

Key Insights and Data on US-Mexico Agroindustry

December 2024

- **Mexico and Canada, key partners in the U.S. agricultural trade**
 - In 2023, Mexico and Canada ranked as the top destinations for U.S. agricultural exports, with Canada overtaking China as the largest market.
 - Mexico plays a crucial role in providing the U.S. with year-round access to fresh fruits and vegetables, thanks to their complementary growing seasons.
- **Trade wars damage U.S. farmers**
 - The 2018-2019 U.S.-China trade war had severe repercussions for U.S. farmers, as retaliatory tariffs significantly reduced agricultural exports. The U.S. government provided \$28 billion in subsidies to farmers to offset losses, but the long-term costs and reduced market access remain a challenge.
- **Employment in agricultural trade**
 - U.S. agricultural trade supports over 1 million full-time jobs. Additionally, imports like tomatoes, avocados, and beer create more than 200,000 jobs in the U.S., demonstrating the mutual benefits of agricultural trade.
- **Opportunities for growth in agricultural exports**
 - Mexico's consistent demand for U.S. corn and other agricultural products has positioned it as a key market for future growth. In 2024, Mexico overtook China as the second-largest destination for U.S. agricultural exports, further strengthening its role as a critical trade partner.
- **Culinary integration across borders**
 - The production of iconic Mexican beers like Corona and Modelo exemplifies the deep economic interdependence in food and beverage manufacturing between Mexico and the United States. Breweries in Nava and Obregón, Mexico, rely on key ingredients such as malted barley from Montana, Idaho, and North Dakota, and hops from Washington State. After brewing, these beers are exported back to the United States, where they are enjoyed by American consumers. This seamless integration highlights how the two nations collaborate to create products that transcend borders.

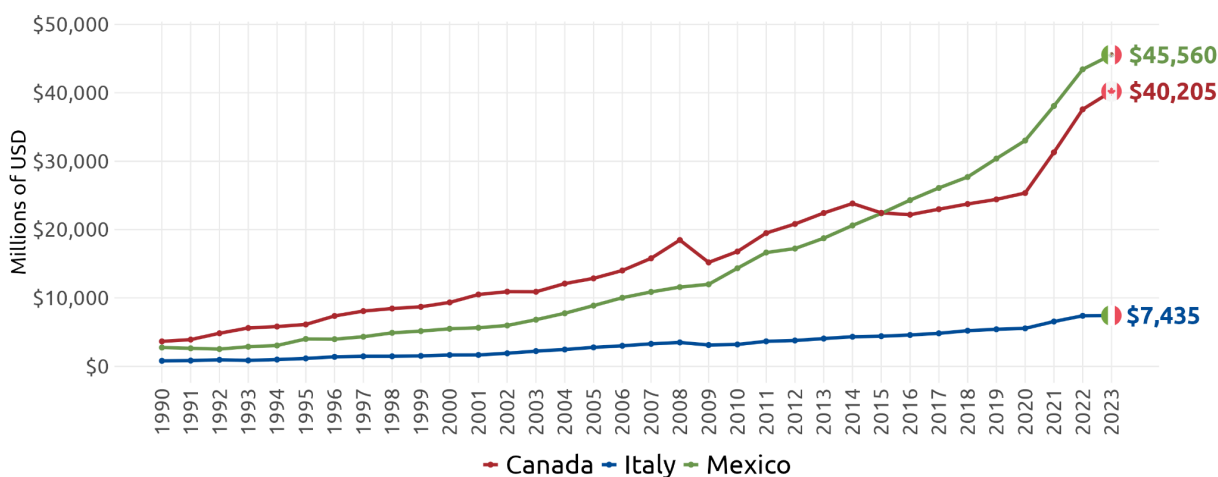
The USMCA partners provide food security in North America

- In FY 2023, Mexico was the U.S.'s largest agricultural trading partner (exports + imports). Mexico accounted for 16.3% of U.S. agricultural exports and 23.3% of U.S. agricultural imports. ([ERS, USDA](#))
 - In 2023, total trade in agricultural products between the U.S. and Mexico surpassed 75 billion USD. (FAS)
- Canada is the second-largest agricultural trading partner of the United States. The trade relationship is highly integrated, especially in grains and animal products.
 - In 2023, total U.S.-Canada agricultural trade reached \$73.4 billion USD. ([FAS](#))
- The U.S. is Mexico's largest agricultural trading partner, accounting for 74% of Mexico's total agricultural imports. At the same time, Canada purchases over 20% of all U.S. agricultural exports, highlighting the strong trade relationship within North America.
- In 2023, the U.S. main agricultural imports came from Mexico, Canada and Italy.

U.S. Agricultural products imports by country of origin



Millions of USD, constant 2023 dollars

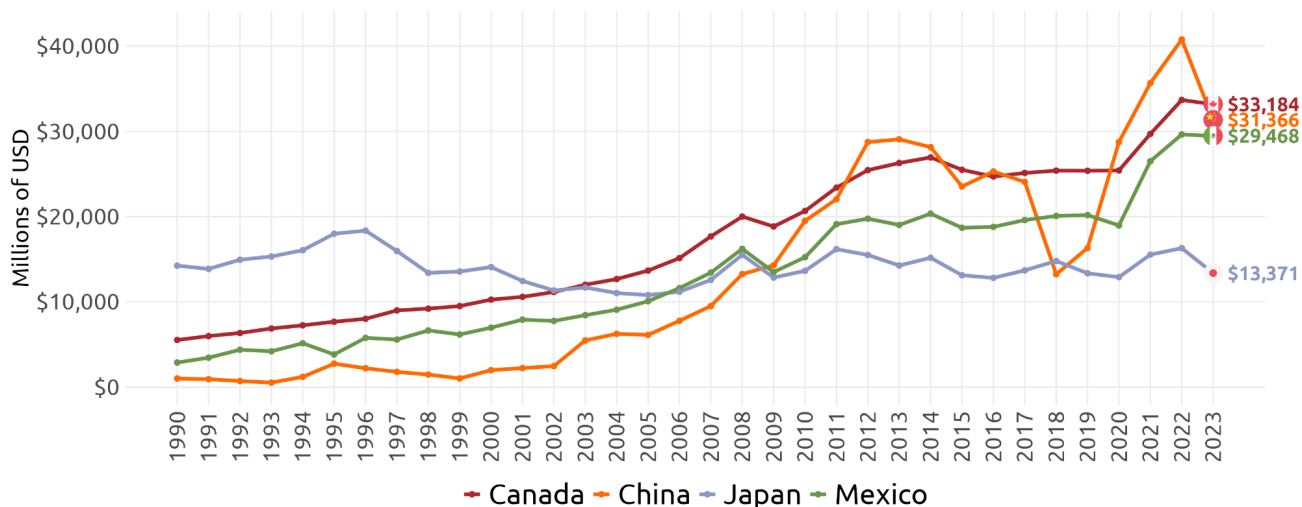


Made by México, ¿cómo vamos? with information from the United States Department of Agriculture

- U.S. agricultural exports
 - In 2023, Canada emerged as the top destination for U.S. agricultural exports, overtaking China, which had held the leading position since 2020. U.S. exports to China fell significantly, from \$40.7 billion in 2022 to \$31.4 billion in 2023. Meanwhile, Mexico ranked as the third-largest destination for U.S. agricultural products.

U.S. Agricultural products exports by country

Millions of USD, constant 2023 dollars



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- As of the latest data from 2024 (up to August), Mexico has overtaken China to become the second-largest destination for U.S. agricultural exports. While U.S. exports to China saw a significant drop from \$40.7 billion in 2022 to \$31.4 billion in 2023, Mexico’s consistent demand for agricultural products has solidified its position just behind Canada. This shift highlights Mexico's growing role as a critical trade partner for U.S. agriculture. ([FAS](#))

Tariffs and Trade Wars: A Losing Game for U.S. Farmers

- During the 2018-2019 trade war, U.S. farmers faced retaliatory tariffs that significantly impacted their exports. In response, the Federal government provided subsidies covering 92% of the tariffs collected, leaving only 8% of the tariff revenue as actual net income.
- This demonstrates that even when tariffs target a small share of imports, the cost of subsidizing affected businesses outweighs the revenue collected. As the scope of tariffs expands, so too does the burden of retaliatory measures and the cost of compensatory subsidies. ([The White House](#))
 - For instance, in 2018 and 2019, the Trump administration authorized \$28 billion in payments to U.S. farmers to offset their losses from Chinese trade retaliation. ([Council on Foreign Relations](#))

The US- Mexico market potential through Free Trade Agreements

- The combined **population of North America exceeds 450 million people**. According to 2022 data, the U.S. has around 333 million people, Mexico has approximately 128 million, and Canada has about 39 million. ([World Bank](#))
 - The **USMCA has significantly strengthened agricultural trade** between the U.S., Mexico, and Canada by maintaining zero-tariff treatments from NAFTA and introducing new provisions to expand market access. This large and diverse consumer base across North America drives demand for a wide range of agricultural products, **from fresh products to processed foods**. ([USTR](#))
- Between 1993 and 2023, U.S. agricultural exports to Mexico increased at a compound annual growth rate of 7.0% and the agricultural imports from Mexico grew at a rate of 9.7%. ([USDA](#))

U.S. - Mexico agricultural trade is complementary, granting access to fresh fruits and vegetables all year round to U.S. consumers and providing grains to the Mexican economy

- Growth in demand for horticultural products has been driven by consumer desire for a **year-round supply**, changing consumer preferences, and foreign production that is increasingly competitive with domestically grown produce. ([ERS](#), [USDA](#))
 - At a 2017 House Agriculture Committee hearing, lawmakers from California and other states emphasized how produce imports from Mexico benefit U.S. consumers, boosting access to affordable and diverse fruits and vegetables. They also pointed out that these imports play a vital role in supporting the overall U.S. fruit and vegetable industry, enhancing the market's ability to meet consumer demand year-round. ([Congressional Research Service](#))
- U.S. agricultural exports to Mexico consist of grains, oilseeds, and meat.
 - Mexico has been increasingly dependent on importing corn, especially yellow corn, to meet the rising demand from its livestock and starch industries. By the 2023/2024 marketing year (MY), these imports are expected to reach around 21 million metric tons, making up over 45% of the country's total corn consumption. ([USDA](#))
- Mexico's exports to the U.S. consist mainly of vegetables, fruits, beverages, and distilled spirits.
 - During winter, vegetables and fruits are supplied to the U.S. from Mexico.
 - Beer and spirits such as tequila and mezcal foster not only agricultural trade but also forge a culinary integration.

Agricultural jobs

- According to the [Federal Reserve Bank of St. Louis](#), with data from the Bureau of Labor Statistics (BLS), as of September 2024, there are 2.3 million people employed in agriculture and related industries.
- Between 2012 and 2022, the largest employment gains were seen in crop support services, which grew by 27,500 jobs, marking a 12% increase over the decade. ([USDA](#))
- U.S. agricultural exports supported more than 1 million full-time jobs in 2022.
 - ERS estimated in 2022 that each dollar of agricultural exports stimulated another 1.09 in business activity [Agricultural Trade Multipliers](#).

Key U.S. agricultural exports to Mexico by product

- **Corn and corn starch**
 - In 2023, the United States supplied over 85% of Mexico's corn imports, largely due to its geographic proximity, strong export capacity, well-established trade relationships, and seamless supply chain connections between U.S. grain producers and Mexico's livestock industry. Looking ahead, robust and stable demand for corn in animal feed and industrial applications is expected to drive further growth in corn imports for the 2024/2025 MY.
 - 77% of refined corn imports entering Mexico in 2021 originated from the U.S. ([CRA](#))
 - Jobs
 - There are [142,268 people employed](#) in the Corn Farming industry in the U.S. as of 2023.
 - The Corn industry creates over 600,000 jobs across over 500 industry sectors and provides \$35 billion wages (2023), corn farming and its related supply chain strengthen communities in rural America and beyond. ([NCGA](#))
 - U.S. Farms
 - Corn for grain: 289,382 farms ([Census of Agriculture,2022](#))
 - Corn for silage or greenchop: 38,095 farms ([Census of Agriculture,2022](#))
- **Wheat**
 - In 2023, the top three markets, accounting for 41 percent of sales, were Mexico at \$1.1 billion, the Philippines at \$750 million, and Japan at \$692 million. ([FAS](#))
 - There are [131,387 people employed](#) in the wheat, barley & sorghum farming industry in the U.S. as of 2023.
 - Wheat is a significant crop in the U.S., cultivated across 42 states. The leading producers include North Dakota, Kansas, and Montana, which consistently rank among the top contributors to national wheat output. ([Statista](#))

- Total farms in the U.S. of wheat for grain: 97,014 farms ([Census of Agriculture, 2022](#))
- **Barley and Barley malt**
 - Mexico represents nearly 80% of the total U.S. barley and barley malt exports in (MY) 2022/23. ([U.S. Grains council](#))
 - There are [131,387 people employed](#) in the Wheat, Barley & Sorghum Farming industry in the U.S. as of 2023
 - Total farms in the U.S. of barley for grain: 9,112 farms ([Census of Agriculture, 2022](#))
- **Hop**
 - United States Exports of hop cones, fresh or dried, lupulin to Mexico was US\$2.48 Million during 2023. ([Trading economics](#))
 - In 2023, Washington led the nation in hop production, contributing 74% of the U.S. hop crop, followed by Idaho with 16% and Oregon with 10%. ([USDA, National Hop Report](#))
 - Total farms in the U.S. of hop: 627 ([Census of Agriculture, 2022](#))
- **Lentils**
 - The U.S. is Mexico's second-largest supplier of lentils, following Canada. In 2023, Mexico imported \$22 million worth of lentils from the United States. ([Government of Mexico](#))
 - Total farms in the U.S. of lentils: 1,097 farms ([Census of Agriculture, 2022](#))

Key U.S. agricultural imports from Mexico

- **Avocado**
 - Mexico leads the world in avocado production ([Government of Mexico](#))
 - The United States is the number one market for Mexico's avocado exports, with an 81 percent share. ([Avocado annual, USDA](#))
 - The U.S. Economic benefits of Hass avocado imports from Mexico, findings for the FY 2021/22, in parenthesis FY 2019/20 for comparison ([Texas A&M University](#)):
 - \$11.2 billion in output or spending (\$6.5 billion);
 - \$6.1 billion to the U.S. GDP (value-added) (\$4.0 billion);
 - 58,299 jobs (33,051 jobs);
 - \$3.9 billion in labor income (\$2.2 billion); and
 - \$1.3 billion in taxes (\$1.1 billion).
- **Tomatoes**
 - Mexico remains the largest supplier of fresh tomatoes to the United States and is the world's largest exporter of fresh tomatoes as a result. ([USDA](#)).

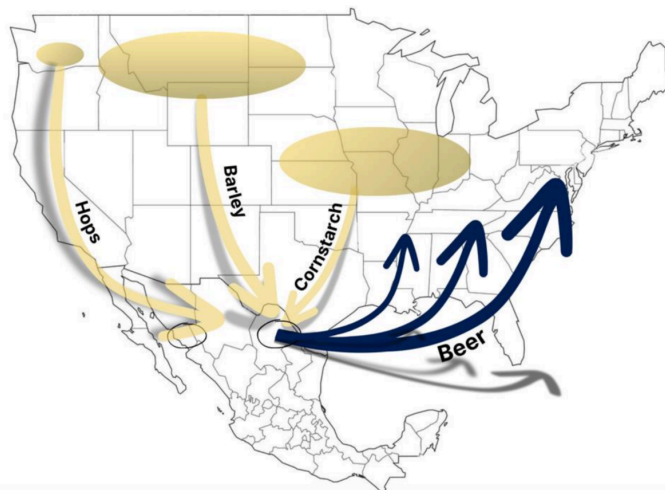
- Approximately [90% of saladette production is exported to the United States](#), with cherry, grape and other high end niche varieties exported almost entirely.
 - U.S. economic benefits of import tomatoes from Mexico
 - Total economic output is estimated at \$7.54 billion ([Texas A&M](#))
 - Jobs supported [49,128 full and part-time jobs](#) in the United States
 - Taxes: over \$400 million in federal tax revenue and roughly \$350 million in state and local tax revenues ([UofAZ](#))
 - Potential U.S. Economic and Market Impacts of Tariffs on Mexican Tomato Imports ([W. P. Carey School of Business at Arizona State University](#))
 - Consumers can expect fresh tomato prices to increase by an average of 50% compared to current levels.
 - Grocery retailers would earn almost \$7.5 billion less in revenue.
 - Texas would suffer over \$4.53 billion in lost economic activity, while Arizona would see almost \$3.40 billion in lost economic activity.
 - Across Texas and Arizona, more than 54,000 jobs are supported by Mexican tomato imports.
- **Berries**
 - Mexico ranks first worldwide in the production of blackberry, second in raspberry, third in strawberry and sixth in blueberry ([Government of Mexico](#))
 - Mexico continues to be the leading supplier of strawberries to the United States, accounting for 74% of fresh berry imports in 2023. That year, the U.S. imported fresh berries from Mexico valued at \$3.7 billion ([FAS](#))
 - Mexican strawberries have an almost year-round presence in the U.S. market, approximately 85 percent of Mexico's U.S.-bound shipments enter the market during winter and spring months. ([USDA](#))
- **Beer**
 - Mexico achieved a record 83.9% share of total beer imports into the United States in 1H24 ([US Department of Commerce](#))
 - In 2022, United States imported \$6.88B in Beer, mainly from Mexico (\$5.41B) ([OEC](#))
 - U.S. economic benefits of beer imports
 - Jobs: 102,688
 - Economic output: \$16.5 billions
 - Wages and benefits: \$5.1 billion
 - Taxes: \$2.1 billion
- **Tequila**
 - The United States is Mexico's largest market for tequila. In 2023, U.S. imports of tequila reached \$4.3 billion, underscoring the strong demand and cultural connection between the two countries. ([FAS](#))
 - Between 2014 and 2019, tequila imports increased from \$1.1 billion to \$4.9 billion. ([USDA](#))

North America's cross-border journey of ingredients: from field to factory

- Processed foods
 - Total exports of U.S. processed food tend to be stable year-to-year in large part due to the strength and size of Canadian and Mexican markets. Despite exports to many other top markets shrinking, growth for Canada and Mexico was key to enabling a record 2023.
- The bilateral beer trade experience:
 - Similarly, in the beer industry, US producers export key grain inputs to Mexico's breweries, where they are processed, bottled up, and sent back to the US market for consumption.
 - Barley sourced from the US includes significant quantities grown by family farmers in Idaho, Montana, and North Dakota, which is often malted before being shipped by truck and rail to Mexico's breweries.
 - Other key inputs include corn starch from farms across the "Corn Belt" of the Midwest and Central Plains, and hops sourced from growers in Washington State's Yakima Valley.
 - Breweries in Mexico then ship back the Corona, Modelo, Pacifico, and Victoria to consumers in the US. In 2022, the US imported \$6.88 billion in beer, mainly from Mexico (\$5.41 billion).

The bilateral beer trade experience

Brewery supply chain Mexico-U.S



SOURCE: USDA

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