

**Mexico, a land of opportunities for meat products**

Meat is an essential element of the contemporary Mexican diet.

Fresh and unprocessed meat is used in Mexico to make numerous typical local dishes. The offal of beef, pork, goats, sheep, poultry and rabbit is also used to prepare traditional dishes.

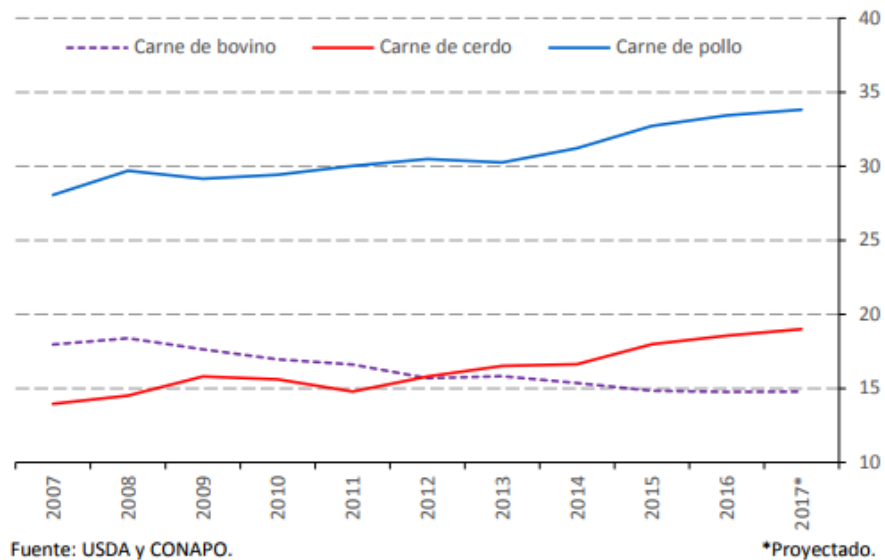
**Consumption of meat products**

The USDA expects meat consumption in Mexico to continue on an upward trend during the 2015-24 period.

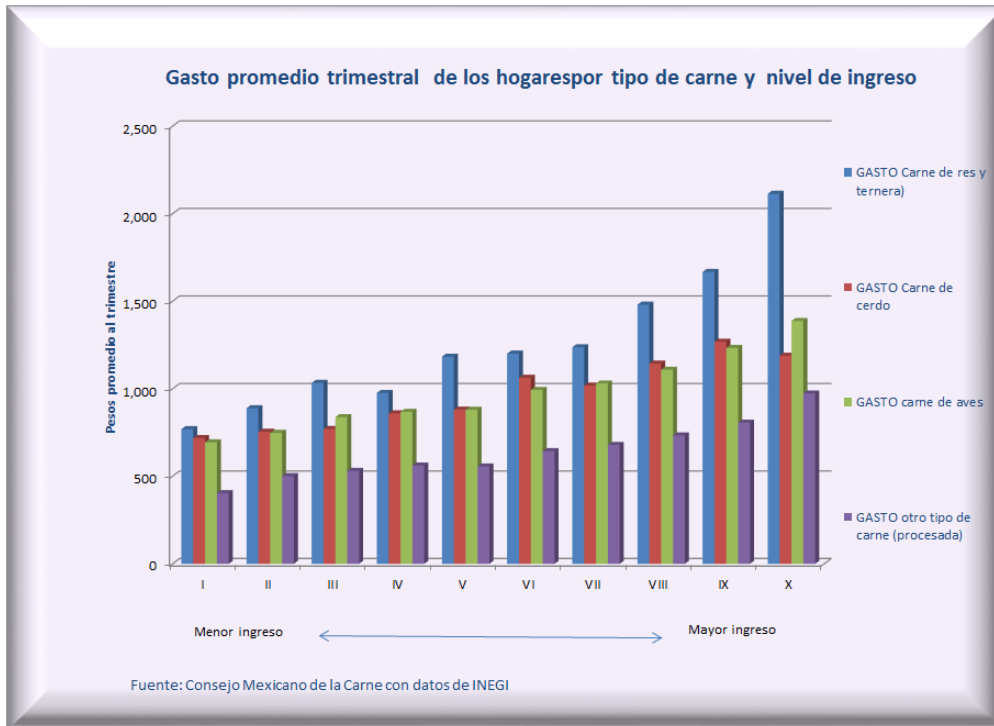
	Consumption per capita 2016 (kg)	Forecast consumption per capita 2017 (kg)	Average annual consumption rate per capita 2006-2015 (%)	Forecast average annual consumption rate per capita 2015-2024 (%)
Pork	18	18	2.8	1.2
Chicken	32.1	33.8	1.5	2.2
Beef	14	14.8	2.1	1.3

Source: Agricultural Trust Funds (FIRA) and the USDA

**Meat consumption per capita in Mexico, 2006-2017**  
**(kg per person per year)**



**Average quarterly household expenditure by type of meat and income level**



### Imports of meat products

Despite having its own high-output meat industry (approx. 6.3 million tonnes), the country still needs imports to meet domestic demand.

According to the USDA, imports of meat to Mexico will grow over the 2015-2024 period:

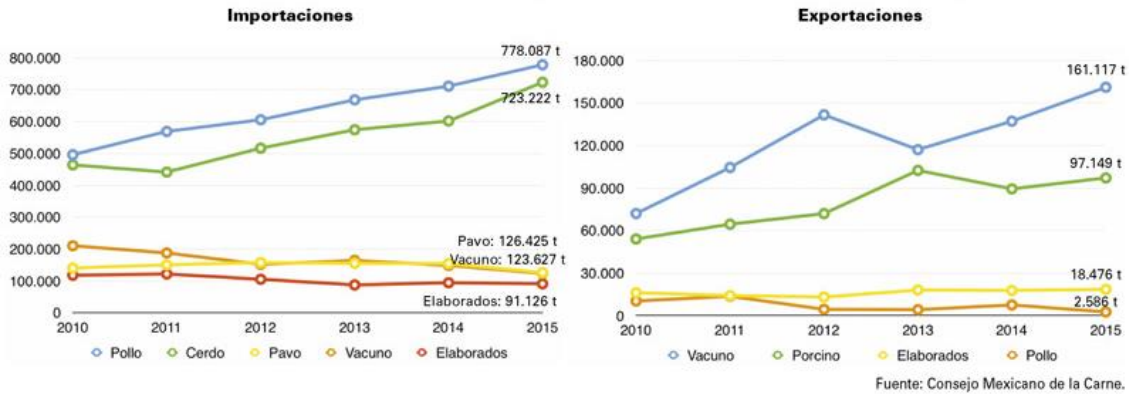
- +50% for beef
- +37% for pork
- +52% for chicken and turkey

### USDA FORECASTS: MEXICO, MEAT IMPORTS

Producto	Años				
	2014	2017	2020	2022	2024
Carne de bovino	235	302	429	453	517
Carne de cerdo	815	920	1,028	1,087	1,052
Carne de pollo y pavo	855	1,027	1,160	1,276	1,386

Cifras en miles de toneladas para los granos. Para algodón, en millones de balas (de 220 kilos). Fuente: USDA.

**Evolution of foreign trade in meat and its derivatives in Mexico (t)**



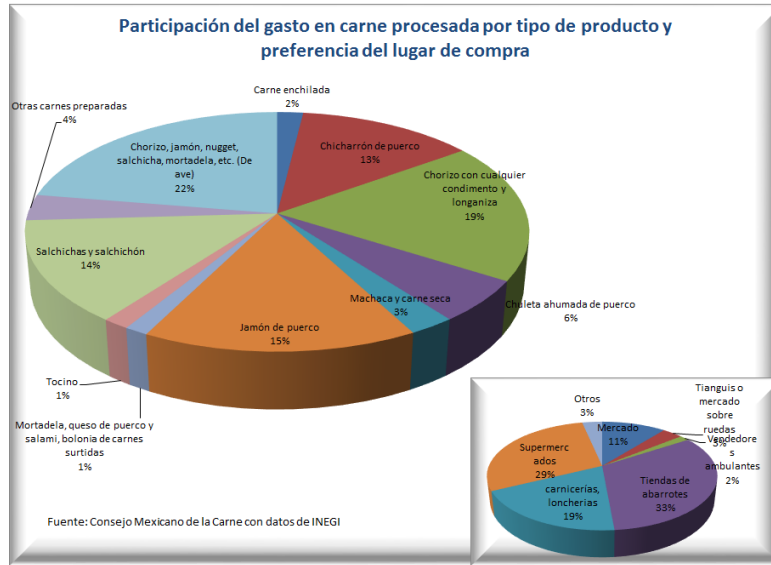
Mexico has various trade agreements in place, the main one being the North American Free Trade Agreement (NAFTA) which gradually opened up the Mexican market to the import of products from the United States and Canada. Mexico has also formed alliances of this kind with other countries in Central and South America for which it reduced customs tariffs on imports.

Of total imports, the most significant is poultry, 778,087 of which tonnes were imported in 2015. Since the start of this decade, growth has been around 57 per cent. Pork follows a similar pattern, with 732,222 tonnes in 2015 and growth of 55 per cent. With regard to the different categories, 83.1 per cent of pork imported to Mexico in 2015 came from the United States and 16 per cent from Canada, which evidently dominate the market.

Despite this, the Mexican government is keen to diversify the origin of its imports. While initially the main candidates were Brazil and Denmark, there are also opportunities opening up for other exporting nations.

**PROCESSED MEAT**

**Share of expenditure on processed meat by type of product and preferred shopping location**



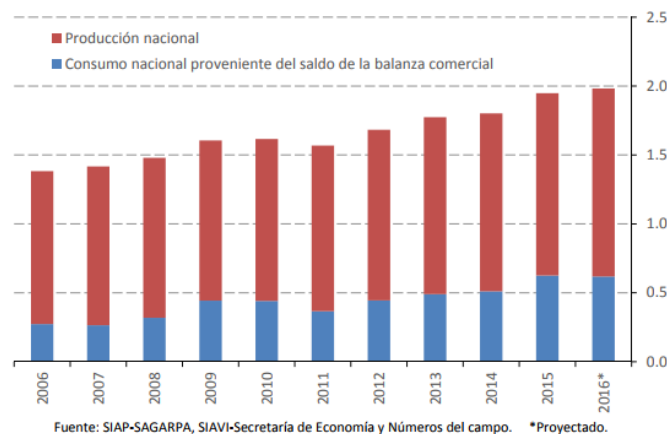
## Pork

Between 2006 and 2015, the apparent domestic consumption of pork grew by an average annual rate of 3.9 per cent.

Over the 2015-2024 period it is forecast that the average annual increase in consumption will be 1.2 per cent.

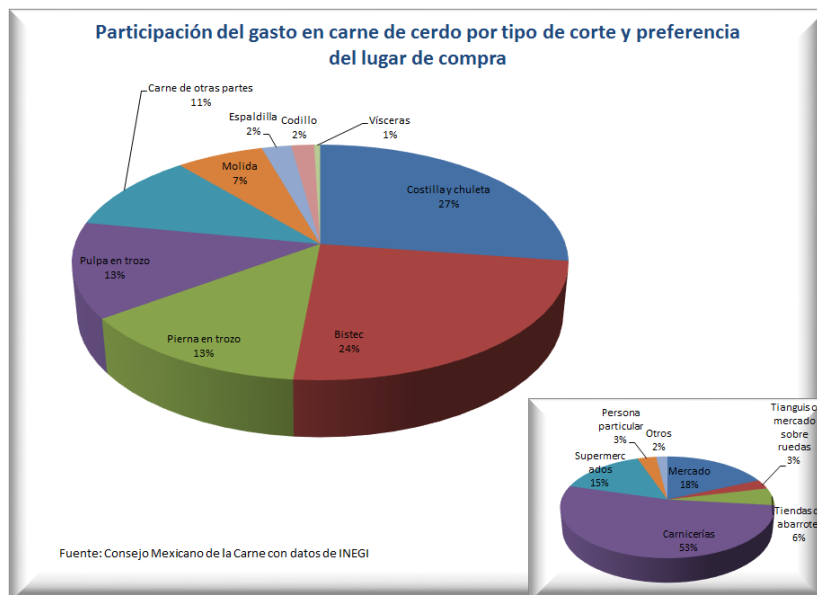
In 2016 the apparent domestic consumption of pork was around 1.98 million tonnes, mainly from national production. National consumption is rounded off with imports.

### Apparent consumption of pork in Mexico, 2005-2016 (in million tonnes)

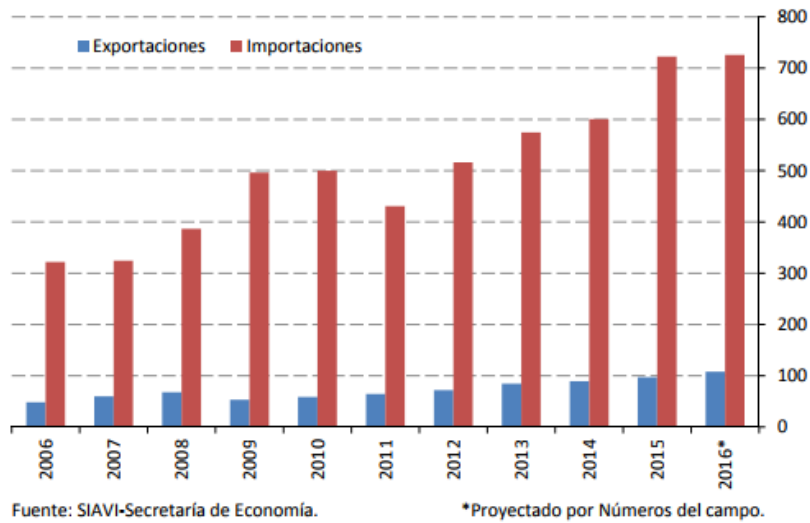


It is expected that pork will continue to provide a lower-cost alternative to beef, and have a competitive price compared to poultry. Given that consumers are more and more aware that pork production systems are just as reliable as those for beef and poultry, pork continues to win consumer confidence as a healthy source of animal protein.

**Share of expenditure on pork by type of cut and preferred shopping location**



**Foreign trade in pork, 2006-2016  
(in thousand tonnes, equivalent to retail meat)**



Although Mexican pork production is currently expanding, it is not enough to meet demand so the country continues to import pork products, mainly hams and mechanically boned meat from the United States.

Consequently Mexican pork imports have been rising since 2011. During the 2006-2015 period they rose by an annual average of 9.4 per cent. In 2006, 321.7 thousand tonnes of pork were imported, while in 2015 this figure was 722.6 thousand tonnes.

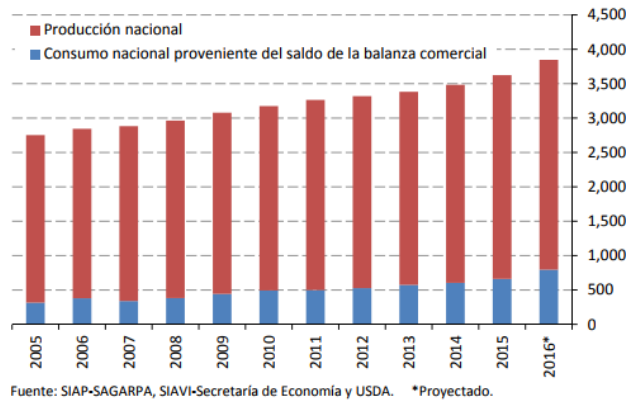


### Poultry products

The per capita consumption of chicken in Mexico increased between 2006 and 2015 by an average annual rate of 1.5 per cent.

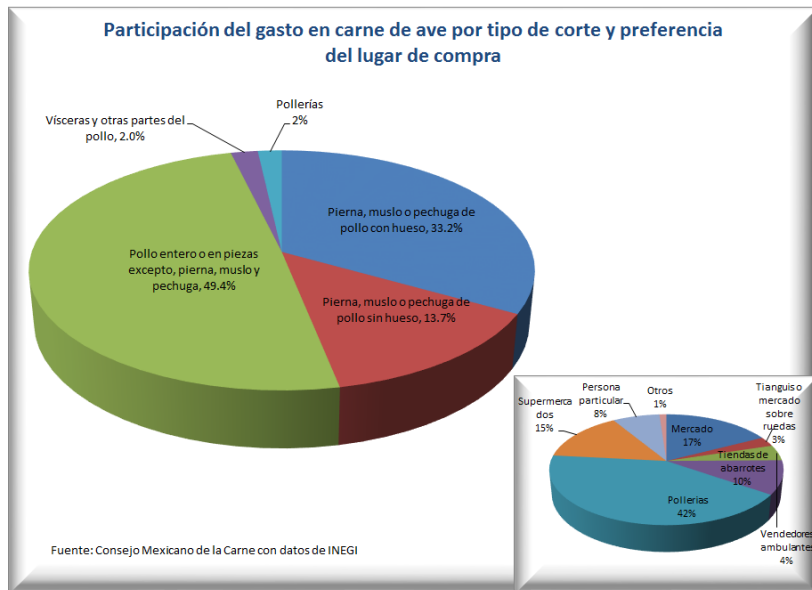
For 2016, consumption was forecast at a record 3.8 million tonnes, resulting from an increase in domestic production and affordable prices, which has consolidated chicken's position as the preferred source of protein for Mexican consumers.

#### Apparent consumption of chicken in Mexico, 2005-2016 (in thousand tonnes)



It is estimated that even though prices are not as low as they have been in the past, chicken will continue to be the most affordable source of animal protein, especially for consumers with low and medium incomes. The demand for chicken legs and thighs and for mechanically separated/boned meat will remain strong; these products are mainly imported.

**Share of expenditure on poultry by type of cut and preferred shopping location**



In 2016, per capita consumption of chicken reached 32.1 kg; in other words, it exceeds consumption of pork by 14.1 kg and that of beef by 18 kg.

The consumption of chicken, which is in the lower price range, will increase more rapidly, at 2.2 per cent (2015-2024 period).

The increase in incomes will strengthen the demand for poultry and imports by Mexico, Central America and the Caribbean. ‘Poultry products continue to be cheaper than beef or pork and this stimulates demand even further. National poultry production in Mexico will continue to increase during the forecast period, but at a slower rate than consumption, so more imports will be necessary, which will grow by half a million tonnes, or 52 per cent.’

Meanwhile, Mexican imports of chicken have increased considerably: in 2006 they imported 379.5 thousand tonnes while in 2015 this figure came to 662.2 thousand tonnes; in other words, an average annual increase over the 2006-2015 period of 6.4 per cent. The forecast for imports in 2016 was around 800,000 tonnes, with a growing demand for products from national processors.



## **Beef**

In Mexico, apparent domestic consumption of beef has dropped by an annual average of 1.3 percent in the last decade. However, it is expected that in 2017 domestic consumption will rise to 1.8 million tonnes, representing an annual increase of 0.2 per cent. Over the 2015-2024 period, consumption of beef will increase by an annual rate of 1.3 per cent.

Meanwhile, the per capita consumption of beef in Mexico dropped between 2007 and 2016 by an average annual rate of 2.1 per cent, going from 18 to 14.8 kilos per person per year.

Between 2007 and 2016 domestic consumption of beef contracted at an average annual rate of 0.9 per cent.

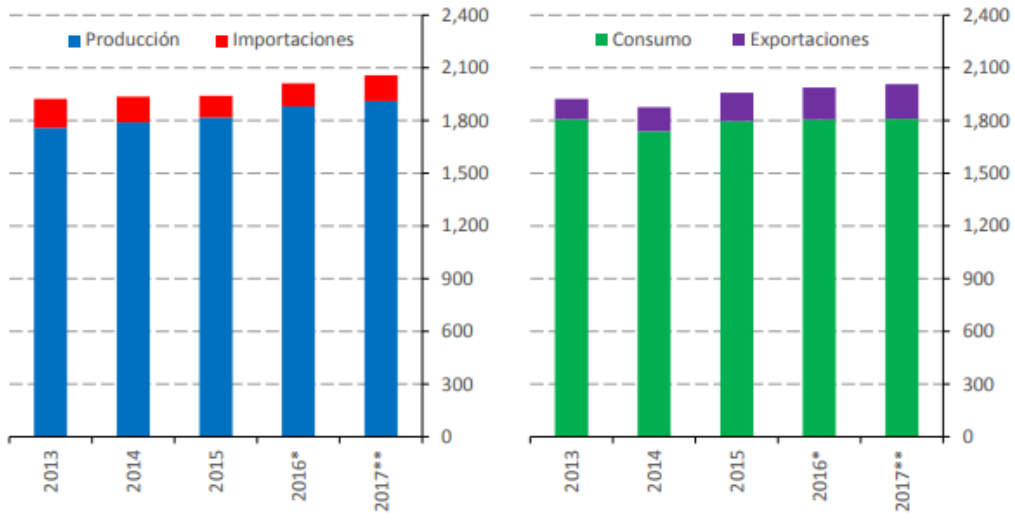
For the fourth year running, domestic consumption of this meat will be lower than production.

### **Supply and demand of beef in Mexico, 2013-2017\*** **(in thousand tonnes)**

a) Supply

b) Demand

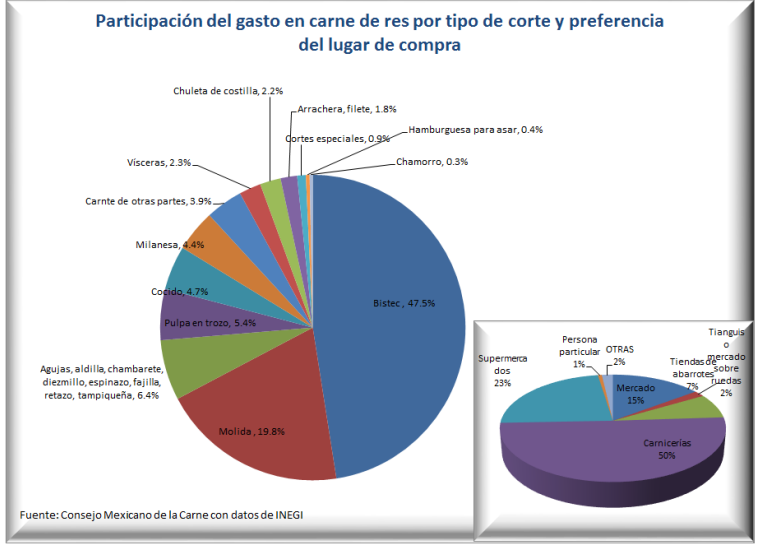




Fuente: USDA  
 \*Estimación de octubre 2016.  
 Nota: No considera inventarios de carne ni comercio de ganado en pie.

Even when prices of beef are higher compared to other sources of animal protein, the low and medium income segment of the population has continued to eat minute steak, which is less expensive than other cuts. It is estimated that the consumption of more expensive cuts in the higher income segment of the population will remain stable.

**Share of expenditure on beef by type of cut and preferred shopping location**



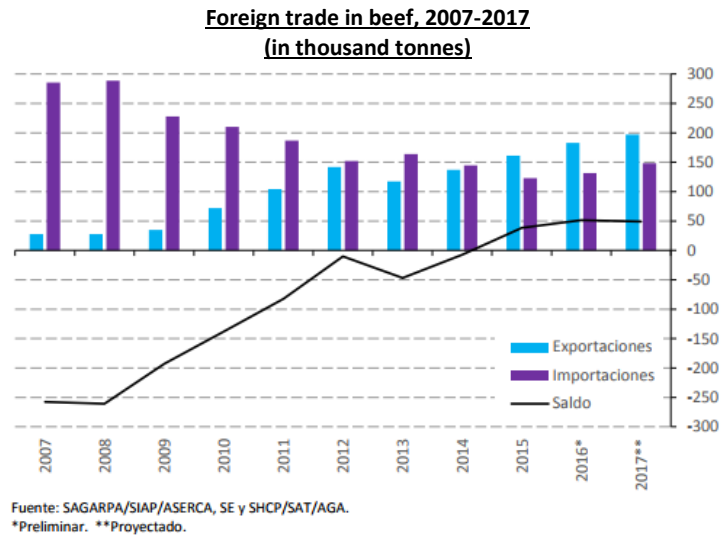
Fuente: Consejo Mexicano de la Carne con datos de INEGI

It is expected that in 2017 the per capita consumption of beef will be 14.8 kg, of pork 19 kg, and of chicken 33.8 kg.

Mexican beef imports have dropped considerably by an average annual rate of 7.7 per cent between 2007 and 2016, going from 285 to 131 thousand tonnes. Some 83.2 per cent of the

imported beef in 2016 came from the United States, 10.8 per cent from Canada and the remaining 6 per cent from Nicaragua, New Zealand, Uruguay and Australia.

It is expected that imports in 2017 will grow at an annual rate of 12.6 per cent.



**SOURCES:**

- Mexican Meat Council, Statistical Compendium on Meat, 2016
- USDA-FAS. 2016. Mexico, Livestock and Products Annual. October, 2016.
- Agricultural Trust Funds (FIRA), Agri-food Outlook, Pork 2016
- Agricultural Trust Funds (FIRA), Agri-food Outlook, Chicken 2016
- Agricultural Trust Funds (FIRA), Agri-food Outlook, Beef 2017
- INTERPORC, Mexico, an interesting market for Spanish pork, 28 March 2017