Food and Agriculture Organization
of the United Nations

Hand-in-Hand
Initiative

Mexico

HAND-IN-HAND INITIATIVE | 2026 INVESTMENT FORUM

IMPORTANT NOTES

FAO'S HAND-IN-HAND INITIATIVE

The investment opportunities presented in this document derive from government-led investment plans developed under FAO's Hand-in-Hand (HIH) Initiative. The Initiative supports countries in identifying high-impact agrifood system investments through a combination of data-driven territorial analysis, value chain assessments, and close collaboration with national counterparts. Using the Hand-in-Hand Geospatial Platform, the Initiative integrates geospatial, biophysical, and socio-economic data to identify priority "green zones" where agricultural potential and poverty incidence overlap, creating strong opportunities for transformative investment. Based on these analyses, national governments lead the development of investment plans that identify priority value chains, key bottlenecks, and potential investments required to accelerate agrifood system transformation. These investment opportunities aim to raise incomes, improve nutrition, and empower poor and vulnerable populations, while strengthening resilience to climate change and supporting the sustainable management of natural resources. The Initiative focuses on territories where targeted investments can generate the greatest impact in reducing poverty and hunger, contributing to progress towards Sustainable Development Goals SDG1 (No Poverty), SDG2 (Zero Hunger), and SDG10 (Reduced Inequalities), while balancing economic growth, social inclusion, and environmental sustainability.

IMPORTANT CLARIFICATIONS

The opportunities presented in this document are derived from government investment plans and reflect national development priorities identified through the Hand-in-Hand Initiative. FAO provides analytical and technical support in the identification and assessment of these opportunities and facilitates engagement with potential partners. The concepts presented are indicative and require further structuring and discussion with the relevant governments and potential investors. This document therefore presents a pipeline of government-prioritized agrifood investment opportunities that have been pre-screened using FAO's Hand-in-Hand analytical tools. FAO can support interested partners by facilitating technical exchanges and follow-up discussions with relevant government counterparts.

IMPACT TAGS

Investment cases are classified across four impact areas to highlight their primary development contributions and ensure comparability across countries and value chains.

Livelihoods	Income, productivity, jobs, and market access
Gender & Youth	Inclusion and opportunities for women and young people
Planet & Environment	Climate resilience and sustainable resource management
Digital	Use of technology to improve efficiency and access

MEXICO

A stable and diversified economy, with a strong agrifood base, ready to attract investment in strategic value chains

KEY INVESTMENT SIGNALS

POPULATION

133.9M

(MILLION)

GDP

USD 2.0B

(BILLION)

AGRICULTURAL WORKFORCE

6.1M

(MILLION)

INVESTMENT CASE

SOLID MACROECONOMIC STABILITY

- 12th largest economy in the world, 2nd in Latin America by GDP
- Economic growth projected to accelerate in 2026
- Inflation kept within policy target ranges
- Poverty and inequality (GINI) on a declining trend

GLOBAL AGRIFOOD POWERHOUSE

- Among the top 10 world producers of food and agricultural crops
- 23.4 million hectares cultivated and 108.9 million in livestock
- ~35M hectares of total agricultural land
- Solid infrastructure: warehouses, dams, ports, and processing centers

STRATEGIC TRADE PLATFORM

- Network of 14 Free Trade Agreements with 51 countries
- Potential market of 1,376 million international consumers
- 10th largest agricultural exporter globally, 14th in agrifood ranking
- Strategic logistics connectivity to the United States market

1. SUGAR CANE

Hand-in-Hand Initiative

Diversifying Mexico's sugarcane sector into anhydrous ethanol and sustainable aviation fuel to capture new energy demand

INVESTMENT PROFILE (INDICATIVE)

INVESTMENT
USD 1.3B
(BILLION)

NPV
USD 395.7M
(MILLION)

IRR
12.7%
(%)

RATIONALE

- Structural sugarcane surplus that can be converted into high-value ethanol
- Growing demand for oxygenates and renewable fuels in the domestic market
- Enabling regulatory framework (Biofuels Law, NOM-016-CRE) lowers regulatory risk
- Airline decarbonization commitments (CORSIA, Net Zero 2050) drive SAF demand

KEY BOTTLENECKS	PROPOSED INVESTMENTS(*)
1. Volatility of sugar reference prices and dependence on export quotas (USMCA)	Biorefineries for anhydrous ethanol production (6 plants) (USD 720.0 million)
2. Energy transition under a precautionary principle; emerging demand for renewable aviation fuel	Alcohol-to-Jet (ATJ) module for SAF production (3 modules) (USD 555.0 million)
3. Regulatory uncertainty on ethanol-gasoline blends	Technical studies on evaporative emissions and controlled testing with blends up to E10
4. Gap between harvested and industrialized area: limited agroindustrial efficiency	Efficiency upgrades for underperforming mills in field and factory operations

SUSTAINABILITY BENEFITS

DIRECT BENEFICIARIES
66.1K
(THOUSAND)

INDIRECT BENEFICIARIES
174.3K
(THOUSAND)

PER CAPITA INCOME INCREASE
+3,741
(USD/PERSON)

GHG IMPACT
FAO EXACT CARBON TOOL
-1.5M
(MILLION tCO2-e)

Note: (*) Opportunities reflect government priorities identified through the FAO Hand-in-Hand Initiative and require further structuring with relevant public and private stakeholders.

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Click here to see full Investment Note:

Click here to request a bilateral meeting: