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Report Highlights:

Post forecasts both rising dairy imports and production in 2023, due to a favorable exchange rate and increased domestic demand for dairy products. Milk production is forecast to increase due to favorable weather conditions and a growing herd. As a result of higher domestic milk production, cheese, butter, and milk powder exports are forecast to increase. Skim milk powder and dry whole milk powder imports, particularly from the United States, remain strong and are forecast to increase in 2023.

Executive Summary

Milk: The production forecast for 2023 is 13.57 MMT, a growth of two percent compared to 2022, driven by a growing herd, and increased producer integration and secured milk sales through large companies such as Lala and Alpura. Increased industrial use in 2023 is forecast to help drive up consumption to 13.58 MMT, a two percent increase compared to 2022. Imports and exports are forecast to rebound from lower trade in 2022.

Cheese: Increased availability of fluid milk and elevated domestic demand is forecast to increase production for 2023 to 465,000 MT, a two percent increase compared to 2022. The import forecast for 2023 is 155,000 MT, a 25 percent increase compared to 2022. The stronger peso-dollar exchange rate and elevated demand from industrial processors and the retail sector are expected to drive up imports.

Butter: Butter consumption is forecast to recover in 2023, from two previously limited years, however, growth is tempered by inflationary pressures. The consumption forecast for 2023 is 266,000 MT, a ten percent increase compared to 2022. Growing demand from the Hotel, Restaurant, and Institutional (HRI) sector continues to drive up butter consumption. The import forecast for 2023 is 23,000 MT, a significant increase compared to 2022. The increase is attributed to eased inflation, a stronger peso, and increased demand from the HRI sector.

Skim Milk Powder (SMP): The production forecast for 2023 is 48,000 MT, an increase of two percent compared to 2022. Although Mexico has limited milk drying infrastructure, a moderate increase in domestic production is expected through 2023. Despite an increase in domestic production, the import forecast for 2023 is 270,000 MT, an increase of seven percent compared to 2022. The import increase is attributed to strong demand from milk processors.

Whole Milk Powder (WMP): With no increase in installed capacity for domestic drying, the production forecast remains flat at 125,000 MT. Mexico's economic outlook and a stronger peso are expected to increase WMP imports in 2023 to 3,000 MT.

Fluid Milk

Table 1. Milk- Production, Supply and Distribution

Dairy, Milk, Fluid Market Year Begins	2021		2022		2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Cows In Milk (1000 HEAD)	6,600	6,600	6,650	6,650	6,700	6,700
Cows Milk Production (1000 MT)	12,850	12,850	12,980	13,110	13,250	13,400
Other Milk Production (1000 MT)	172	172	172	172	170	170
Total Production (1000 MT)	13,022	13,022	13,152	13,282	13,420	13,570
Other Imports (1000 MT)	31	31	29	14	30	21
Total Imports (1000 MT)	31	31	29	14	30	21
Total Supply (1000 MT)	13,053	13,053	13,181	13,296	13,450	13,591
Other Exports (1000 MT)	17	17	15	1	15	8
Total Exports (1000 MT)	17	17	15	1	15	8
Fluid Use Dom. Consum. (1000 MT)	4,150	4,150	4,166	4,166	4,185	4,190
Factory Use Consum. (1000 MT)	8,886	8,886	9,000	9,129	9,250	9,393
Feed Use Dom. Consum. (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	13,036	13,036	13,166	13,295	13,435	13,583
Total Distribution (1000 MT)	13,053	13,053	13,181	13,296	13,450	13,591
(1000 HEAD), (1000 MT)						

Production

The production forecast for 2023 is 13.57 MMT, a growth of two percent compared to 2022. Production for 2022 is estimated at 13.28 MMT, a two percent increase compared to 2021.

Mexico's continued milk production growth is attributed to a growing herd, and increased producer integration and secured milk sales through large companies such as Lala and Alpura. Liconsa, Mexico's agency in charge of purchasing milk from small and medium producers at a guaranteed price, continues to acquire raw milk from producers with 30 cows or less. Investment in drying infrastructure across Mexico remains flat, limiting options to manage fluid milk production surplus and seasonality.

As of February 2023, according to Secretariat of Agriculture (SADER), five states represent 59 percent of domestic milk production. Jalisco leads the country in production with 21 percent of the share, followed by Coahuila (11 percent), Durango (11 percent), Chihuahua (9 percent), and Guanajuato (7 percent).

Despite forecast growth, several domestic and global factors limit Mexico's production, including persistent drought in the northern part of the country, inflation, elevated input costs (feed, energy, fuel, labor), a lack of access to credit, and regulatory uncertainty. Additionally, domestic fluid milk prices were relatively low in the first quarter of 2023 and are expected to remain bearish through the rest of 2023.

One of Mexico’s feed industry organizations reports that between 2018 and 2022, all segments of feed production experienced steady growth. Balanced feed production for dairy cattle in 2022 is estimated at 6,238 MMT, an almost four percent increase from 2021.

Table 2. Mexico - Evolution of Dairy Cattle Feed Production (2018-2022)

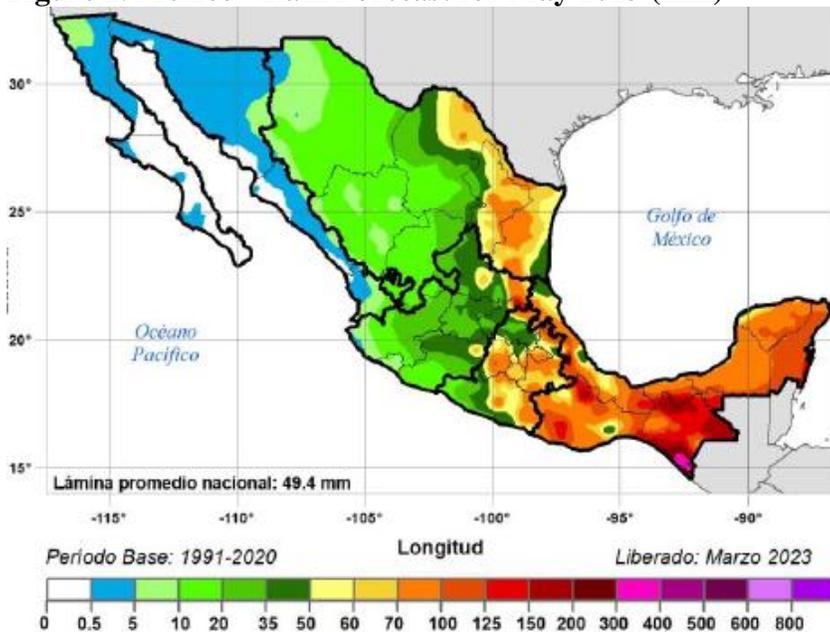
Year	Dairy Cattle Feed (MMT)
2022	6,238
2021	6,099
2020	5,928
2019	5,769
2018	5,524

Source: National Organization of Feed Producers and Animal Nutrition (CONAFAB)

Despite three years in a row of dry conditions caused by La Niña, the impacts on the dairy industry are limited. Producers have secured water supplies through deep wells, trucks, and on-site water reservoirs. Producers from La Laguna (Coahuila and Durango) have sufficient water supply from agricultural dams to secure production throughout the year. According to SADER, 91 dams are currently above 50 percent capacity, 32 are between 20 and 50 percent capacity, and 15 dams have levels below 20 percent of their capacity.

Currently, the greatest rainfall deficit is found in Mexico’s northwest agricultural region, with only 43 percent of normal rainfall. However, it is expected that from April - May 2023, El Niño will bring enough rainfall to compensate for the previous dry conditions.

Figure 1. Mexico - Rain Forecast for May 2023 (mm)



Source: Servicio de Información Agroalimentaria y Pesquera (SIAP)

Consumption

The consumption forecast for 2023 is 13.58 MMT, a two percent increase compared to 2022. Consumption for 2022 is estimated at 13.30 MMT, a two percent increase compared to 2021.

The Liconsa program continues to impact fluid milk consumption through the distribution of milk to low-income families. In 2023, Liconsa expects to reach 5.5 million families, an estimated 15 percent increase compared to 2022. Additionally, industrial use continues to grow as consumers seek processed dairy products.

Figure 2. Liconsa milk cartons



Source: SADER

Trade

Imports

The imports forecast for 2023 is 21,000 MT, a growth of 50 percent compared to 2022. The growth in imports in 2023 represents a rebound from previously low figures in 2022. Fluid pasteurized milk sales in the retail sector increased from May 2022 to May 2023. Additionally, Mexico's favorable exchange rate in the first half of 2023, with expectations for a continued strong peso, is expected to incentive the domestic industry to import dairy ingredients.

Imports for 2022 are estimated at 14,000 MT, a 55 percent decrease compared to 2021. In 2022, as domestic production increased, Mexico was less dependent on imports to satisfy local demand.

Exports

The exports forecast for 2023 is 8,000 MT, a 700 percent increase compared to 2022. This growth in imports represents a rebound from previously low figures in 2022. Increased production is expected to support exports to neighboring countries.

Exports for 2022 are estimated at 1,000 MT, a 94 percent decrease compared to 2021. As the peso-dollar exchange rate moved towards a stronger peso, especially in the second half of 2022, Mexico's exports became more expensive, and therefore milk sales shifted to domestic production for industrial processing, away from exports.

Stocks

Current milk and dairy product stocks held by major dairy companies are considered operating stocks to meet short-term demand. There are no government-held stocks of milk or milk products in Mexico.

Cheese

Table 3. Cheese – Production, Supply and Distribution

Dairy, Cheese Market Year Begins	2021		2022		2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	448	448	455	455	465	465
Other Imports (1000 MT)	132	132	155	124	155	155
Total Imports (1000 MT)	132	132	155	124	155	155
Total Supply (1000 MT)	580	580	610	579	620	620
Other Exports (1000 MT)	12	12	16	4	15	12
Total Exports (1000 MT)	12	12	16	4	15	12
Human Dom. Consumption (1000 MT)	568	568	594	575	605	608
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	568	568	594	575	605	608
Total Use (1000 MT)	580	580	610	579	620	620
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	580	580	610	579	620	620
(1000 MT)						

Production

The production forecast for 2023 is 465,000 MT, a two percent increase compared to 2022. The production estimate for 2022 is 455,000 MT, a two percent increase compared to 2021.

Cheese production growth is attributed to ample milk supplies, and increased domestic demand, both from retail and from the HRI sector. According to SADER, Mexico ranks tenth in the world in cheese production and eighth in consumption. According to industry sources, cheese production in Mexico reached \$3.07 billion dollars in 2021 and is expected to reach \$4.95 billion dollars value by 2027.

An estimated 20 to 25 percent of domestic milk production is processed into cheese. Mexico mostly produces soft cheeses like *Fresco*, *Doble Crema*, *Chihuahua*, *Amarillo* (American) and *Panela*. In

Mexico, cheese production is concentrated in the dairy regions of Jalisco, Guanajuato, Chihuahua, and Chiapas.

Cheese production in Mexico is fragmented, with production divided between industrialized processing and artisan cheese production. Key players in the industrialized sector include Grupo Lala SAB de C.V., Sigma Alimentos, S.A. de C.V., Ganaderos Productores de Leche Pura, S.A. de C.V. (ALPURA), Chilchota Alimentos S.A. de C.V., Mondelez International, Inc., and Grupo Lactalis, among others. The larger companies compete to differentiate their products in terms of ingredients, flavor profiles, product forms and variants, and packaging.

Consumption

The consumption forecast for 2023 is 608,000 MT, a six percent increase compared to 2022. The consumption estimates for 2022 is 575,000 MT, a one percent increase compared to 2021.

Many of Mexico's consumers perceive cheese as an affordable source of protein and consume cheese as a snack. Factors driving cheese consumption growth include demand from the fast-food industry and consumer demand for protein-rich foods. Additionally, domestic private dairy organizations and local (state) governments seek to invest in promotional campaigns to increase cheese consumption.

Trade

Imports

The import forecast for 2023 is 155,000 MT, a 25 percent increase compared to 2022. The strong peso in the first half of 2023 and strong demand from industrial processors and the retail sector are expected to drive up imports.

The imports estimate for 2022 is 124,000 MT, a six percent decrease from 2021. In 2022, bulk and shredded cheese for industrialization was the main imported cheese product. However, factors such as inflation, a relatively weaker peso, suppressed income levels, and less discretionary incomes caused consumption to grow at a slower pace than expected, and demand was satisfied on a larger scale through domestic production.

Exports

The export forecast for 2023 is 12,000 MT, a 200 percent increase compared to 2022. The growth in exports in 2023 represents a rebound from previously low figures in 2022. Despite an unfavorable exchange rate for exports, Mexico's cheeses remain relatively price competitive. Mexico's cheese exports fill international demand for Mexican soft and artisan cheeses.

Exports for 2022 is estimated at 4,000 MT, a 67 percent decrease compared to 2021. Less international demand, a less favorable exchange rate for trade, and increased domestic demand for local cheese, reduced the 2022 exports.

Due to Mexico’s producing mostly soft cheeses, which are highly perishable, its export markets are limited almost exclusively to the United States and Central America.

Stocks

There are no government-held stocks of cheese in Mexico.

Butter

Table 4. Butter - Production, Supply and Distribution

Dairy, Butter Market Year Begins	2021		2022		2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	235	235	236	236	245	245
Other Imports (1000 MT)	23	23	35	5	30	23
Total Imports (1000 MT)	23	23	35	5	30	23
Total Supply (1000 MT)	258	258	271	241	275	268
Other Exports (1000 MT)	2	2	1	0	2	2
Total Exports (1000 MT)	2	2	1	0	2	2
Domestic Consumption (1000 MT)	256	256	270	241	273	266
Total Use (1000 MT)	258	258	271	241	275	268
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	258	258	271	241	275	268
(1000 MT)						

Production

The production forecast for 2023 is 245,000 MT, a four percent increase compared to 2022. A more favorable outlook for international dairy prices, along with a stronger peso to purchase inputs, is expected to improve 2023 production upward from the lethargic growth experienced in 2022. Mexico is estimated to be the 43rd producer of butter in the world. According to Mexico’s Central Bank (BANXICO), the challenges for 2023 that could weigh down butter production and the dairy sector in general are public security issues, inflation, and legal uncertainty around public policies.

Production for 2022 is estimated at 236,000 MT, a slight increase compared to 2021. Mexico’s butter production pace slowed down in 2022, due to macro-economic pressures such as high input costs and inflation. The main drivers for butter production demand are the bakery, confectionary, and other industrial processing sectors.

Consumption

The consumption forecast for 2023 is 266,000 MT, a ten percent increase compared to 2022. Growing demand from the HRI sector continues to drive up butter consumption.

Consumption for 2022 is estimated at 241,000 MT, an approximately six percent decrease compared to 2021. Food inflation and less household incomes resulted in less butter consumption in 2022. Butter is considered a high-end commodity and was strongly impacted by inflation and elevated production costs. Additionally, as butter prices increased, consumers were also tempted to switch to vegetable-based products, such as margarine, due to a perception of more health benefits. Recently, the Government of Mexico (GOM) passed new legislation ([See GAIN: MX2023-0013](#)) to regulate the use of trans fats (partially hydrogenated) in food and non-alcoholic beverages, which may impact previous shifts to margarine consumption, back to butter.

Trade

Imports

The import forecast for 2023 is 23,000 MT, a 360 percent increase compared to 2022. In the first quarter of 2023, eased inflation, a stronger peso, and increased demand from the HRI sector are expected to greatly increase imports to satisfy domestic demand.

Imports for 2022 are estimated at 5,000 MT, a 78 percent decrease compared to 2021. Record levels of food inflation decreased demand for this commodity, especially at the household level, resulting in less of a need for imports to satisfy domestic demand.

Exports

The export forecast for 2023 is 2,000 MT, up from the 2022 estimate of zero exports. It is expected that 2023 will be more favorable to Mexico's exports by the second half of the year. As worldwide inflation begins to soften, and North America's production is expected to contract, Mexico is expected to supply more butter to the Americas.

Exports for 2022 are estimated to decrease to zero, from 2,000 MT in 2021. Domestic butter demand was supplied through domestic production, leaving almost no stocks for exports. Mexico's exports to Central and South America are price driven, and elevated inflation and costs of production resulted in Mexico's butter to be uncompetitive pricewise in the international markets.

Stocks

There are no government-held stocks of butter in Mexico.

Skim Milk Powder (SMP)

Table 5. Dairy, Milk, Nonfat Dry - Production, Supply and Distribution

Dairy, Milk, Nonfat Dry Market Year Begins	2021		2022		2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	45	45	46	47	48	48
Other Imports (1000 MT)	338	338	385	253	400	270
Total Imports (1000 MT)	338	338	385	253	400	270
Total Supply (1000 MT)	383	383	431	300	448	318
Other Exports (1000 MT)	1	1	1	0	1	1
Total Exports (1000 MT)	1	1	1	0	1	1
Human Dom. Consumption (1000 MT)	382	382	430	300	447	317
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	382	382	430	300	447	317
Total Use (1000 MT)	383	383	431	300	448	318
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	383	383	431	300	448	318
(1000 MT)						

Production

The production forecast for 2023 is 48,000 MT, an increase of two percent compared to 2022. Although Mexico has limited milk drying infrastructure, a moderate increase in domestic production is expected through 2023. Demand for SMP from industrial processors of infant formulas, drinks, condensed milk, yogurt, ice cream, and the bakery sector are expected to drive up local production.

Production for 2022 is estimated at 47,000 MT, a four percent increase compared to 2021. Elevated international dairy prices, and increased domestic milk production, led to increased domestic SMP production.

Consumption

The consumption forecast for 2023 is 317,000 MT, a six percent increase compared to 2022. Despite high prices tempering consumption growth, demand from the industrial sector is expected to increase SMP use. Even though 2023 consumption is forecast to grow compared to 2022, consumption will not yet recover to levels seen in 2019.

Consumption for 2022 is estimated at 300,000 MT, a 21 percent decrease compared to 2021 due to higher prices. Despite the decline in consumption in 2022, local analysts report that Mexico is still the number two consumer of milk powder in Latin-America, after Brazil.

Table 6. Mexico – Dairy Products Inflation

Product	March 2022 \$/Kg	March 2023 \$/Kg	Yearly Variation %
Pasteurized milk	20.8	23.0	10.2
Condensed milk	73.8	78.2	5.9
Milk Powder	132	138.9	5.2

Source: Procuraduría Federal del Consumidor (PROFECO)

Trade

Imports

The import forecast for 2023 is 270,000 MT, an increase of seven percent compared to 2022. With inflation showing signs of decreasing worldwide, and the domestic dairy industry demanding more raw materials, a better outlook for SMP imports is expected in 2023. Although the domestic economy still has a long way to a full recovery, GDP is expected to grow 1.5 percent in 2023.

Imports for 2022 are estimated at 253,000 MT, a decrease of 25 percent compared to 2021. Inflationary pressures and poor economic growth negatively impacted demand for imports during 2022. As domestic demand for dairy decreased amongst household consumers, Mexico relied less on imports to satisfy demand.

Exports

The exports forecast for 2023 is 1,000 MT, an increase of a 100 percent compared to 2022. By the second half of the year, Mexico is expected to have more access to previous Latin American customers as inflation begins to ease, making milk powder prices more appealing.

Exports for 2022 are estimated at 0 MT, a decrease of 100 percent compared to 2021. Local production fed the domestic market, leaving little room for surplus exports. Additionally, a strong peso during the second half of 2022 further discouraged purchases from international customers.

Stocks

There are no government-held stocks of SMP in Mexico.

Whole Milk Powder (WMP)

Table 7. Dairy, Milk, Whole Dry - Production, Supply and Distribution

Dairy, Dry Whole Milk Powder Market Year Begins	2021		2022		2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	123	123	124	125	125	125
Other Imports (1000 MT)	7	7	5	1	7	3
Total Imports (1000 MT)	7	7	5	1	7	3
Total Supply (1000 MT)	130	130	129	126	132	128
Other Exports (1000 MT)	14	14	19	2	20	2
Total Exports (1000 MT)	14	14	19	2	20	2
Human Dom. Consumption (1000 MT)	116	116	110	124	112	126
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	116	116	110	124	112	126
Total Use (1000 MT)	130	130	129	126	132	128
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	130	130	129	126	132	128
(1000 MT)						

Production

The production forecast for 2023 remains flat at 125,000 MT. Due to a lack of new installed capacity for domestic drying in 2023, production is forecast to remain flat.

Production for 2022 is estimated at 125,000 MT, a two percent increase compared to 2021. Despite limited milk drying infrastructure, domestic production grew in 2022 through industry efforts to supply WMP for domestic processing. Elevated international prices for dairy commodities led to increased domestic production to satisfy demand.

Currently, fluid milk production in Mexico is one of the largest in the world. For the past ten years, the average cumulative growth for milk and dairy production in Mexico has been 1.6 percent, not enough to satisfy domestic demand. WMP fills a market gap and is used for dairy processing, including to satisfy fluid milk demand through reconstitution.

Overall, production growth for WMP is fueled by manufacturing in the bakery, confectionery, infant formulas, ice creams, and dietary supplement sectors. However, sources point to current regulatory uncertainty in Mexico as driving away both domestic and international investments in additional milk drying infrastructure.

Consumption

The consumption forecast for 2023 is 126,000 MT, a two percent increase compared to 2022. WMP consumption is expected to increase in 2023, although at a slower pace, and despite food price inflation, driven by increased consumption from both medium and high-income households. Additionally, increases in fluid milk distribution through Liconsa, including through reconstituted milk from WMP, is expected to increase consumption.

Consumption for 2022 is estimated at 124,000 MT, a seven percent increase compared to 2021. Increased WMP demand for processing resulted in increased consumption of WMP during 2022 and this trend is expected to continue through 2023.

Trade

Imports

The import forecast for 2023 is 3,000 MT, an increase of 200 percent compared to 2022. Mexico's economic outlook and a stronger peso are expected to increase WMP imports in 2023, however not yet fully recovered to 2021 numbers.

Imports for 2022 are estimated at 1,000 MT, a decrease of 86 percent compared to 2021. Domestic production was able to satisfy most of the reduced demand, resulting in less imports. The use of SMP and fluid milk for domestic processing, along with an increased inflation, impacted negatively on trade of WMP.

Additionally, some analysts agree that a major challenge for milk powder trade worldwide is the substitution of WMP by a plant-based products for use in chocolates, medicines, and infant formulas.

Exports

The export forecast for 2023 remains flat at 2,000 MT. The strong peso is expected to prevent any export growth in WMP sales.

Exports for 2022 are estimated at 2,000 MT, a decrease of 86 percent compared to 2021. Decreased supply from less WMP imports and a stronger peso in the second half of 2022 weighed down Mexico's exports. The usual Central and South American destinations for this commodity also struggled with high inflation during 2022 and were not appealing export markets for Mexico's WMP.

After the rebound of the dairy industry in 2021 from the pandemic lockdown in 2020, the domestic dairy sector expects 2023 to be more stable than 2022, but not without challenges. These include the worldwide drop in dairy demand, diminished domestic disposable incomes, and the continued uncertainty in world markets due the Russia's war on Ukraine.

Stocks

There are no government-held stocks of WMP in Mexico.

Additional Dairy Products

Whey

Mexico consumes whey for infant formulas, clinical nutrition, senior nutrition, and the sports products industry. Whey is also used for yogurt processing and dairy spreads. Some large companies in Mexico have adopted technology to use whey as a vehicle to incorporate probiotics and prebiotics to different dairy products.

Trade

Imports

Table 8. Mexico Whey Imports (MT)

	2017	2018	2019	2020	2021	2022
World	57,266	62,343	71,408	44,334	53,414	49,835
United States	54,883	60,400	67,775	42,007	49,490	49,835
Norway	1,162	876	1,790	1,640	2,348	0
Canada	56	0	0	0	381	0
United Kingdom	0	0	0	0	350	0
Germany	366	417	456	391	310	0
Denmark	259	213	266	90	166	0
Chile	50	150	169	144	150	0
Switzerland	111	83	153	57	113	0
France	60	0	680	0	100	0

Source: Trade Data Monitor

Exports

Table 9. Mexico Whey Exports (MT)

	2017	2018	2019	2020	2021	2022
World	1,433	1,893	1,521	24	61	0
United States	20	7	4	3	25	0
El Salvador	0	0	0	0	21	0
Cuba	20	38	33	21	14	0
Guatemala	0	0	0	1	1	0
Philippines	989	1,720	1,419	0	0	0

Source: Trade Data Monitor

Ice Cream

Mexico's ice cream trade is reported be less of a profitable business compared to previous years, due to the uncertainty of Mexico's regulations and regular changes in the criteria for labeling. However, ice cream consumption has increased in recent years, especially after the pandemic. Local analysts estimate the growth rate of ice cream consumption in Mexico at close to five percent over the past five years. Mexico has a consumption per capita of ice cream of 1.5 liters per year. Ice cream consumption is seasonable, and in spring and summer time ice cream consumption increases by 30 percent compared to the rest of the year.

Trade

Imports

Table 10. Mexico's Ice Cream Imports (MT)

	2017	2018	2019	2020	2021	2022
World	20,889	24,366	26,242	24,704	24,605	23,566
United States	20,476	23,696	24,942	23,200	22,792	23,553
United Kingdom	0	0	0	46	1,116	0
France	293	421	679	521	426	0
Italy	64	148	139	194	163	13
Spain	35	66	64	51	85	0

Source: Trade Data Monitor

Exports

Table 11. Mexico's Ice Cream Exports (MT)

	2017	2018	2019	2020	2021	2022
World	726	475	330	523	1,976	6,235
United States	348	174	111	177	1,279	6,235
Panama	0	0	0	0	372	0
Dominican Republic	201	149	163	287	239	0

Source: Trade Data Monitor

Infant Formulas

In Mexico, infant formulas are not considered dairy products but are classified as pharmaceutical supplements. Only five percent of infant formula is dairy, specifically whey. According to industry contacts, formulas classified as baby formulas or stage one formulas are intended for babies 0-6 months old. Formulas classified as infant formulas are classified in stages 2-4 and intended for babies over seven months old.

Trade

Imports

Table 12. Mexico's Infant Formula Imports (MT)

	2017	2018	2019	2020	2021	2022
World	9,294	10,371	10,786	8,615	8,582	8,631
Netherlands	4,096	4,704	3,927	4,203	4,095	820
Germany	1,090	1,164	1,157	1,253	1,420	694
Spain	1,471	1,213	1,212	893	1,173	0
Ireland	782	602	809	762	709	0
Unidentified	0	0	0	0	0	6,823
Argentina	652	894	632	427	356	0
France	165	205	262	539	276	231
United States	502	1,106	2,451	284	271	63

Source: Trade Data Monitor

Exports

Table 13. Mexico's Infant Formula Exports (MT)

	2017	2018	2019	2020	2021	2022
World	42,613	67,667	124,980	97,649	75,342	92,351
United States	3,893	4,772	11,346	16,551	13,113	13,682
Dominican Republic	8,633	10,013	11,391	24,166	9,526	0
Colombia	4,445	6,090	22,391	5,127	5,524	2,930
Unidentified	0	0	0	0	4,974	62,860
Guatemala	1,733	2,500	3,918	4,827	4,761	4,821
Honduras	1,931	2,623	3,978	4,967	4,381	4,521
Nicaragua	2,299	13,534	4,930	9,499	4,217	0

Source: Trade Data Monitor

Policy

The GOM published a series of inflation-related decrees which temporarily allow the duty-free import of certain food products including milk powder and fluid milk (See [GAIN MX2023-0002](#) and [GAIN MX2022-0057](#)). The decree temporarily exempts select importers from the payment of import duties for certain goods and facilitates administrative easing. The decree is valid until December 2023.

There are no new changes to report on Mexico's review of various dairy regulations. Currently, there is no appointee at the Secretariat of Economy (SE) to coordinate the corresponding working groups. Dairy or dairy related regulations that were programmed to be reviewed and published (last version) during 2022, but were not as of April 2023, are:

- NOM-181-SCFI/SAGARPA-2018 Yogurt
- NOM-223-SCFI/SAGARPA-2018 Cheese
- NOM-222-SCFI/SAGARPA-2018 Milk Powder
- NOM-193-SE/SADER-2020 Cream
- NOM-151-SE/SADER-2020 Milk
- NOM-183-SCFI-2012 Dairy Products and Combined Dairy Products
- NOM-190-SCFI-2012 Mix of Milk with Vegetable Oil
- NOM-243-SSA1-2010 Sanitary Specifications for Milk and Dairy Products
- NOM-XXX-SE/SADER-20XX Butter

For More Information

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Report Number	Title	Dated
MX2022-0056	Dairy and Products Annual	10/24/2022
MX2022-0034	Dairy and Products Semi-annual	06/17/2022
MX2022-0023	Food Processing Ingredients	03/30/2022
MX2022-0011	Mexico Publishes Final Draft of Cheese Conformity Assessment Procedure	02/01/2022
MX2022-0056	Dairy and Products Annual	11/01/2021
MX2021-0051	Mexico Publishes Draft Conformity Assessment Procedure for Cheese	09/07/2021
MX2021-0047	Mexico to Work Six Dairy Regulations and Two Still Pending at the WTO	08/23/2021

Attachments:

No Attachments