

## Market Overview

Mexico is one of the largest and fastest growing markets for U.S. agricultural products. U.S. agricultural and food exports to Mexico have been growing by more than 10% each year, and in 2013 these totaled \$18.9 billion USD. The North American Free Trade Agreement or NAFTA, effective since 1994, is the pillar behind the liberalization of trade within the region. One of the major features of NAFTA is the elimination of import duties for products of U.S. origin exported to Mexico and Canada. Major U.S. agricultural exports to Mexico in 2013 were: soybeans (\$2.41 billion USD), red meats (\$2.15 billion USD), coarse grains (\$2.03 billion USD), dairy products (\$1.43 billion USD), poultry and egg products (\$1.37 billion USD), wheat (\$1.12 billion USD), and fresh fruits and vegetables (\$760 million).

Besides the elimination of tariffs within this trading block, the close proximity between nations makes the Mexican market an appealing option for SUSTA region companies. The two countries share a 2,000 mile-long border with more than 45 border crossings. Due to their proximity, most of the tourists visiting Mexico are North Americans, and thus they are likely to consume products they are used to buying at home.

The presence of SUSTA region products in Mexico is rising; these products had a value of \$5.9 billion USD in 2014. Some of the products we work closely with are: processed fruits and vegetables, breakfast cereals, condiments, processed meat products, snacks and alcoholic beverages. There is a growing concern over obesity in Mexico. As a result, there is a rising demand for healthy food-items. This recent trend parallels a growing level of consumer expenditure by Mexicans.

### Opportunities and Advantages

- Mexican consumers recognize U.S. brands and labels and associate them with high, consistent quality and value.
- More women are entering the workforce, thus there are more double-income households and the level of disposable income increases.
- There is a growing concern over obesity, which is responsible for a recent interest in organic products and healthy-food items.

### Market Challenges

- Mexican consumers are price sensitive; imported products are generally higher in price and the growing value of the U.S. dollar adds on to this sensitivity.

### SUSTA Sponsored Events in Mexico:

Expo ANTAD

ABASTUR

Inbound Trade Mission to Atlanta (GA) & Oklahoma City (OK)