

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Mexico- A Growth Industry for US Dairy Products

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Dairy and Products

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Report Highlights:

On September 9th and 10th, 2014 the Agricultural Trade Office attended the Pan-American Dairy Federation (FEPALE's) 2014 Dairy Conference in Queretaro, Mexico. The Congress was organized by FEPALE and the National Dairy Industry Chamber (CANILEC) with support from several international associations. It included around 50 hours of seminars, forums, field visits, an expo and research exhibitions. There were more than 2,000 visitors from 20 countries, including Australia, New Zealand, Spain, U.S. and most of Latin America.

General Information:

On September 9th and 10th, 2014 the Agricultural Trade Office attended the Pan-American Dairy Federation (FEPALE's) 2014 Dairy Conference in Queretaro, Mexico. The Congress was organized by FEPALE and the National Dairy Industry Chamber (CANILEC) with support from international associations such as the Food and Agriculture Organization, Inter- American Institute for Cooperation on Agriculture (IICA) and government institutions such as the Mexican Secretariat of Agriculture, Livestock, Rural Development, Fisheries and Food (SAGARPA), and the government of the State of Queretaro.

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Mexican dairy farmers, global organizations, leaders of international and national companies, such as Lala, Alpura, Nestle as well as various public officials, were responsible for organizing this very successful biannual forum on September 8 through 11, 2014 at the Queretaro Convention Center. Queretaro is located a couple of hours from Mexico City and is a growing destination for these type of international forums due to its proximity to Mexico City.

At the opening ceremony the President of CANILEC, Juan Carlos Pardo, pointed out that the current challenge for dairy farmers and manufacturers is to increase the consumption of milk and raised the importance of the FEPALE Congress as an ideal forum to discuss research trends and answer the different needs of the regional industry.

The President of the U.S. Dairy Export Council, Tom Suber, participated as a speaker in the forum; he gave a presentation on the Global Dairy Trade Trends, and the factors behind a growing U.S. presence in Mexico. He talked about the growing demand for dairy around the globe and that the U.S. is the world's third largest dairy exporter (European Union and New Zealand being #1 and #2). China is the largest dairy importer and Mexico is the fourth largest. The U.S. remains the dominant supplier of dairy products to Mexico, capturing a 75% market share in 2013 or \$1.4 billion, and 17% growth from the previous year. The western states produce over 41% of the US dairy production and this favors Mexico geographically. Mexico also imported over 100,000 metric tons of US cheese last year. He highlighted that import demand is growing faster than supply due to many factors such as, a growing middle class, more trade agreements and industry investments. He said that U.S. farmers and processors are investing to better meet these consumer needs.

The Expo floor was small, but the main dairy industry key players were present - Lala, Alpura, Nestle, Sigma Alimentos, some regional dairy companies were present sampling their cheeses and other dairy products. We were happy to see that there was a State of Idaho Mini Pavilion represented by the United Dairymen of Idaho and the State Department of Agriculture. Three of Idaho's finest dairy companies participated in the pavilion- Lactalis American Group and High Desert Milk, they all want to grow Idaho's exports in Mexico. They understand that demand for dairy products in Mexico is high, and Mexico is looking for safe and fresh products, so they see a unique opportunity to meet this demand. T.C. Jacoby & Company from St. Louis, Missouri has had a presence in Mexico for many years and was also exhibiting.

Mikel Arriola, Director of The Federal Commission for the Protection against Sanitary Risk (COFEPRIS), was in charge of closing the most important dairy summit in Latin America this year; he emphasized that Mexico's dairy industry uses the best international practices, established by the Codex Alimentarius, to ensure safe and high quality dairy products for its consumers.

For more information on the Mexico's Dairy industry please refer to GAIN Report MX4072- Dairy and Products

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Deputy ATO Director, Julio Maldonado, with the United Dairymen of Idaho



Forum at the Fepale Dairy Congress



Fepale Dairy Congress 2014 Expo Floor