



Mexico ranked #3 among U.S. agricultural export markets in 2020, with exports reaching \$18.4 billion. It is the 15th largest economy in the world, and the 2nd largest in Latin America. Mexico is the 2nd largest whole soybean market for the U.S., as well as a major market for soybean meal and oil. Soy market dynamics have shifted somewhat, moving Mexico toward greater crush capacity and thus an emphasis on whole bean imports.

U.S. Soy has collaborated with Mexico since the 1980s.

COUNTRY STATS

POPULATION (2021):

128.97 million (Urbanization 79%)

POPULATION (2050):

~ 148.21 million (Urbanization 78%)

GDP (2021):

\$1,076.16 billion

AVG. ECONOMIC GROWTH

(2016-2020): -0.31%

PER CAPITA INCOME (2021):

USD 8,329.27

Production, consumption, import and export of Soybeans (1000 MT)

MARKET STATS

Soy usage market size by Volume, 2020

Animal Protein (total)	6,770,000	Aquaculture, Cattle, other species	270,800
Pork	1,827,900	Poultry	4,671,300

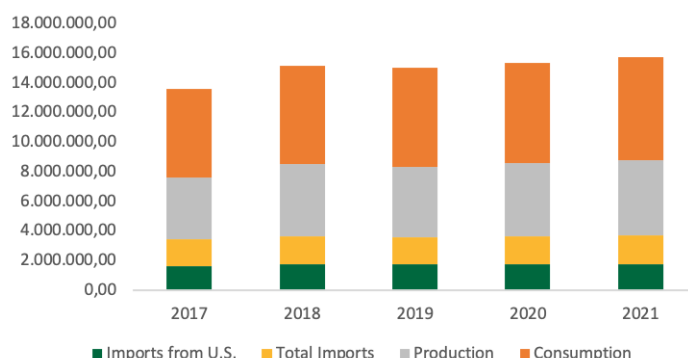
Soy market size volume and U.S. Soy volume (MY2020/21)

- Soy complex (whole soybean, meal, oil) 14,266,000 MMT
- Whole bean imports: 6 MMT. U.S. Soy 4.901 MMT
- Soybean meal imports: 1.9 MMT. U.S. Soy 1.77 MMT
- Soybean oil imports: 241,000 MT. U.S. Soy 241,000 MT

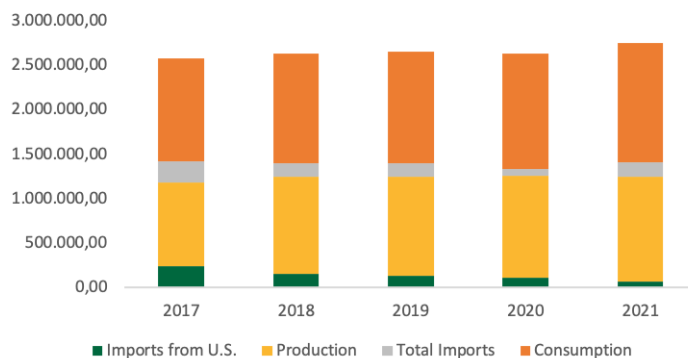
Mexico: Soybeans 2017-21



Mexico: Soybean Meal 2017-21



Mexico: Soybean Oil



STRENGTHS

- U.S. soybeans have the largest market share in Mexico with ~85%; soybean meal supply mainly comes from domestic crushers and imports. The core share of soybean oil is also from domestic crushers, with imports primarily from the U.S.
- With the USMCA in place after NAFTA, customers are aware of the quality and consistency of U.S. Soy.
- Understanding and valuing of sustainability varies amongst sectors, with aquaculture leading; three licenses of the Sustainable U.S. Soy (SUSS) Label are in place, including Mexico's largest crusher.

OPPORTUNITIES

- Growth in domestic demand for poultry and eggs, and pork producers' growing exports add to a sustained need for soybean meal. Interest in full fat soybean meal (FFSBM) which could enhance soybean exports.
- Growth in aquaculture production (namely shrimp and tilapia), thus in feed. In-Pond Raceway System (IPRS) technology has been implemented by some firms and more producers are interested.
- Pet food continues as a feed sub-sector with the largest growth rate and margin for producers seeking more sustainable ingredients.
- Opportunities for high oleic soybeans amongst crushers, refiners and users but more favorable U.S. export economics per availability is needed. Cost dynamics have slowed interest and long-term contracts are needed.
- The communication of U.S. Soy sustainability is increasing understanding by customers. Brand awareness will support differentiation from other origins (Brazil) and competing products (palm, canola).

CHALLENGES

- Continued expansion of domestic crushing capacity results in a large increase of domestic soybean meal, which dampens import demand. There is an increased need for understanding of U.S. Soy advantages.
- Competition for U.S. soybean oil from other vegetable oils (palm, canola, safflower, sunflower).
- Increased palm oil domestic production by domestic producers and foreign investors.
- Soybean imports from South America, namely Brazil, had ~15% market share in CY21.
- New government regulations are being enforced related to the use and imports of glyphosate; and new GMO events approvals have been delayed by relevant agencies.

Sources:

- Statista
- INEGI
- CEIC
- World Bank
- World in Figures
- USDA/FAS
- Estimations from industry

