



U.S. Embassy—Mexico City Agricultural Trade Factsheet

Mexico is the 3rd largest destination for U.S. agricultural exports with a share of almost 14%

Important Facts:

- Mexico is the 3rd largest destination for U.S. agricultural exports and its 2nd largest source of imports, right after Canada.
- U.S. agricultural exports to Mexico have grown significantly since Nafta, going from USD 4.2 billion in 1994 to USD 18.9 billion in 2012.
- U.S. agricultural imports from Mexico have also experience a considerable growth, going from USD 2.8 billion, back in 1994, to USD 16.3 billion in 2012.
- The United States is Mexico's largest agricultural market, sending 60% of its total exports to this country.
- Mexico is the United States' largest market for beef, dairy, swine, turkey, rice, apples, soymeal, sorghum, animal fats, and dry beans.

According to the U.S. Department of Agriculture, the North American Free Trade Agreement (Nafta) has resulted in expanded Mexican exports, higher wages for Mexican workers, less poverty, more foreign investment, and a stronger agriculture sector in Mexico. Agricultural trade and investment plays an important role in U.S.-Mexico economic relations, even with the uneven size of the two economies.

In 2012, agricultural exports from the United States to Mexico totaled USD 18 billion, while agricultural exports from Mexico to the United States totaled USD 16 billion. For the United States, this represented almost 14% of agricultural exports, while 60% of Mexico's agricultural exports go to the United States.

■ U.S. exports of agricultural products to Mexico totaled USD 18.89 billion in 2012, the 3rd largest U.S. Ag export market, after China (23%) and Canada (14%). According to the U.S. Trade Representative, leading categories include: coarse grains (USD 3.0 billion), red meats, fresh/chilled/frozen (USD 1.9 billion), and soybeans (USD 1.9 billion), dairy products (USD 1.2 billion), and wheat (USD 1.1 billion).

■ U.S. imports of agricultural products from Mexico totaled USD 16.3 billion in 2012, the 2nd largest U.S. supplier, if we don't consider the European Union as a group, right after Canada. Leading categories include: fresh vegetables (USD 4.0 billion), fresh fruit (excluding bananas - USD 2.7 billion), wine and beer (USD 1.8 billion), and snack foods (including chocolate - USD 1.5 billion).

■ Similarities and differences between the US and Mexico's agriculture sector:

-Agriculture contributes 8% to Mexico's Gross Domestic Product (GDP) and employs about 22% of the labor force (about 8 million workers). For the United States, agriculture comprises only 2% of its GDP and employs about 2.7% of the labor force (a bit under 4 million workers).

-However, the United States has considerably more arable land than Mexico. Only 12% (230 thousand square kilometers) of Mexico is arable while 19% (1,800 thousand square kilometers) of U.S. land is arable.

US Agricultural Trade with Main Partners

(USD Billion)

EXPORTS

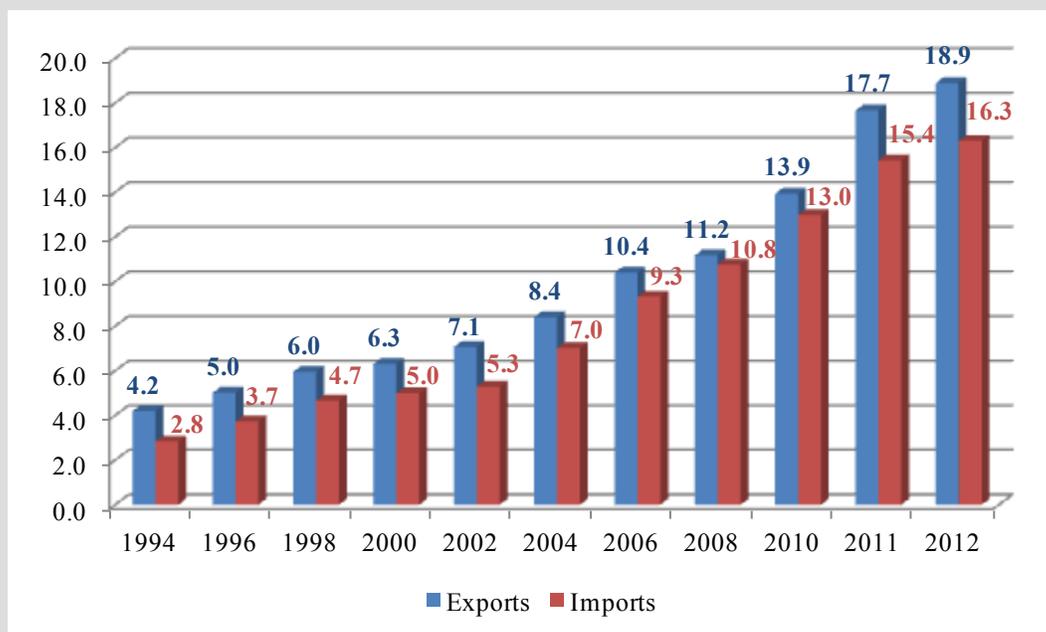
	2009	2010	2011	2012
China	11.07	15.00	19.87	23.35
	11.50%	13.82%	14.46%	17.20%
Canada	15.54	16.59	18.61	20.00
	16.14%	15.28%	13.55%	14.73%
Mexico	13.32	13.93	17.64	18.89
	13.83%	12.83%	12.84%	13.91%
Total	96.29	108.6	137.4	135.8

IMPORTS

	2009	2010	2011	2012
Canada	15.35	15.68	17.94	20.00
	20.91%	19.86%	18.98%	19.34%
EU	13.64	14.17	15.65	16.60
	18.58%	17.95%	16.56%	16.05%
Mexico	11.24	12.97	15.42	16.30
	15.31%	16.43%	16.32%	15.76%
Total	73.40	78.96	94.50	103.40

Since Nafta was implemented in 1994, agricultural trade between the U.S. and Mexico has risen dramatically. U.S. exports to Mexico have grown 350% and its imports have grown 476% since Nafta, reflecting the mutually beneficial outcomes Nafta has provided to the agricultural sectors in both countries.

US Agricultural Trade with Mexico (USD Billion)



■ **Interesting cases in the agriculture sector:**

Tomatoes

The United States and Mexico have reached a tentative agreement on cross-border trade in tomatoes, narrowly averting a trade war that threatened to engulf a swath of American businesses. The agreement reached in February of this year, raises the minimum sales price for Mexican tomatoes in the United States, aims to strengthen compliance and enforcement, and it took effect in March of 2013.

Plant and Animal Health Cooperation

U.S. and Mexican plant and animal health authorities have been collaborating for a number of years to combat plant pest and animal disease issues of mutual interest to Mexican and U.S. agriculture. These cooperative programs protect and promote agricultural health including the facilitation of safe trade valued at over USD 11 billion. A few examples of on-going work include: joint fruit fly, citrus, and cotton pest suppression efforts in plant health cooperation and tuberculosis, avian influenza, tick, classical swine fever, and rabies and BSE control efforts in animal health cooperation.