,630	11,630		11,738
Total Distribution	11,453	11,453	11,641	11,641		11,751
1000 HEAD, 1000 MT						

### Commodities:

Dairy, Cheese

### Production:

The Post MY2015 total cheese production forecast is up slightly to 280,000 MT, reflecting increased availability of fluid milk and stable demand for aged and fresh cheeses and cheese products. The Post MY2014 and MY2013 cheese production estimates remain unchanged.

### **Consumption:**

The Post MY2015 total cheese consumption forecast is marginally increased to 369,000 MT, as demand for aged cheeses is expected to remain fairly strong among high-middle and high-income consumers. Moreover, low and lower-middle income consumers will maintain their demand for fresh cheese products. The MY2014 and MY2013 consumption estimates were kept unchanged according to private sources, given the lack of official data.

### **Trade:**

The Post MY2015 cheese import forecast is expected to be flat at 95,000 MT, as fluid milk availability will allow for increased domestic production and substitute for additional imports. Post's MY2014 and MY2013 import estimates were kept unchanged.

The Post MY2015 forecast cheese export is 6,000 MT, up from the previous year, as Mexican cheese manufacturers are enticed to expand into foreign markets, supported by increased fluid milk production. Post's MY2014 and MY2013 export estimate are unchanged reflecting the latest official data.

### **Production, Supply and Demand Data Statistics:**

**Table 3. Mexico: Post Cheese Production, Supply, and Demand Analysis**

Dairy, Cheese Mexico	2013		2014		2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	0	0	0	0		0
Production	270	270	275	275		280
Other Imports	91	91	95	95		95
Total Imports	91	91	95	95		95
Total Supply	361	361	370	370		375
Other Exports	5	5	5	5		6
Total Exports	5	5	5	5		6
Human Dom. Consumption	356	356	365	365		369
Other Use, Losses	0	0	0	0		0
Total Dom. Consumption	356	356	365	365		369
Total Use	361	361	370	370		375
Ending Stocks	0	0	0	0		0
Total Distribution	361	361	370	370		375
1000 MT						

### **Commodities:**

Dairy, Butter



**Production:**

The Post MY2015 butter production forecast is expected to increase around 3 percent compared to MY2014, to 195,000 MT, owing to the availability of fluid milk and sustained demand from consumers for specialized products. The Post MY2014 and MY2013 estimates were kept unchanged based on industry data.

**Consumption:**

The new Post butter and butterfat consumption forecast for MY2015 is expected to increase marginally compared to MY2014, to 242,000 MT, based on stable demand for domestic and imported product by the bakery and confectionary sectors. The Post estimate for MY2014 and MY2013 were kept unchanged.

**Trade:**

Available year to date data does not suggest stronger import volumes over the pace of the preceding year. Therefore, the Post MY2015 import forecast for butter (HTS 040510) and butterfat (HTS 040590) is 55,000 MT, which is flat compared to the official MY2014 USDA estimate. Despite an increase in domestic production, sustained demand from the bakery and confectionary sectors, especially in the latter part of this year, will keep imports on pace with the previous year. This trend is expected to continue next year. The Post MY2014 and MY2013 import estimates were kept unchanged.

Mexican butter and butterfat exports are beginning to emerge in trade data, albeit from a small base. The volume for MY2015 is forecast higher compared to MY2014.

It is forecast that New Zealand will continue being the principal supplier of butter and butterfat to Mexico. However, during the second half of 2014, New Zealand diversified its dairy products to other markets in light of more attractive prices. Traditionally, New Zealand has been a dairy products supplier to Mexico and butter has been one of the star products. When U.S. prices are attractive, imports from the United States can rebound. This happened recently when New Zealand prices skyrocketed given an increased demand in China for New Zealand dairy products. Given that China and Russia are big players in the import market, New Zealand increased its exports to those countries. Therefore, the United States is gaining market share into the Mexican market, with this trend expected to continue in 2015.

**Production, Supply and Demand Data Statistics:**

Table 4. Mexico: Post Butter Production, Supply, and Demand Analysis

Dairy, Butter Mexico	2013		2014		2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	0	0	0	0		0



<b>Production</b>	190	190	190	190		195
<b>Other Imports</b>	40	40	55	55		55
<b>Total Imports</b>	40	40	55	55		55
<b>Total Supply</b>	230	230	245	245		250
<b>Other Exports</b>	5	5	5	5		6
<b>Total Exports</b>	5	5	5	5		6
<b>Domestic Consumption</b>	225	225	240	240		244
<b>Total Use</b>	230	230	245	245		250
<b>Ending Stocks</b>	0	0	0	0		0
<b>Total Distribution</b>	230	230	245	245		250
1000 MT						

### **Commodities:**

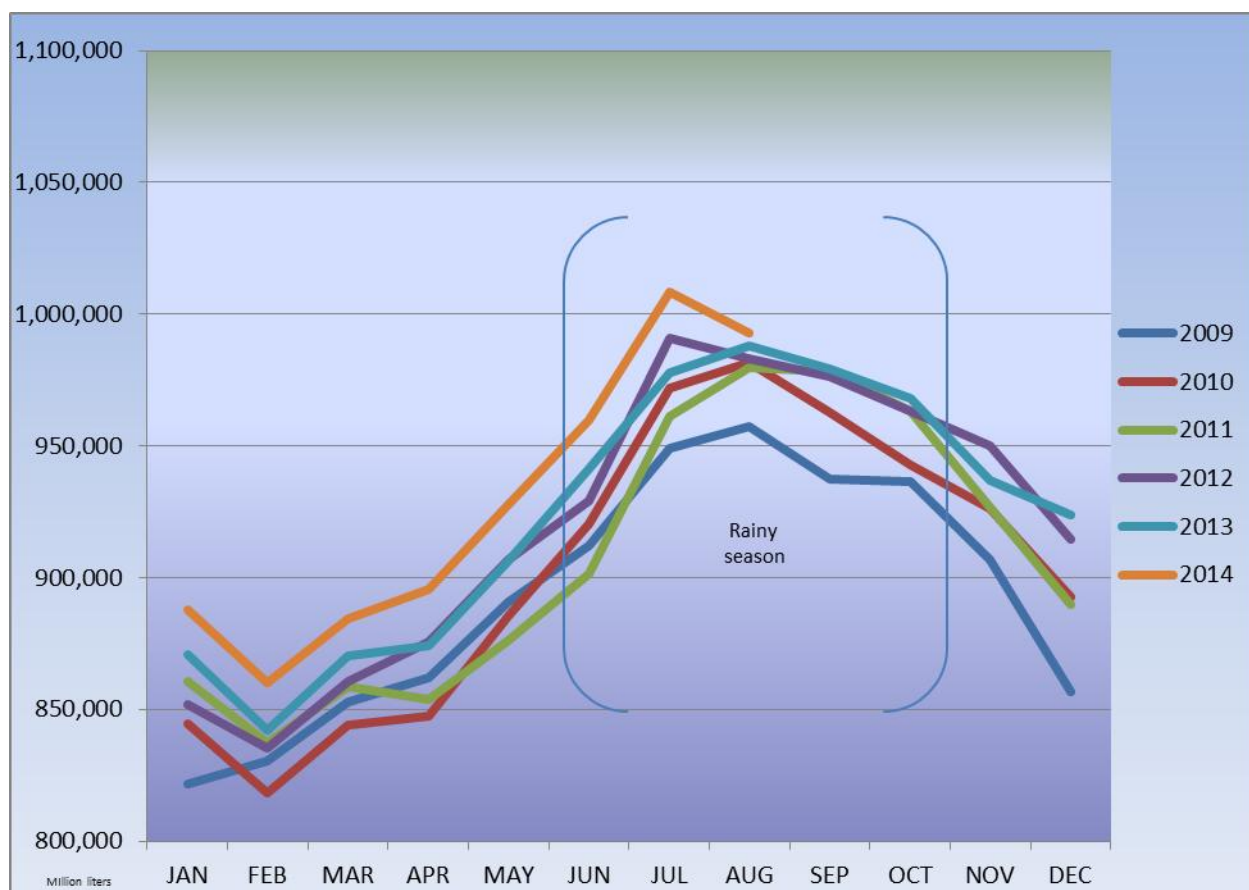
Dairy, Nonfat Dry Milk

### **Production:**

The Post MY2015 production forecast for Non-fat Dry Milk (NFDM) is 55,000 MT, unchanged from MY2014. As previously reported, NFDM is manufactured in substantial volumes only when production of fluid milk allows it, specifically during Mexico's rainy season. Even with expected increases in fluid milk production next year, sustained demand by other dairy subsectors limits NFDM production growth. Post's MY2014 and MY2013 NFDM production estimates are unchanged and based on official information from SAGARPA.

Chart 1. Mexico: Milk Production Trends<sup>2</sup> by Month in Million Liters for 2009 to 2014 (partial)

<sup>2</sup> Comprises Cows milk and Other milk (goat).



Source

: SAGARPA/SIAP

### Consumption:

The Post NFDM MY2015 consumption forecast is set at 270,000 MT, marginally higher than the MY2014 USDA official estimate, given the sustained demand from the processing industry for the preparation of added-value products. The Post consumption estimate for MY2014 and MY2013 is unchanged.

As previously reported, industry sources state that the principal consumers of NFDM are dairy processors who reconstitute the material and sell it as pasteurized or UHT milk or for the preparation of other dairy products such as yogurts and probiotic beverages. Also, the confectionary industry continues using small quantities of NFDM in their processes.

### Trade:

The Post MY2015 import forecast for NFDM is slightly higher at 215,000 MT, as despite higher supply, domestic NFDM producers will have to compete with other processors, keeping domestic production

flat (as noted above) and imports will fill the gap. The MY2014 and MY2013 import estimates are unchanged.

No exports are forecast for MY2015. Also, no exports were recorded in MY2014 or MY2013.

### Production, Supply and Demand Data Statistics:

Table 5. Mexico: Post Nonfat Dry Milk Production, Supply, and Demand Analysis

Dairy, Milk, Nonfat Dry Mexico	2013		2014		2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	0	0	0	0		
Production	55	55	55	55		55
Other Imports	198	198	210	210		215
Total Imports	198	198	210	210		215
Total Supply	253	253	265	265		270
Other Exports	0	0	0	0		0
Total Exports	0	0	0	0		0
Human Dom. Consumption	253	253	265	265		270
Other Use, Losses	0	0	0	0		0
Total Dom. Consumption	253	253	265	265		270
Total Use	253	253	265	265		270
Ending Stocks	0	0	0	0		0
Total Distribution	253	253	265	265		270
1000 MT						

### Commodities:

Dairy, Dry Whole Milk Powder

### Production:

The Post MY2015 dry WMP production forecast is 153,000 MT, a 2 percent increase compared to MY2014. Although increased fluid milk production could allow a larger production increase, the dry WMP subsector will need to keep competing for this supply with others in the processing industry to produce added-value products. In addition, demand is expected to remain relatively low (see below). The MY2014 and MY2013 estimates are unchanged.

### Consumption:

The dry WMP consumption forecast for MY2015 is set at 160,000 MT. This is significantly below USDA's current MY2014 estimate, due to the Government of Mexico (GOM) project to enlarge LICONSA's coverage under its social supply of milk program. The Post MY2014 was revised significantly down from the USDA official 167,000 MT due to LICONSA's intensifying purchases of domestic milk rather than imported dry WMP. Historically, LICONSA purchased NFDM and WMP to be reconstituted and distributed under its social program. The Post MY2013 estimate is kept unchanged.

### Trade:

Available year to date data does not suggest stronger import volumes over the pace of the preceding year. This trend is expected to continue. Thus, the Post MY2015 import forecast is set at 11,000 MT, the same as Post's new MY2014 estimate. Post revised its MY2014 import estimate significantly downward. This is due to the fact that LICONSA continues purchasing domestic milk rather than importing dry WMP. Year to date data does not suggest stronger import volumes to date from New Zealand, Mexico's usual supplier, who is now busy covering other Asian markets. Thus, the United States may be able to grow its export volumes further into Mexico. MY2013 import estimates were unchanged.

Post's MY2015 export forecast of WMP is a stable 4,000 MT, as year to date data does not suggest stronger volumes over the pace of the preceding year. MY2014 exports are revised downward, given stable production and lower than previously expected imports. Post's MY2013 export estimate is unchanged.

### Production, Supply and Demand Data Statistics:

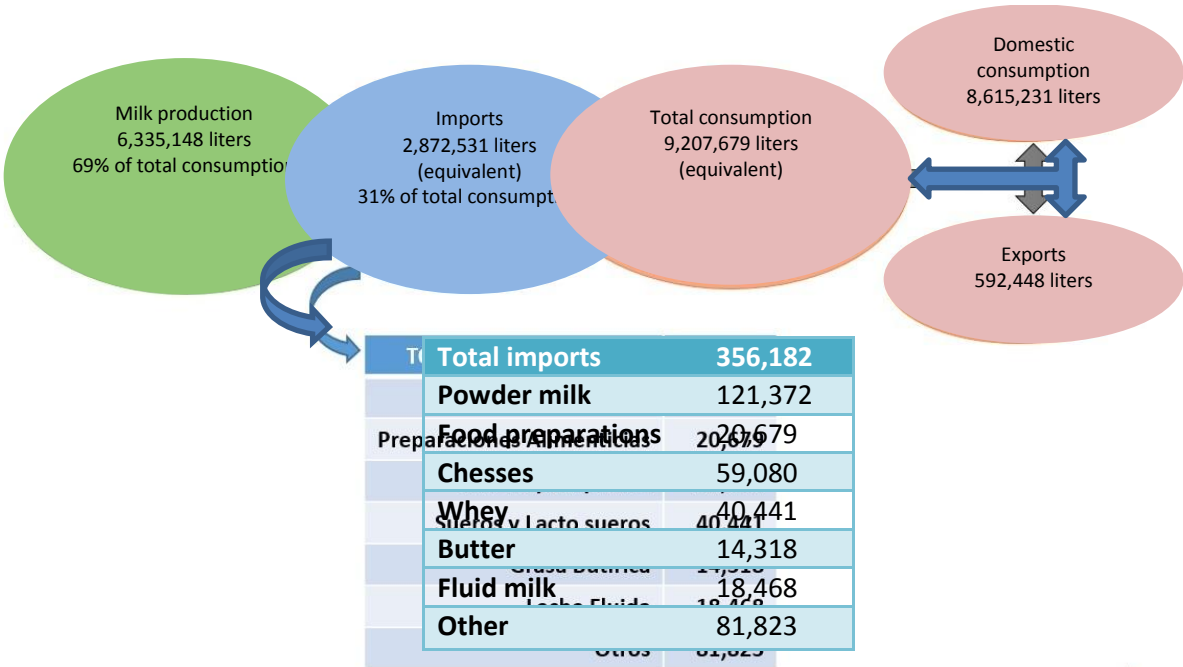
Table 6. Mexico: Post Dry Whole Milk Powder Production, Supply, and Demand Analysis

Dairy, Dry Whole Milk Powder Mexico	2013		2014		2015	
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks	0	0	0	0		0
Production	150	150	150	150		153
Other Imports	11	11	22	11		11
Total Imports	11	11	22	11		11
Total Supply	161	161	172	161		164
Other Exports	5	5	5	4		4
Total Exports	5	5	5	4		4
Human Dom. Consumption	156	156	167	157		160
Other Use, Losses	0	0	0	0		0
Total Dom. Consumption	156	156	167	157		160
Total Use	161	161	172	161		164
Ending Stocks	0	0	0	0		0
Total Distribution	161	161	172	161		164
1000 MT						

### Image 1. Mexico: Industry Breakdown on Milk Supply and Distribution

The following chart shows production, trade, and demand trends as portrayed by the National Chamber of Milk Industrials (CANILEC). NOTE: The data does not represent Post nor USDA data but offers a representative illustration of the dairy marketing channel.

### Production, imports, exports and consumption January-July 2014



Source: SIAP-SAGARPA, Administracion General de Aduanas

Cámara Nacional de Industriales de la Leche



#### **Policy:**

#### **General Tariffs**

Currently, all U.S. dairy products enter Mexico duty-free.

#### **Labeling**

The Mexican Government has proposed new food product labeling requirements. This is reportedly due to Mexico's high incidence of adults and children being overweight or obese. The Mexican dairy sector is monitoring the proposal but has not highlighted any specific concerns as many industry players are uncertain about the scope of the Mexican government proposal.

#### **Market Access**

The United States enjoys broad access to the Mexican market, but U.S. exports of unpasteurized milk to Mexico have been disrupted since May 2012. The milk was being exported for pasteurization in

Mexico during seasonal shortfalls or periods of tight Mexican supply for processing use. The United States and Mexico are continuing to negotiate the language and review the criteria by which trade in this product can resume.

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### **For More Information**

FAS/Mexico Web Site: We are available at [www.mexico-usda.com.mx](http://www.mexico-usda.com.mx) or visit the FAS headquarters' home page at [www.fas.usda.gov](http://www.fas.usda.gov) for a complete selection of FAS worldwide agricultural reporting.

### **For further information, direct marketing questions to:**

U.S. Dairy Export Council (USDEC)  
Circuito Médicos No. 55 Interior 302  
Ciudad Satélite, Naucalpan,  
Estado de México, 53100 México  
<http://www.usdec.org>

Agricultural Trade Office, Mexico City  
Liverpool 31, Col. Juárez  
C.P. 06600 México, D.F.  
Phone: (011-52-55) 5140-2600  
[atomexico@fas.usda.gov](mailto:atomexico@fas.usda.gov)  
<http://www.mexico-usda.com>

Agricultural Trade Office, Monterrey  
(011-52-81) 8047-3100  
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