To ensure Mexico abides by the U.S.-Mexico-Canada Agreement, the U.S. government should work with the Mexican government to restore predictable trading conditions and eliminate unwarranted regulations and trading conditions that result in tumultuous impacts on trade.

Mexico is the top export market for U.S. dairy products, with just over $1.4 billion exported in 2020. At the same time, the Mexican dairy sector has experienced notable growth and strengthening mainly due to the economic opening and the rigor this imposes in competition and quality. But the Mexican government has taken actions recently that jeopardize this progress, risking harm to American dairy farmers, as well as Mexican dairy manufacturers and consumers.

Mexican authorities have implemented or are exploring several measures that may discourage or restrict exports.

- Mexico’s proposed conformity assessment process for cheese discriminates against U.S. cheese that run counter to commitments made during the public consultation process.
- Mexico’s proposed import requirements impose overly burdensome restrictions on imported milk powders.
- The Mexican Congress continues to propose new taxes on imported milk powder.
- Misinterpretation of Mexican labeling standards results in demands for unwarranted labeling for cheeses with generic/common names.
- Despite USDEC’s efforts and success in limiting some of the regulation’s negative connotations for dairy, Mexico’s new front-of-pack labeling requirements have imposed an additional and unnecessary burden to commerce.
- Mexico has failed to follow due process procedures when deciding on EU Geographical Indications applications and provided insufficient clarity regarding Mexico’s recognition of a list of common names to be protected under USMCA.

The U.S. government should be immediately engaging the Mexican government on an ongoing basis on the full range of actions that threaten the United States’ most important dairy export market. Through regular and comprehensive dialogue, two-way dairy trade between the United States and Mexico can continue to grow and benefit both countries’ farmers, workers, and consumers.