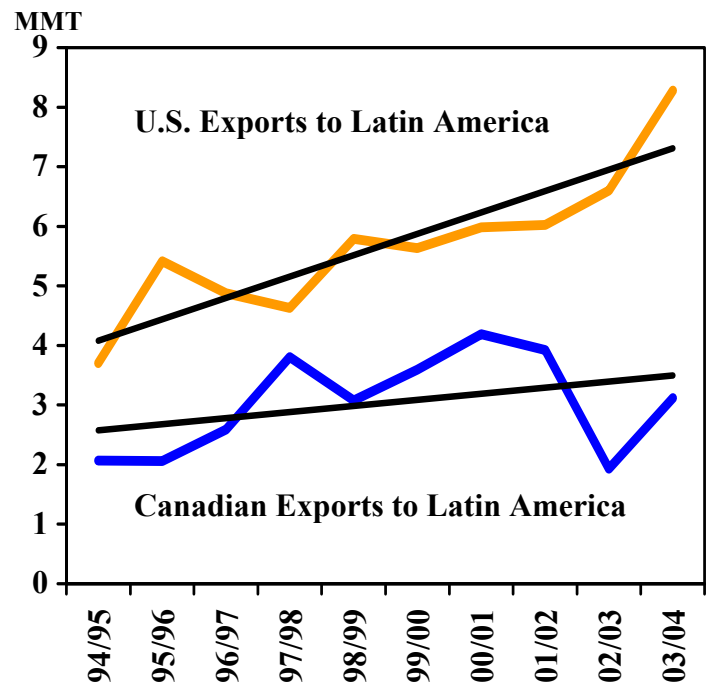
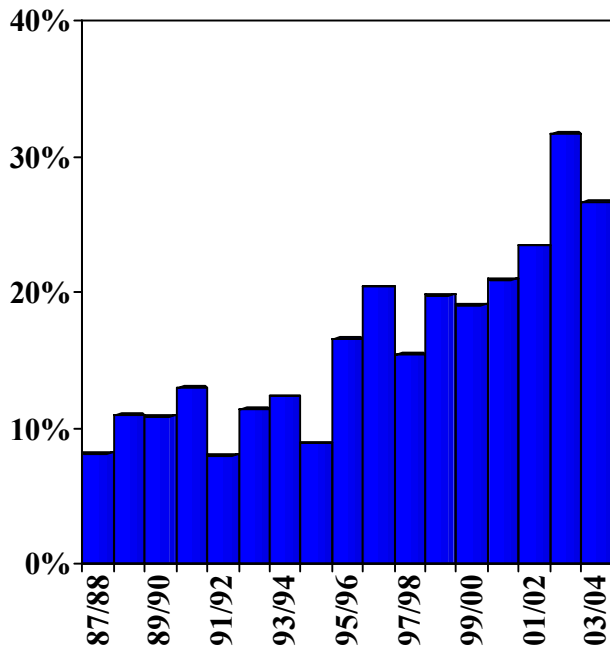




# INTERNATIONAL MARKET ANALYSIS

## Latin American Markets Gain in Importance for U.S. Wheat Exports

### Latin America's Share of Total U.S. Exports Surges      Larger Market Benefits Primarily United States



Over the last decade, Latin America's importance as a market for U.S. wheat has soared, going from accounting for only about 10 percent of U.S. exports to nearly a third. Latin America is comprising a growing slice of a shrinking U.S. global wheat export pie for several reasons. First, growing consumption against limited production opportunities has caused the region's imports to climb, especially in Mexico. Second, Latin America has been largely immune to the trend of increased competition from emerging exporters, which has hurt U.S. exports elsewhere around the world. The United States and Canada have remained the primary suppliers to most of Central America, the Caribbean, and South American countries such as Columbia and Venezuela as a result of their comparative freight advantage and historical links.

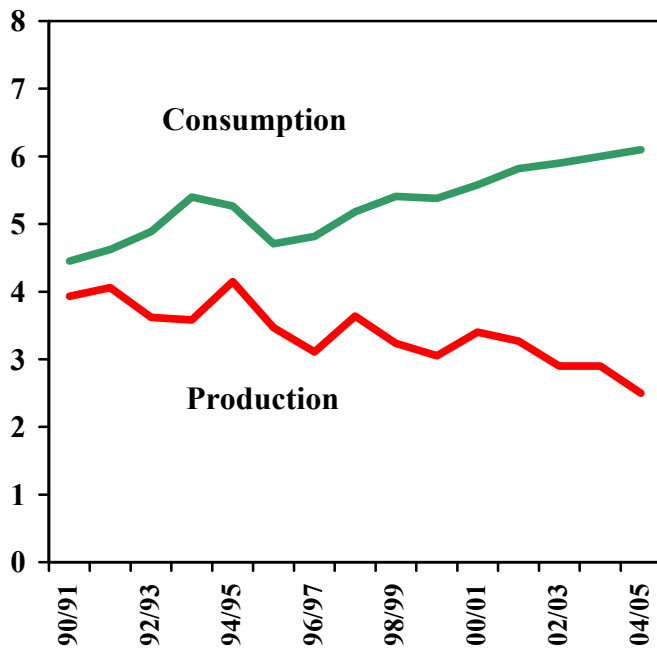
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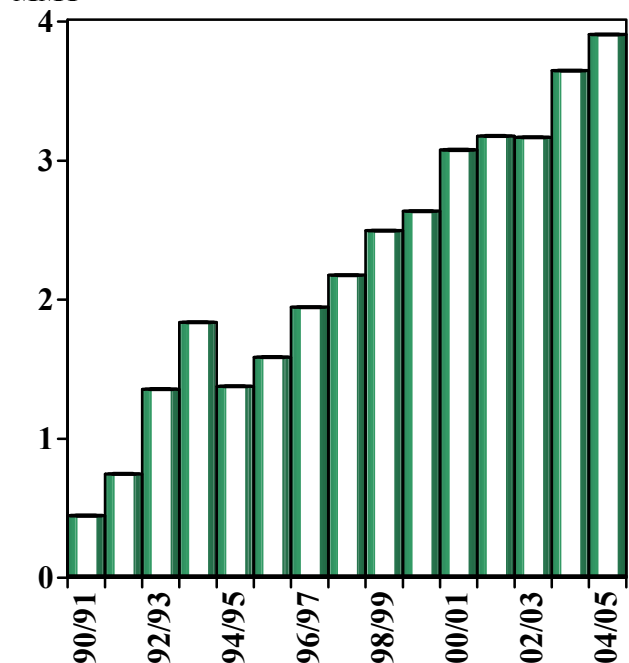
## Mexican Wheat Imports Climb to New Record

Mexico has been the primary Latin American market to which the U.S. has boosted exports. This year, with production at a 25-year low, overall Mexican wheat imports are expected to increase to nearly 4 million tons, reflecting a long-term widening of the gap between consumption and production. Rising incomes have caused a diversifying of diets toward wheat products, and this, coupled with population growth, has boosted consumption. Production, however, has fallen during the last decade as water shortages in the main growing regions, and farmers switching to cultivating higher-value crops, have cut area by nearly half.

MMT **Mexican Wheat Gap Widens**



MMT **Imports Climb to Record**



For more information, contact Levin Flake at (202-720-4258) or [Levin.Flake@usda.gov](mailto:Levin.Flake@usda.gov)