

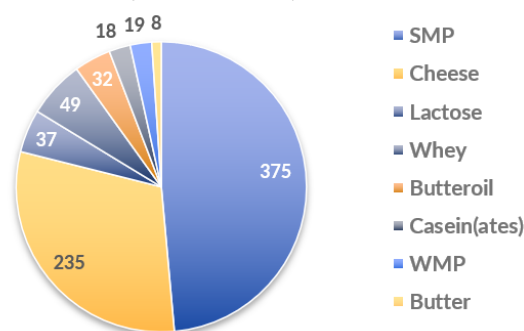
EU-Mexico modernised agreement: opportunities for the EU dairy sector

Eucolait welcomes the completion of the EU's approval process of the Interim Trade Agreement and looks forward to the ratification by the Mexican senate which will allow the agreement to enter into force. At a time of unprecedented geopolitical uncertainty, the agreement sends a strong signal of support for open, rules-based trade and deeper cooperation among trusted partners. It also contributes to the diversification of EU export markets and supply chains, strengthening the resilience and long-term growth prospects of the European dairy sector.

Mexico: A Promising Market for EU Dairy Exports

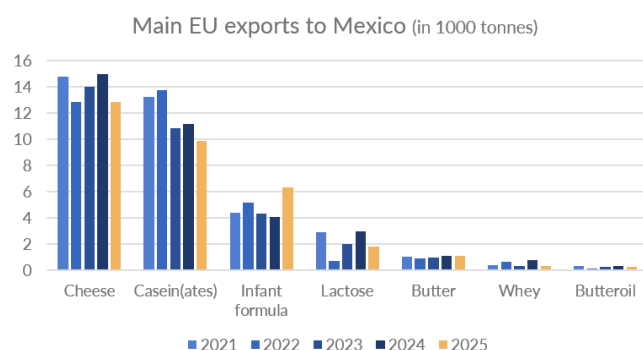
Mexico is an attractive and growing market for European dairy exporters. With a population of 132 million and a growing economy, the Mexican market offers ample potential for EU companies, as consumers increasingly seek out high-quality dairy products. EU dairy exports to Mexico, led by cheese, casein and infant formula, already exceed €250 million annually.

Main Mexican imports of dairy products
(in 1000 tonnes)



Although domestic milk production is increasing, it continues to lag behind demand, with Mexico's dairy self-sufficiency rate standing slightly above 80%. Imports will therefore remain essential to meeting domestic consumption needs.

Mexico is the world's second-largest importer of dairy products, after China. However, the EU currently accounts for only around 3% of Mexican dairy imports, compared with nearly 90% supplied by the United States and approximately 6% by New Zealand. The US benefits from geographical proximity and preferential market access under the United States-Mexico-Canada Agreement (USMCA), placing European suppliers at a competitive disadvantage.



Main EU exports to Mexico in 2025		
Product	Volume in tonnes	Share of total exports to MX
Cheese	12 848	5%
Casein(ates)	9 855	54%
Infant formula	6 317	75%
Lactose	1 802	5%
Butter	1 087	13%
Whey	291	1%
Butteroil	229	1%

The modernised agreement offers an opportunity to narrow this gap, particularly for higher-value products such as cheese, premium butter or infant formula, where European producers have established expertise and strong product differentiation. The new concessions could help EU exporters strengthen their position in the Mexican market and diversify their customer base.

There may also be opportunities for skimmed-milk powder (SMP), particularly when market conditions favour EU exports. The EU's competitive position could be strengthened by the shift in US production away from SMP towards higher-protein dairy ingredients. Given Mexico's continued reliance on SMP imports, the sizeable TRQ for EU milk powders could create mutually beneficial opportunities for Mexican buyers and European exporters.

EU-MEXICO MODERNISED FTA CONCESSIONS FOR EU EXPORTS		
TRQS		
Milk & cream	200 000 l	over 5 years
Milk powders	50 000 t	
Fresh, grated or powdered & processed cheese	5 000 t	
Other cheese	20 000 t	
Butter & dairy spreads	2 500 t	over 7 years
Whey	5 000 t	over 1 year
Evaporated & condensed milk	200 t	
Blends (1901.90.03)	3 000 t	
Blends (1901.90.05)	10 000 t	
Tariff reduction		
Infant formula	-50% of MFN	over 5 years
Tariff elimination		
Lactose		over 5 years
Casein for industrial use		
Blue cheese		over 7 years
Yogurt		
Already duty-free		
Butteroil, casein (excl. for industrial use), caseinates & WPC		

Tariffs and tariff rate quotas

The modernised agreement provides meaningful new market access opportunities for EU dairy products, improving the competitiveness of European exporters in Mexico. It establishes duty-free tariff-rate quotas (TRQs) for key export products, including cheese, milk powders and butter, while other products, such as yoghurt, blue cheese, infant formula and lactose, will benefit from tariff elimination or reductions.

A notable feature is the substantial volume of some TRQs from the outset, which allows EU exporters to benefit from significant market access opportunities as soon as the agreement enters into

force. For example, the TRQ for milk powders will start at 30 000 tonnes and increase to 50 000 tonnes over five years.

The practical implementation of these quotas will be crucial. Mexico envisages an auctioning system during the initial years of implementation, lasting three to five years depending on the product category, but the details of this regime remain unknown. The quotas should subsequently be managed on a first-come, first-served basis. Transparent, efficient and predictable administration will be essential to ensure that the agreed market access translates into real commercial opportunities.

Geographical Indications

The agreement protects 55 cheese denominations and one butter denomination. This is an important complement to the tariff preferences, as it safeguards the reputation and added value of traditional European products and supports their differentiation in the Mexican market.

However, implementation remains a key concern. Mexico must ensure that any concessions made to the United States regarding the status of certain cheese names are not in conflict with its commitments under the EU-Mexico agreement.

Non-tariff barriers

Tariff concessions and TRQs alone will not be sufficient to unlock the full potential of the Mexican market. Sanitary requirements, technical barriers to trade and administrative procedures must also be addressed to ensure that EU dairy exporters can make effective use of the new market access opportunities.

The SPS chapter should help streamline import procedures and facilitate trade. In the longer term, the objective should be to explore arrangements for recognising the equivalence of European food safety rules for dairy with the relevant sanitary measures applied by Mexico.

One specific restrictive SPS measure is Mexico's requirement that every batch of milk powder must be tested and certified prior to shipment. Only laboratories registered under Norma Oficial Mexicana NOM-222 are authorised to test milk powders exported to Mexico. At present, only for 4 EU-based laboratories figure on the list (all 4 in Germany), creating a significant barrier to trade due to the logistics and costs involved. The list can be consulted on the new [PLATIICA platform](#) but there is no form or procedure to apply for new registration. The positive list of approved laboratories is not a risk-based

and proportionate requirement and the Commission should seek its abolition in implementation of the SPS chapter. At the very least, there should be a simple and transparent procedure for adding new laboratories to the list.

The Mexican authorities also require a radioactivity certificate for dairy products from a limited number of Member States; This requirement creating additional costs and administrative burden is linked to the Chernobyl disaster of 1986 but seems quite outdated today in relation to EU dairy products and is difficult to justify.

The TBT provisions also offer scope for closer regulatory cooperation. Greater cooperation between the parties, consultation during the development of technical regulations and the use of relevant international standards, wherever possible, could help prevent unnecessary regulatory divergence and reduce barriers facing EU dairy exporters.

Conclusion

The modernised EU-Mexico agreement offers the European dairy sector tangible commercial benefits and an opportunity to improve its competitiveness in a major dairy-importing market. Looking ahead, it will be key to ensure that the tariff rate quotas opened by Mexico are administered in a manner which is conducive to trade and does not exclude any operators with a legitimate interest in these quotas. We also look forward to addressing remaining non-tariff barriers and enhanced regulatory cooperation to fully exploit the dairy sector's export potential.