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NARA Testifies on Mexico's Discriminatory VAT on U.S. Feed Ingredients

ALEXANDRIA, VA, December 3, 2025 – The North American Renderers Association (NARA) testified today before the United States International Trade Commission (USITC), calling on the U.S. government to address Mexico's unfair application of a value-added tax (VAT) on imported U.S. feed ingredients. NARA has been working closely with the United States Department of Agriculture (USDA) and the Office of the U.S. Trade Representative (USTR) in recent months to elevate the issue, which they say is putting U.S. renderers and their supply-chain partners at a competitive disadvantage.

The testimony took place as part of the mandatory six-year review of the United States–Mexico–Canada Agreement (USMCA), during a public hearing in Washington, D.C., where stakeholders were invited to share concerns about the agreement's implementation. Dana Johnson Downing, NARA's Senior Vice President of International Programs, was a member of a panel of ag groups who testified at 2:45 pm. In her testimony she presented NARA's case directly to U.S. trade officials.

"The USMCA remains foundational to North American agriculture, but its benefits can only be fully realized if every trading partner adheres to the letter and spirit of its commitments," Johnson Downing said in her testimony. "For the animal-products sector, effective enforcement is not optional—it is essential."

Central to NARA's argument is Mexico's continued application of a 16% VAT on imported U.S.-origin rendered animal-protein meals and other feed inputs, despite the USMCA's market-access provisions guaranteeing these products duty-free entry. At the same time, comparable domestically produced Mexican animal-protein meals are exempt from the tax. This unequal treatment raises a significant national-treatment concern under USMCA Chapter 2 and is inconsistent with obligations under the General Agreement on Tariffs and Trade (GATT) Article III. NARA argues that, in practice, this VAT acts as a de-facto tariff, undermining the level playing field the USMCA was designed to create.

"This VAT operates as a de facto tariff," Johnson Downing added. "undermining the spirit and letter of the USMCA. It threatens the competitiveness of U.S. exports and directly harms our Mexican customers, many of whom operate on thin margins and cannot absorb the new costs."

NARA President & CEO Kent Swisher and Johnson Downing also met with leaders at USDA, USTR, and on Capitol Hill to reinforce the urgency of resolving this VAT issue and urge that it be prioritized during U.S.–Mexico negotiations under the USMCA framework.

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About the North American Renderers Association

The North American Renderers Association (NARA) represents the interests of the North American rendering industry to regulatory and other governmental agencies, promotes the greater use of animal byproducts, and fosters the opening and expansion of trade between foreign buyers and North American exporters. In addition to its U.S.-based headquarters, the association maintains offices in strategic locations around the world. NARA publishes a bi-monthly trade magazine, *Render*. For more information, visit www.nara.org.