

# Market Fact Sheet

# Mexico

Updated: January 2020

## General Information

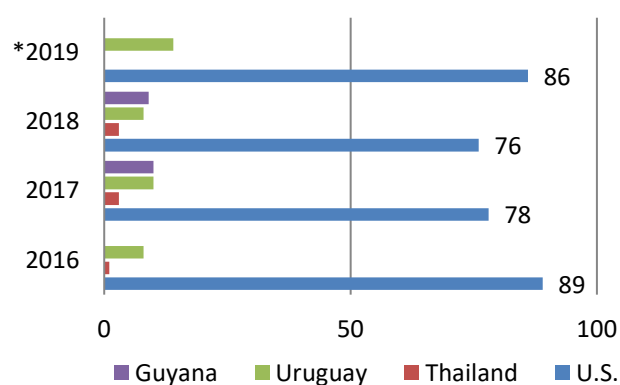
Population: 126 million

Population Growth Rate: 1.1% per annum

Per Capita Rice Consumption: 16 lbs.



### Market Share of Mexico's Imports(%)



### Rice Trade Data (MT)

|   | *2019   | 2018    | 2017    | 2016    |
|---|---------|---------|---------|---------|
| <b>U.S. Exports</b><br><i>Trade Data Monitor</i>  | 718,080 | 765,180 | 920,662 | 825,396 |
| <b>Total Imports</b><br><i>Trade Data Monitor</i> | 840,000 | 1.1M    | 1.2M    | 929,000 |

\*Jan - Nov

### U.S. Rice Imports (2019): Type and Form

90% paddy; 5% LG milled; 3% MG milled; 2% broken

| USA Rice Budget (USD)           | 2018-2019      | 2017-2018      | 2016-2017      | 2015-2016      |
|---------------------------------|----------------|----------------|----------------|----------------|
| FAS Funds: MAP                  | 481,000        | 431,000        | 440,000        | 448,400        |
| FAS Funds: FMD                  | 309,000        | 359,000        | 350,000        | 351,569        |
| FAS Funds: ATP                  | 50,000         | --             | --             | --             |
| Industry Funds                  | 2,000          | 2,000          | 4,000          | 5,000          |
| <b>Total Budget Expenditure</b> | <b>842,000</b> | <b>792,000</b> | <b>794,000</b> | <b>804,969</b> |

## Market Conditions

- Mexico remains the largest market for U.S. rice –in volume and value; the largest market for rough rice; the 2<sup>nd</sup> largest market for long grain milled; the 3<sup>rd</sup> largest market for parboiled and the 6<sup>th</sup> largest market for medium/short grain.
- In 2019, the U.S. resumed the position as sole supplier of rough rice to Mexico.
- Mexico reinstated the 20% tariff on milled rice (U.S & Uruguay exempt) in 2015 but created a 150,000 MT TRQ in 2017 so that imports from Thailand, Guyana and other places can come in duty free – this was valid through December 2019 but has not been renewed as of January 2020.
- Free and open market – no phytosanitary barriers, no required licenses or duties for rice.
- Per capita consumption is low but growing and population is high – rising consumption increases U.S. exports.
- Freight advantage, ease of transport and positive view of U.S. products and food safety record.
- USMCA ratified by GOM in 2019. Awaiting ratification from the U.S. and Canada; no major changes for rice.
- Uruguayan rice imports are banned due to presence of the khapra beetle in shipments.

**Goals in this Market:** Protect U.S. market share particularly from increasing South American imports. Reclaim market share from Uruguayan rice imports. Increase consumption of U.S. origin rice by stressing food safety, reliability, quality and promoting to the young adult population.

## Marketing Related Issues

1. **Constraints**
  - a. Cultural preferences for other foods (corn/beans) & consumers lack knowledge of how to use rice.
  - b. Lack of use of rice in foodservice because of unfamiliarity with versatility.
2. **Primary Target Group:** Urban working class; middle to upper income consumers; foodservice sector; HRI; print/broadcast media.
3. **Strategy:** Increase awareness/use of U.S. rice in target groups in major urban centers; Mexico is over 70% urban. Partnerships with brands and importers.
4. **Activities:** Consumer education seminars; in-store demos; social media campaign; chef seminars; cooking contests; restaurant promotions; cookbooks; rice festivals; recipe development; trade missions; PR; media placements; social media; joint promotions with trade and other complimentary commodities.

**Major change(s) from last year going into this year's UES:** Work with importers and millers to conduct generic branded promotions with cost-share.