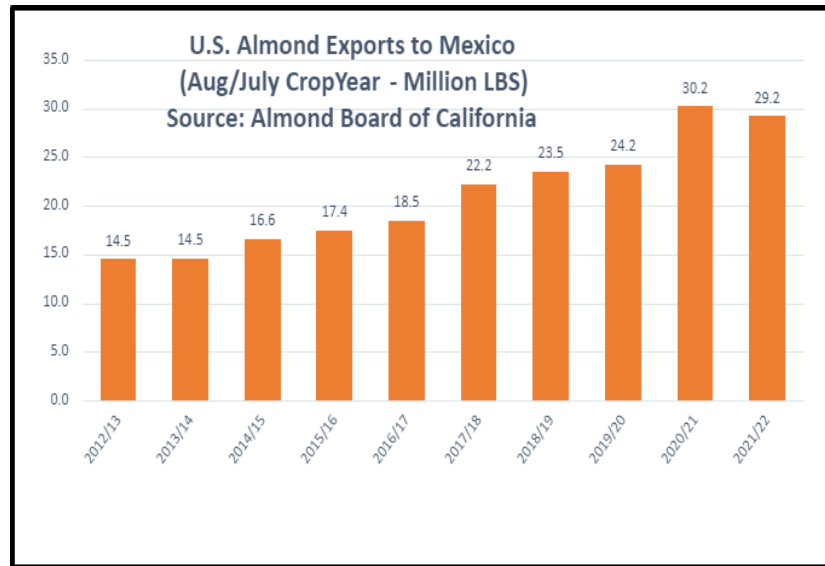




Market Profile: Mexico

Trade

- Following several years of steady growth, almond exports declined slightly in FY 21/22, from 30.2 million pounds to 29.2 million pounds. This still remains almost 30% higher compared to five years ago.
- Shelled almonds accounted for 98-99% of whole almond exports to Mexico.



Market Overview

- Mexico is largest market for almonds among Latin American countries.
- Growth in the Mexican market has accelerated upon the activation of ABC-funded marketing campaigns that began in April 2018.
- Mexico inched ahead of Canada to become the second-largest destination for all U.S. agricultural products in 2021 at \$25.5 billion in total value, an increase of 39% YOY.
- With over 130 million people, Mexico's population skews young: about 44% of the population is under the age of 25, with an additional 41% in the 25-54 age range.
- ABC has invested \$2.4 million in marketing activities for FY 2022/23.

Key Issues

- Almonds enjoyed 0% duty status under NAFTA, which continued under USMCA, which came into force in July 2020.
- Mexico imposes an 8% Special Tax over Production and Services (IEPS) for high calorie food (defined as 275 kcal per 100 grams). The IEPS, also known as the "junk food tax" or "sugar tax," affects roasted almonds (not raw).
- ABC closely monitored a proposed Mexican regulation which mandated front-of-pack labeling with "warning signs" for foods high in sugar, sodium, and/or saturated fats.