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Report Highlights:

In 2025, high domestic meat demand and lower prices of animal feed for both cattle and swine are expected to drive up overall cattle, beef, pig crop, and pork production. Despite relatively high inflation levels for food products, beef consumption is expected to grow as consumers shift purchases to more affordable meat cuts. Pork consumption is expected to increase driven by value-added and processed meat sales. A devalued Peso is expected to result in less beef imports and unchanged pork imports. While exports of beef and pork are expected to increase, live cattle exports are expected to decrease to more average levels after exceptional levels over the last two years.

Executive Summary

The Mexican economy is expected to continue growing in 2025, although at a slower pace compared to previous years. Core inflation remains higher than Bank of Mexico (BANXICO) expectations, however, it continues to decrease overall. Following the June 2024 elections, the Mexican peso started to devalue against the U.S. dollar. Analysts expect that the Peso exchange rate will continue to weaken in 2025. Mexico's interest rates remain elevated and although there may be gradual cuts in the coming year, they are expected to remain relatively high in 2025. Security issues throughout the country, especially in the agricultural sector, continue to weaken long-term production decisions.

The calf crop forecast for 2025 is 8.7 million head, a one percent increase compared to 2024. High export numbers and lower feed prices in 2023 and 2024 are expected to drive this growth. Slaughter is forecast at 7.1 million head, one percent higher compared to 2024. This growth is primarily driven by increased domestic beef demand, particularly from the Hotel, Restaurant, and Institution (HRI) sector, and exports. The cattle exports forecast for 2025 at 1.25 million head, a decrease of 11 percent compared to 2024. As the U.S. cattle herd recovers, demand for live cattle from Mexico is projected to moderate, returning to more typical levels.

Post forecasts for 2025 beef production is 2.3 million metric tons (MMT) carcass weight equivalent (CWE), a two percent growth from 2024. The forecast for beef consumption in 2025 is 2.2 MMT CWE, an increase of one percent from 2024. Mexico's increased production and consumption is expected to be driven on strong demand from the HRI sector. The beef import forecast for 2025 is 200,000 metric tons (MT) CWE, a decrease of five percent from 2024. The beef export forecast for 2025 is 340,000 MT CWE, an increase of eight percent compared to 2024. The Peso is expected to devalue against the U.S. dollar to provide more competitive prices for exports. As Mexico's domestic production grows, less beef imports are expected. Mexico's increased domestic production will meet the increase in domestic demand and increase in exports.

Post forecasts the 2025 pig crop at 22.4 million head, a one percent increase from 2024. Due to a combination of lower input prices and expected improved carcass prices, Mexico's live swine producers are slowly increasing production profit for 2024 and likely into 2025. The forecast for slaughter is 21.5 million head in 2025, a one percent increase from 2024. Domestic demand is the lead driver for increased slaughter.

Post forecasts 2025 pork production at 1.6 MMT CWE in 2025, an increase of two percent compared to 2024. Higher pork consumption is the main driver for increased pork production. The pork consumption forecast is 2.8 MMT CWE in 2025, one percent higher than 2024.

The forecast for pork imports is 1.4 MMT CWE in 2025, flat compared to 2024. Domestic production is expected to increase and result in stable imports. The forecast for pork exports is 270,000 MT CWE in 2025, a four percent increase from 2024. Exports are expected to slowly recover in 2025 due to a devalued exchange rate in 2024.

Cattle

Table 1: Cattle – Production, Supply, and Distribution (PSD)

Animal Numbers, Cattle	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Cattle Beg. Stks (1000 HEAD)	17,763	17,763	17,840	17,840	0	17,850
Dairy Cows Beg. Stocks (1000 HEAD)	3,600	3,600	3,650	3,650	0	3,700
Beef Cows Beg. Stocks (1000 HEAD)	8,050	8,050	8,075	8,075	0	8,100
Production (Calf Crop) (1000 HEAD)	8,475	8,475	8,600	8,600	0	8,700
Total Imports (1000 HEAD)	57	57	40	50	0	50
Total Supply (1000 HEAD)	26,295	26,295	26,480	26,490	0	26,600
Total Exports (1000 HEAD)	1,295	1,295	1,450	1,400	0	1,250
Cow Slaughter (1000 HEAD)	1,500	1,500	1,520	1,520	0	1,510
Calf Slaughter (1000 HEAD)	290	290	300	300	0	310
Other Slaughter (1000 HEAD)	5,125	5,125	5,230	5,230	0	5,285
Total Slaughter (1000 HEAD)	6,915	6,915	7,050	7,050	0	7,105
Loss and Residual (1000 HEAD)	245	245	130	190	0	250
Ending Inventories (1000 HEAD)	17,840	17,840	17,850	17,850	0	17,995
Total Distribution (1000 HEAD)	26,295	26,295	26,480	26,490	0	26,600
(1000 HEAD)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Not official USDA data. Historical data revisions (from 2022 onward) were updated for cattle exports.

Production

2025

Post forecasts that the herd will continue to grow in 2025. The calf crop forecast for 2025 is 8.7 million head, a one percent increase compared to 2024. A trend for cattle and calf that began in 2017. Since then, the cattle herd has increased by 8.19 percent and the calf crop has increased by 14.89 percent. Due to the ongoing decline in international corn and soybean meal prices since 2022, Mexico's feed industry anticipates lower production costs in 2025. This reduction is especially significant given the country's heavy reliance on imported grains for animal feed. Domestic analysts predict that grain prices will remain relatively low throughout 2024 and 2025. Despite lower expected live cattle exports in 2025—the still higher than average live cattle export trade is expected to incentivize calf production. In 2025, a continued increase in Mexico of conversion to more intensive systems are expected to increase productivity and contribute to increased cattle production. These intensive systems prioritize high-quality feed, supplemented diets, and meticulous maintenance to maximize animal productivity.

Despite the forecasted increase in cattle production, the growth rate has been in contraction since 2022. Post's forecast accounts for overall drought conditions since the second half of 2023 and steadily higher interest rates since June 2021 which constrained investments to grow the herd. Additionally, the higher-than-average exports of heifers and steers to the United States in 2023 are expected to constrain large growth in the herd.

Despite production challenges in 2024, such as limited access to quality pasture, forage, and water in certain regions, the Mexican livestock industry demonstrated resilience. The growth rate in calf

production showcased the industry's ability to protect the herd from nationwide drought conditions. In 2025, production is expected to recover as regional adaptation to water availability and heat stress, including the reliance on intensive systems in drier northern regions, will continue to support livestock health and productivity. The use of wells to secure water supplies in these areas will further mitigate the impact of drought, allowing for a more stable production environment.

Meanwhile, the remainder of production is in the central highland, southern, or coastal area states which also rely on feed imports but have more pasture availability and more overall moisture and protection from drought. The logistical proximity to the United States through both rail and barge for feed inputs provides an advantage to Mexico's cattle sector and allows some cattle farms to operate on just in time inventories for feed.

The states of Veracruz, Chihuahua, Jalisco, Chiapas, and Michoacan lead the country in herd size. In 2025, private investments in Durango and Coahuila for cattle raised in confinement are expected to slightly boost the herd size in those states.

Figure 1: Mexico's Herd: Top Five Cattle States by Head

Source: 2023 Agricultural and Fisheries Information Service (SIAP)

Mexico's livestock farming is divided among intensive, extensive, or subsistence production systems. The systems are characterized by the following attributes:

- Intensive—High input systems with high quality feed, supplemented diets, high maintenance, and improved genetics through controlled breeding. These operations are confined or semi-confined systems. Approximately 35 percent of Mexico's cattle farming.
- Low Intensity—A relatively low maintenance operation with low productivity. The cattle depend largely on grazing and foraging. These operations have poor recordkeeping, poor genetics, and have a high dependence on climate conditions for success. In general, these systems hold about

ten cattle or more. Extensive operations depend more on open pasture systems. Approximately 56 percent of Mexico's cattle faming.
- Family Farming—These farms follow low intensity production methods; however, the numbers of animals are usually limited to less than ten and the main purpose of animal rearing is for home consumption. Usually, these farms hold dual purpose cattle for use in the home for meat and dairy. Approximately nine percent of Mexico's cattle farming.

As intensive production continues to grow in Mexico, it is estimated the herd will be further weathered against climate impacts.

2024

Post estimates the calf crop for 2024 at 8.6 million head, a one percent increase compared to 2023. The combination of favorable live cattle prices, robust beef demand, and declining feed costs in 2023 and early 2024 led Mexican farmers to expand their cattle herds through increased breeding.

Despite facing significant challenges, including severe drought conditions and a lack of government support, the Mexican livestock industry demonstrated resilience in 2024. The recent arrival of the wet season has begun to alleviate drought conditions, particularly in central and southern regions, improving pasture quality.

Although there are no federal government programs to assist livestock farmers, the industry's overall production has increased. This growth can be attributed to the industry's adaptability, strong demand for beef, and lower input costs. Challenges like drought, political uncertainty, and security concerns have also influenced private investment decisions, contributing to a larger overall growth estimate for the forecast year.

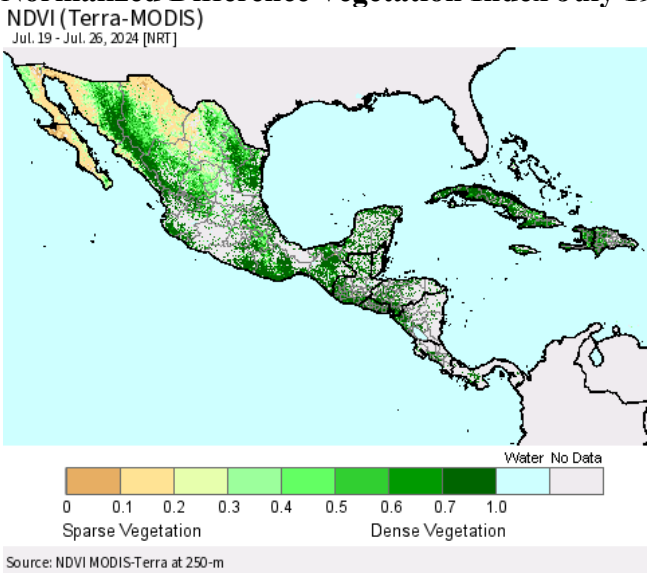
Pasture and Weather Conditions

Post's 2025 forecast assumes calf production will increase driven by more intensive livestock operations, feed supplementation, and improved pasture conditions in southern Mexico. While northern Mexico faces less favorable pasture conditions, they are less significant to overall herd productivity.

Despite ongoing drought conditions, the National Water Commission (CONAGUA) anticipates an average rainy season nationwide. The 2024 tropical cyclone and rainy season began in May in the Pacific Ocean and June in the Atlantic Ocean. CONAGUA forecasts average precipitation from June to November, supported by the onset of La Niña. Three potential hurricanes are expected to land on the Pacific Coast and two on the Gulf of Mexico. This average rainfall is expected to mitigate drought conditions across the country.

From June to August 2024, above-average temperatures are still anticipated in Mexico. However, the rainy season is expected to improve pasture quality for the south and southeast of cattle production, particularly benefiting low-intensity and subsistence family farms. Veracruz, a leading cattle-producing state, was affected by high temperatures and drought in its northern region earlier this year but is expected to fully recover by late August. Tropical Storm Alberto brought much-needed rainfall to the northeast region of Mexico and relieved aquifers, dams, and soil moisture in other areas, including Yucatán.

Figure 2. Normalized Difference Vegetation Index July 19-26, 2024



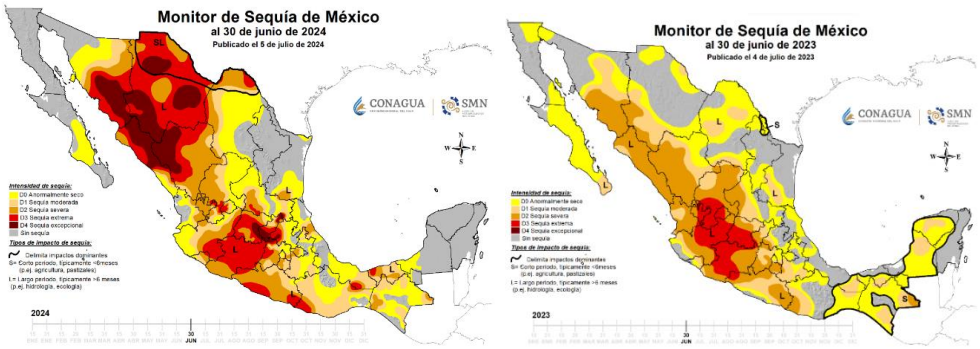
Source: USDA International Production Assessment Division Mexico Crop Explorer

As of June 30, precipitation had alleviated drought conditions in most parts of Mexico, except for Sinaloa and Sonora, and according to data from the Agricultural and Fisheries Information Service (SIAP), Tropical Storm Alberto, which made landfall near Tampico on June 20, significantly replenished agricultural reservoirs in both Nuevo León and Tamaulipas states. During this period, stored volume in agricultural reservoirs in these states increased by 167 percent and 164 percent, respectively.

While this boost brought Nuevo León's smaller reservoir system to 85 percent capacity, Tamaulipas' total stored volume remained below 30 percent as of June 30 due to its larger reservoir system. Tropical Storm Alberto's impact on agricultural reservoirs in Coahuila and Chihuahua was less significant. Coahuila registered a 3 percent increase in stored capacity, while Chihuahua's total stored volume decreased by 6 percent.

Except for Nuevo León, the total stored volume in agricultural reservoirs in these northern states remains low (under 30 percent) due to long-term drought conditions. However, producers in these regions have generally adapted to drought conditions by securing water from wells and dams and planning their cattle feed needs accordingly.

Figure 3: Year-to-Year Drought Situation, June 2024 vs. June 2023



Source: Comisión Nacional del Agua (CONAGUA) and Servicio Meteorológico Nacional (SMN)

Slaughter

2025

Post forecasts slaughter at 7.1 million head in 2025, one percent higher compared to 2024. Slaughter is expected to increase in 2025 to satisfy a still-growing beef demand for domestic consumption and exports. With an estimated utilization of less than 60 percent of installed capacity for cattle slaughter at Federally Inspected (TIF) establishments, Mexico's potential for increasing slaughter is yet to be met.

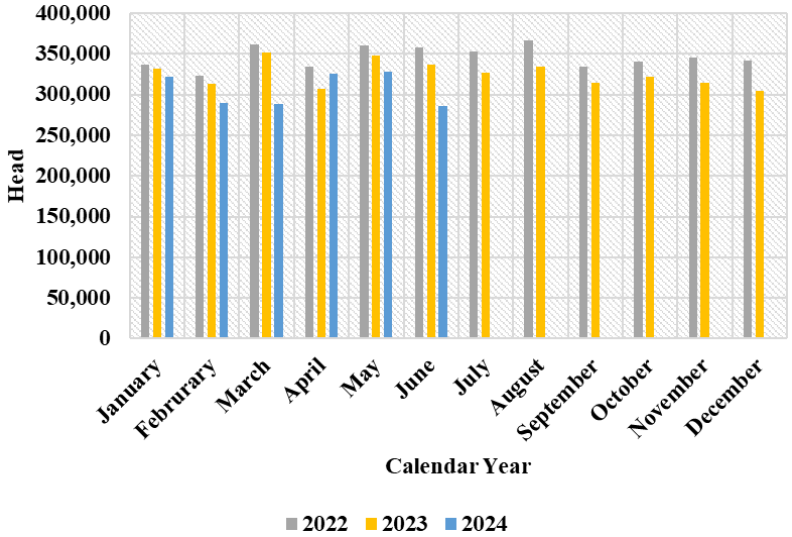
2024

Post estimates slaughter in 2024 at 7.1 million head, two percent higher than 2023. According to SIAP, by May 2024, Mexico reached almost 40 percent of the estimated yearly beef slaughter. Despite the drought in 2023 and the first half of 2024, no slaughter peaks indicated ranchers liquidating assets. The increase in slaughter volume was also expected due to a strong domestic demand for beef by the HRI sector and driven by high beef prices, both in the United States and Mexico.

In 2024, Mexico holds a good supply of cattle, reducing pressure to hold cattle to rebuild the herd. Good grain availability in Mexico's intensive systems in central and northern Mexico and feed availability in semi-confined systems in southern Mexico allowed for adequate fattening, and cattle could reach optimal weights year-round. The relatively lower feed costs incentivized supplemental feeding in confined and semi-confined production units, combined with higher profits for producers, drive slaughter upward.

According to SIAP data, approximately half of Mexico's production occurs at Federally Inspected Establishments (TIF)—the only slaughter operations eligible to export meat. In 2024, slaughter at TIF establishments slowed down overall compared to private, municipal, and backyard operations due to decreased export demand. Accordingly, slaughter for the domestic market increased in private, municipal, and backyard operations.

Figure 4: Beef – Slaughter in TIF Establishments



Source: National Service of Agricultural Health, Food Safety and Agri-food Quality (SENASICA) – Federally Inspected Establishments (TIF) Directorate (Data through June 2024)

Trade

Imports

2025

Post forecasts cattle imports for 2025 at 50,000 head, staying flat from the 2024 estimate. As the United States continues to repopulate its herd, live cattle imports to Mexico are expected to remain stable. A limited number of high-budget operations will continue to import breeders from the United States to improve their genetic pool. It is expected that imports coming from Central America, mostly through Nicaragua, will continue on a limited scale at a steady pace due to demand from a large meat processor in Mexico.

2024

The 2024 import post estimate is 50,000 head, a 12 percent decrease compared to 2023. Imports in 2024 decreased as the United States, the main supplier of live cattle to Mexico, faces herd reduction. The remaining imports are mainly for high quality genetics such as Angus, Hereford, Simmental, Beefmaster in northern Mexico and in the south and southeast there is a preference for Bos indicus breeds such Brahman.

Pests and Diseases in Cattle

Highly Pathogenic Avian Influenza A HPAI H5N1

As of August 1, 2024, Mexico has reported no cases of H5N1 avian influenza in its cattle herd. The country updated its zoo sanitary health requirement (HRZ) sheets for cattle imports on July 18 to prevent potential outbreaks. New regulations require negative H5N1 tests for cattle from areas with known exposure, lactating dairy cattle, and cattle with previous exposure or positive H5N1 tests. While these additional measures may impact some imports, the overall effect is expected to be minimal, and importers should adjust to the new requirements. See here the list of updated HRZ sheets for animal health import requirements to Mexico.

New World Screwworm (NWS) (Cochliomyia hominivorax)
Due to recent outbreaks of New World Screwworm (NWS) in Nicaragua, Mexico has increased surveillance and monitoring efforts. In June 2024, the National Service of Agrifood Health, Safety, and Quality (SENASICA) activated the National Animal Health Emergency Device (DINESA) to strengthen sanitary measures against NWS.

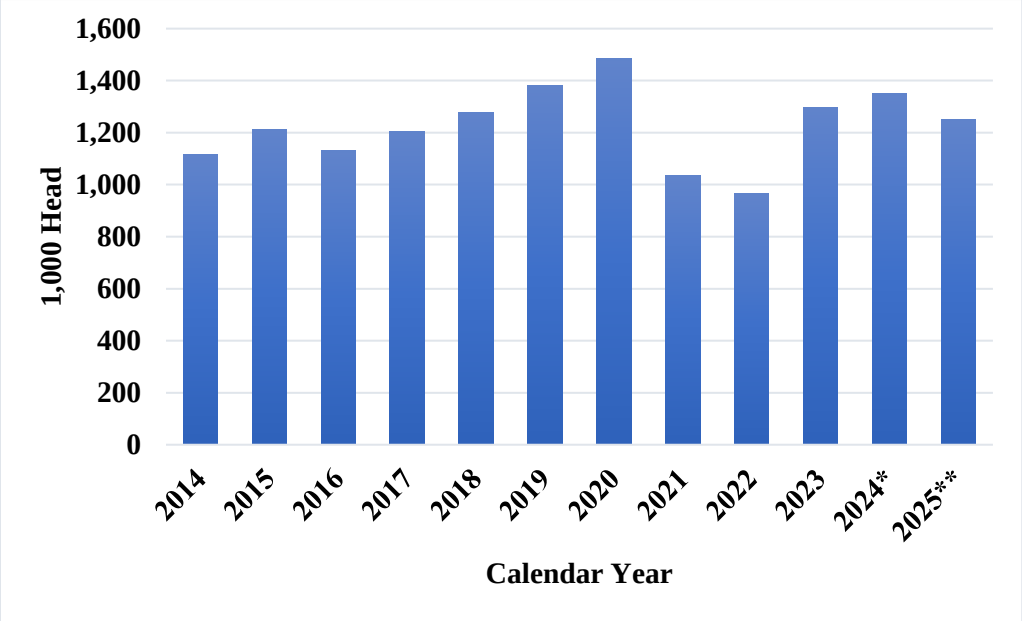
Two sanitary barriers will be established in southern Mexico to prevent NWS entry—one on the Guatemala border and another at the Isthmus of Tehuantepec. Four federal inspection points will be reinforced with SENASICA canine pairs trained to detect NWS in cattle trucks. Incoming cattle will be sprayed with larvicidal products and dewormed before being officially sealed and certified.

Mexico raised a domestic alert in May 2024 due to concerns about NWS spreading through migrant flow, livestock, pets, and wildlife. While there have been suspected cases this year, all have tested negative. A third of these suspected cases occurred in the border state of Chiapas.
Despite the increased sanitary measures, live cattle imports are expected to be relatively unaffected under the current regulations. Importers should be prepared to comply with the new requirements to ensure smooth entry of their livestock.

Exports

2025
Post forecasts cattle exports for 2025 at 1.25 million head, a decrease of 11 percent compared to 2024. As the U.S. cattle herd recovers, demand for live cattle from Mexico is expected to moderate, returning to more typical levels. Additionally, industry sources indicate that Mexico may struggle to sustain record-high export numbers due to limitations in domestic production growth.

Figure 5: Mexico's Live Cattle Exports



Source: Trade Data Monitor **2025 forecast/*2024 estimate

2024

The 2024 export post estimate is 1.4 million head, an increase of eight percent compared to 2023. Exports are expected to continue to grow the remainder of 2024 as the United States high demand for steers and heifers continues. Despite a strong peso that puts pressure on Mexico's exports, cattle exports are a profitable business for Mexican exporters due to relatively good international prices. A good supply of cattle and higher cattle prices in the United States incentivized exports.

Beef

Table 2: Beef – Production, Supply, and Distribution (PSD)

Meat, Beef and Veal	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	6,915	6,915	7,050	7,050	0	7,105
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	2,215	2,215	2,255	2,256	0	2,305
Total Imports (1000 MT CWE)	203	203	220	210	0	200
Total Supply (1000 MT CWE)	2,418	2,418	2,475	2,466	0	2,505
Total Exports (1000 MT CWE)	338	338	300	315	0	340
Human Dom. Consumption (1000 MT CWE)	2,080	2,080	2,175	2,151	0	2,165
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	2,080	2,080	2,175	2,151	0	2,165
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	2,418	2,418	2,475	2,466	0	2,505
(1000 HEAD), (1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Not official USDA data.

Production

2025

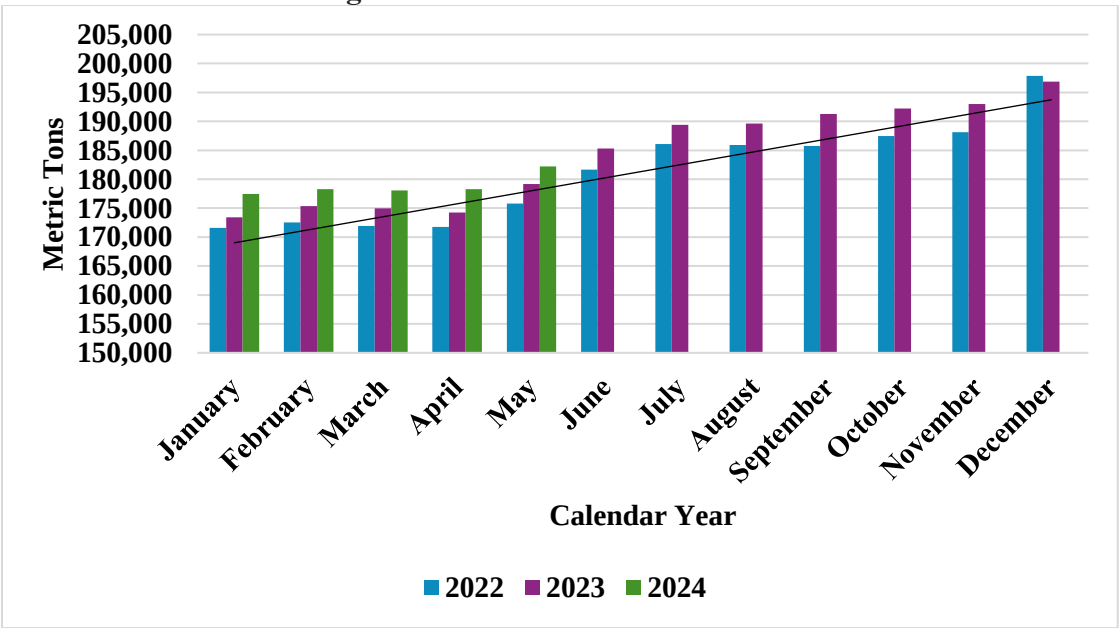
Post forecasts 2025 beef production at 2.3 MMT CWE, a 2 percent growth from 2024. Mexico's production is expected to continue growing due to a strong demand driven by the hotel, restaurant, and institution (HRI) sector and beef exports. Processors are expected to continue adapting to a domestic demand for beef not just for cuts, but also for beef-based products such as deli meats, sausages, roast beef, and offal (variety meats) which are more affordable for local consumers.

Industry notes that while beef production is increasing, uncertainty from potential changes to the TIF system through Mexican Official Standards (NOM, acronym in Spanish) (NOM 008 on establishment construction and NOM 009 on sanitary handling of meat), public security issues, and high interest rates are constraining factors for production. Additionally, on October 1, 2025 the third phase of NOM 051 on nutritional labeling comes into force. Industry notes that processed beef products may require updated labeling guidelines to include up to five black octagonal warning signs and rectangular precautionary legends, if determined to have excess nutrients. The added labels are expected to drive up costs of labeling, although the impacts on consumption could be limited based on previous phases of NOM 051.

2024
The 2024 production estimate is 2.3 MMT CWE, a two percent increase from 2023. As international feed prices continued to decline in 2024, fattening cattle and processing them domestically has become more profitable. Favorable retail prices for beef are driving up beef production.

However high interest rates for loans and credits still impact investments in the processing sector, limiting new projects and modernization of the existing ones, keeping production growth at a modest pace.

Figure 6: Mexico's Beef Production



Source: Agricultural and Fisheries Information Service (SIAP)

Consumption

2025
Post forecasts beef consumption in 2025 at 2.2 MMT CWE, an increase of one percent from 2024. Beef consumption is expected to continue growth at a modest pace. The HRI sector demand is expected to remain strong and middle and upper- income consumers are expected to continue to consume beef on a regular basis. While the HRI sector's demand for lean cuts, as well as high-end cuts, is expected to continue to grow, most Mexican households are expected to purchase less expensive cuts or use more offal for cooking.

Cuts in highest demand in Mexico are stew meat, skirts, rounds, and chuck. For imported meat, Mexican consumers prefer to buy grain fed beef from the United States due to their preference for the flavor, coloring, and tenderness.

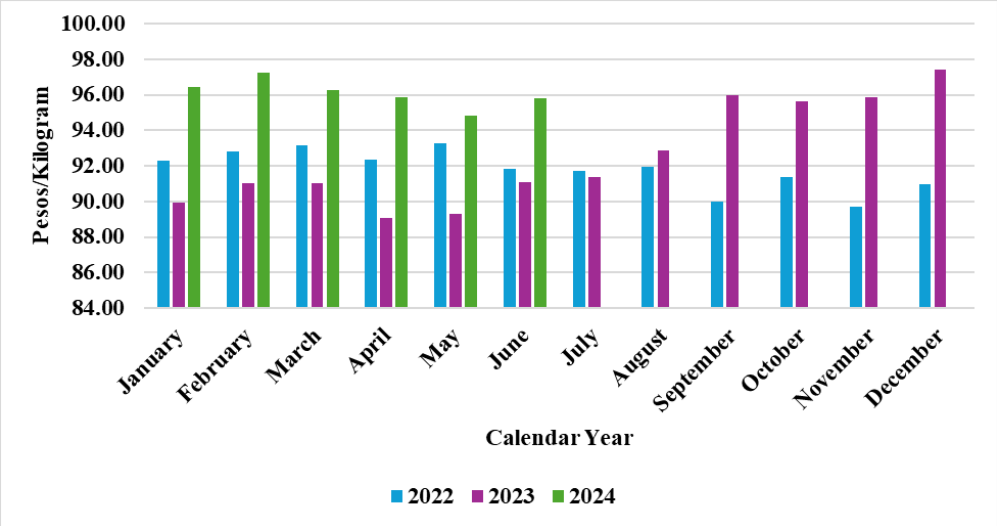
2024
Despite inflationary pressures and economic uncertainty, Mexico's beef consumption increased by 3 percent in 2024, reaching an estimated 2.2 MMT CWE. Social welfare programs helped bolster

consumer purchasing power, contributing to this growth. While the overall increase exceeds initial expectations, it's primarily driven by a significant rise in a variety of meats and offal consumption rather than traditional cuts.

Though more expensive than domestic or Canadian options, U.S. beef has a strong presence in Mexican markets due to its clear labeling. Beef from Brazil and Argentina is imported in limited quantities. Consumers' purchasing habits vary by income level and cultural preferences. Lower-income households often buy meat from public markets, while higher-income consumers may choose grocery stores or butcher shops. However, even affluent families may opt for traditional public markets for cultural reasons.

Despite ongoing inflation in agricultural products, including a 3.16 percent annual increase in beef prices, beef consumption remains resilient. The overall June 2024 inflation rate of 4.98 percent further erodes purchasing power, but consumers are responding by choosing leaner, smaller, or less expensive cuts. Social welfare programs have provided a financial cushion for many consumers, enabling them to maintain their beef purchases.

Figure 7: Mexico Beef Carcass Prices



Source: Agricultural and Fisheries Information Service (SIAP)

Trade

Imports

2025

The beef import forecast for 2025 is 200,000 MT CWE, a decrease of five percent from 2024. Increased domestic slaughter and lower expected live cattle exports are expected to drive more domestic demand to be satisfied at a larger portion by domestic production rather than imports. According to BANXICO's June 2024 report, the peso to U.S. dollar exchange rate which was coined a 'super peso' in 2024 is expected to continue to lose momentum into 2025. This exchange rate dynamic is also expected to favor less beef imports. Meanwhile, BANXICO expects Mexico's economy to grow in 2025 by 1.80 percent.

The trade dynamics are expected to shift based on prices differences. Mexico is expected to export more loins and import more shanks, rounds, and rolls.

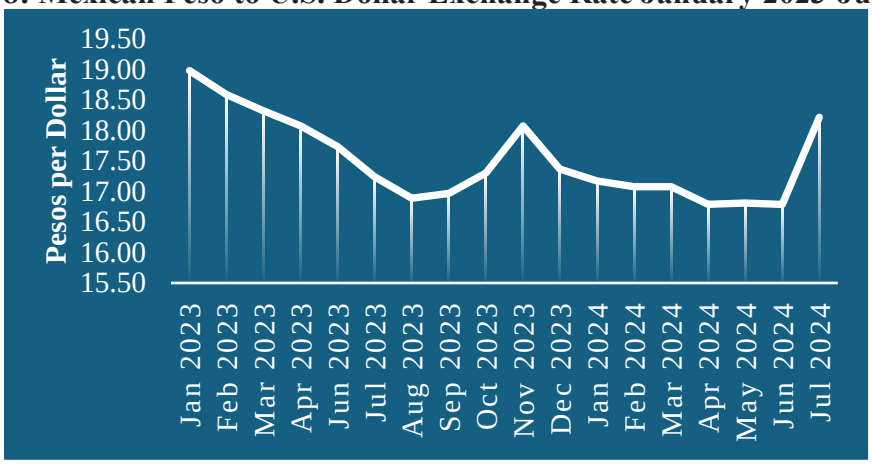
2024
The 2024 beef import estimate is 210,000 MT CWE, an increase of three percent compared to 2023. A combination of a strong peso, duty free imports, and strong demand resulted in higher-than-expected levels of chilled beef imports from the United States. A weakening peso relative to the dollar will disincentivize imports, encouraging a greater reliance on domestic production, which will benefit from increased demand for their products. Mexico's Presidential Anti-Inflation Decree (see policy section) resulted in a small amount of beef imports from non-free trade agreement countries, especially from Brazil. In the period of January to April 2024, the United States held 70 percent of the import share, while Canada represented 15 percent. Imports from Brazil went from 0 in 2022 to 5,212 MT CWE in 2023. From only January-April 2024, imports rose to 10,715 MT CWE, or 14 percent of the share of Mexico's beef imports during this period. While the United States is expected to remain the major supplier of beef to Mexico due to freight and logistical advantages, followed by Canada, Brazilian imports are also increasing in volume. Also, Mexico's preference for grain fed cattle is expected to support the United States to remain a leading import source.

Exports

2025
The beef export forecast for 2025 is 340,000 MT CWE, a rebound of eight percent compared to 2024. The forecast is based on increased domestic production and an expected weaker peso which will create a more favorable rate for Mexican exports. Industry expects increased demand in markets such as South Korea and Japan. These nations slowed down their purchases of Mexican beef since late 2022. With a more favorable exchange rate in 2025, it is expected that Mexico's exports to these markets will rebound.

2024
The 2024 beef export estimate is 315,000 MT CWE, a decrease of seven percent compared to 2023. The strong Mexican peso in 2023 and first half of 2024 is the cause of reduced exports. Additionally, exports are also impacted by strong domestic demand for domestic beef and high live cattle exports, leaving less room for beef exports.

Figure 8: Mexican Peso to U.S. Dollar Exchange Rate January 2023-July 2024



Source: Mexico's Central Bank (BANXICO)

Markets in South Korea and Japan are estimated to be impacted in 2024 by the strong peso and shifted their supply to other sources. From 2021 to 2022, Mexico's exports to Japan declined by 50 percent, and fell an extra 18 percent in 2023. In the first half of 2024, exports to Japan found some relief with an increase of seven percent. The United States is Mexico's main beef export market. On average, 90 percent of Mexico's beef exports are sent to the United States and 60 percent of Mexico's beef imports are from the United States. Currently, as of June 2024, 92 percent of Mexico's beef exports are sent to the United States.

Swine

Table 3: Swine – Production, Supply, and Distribution (PSD)

Animal Numbers, Swine	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Total Beginning Stocks (1000 HEAD)	12,250	12,250	12,700	12,700	0	12,895
Sow Beginning Stocks (1000 HEAD)	1,305	1,305	1,310	1,310	0	1,330
Production (Pig Crop) (1000 HEAD)	22,075	22,075	22,175	22,175	0	22,400
Total Imports (1000 HEAD)	10	10	20	12	0	12
Total Supply (1000 HEAD)	34,335	34,335	34,895	34,887	0	35,307
Total Exports (1000 HEAD)	0	0	0	0	0	0
Sow Slaughter (1000 HEAD)	0	0	0	0	0	0
Other Slaughter (1000 HEAD)	20,750	20,750	21,150	21,150	0	21,450
Total Slaughter (1000 HEAD)	20,750	20,750	21,150	21,150	0	21,450
Loss and Residual (1000 HEAD)	885	885	840	842	0	852
Ending Inventories (1000 HEAD)	12,700	12,700	12,905	12,895	0	13,005
Total Distribution (1000 HEAD)	34,335	34,335	34,895	34,887	0	35,307
(1000 HEAD)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Not official USDA data

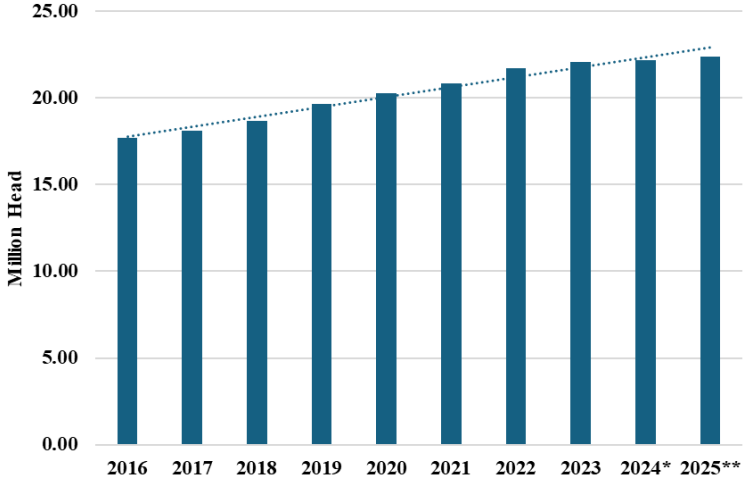
Production

2025
Post forecasts the pig crop at 22.4 million head in 2025, a one percent increase from 2024. Lower production costs, improved hog prices, and pork prices are expected to drive this growth. In 2024, some producers invested in swine genetics to enhance breeding stock, resulting in improved disease resistance, carcass yields, and larger litter sizes. Large companies' ongoing integration and consolidation continue to improve efficiency in the swine sector, supporting increased production.

The threat of disease outbreaks, such as Porcine Reproductive and Respiratory Syndrome (PRRS) and Porcine Epidemic Diarrhea (PED), remains a significant concern in all commercial pig production facilities. These diseases can lead to higher mortality rates, limiting the potential for rapid production growth and continuing to impact the sector in 2025. Large-scale producers are implementing enhanced biosecurity measures and preventive medicine strategies to mitigate the effects of these diseases. These efforts, initiated in 2024, are expected to continue and improve throughout 2025. The impact of disease pressure is factored into the 2025 forecast for pig production and pork production.
While disease pressure is expected to persist in 2025, the impact may be lessened due to ongoing efforts to improve biosecurity and implement preventive measures. However, the industry will continue to face challenges related to disease outbreaks.

While large companies invest in better genetics to increase litter sizes, not all producers have the resources. Additionally, disease pressure affects all producers, further impacting litter size.
The integration and consolidation of large companies continue to drive efficiency improvements in the swine sector, supporting increased production.

Figure 9: Mexico Hog Production



**2025 forecast/*2024 estimate
Source: Production, Supply, and Distribution (PSD) – USDA

Factors that may limit future production growth are still relatively lower profits compared to 2022 and 2023. Although not as high as previous years, volatility on input prices could hinder profit margins for medium and small size swine production sites.

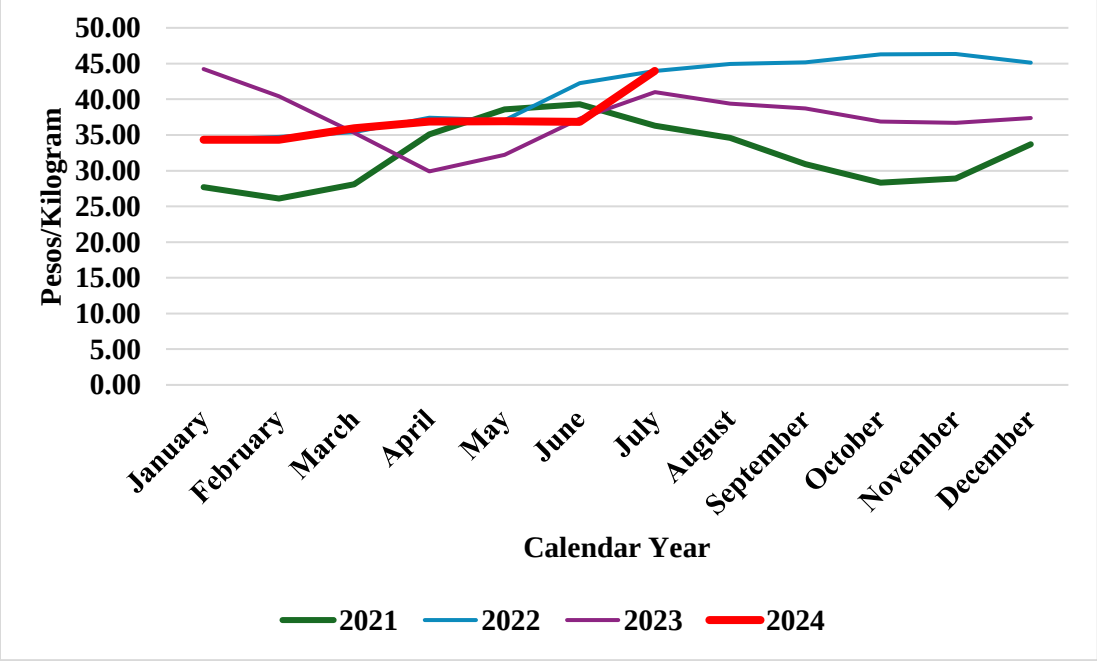
2024

Post estimates the pig crop at 22.2 million head, relatively unchanged compared to 2023. More affordable feed prices than previous years and a strong domestic demand for pork helped small producers survive in a very competitive market. There were no major improvements in feed conversion ratios. According to industry sources, the ongoing threat of Porcine Reproductive and Respiratory Syndrome (PRRS) and Porcine Epidemic Diarrhea (PED) is expected to limit production growth in 2024. But the losses will be lower than 2023 due to improved biosecurity measures. Additionally, there are no reported policy changes since 2018, such as the previous pork strengthening subsidy, to incentivize more production. The election year increased uncertainty for producers to invest in increased production. As a result of these factors, 2024 pig crop is expected table from 2023. According to SADER, in 2022 the average pigs saved per litter in Mexico is between 9 to 11 pigs, dependent on the farming system.

Live hog prices surged during the first two weeks of July, reaching levels not seen since 2022. This spike relieved farmers, who benefited from lower production costs due to decreased feed prices and improved water availability. These factors combined to enhance sector profitability

However, analysts predict this price spike will be short-lived, with prices remaining relatively stable for 2024. The initial surge was primarily driven by exchange rate volatility. As the peso depreciated sharply, processors sought to secure domestic supplies to avoid the potential for more expensive imported pork. With market stabilization and a less volatile peso, the upward pressure on live hog prices is expected to ease.

Figure 10: Mexico Live Hog Prices



Source: National System of Market Information (SNIIM)

Swine production in Mexico is concentrated in the central states of Jalisco, Puebla, and Veracruz. While Sonora and Yucatán also have strong pig production, these states face less favorable weather conditions due to high temperatures. To protect swine from heat stress, producers in these regions must invest in climate-controlled systems and ensure access to water at all production sites. However, one advantage of production in Sonora and Yucatan are less disease-pressures. In Sonora, the desert's extreme heat plays a significant role in farm biosecurity. The harsh climate naturally limits wildlife from wandering near production facilities, including feral pigs and different predators that could transmit parasites and diseases. In Yucatan, the main production sites are isolated and reduce the chance for increased disease contact.

Figure 11: Mexico's Herd: Top Five Swine States by Head

Source: 2023 Agricultural and Fisheries Information Service (SIAP)

Jalisco is the main supplier of swine and pork and is strategically located next to the biggest domestic markets which are Mexico City and the surrounding areas. Logistically, Jalisco has access to the main distribution routes that supply the center of Mexico.

Slaughter

2025

Post forecasts slaughter at 21.5 million head in 2025, a one percent increase from 2024. Strong domestic demand for pork meat is the lead driver for increased slaughter. However, the domestic swine sector growth, is expected to be limited by a continued dependence on pork imports. Despite the drop in feed prices, the impact on hog weights was limited. In Mexico, the average slaughter weight is about 100 kilograms.

No openings of new facilities have been announced for 2025. SADER estimates that TIF slaughter facilities are working at less than 80 percent of their installed capacity, this allowing slaughter to increase if needed.

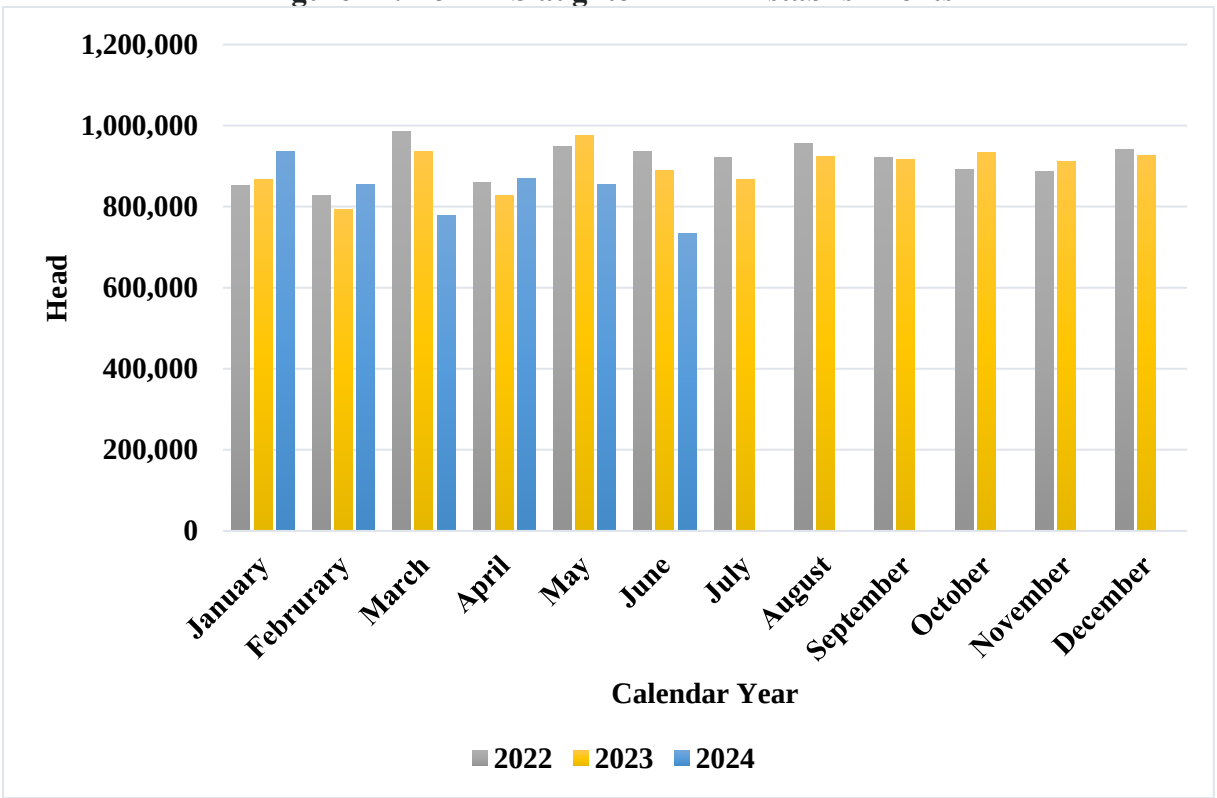
2024

Post estimates slaughter at 21.2 million head in 2024, a two percent increase from 2023. Growing domestic demand and slightly better pork exports than the previous year are expected to drive slaughter to increase. Factors impacting Mexico's swine slaughter to remain lower than the potential are sluggish economic growth, poor public security. Several factors contribute to Mexico's swine slaughter rate remaining below its potential. These include sluggish economic growth, poor public security, low reproductive rates, suboptimal diets, and the ongoing threat of disease outbreaks like PRRS and PED, which can increase mortality rates.

Despite these challenges, the average swine slaughter weight will remain relatively stable in 2025. While some producers can slaughter at higher weights (110-115 kg), others struggle to reach even 100 kg. Although 100 kg is not an official average, it is a general benchmark.

There have not been changes in slaughter regulations or mobilization regulations during the last six years, and it is not expected to change in 2025. However, the pressure for animal welfare during transportation from different environmental groups, persist. Large companies with the means, have improved best practices and met animal welfare international standards to ensure that animals are treated ethically from farm to slaughter.

Figure 12: Pork – Slaughter in TIF Establishments



Source: National Service for Agricultural Health, Food Safety and Agri-food Quality (SENASICA)

Swine slaughter in Mexico experienced significant declines in March and June 2024 compared to the previous year. The June decrease can be attributed to a lack of updated data from the National Service of Health, Food Safety, and Food Quality (SENASICA). The March decline was likely due to a combination of high slaughter volumes in January and February, coupled with increased availability of imported pork. It is not expected for slaughter to continue trending lower, especially by the last quarter of the year in which demand for pork increases.

Trade

Imports

2025
Post forecasts swine imports at 12,000 head in 2025, unchanged from 2024. The swine industry continues to invest in better genetics through embryos and semen, instead of increasing live animal imports.

2024
Post estimates imports at 12,000 head in 2024, a 20 percent increase from the previous year. Despite a favorable exchange rate between the peso and the dollar, producers are not investing in live animal imports for improved genetics, but rather in artificial insemination. Therefore, import numbers are expected to remain stable compared to 2023.

Exports

Mexico does not export live swine. All domestic swine production is used to satisfy domestic demand for pork.

Pork

Table 4: Pork – Production, Supply, and Distribution (PSD)

Meat, Swine	2023		2024		2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Slaughter (Reference) (1000 HEAD)	20,750	20,750	21,150	21,150	0	21,450
Beginning Stocks (1000 MT CWE)	0	0	0	0	0	0
Production (1000 MT CWE)	1,557	1,557	1,590	1,590	0	1,615
Total Imports (1000 MT CWE)	1,354	1,354	1,410	1,410	0	1,410
Total Supply (1000 MT CWE)	2,911	2,911	3,000	3,000	0	3,025
Total Exports (1000 MT CWE)	258	258	260	260	0	270
Human Dom. Consumption (1000 MT CWE)	2,653	2,653	2,740	2,740	0	2,755
Other Use, Losses (1000 MT CWE)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT CWE)	2,653	2,653	2,740	2,740	0	2,755
Ending Stocks (1000 MT CWE)	0	0	0	0	0	0
Total Distribution (1000 MT CWE)	2,911	2,911	3,000	3,000	0	3,025
(1000 HEAD), (1000 MT CWE)						
OFFICIAL DATA CAN BE ACCESSED AT: PSD Online Advanced Query						

Not official USDA data

Production

2025

Post forecasts production at 1.62 MMT CWE in 2025, an increase of two percent compared to 2024. Strong domestic demand is expected to drive this growth. Improved food safety measures at processing plants are anticipated to reduce waste and SENASICA quality rejections.

Although high interest rates may deter private investment, pork production is expected to increase. Public insecurity is a significant obstacle to growth in Mexico's meat processing industry. Cargo thefts pose a major risk to the supply chain, worsening year over year and contributing to inflation as companies pass on these additional costs to consumers. This situation is not expected to improve in 2025.

Jalisco, Puebla, Sonora, Veracruz, Yucatán, and Guanajuato are projected to remain the primary pork-producing states. The processing and distribution infrastructure is not anticipated to change significantly in 2025.

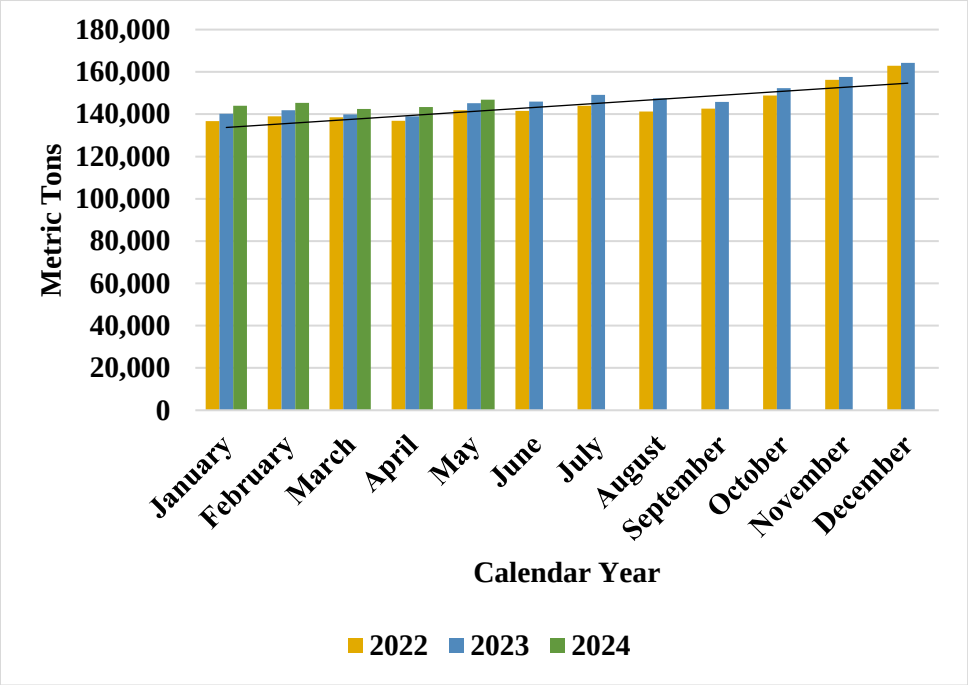
2024

Post forecasts production at 1.59 MMT CWE in 2024, an increase of two percent compared to 2023. Pork remains well positioned among consumers, especially in key regions of central and southern Mexico, due to cultural food preferences.

By the end of the second quarter of 2024, Jalisco leads Mexico’s pork production, followed by Puebla, Sonora, Veracruz, Yucatan, and Guanajuato. These six states represent 78 percent of domestic production in the first half of 2024. Through vertical integration from farm to cold storage and increased private

sector investments by large companies in Sonora and Veracruz, these states are responsible for most production growth.

Figure 13: Mexico's Pork Production



Source: Agricultural and Fisheries Information Service (SIAP)

Consumption

2025

Post forecasts pork consumption at 2.8 MMT CWE in 2025, one percent higher compared to 2024. While strong consumption growth has been evident since 2021, it is expected to moderate in the coming year. The trend toward frozen products and home cooking is anticipated to continue supporting retail pork sales in 2025. There is projected growth in value-added pork products, such as boneless, enhanced, sliced, and cooked options, as well as processed meats. Despite inflationary pressures, pork is expected to remain the second most popular meat in Mexico due to its affordability and versatility, following chicken.

Households may opt for cheaper cuts or seek out price promotions to mitigate the impact of inflation. However, the hotel, restaurant, and institutional (HRI) sector and food service businesses are expected to increase pork demand and consumption as processors offer a wider range of innovative cuts.

2024

Post estimates pork consumption at 2.7 MMT CWE in 2024, three percent higher than 2023. Pork remains the second most affordable meat in Mexico after chicken, followed by beef. Although consumers are showing more caution in their spending, pork consumption continues to grow and is expected to provide a stable market to producers.

In 2024, more moderate inflation compared to previous years in pork, beef, poultry prices supported more meat consumption. Pork consumption per capita in 2024 is expected to grow three percent compared to 2023, while beef consumption is expected to grow three percent as well, and chicken meat consumption is expected to grow two percent on the same period.

Table 5: June 2024 Animal Product Inflation

Product	Inflation (yearly basis) (%)
Pork	**2.7**
Beef	**3.2**
Chicken meat	**3.2**
Shell eggs	**3.5**
Pasteurized milk	**4.2**

Source: Agricultural and Fisheries Information Service (SIAP)

Trade

Imports

2025
Post forecasts pork imports at 1.4 MMT CWE in 2025, flat compared to 2024. Slightly increased forecast consumption is expected to be satisfied by domestic production. Imports are not affected heavily by the weakening peso due to the high demand for consumers and processers to use pork because of its preference in the Mexicans cuisine. It is not forecast that imports will increase from non-free trade agreement countries as the Presidential Anti-Inflation Decree (see policy section) will expire on December 31, 2024. The United States is expected to remain the main import source due to logistical advantages and preference for fresh-chilled meat compared to frozen meats.

2024
Post estimates pork imports at 1.4 MMT CWE in 2024, a four percent increase compared to 2023. Mexico is expected to increase imports to satisfy a growing demand for pork and the United States is expected to be the main supplier.

The Presidential Anti-Inflation decree (see policy section) with zero tariffs from non-free trade agreement countries incentivizes processors in Mexico to seek new business opportunities, especially from Brazil. Mexico imported an estimated 26,000 MT CWE of pork from Brazil during 2023, and according to the Organization of Mexican Pig Farmers (OPORMEX), this number was surpassed during the first quarter of 2024.

In November 2023, market access for Brazilian pork was suspended due to an injunction filed by OPORMEX. Access shortly resumed when SENASICA authorities issued new permits. Since then, OPORMEX is battling the legal grounds for which SENASICA issued permits to Brazil. All court rulings thus far have been to the favor of OPORMEX. OPORMEX continues to file injunctions against imports from Brazil and are expected to have definite court ruling by the end of the year.

Exports

2025

Post forecasts pork exports at 270,000 MT CWE in 2025, a four percent increase from 2024. A stronger peso in 2024 discouraged exports, but a weaker peso in 2025 is expected to enhance Mexico's export competitiveness.

Japan, the United States, and South Korea are anticipated to remain Mexico's primary pork export markets. Mexico is expected to continue focusing on high-value-added pork products like skillets, cubed belly cuts, and custom cuts for Asian markets. The industry also aims to expand exports of pork-based products, such as cooked hams or hot dogs, to Central America. While price factors have limited sales, this region has the potential for steady growth during the forecast year.

2024

Despite a strong peso during the first half of 2024, Mexico is expected to increase pork exports to Asian markets like Japan and South Korea by the end of the year. The focus will be on value-added products such as pork skewers, one-inch pork cubes, and market-specific cuts.

Pork exports in 2024 are estimated at 260,000 metric tons (MT) CWE, a 1 percent increase from the previous year. Japan remains the primary destination for Mexican pork exports, accounting for nearly 75 percent of the market share from January to April 2024. The United States holds the second-largest share of Mexico's pork exports at 18 percent.

While the first half of 2024 saw slower export activity, a weakening peso and increased end-of-year demand are expected to boost exports.

Policy

Federal Law of Animal Health

On May 21, 2024, the Government of Mexico published a modification to the Federal Law of Animal Health. The update lists substances banned for use in livestock intended for human consumption. The banned substances were previously listed under various other regulations. Aggregating banned substances into one law and increased penalties may provide more judicial certainty and incentive for compliance with the Federal Law of Animal Health.

February 2023 Corn Decree

On February 13, 2023 Mexico published a presidential decree which includes a directive that, "The dependencies and entities of the Federal Public Administration will carry out the actions leading to the effect of carrying out the gradual substitution of genetically modified corn for animal feed and for industrial use for human food." On August 17, 2023, the United States Trade Representative announced the United States establishment of a dispute settlement panel under the United States-Mexico-Canada Agreement (USMCA) regarding certain Mexican measures concerning biotech corn. A final panel report is expected by the end of 2024.

Extension of Presidential Anti-Inflation Decree

On December 27, 2023, the Government of Mexico published a presidential decree to extend the exemption of tariffs and easing of administrative procedures for the importation of basic food basket products through December 31, 2024 (see GAIN Report MX2024-0004). The inflation decree extension is expected to increase tariff-free imports from countries that do not currently have a free trade agreement with Mexico. The related Harmonized System (HS) codes are listed below.

CODE	DESCRIPTION	NOTE
01.02	**Live animals of the bovine species**	
0102.29.99	Others.	
02.01	**Meat of bovine animals, fresh or chilled.**	
0201.10.01	Carcasses and half-carcasses.	
0201.20.99	Other cuts (pieces) without bone.	
0201.30.01	In-Bone.	
02.02	**Meat of bovine animals, frozen.**	
0202.10.01	Carcasses and half-carcasses.	
0202.20.99	Other cuts (pieces) without bone.	
0202.30.01	In-Bone.	
02.03	**Meat from swine animals, fresh, chilled or frozen.**	
0203.11.01	Carcasses and half-carcasses.	
0203.12.01	Legs, shoulders, and their pieces, without bone.	

0203.19.99	The others.	
0203.21.01	Carcasses and half-carcasses.	
0203.22.01	Legs, shoulders, and their pieces, without bone.	
0203.29.99	The others.	

2024 Presidential Elections

An ongoing challenge for Mexico's livestock sector in 2024 includes regulatory and legal uncertainty related to the aftermath of Mexico's presidential elections in June 2024 and the governments transitional period. Contacts assert that President Andres Manuel Lopez Obrador's proposed a set of constitutional and legal reforms, which includes a ban on genetically engineered corn and judicial reforms creates an uncertain environment for producers and processors to invest in their livestock operations. The proposed reforms are currently being debated and could be considered for vote during the new congressional session which starts on September 15, 2024.

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Report Number	Title	Dated
MX2024-0009	Livestock and Products Semi-annual	03/20/2024
MX2023-0040	Livestock and Products Annual	08/03/2023
MX2023-0005	Livestock and Products Semi-annual	02/21/2023
MX2022-0046	Livestock and Products Annual	09/06/2022
MX2022-0003	Livestock and Products Semi-annual	03/29/2022

Attachments:

No Attachments