



Dairy Trade and Mexico

Last update: September 2019

The EU Dairy Sector and EDA

The European Dairy Association (EDA) is the voice of the milk processing companies, cooperatives and privately-owned dairies, at EU level.

With **12,000 milk and dairy processing sites across Europe**, our sector represents the economic backbone of rural Europe and the industrial basis in many so-called less favoured areas. We partner on a daily basis with more than **700,000 dairy farms**, accounting for 14% of the whole EU food industry. Together with over **300,000 industry employees** out of which **45,000 are directly linked to EU dairy exports**, we all guarantee the high quality of our raw material and our dairy products, which are an essential part of our culinary heritage and of our European cultural treasure. **Self-sufficient at 112%**, milk and dairy consumption in the EU is expected to remain stable while global demand will increase by 2% per annum over the coming decades. While **5 out of the global TOP 10 dairies are headquartered in Europe**, the European 'lactosphere' is characterised by a tissue of SMEs (small and medium sized enterprises) We do support the EU Commission's efforts to enhance global trade and – as a dairy sector – we are proud to add nearly **€10 billion to the EU positive trade balance**.

The Dairy sector in Mexico



Mexico has around 132 million inhabitants and an annual population growth rate > 1%.

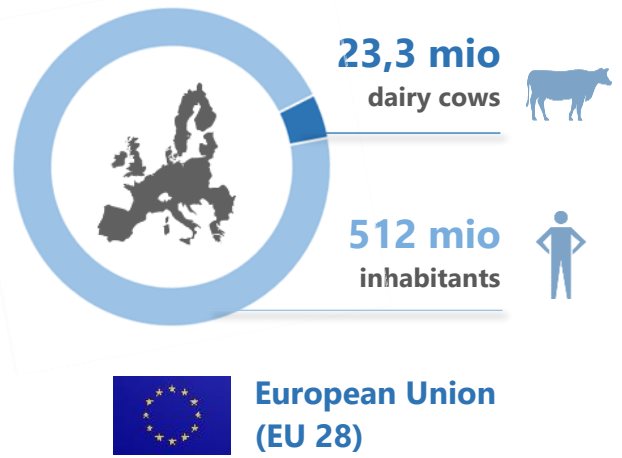
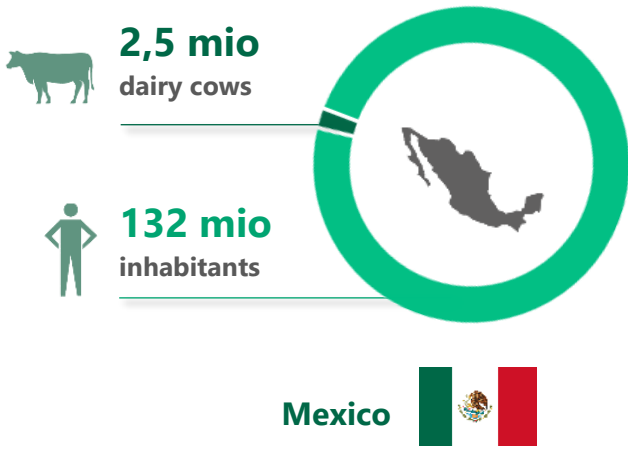
When considering its population size and 82% self-sufficiency in milk, it appears essential for Mexico to import many dairy products to satisfy its internal demand. The sector assesses that there will be a solid potential for increased export of EU dairy excellence to Mexico.

EU Trade with Mexico

So far, dairy products are generally subject to high tariffs when exported from the EU, with up to 60 % tariff duty on some cheeses and milk powders. At the same time, Mexico grants to the US favourable access to its market for dairy products as part of the USMCA-agreement, and to Chile under the Mexico-Chilean FTA agreement.

The export of dairy products to Mexico from the EU can be significantly increased when better market access will be granted. EDA congratulates the European Commission for successfully concluding the negotiations and hopes for a swift finalisation of the technical items.

The Dairy sector in Mexico and the EU



Number of dairy farms in 2018



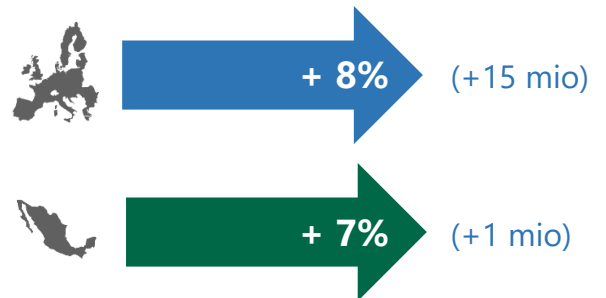
Milk production in 2017, tonnes



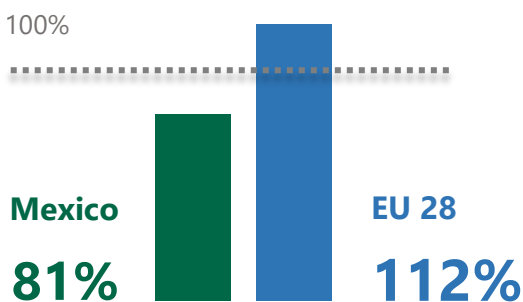
Average dairy herd size Cows per farm



increase from 2011 to 2017, tonnes



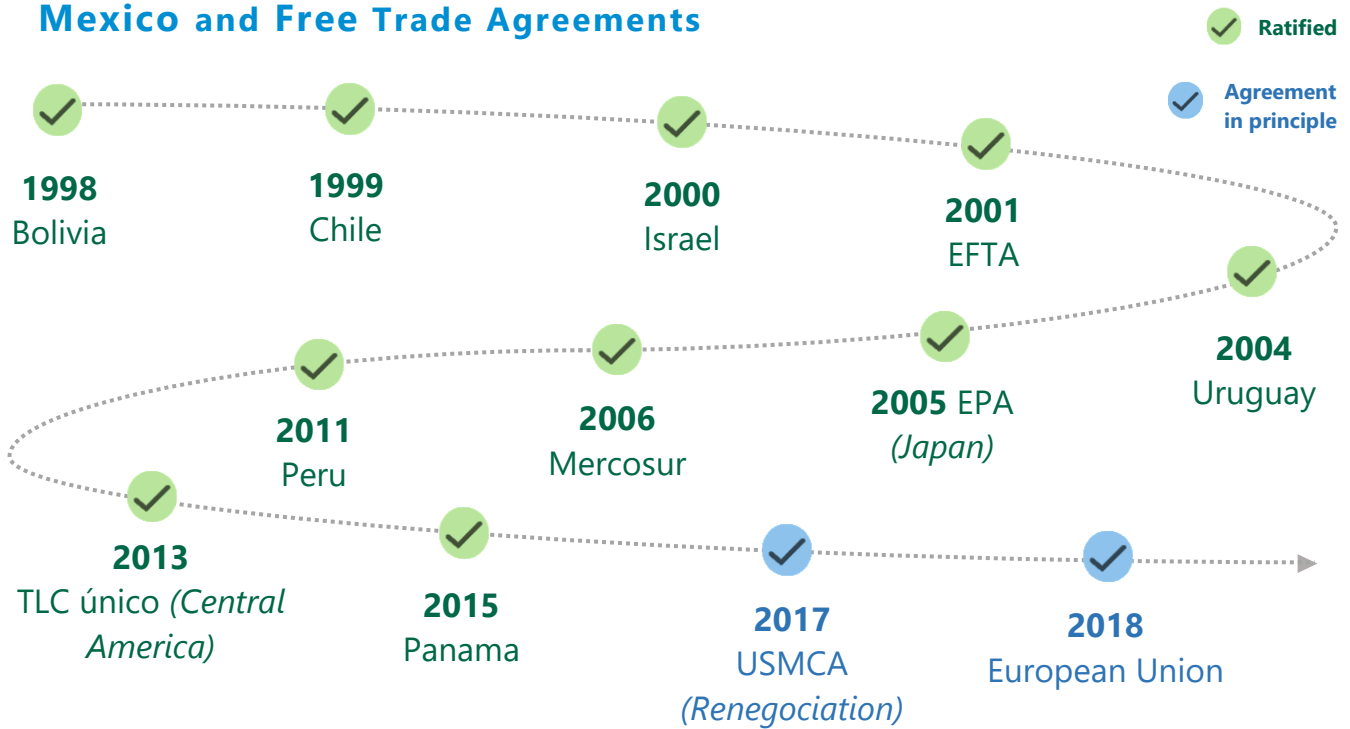
Self-sufficiency in milk



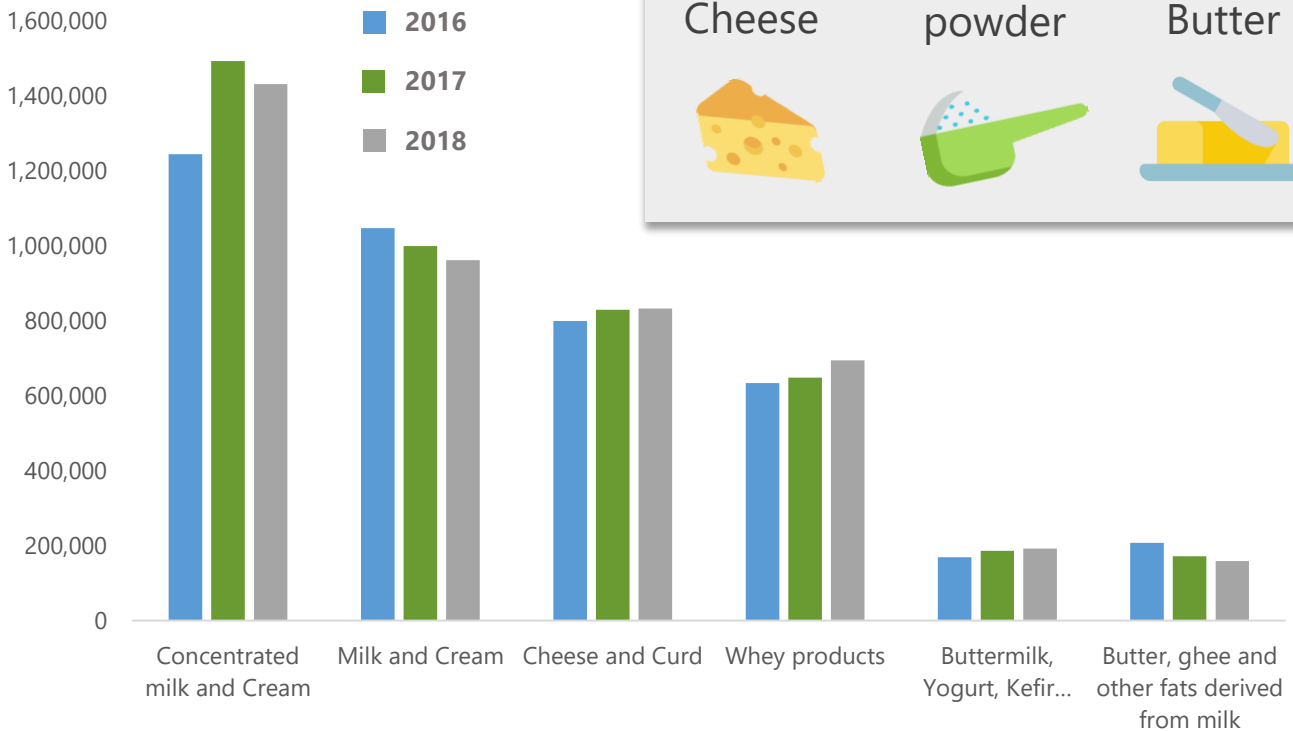
World production



Mexico and Free Trade Agreements



EU exports to Mexico in tonnes



Sources: EDA Survey, EU Milk Market Observatory, Eurostat, IFCN 2018, UN Comtrade, OECD, SICE OAS 2018

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