

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 10/19/2012

GAIN Report Number: MX2069

Mexico

Post: Mexico

Eggcellent Industry and Government Cooperation Facilitates Trade

Report Categories:

Agricultural Situation

Agriculture in the Economy

Agriculture in the News

Export Accomplishments - Other

Pest/Disease Occurrences

Poultry and Products

Sanitary/Phytosanitary/Food Safety

Approved By:

Daniel K. Berman

Prepared By:

Adam Branson

Report Highlights:

The Foreign Agricultural Service (FAS) Office of Agricultural Affairs (OAA) in Mexico City facilitated the export of up to U.S. \$800,000 of fresh table eggs for a first time United States exporter based in Arkansas. The exporter sold the Arizona-origin table eggs to their multi-national customer who then managed the logistical challenges of distributing the eggs to retail and member-club points of sale in Mexico.

General Information:

On August 23, 2012, FAS Mexico City received a request for assistance from a U.S. fresh egg supplier indicating that they had been requested to supply table eggs for retail sale in Mexico (a traditional exporter of eggs). The company was given FAS' contact information by the Agricultural Marketing Service (AMS) as the supplier was particularly concerned with how the company needed to register its label and brand in Mexico.

FAS consulted with the USA Poultry and Egg Export Council (USAPEEC) representative office in Mexico and several offices of the Mexican government. In addition, FAS researched published requirements and pending regulatory changes to the Mexican regulations (both labeling and zoosanitary) before counseling the exporter. FAS managed to clarify the relevant issues for both the exporter and AMS regarding label approvals so that the exporter was able to complete all required processes and receive AMS certification to allow their first shipment of eggs to be exported to Mexico. Since that first shipment, the exporter was able to send up to 20 total loads to Mexico as of mid-October 2012.

Additional Background:**Facilitating Trade Under Uncertainty**

At the time the initial query was made, the situation was dynamic and Mexican egg-prices were escalating due to the loss of layers in Mexico resulting from the highly pathogenic avian influenza (HPAI) H7N3 crisis that erupted in Jalisco. As in most crises, there was a fog surrounding the issue as the Mexican government was trying to facilitate egg imports to keep consumer prices under control but had to essentially establish entry procedures for a new product. The Mexican government decided to facilitate trade and eventually eliminated the requirements that fresh table egg carton labels be registered with the Mexican government prior to export. When this change was made, FAS worked with AMS headquarters so that the Mexican policy change could be communicated in a timely manner and so that U.S. egg exports could be traded more competitively by U.S. egg exporters; including the above-mentioned supplier, to Mexico.

HPAI Infection Leads to Culls and Repopulation

The Mexican government and UNA recently reported that the total layer loss due to the crisis and to voluntary culls amounted to between 22.4 and 22.6 million layers. This amounts to around 11 million layers that were depopulated for HPAI infections and another 11.4 to 11.6 million layers that were depopulated voluntarily. On October 12, the Mexican government and UNA reported that 7 million new layers had been introduced. On October 19, the Mexican press quoted SAGARPA Secretary Mayorga as stating that the country has introduced 10 million new layers since the HPAI crisis erupted.

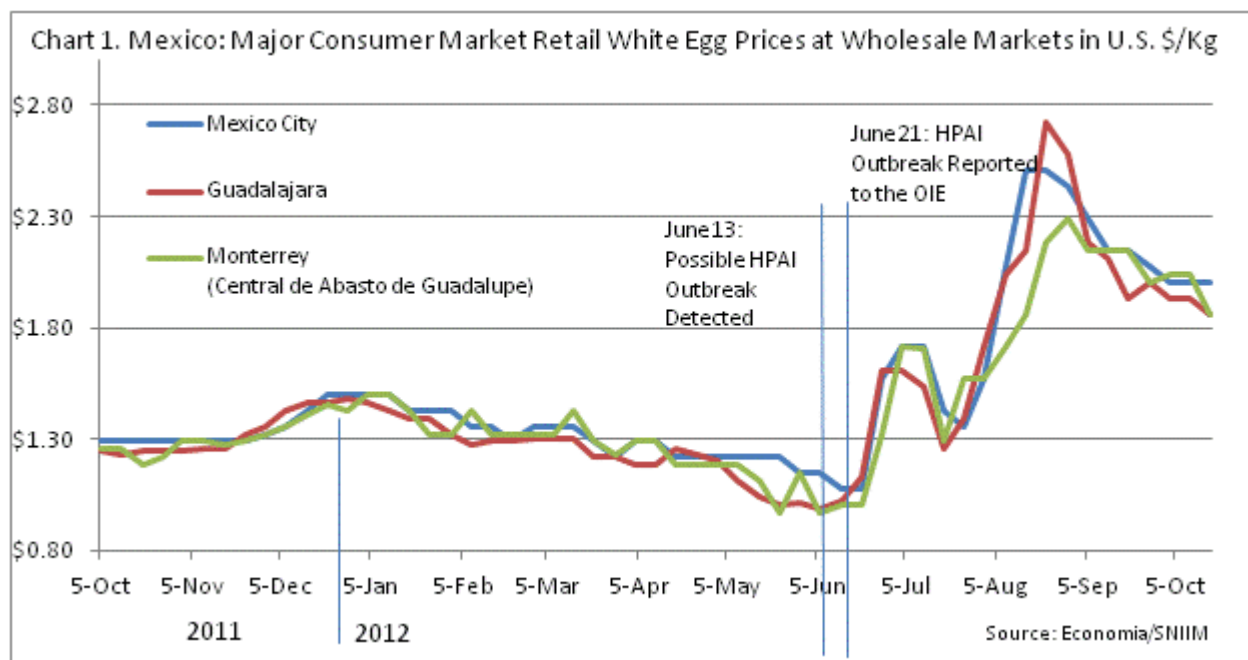
Egg Trade

At this time, egg imports from the United States are continuing, but at a much lower level and slower pace from when the initial crisis occurred. The Mexican poultry industry organization, UNA, reported on Friday, October 12, 2012, the egg imports from the United States equaled approximately 8,877 metric tons. On October 19, 2012, the Mexican press quoted Economia Under Secretary Lorenza Martinez as saying that the country imported 12,900 metric tons of eggs. It is unclear what volume of imports is of eggs for human consumption and what volume is of fertilized eggs for repopulating the

national poultry flock. According to U.S. Foreign Trade Statistics, the United States has exported nearly 1.8 million dozen chicken eggs for human consumption (U.S. HTS 0407.21.00.00) through the first 8 months of 2012 and nearly 4.9 million dozen fertilized chicken eggs for hatching (U.S. HTS 0407.11.00.00) over the same period.

Egg Prices

The Mexican Secretariat of Economy (Economia) reports fresh egg prices on a retail basis at wholesale markets throughout Mexico. In order to view these prices, interested parties should visit the hyperlinked [website](#) and search under the “Mercados Nacionales” tab for “Precios de Mercado.” Once there, select “Mercados Pecuarios” and select “Aves (pollo y Huevo)”. Finally, choose “Huevo” and enter your search criteria for product, location/market, and time period (week of the month). This will appear as “Producto” (e.g., “Huevo Blanco” or white eggs), “Centro Mayorista” (e.g., “DF: Central de Abasto de Iztapalapa) for the Mexico City wholesale market, and “Busueda por semana” (e.g., “Todas” for all recorded weeks of the month). Note: The records will show results for “mayoreo” and “menudeo” which equate to wholesale volume and retail volume sales that occur at the central markets. The most common volume of sales at the markets are “menudeo”.



Zoosanitary Health Requirements for Eggs

Mexico publishes the Zoosanitary Health Requirements in documents known as “Hoja de Requisitos Zoosanitarios” (HRZs). These are available for viewing by country from the following hyperlinked [website](#). At present, some of the following HRZs for eggs from the United States destined for human consumption or industrial use are published: Fresh Table Eggs (Combination 004-13-481-USA-USA), Eggs for Industrial Use (Combination 004-14-1197-USA-USA), Pasteurized Table Eggs (Combination 004-13-402-USA-USA), and Processed Eggs or their Parts (Combination 004-13-53-USA-USA).

U.S. Suppliers List Registration (Trade Leads)

U.S. egg handlers interested in exporting eggs to Mexico have a number of resources available to them.

U.S. egg suppliers should consider opportunities to be added to the U.S. Suppliers List. For information on how to register your company so that information is shared with potential buyers, visit the hyperlinked website, [FAS Trade Leads](#).

Additional Contacts for Exporting U.S. Eggs

National Supervisor, Shell Eggs

USDA-AMS

Poultry Programs, Grading Branch

1400 Independence Avenue, SW, Stop 0258

Washington, D.C., 20250

Tel: +1 (202) 720-3271

Fax: +1 (202) 690-3165

Web: www.ams.usda.gov/Poultry and,

Web: www.ams.usda.gov/AMSV1.0/PYEggExport

USAPEEC Mexico Representative Office in Monterrey

Blvd. Diaz Ordaz 140, Torre 2, Piso 7, No. 702

Col. Santa Maria

Monterrey, NL, 64650

Mexico

Tel: +52 (81) 833-33-7582

Web: www.usapeec.org.mx

USAPEEC Mexico Representative Office in Mexico City

Matias Romero 216, Dpcho, 702

Col. Del Valle., Del. Benito Juarez

Mexico, D.F., 03100

Mexico

Tel: +52 (55) 5980-6090

Office of Agricultural Affairs, U.S. Embassy Mexico City

Paseo de la Reforma 305

Col. Cuauhtemoc

Mexico City, D.F., 06500

Mexico

Email: AgMexico@fas.usda.gov

Tel: +52 (55) 5080-2532

Agricultural Trade Office, U.S. Embassy Mexico City

Liverpool 31

Col. Juarez
 Mexico City, D.F., 06600
 Mexico
 Web: www.mexico-usda.com
 Tel: +52 (55) 5140-2671

Author Defined:

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX2067	Egg Import Tariffs Eliminated	9/14/2012
MX2059	Mexico Announces Import Quotas for U.S. Eggs	8/17/2012
MX2058	Chicken AD Final Resolution	8/6/2012
MX2053	SENASICA Delivers Vaccines to Control AI Outbreak	8/2/2012
MX2049	Poultry, Meat, Broiler Annual	7/18/2012
MX2046	Economia Opens 221K Metric Ton Egg Quota Due to Market Speculation	7/11/2012
MX2044	Avian Influenza Outbreak Hits More Farms in Jalisco	7/6/2012
MX2043	Emergency Management System Activated to Combat Avian Influenza	7/6/2012
MX2040	High Pathogenic Avian Influenza Outbreak in Jalisco	6/29/2012

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.