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## **Report Name:** Livestock and Products Annual

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### **Report Highlights:**

In 2020, Mexico's livestock production continues to grow and has proven resilient against Mexico's economic recession and pandemic mitigation efforts. Mexico's beef and pork exporters are meeting growing demand for red meat. Pork exporters found new market opportunities in China, as well as continued complying with rigorous market requirements of Japan and South Korea. However, Mexico's beef and pork imports have not been as strong as in years past, declining due to Mexico's economic slowdown and an unfavorable currency exchange rate. In 2020, Mexico's retail meat consumption is driven by household demand for healthier, smaller, and more affordable portions. Retail consumers are switching from more expensive sources of animal protein, such as beef, to more affordable ones, such as pork and chicken, due to employment loss and diminished incomes. Post forecasts 2021 will see a better economic scenario over 2020 after pandemic emergency measures are lifted and economic activities resume.

**Commodities:**

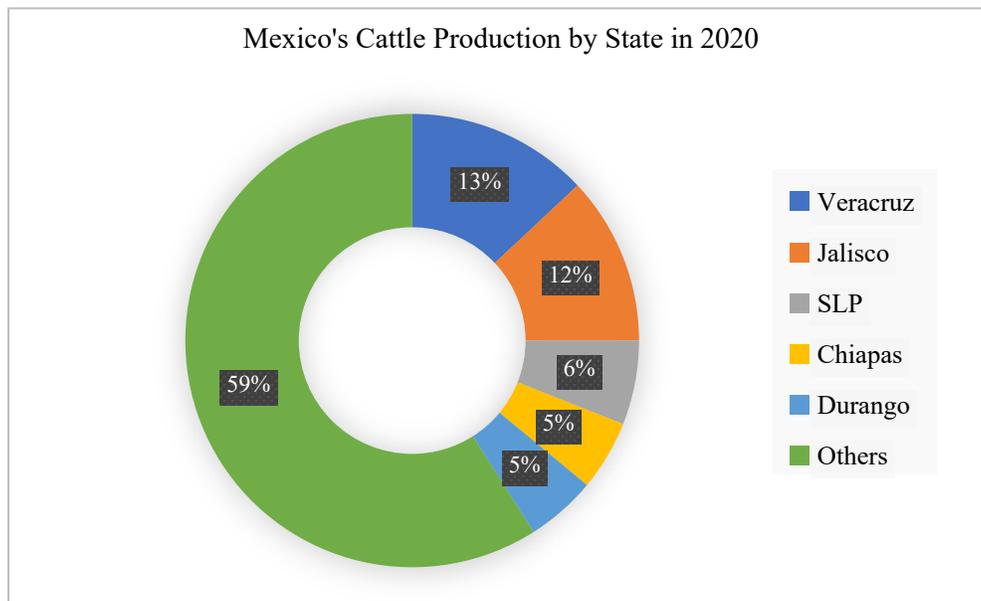
Animal Numbers, Cattle  
Meat, Beef and Veal  
Animal Numbers, Swine  
Meat, Swine  
Policy

**ANIMAL NUMBERS, CATTLE**

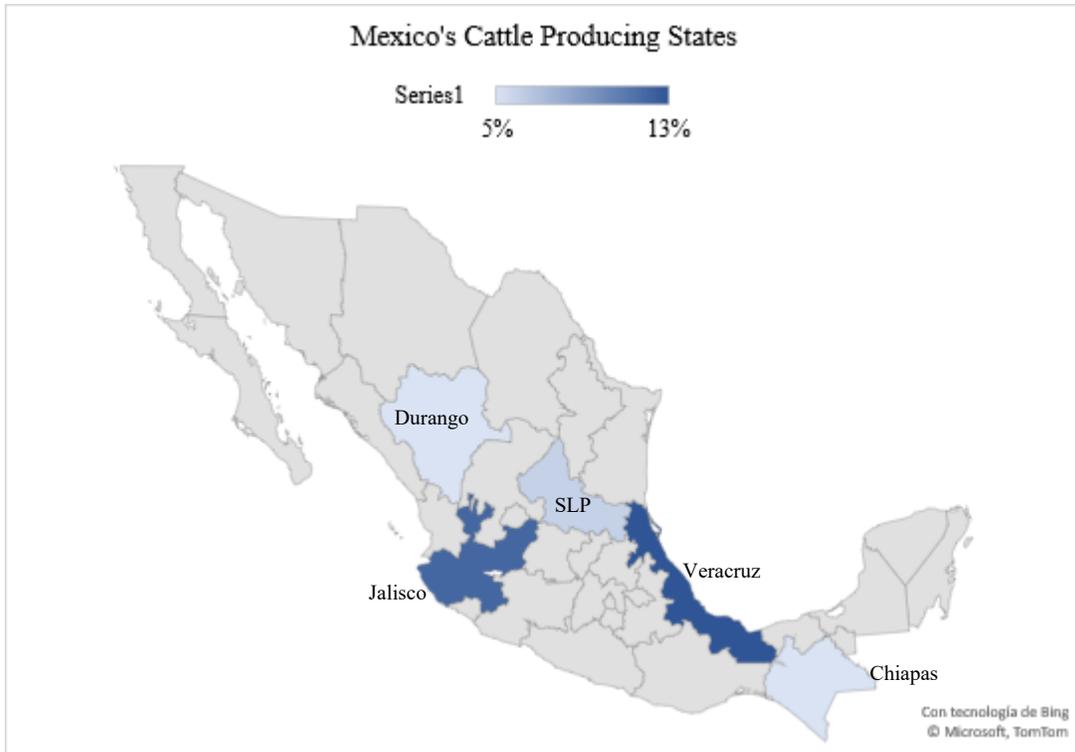
**Production**

Mexico’s cattle production continues to grow at a steady pace despite adverse macroeconomic conditions and pandemic emergency measures. In marketing year (MY) 2020, Post forecasts cattle production at 8.1 million head. In MY 2021, Post forecasts cattle production at 8.3 million head. Even though 2020 has proven to be a difficult year, cattle producers continued the tendency to vertically integrate.

Continued export demand for cattle and relatively steady feed prices helped keep momentum for calf production. In 2020, Mexico’s feed industry projects feed production at almost 38 million metric tons (MT), with 11 percent consumed by beef cattle. Cattle producers are reaping the benefits of their investments in better genetics to improve their herds. In 2020 and 2021, Post forecasts reduced investments of this kind due to Mexico’s ongoing economic recession. During January–June 2020, the top livestock producing states in Mexico were Veracruz at 13 percent, Jalisco at 12 percent, San Luis Potosí (SLP) at 6 percent, Chiapas at 5 percent, and Durango at 5 percent. The remaining 59 percent of national cattle production occurred in Mexico’s remaining 27 states.

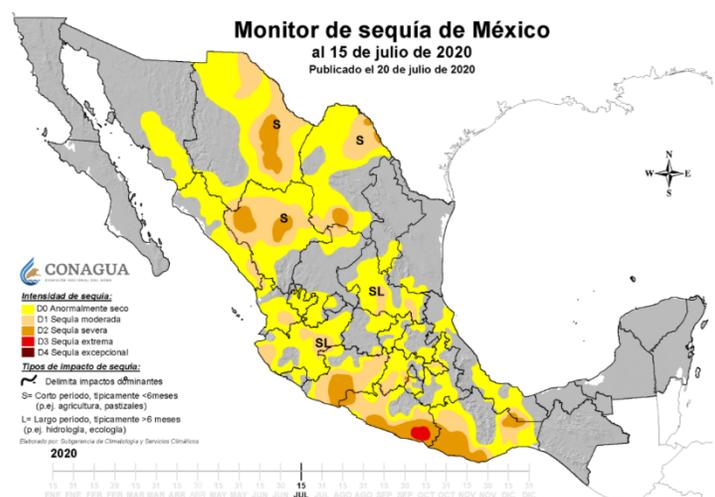


Source: Agri-Food and Fisheries Information Service (SIAP)



Source: SIAP

Drought and heat are major indicators of where cattle will be raised and sent to feeder in Mexico. However, most feedlots in Mexico are vertically integrated. Thus, minimizing the complications from drought. Beef cattle producers have a networking of holding pens to hold calf all over Mexico, regardless of where the final feedlot is located. Once cattle are brought into the holding pens, zoo-sanitary tests and vaccines are administered to allow for that animal's movement within Mexico. Based on the animal's age and whether it is going to be exported, slaughtered, or bred, the animal is moved to feedlots or holding pens for the corresponding purpose. When Mexico's regions suffer drought, wells, tanks, or trucks help secure enough water supplies for those cattle.



Source: Mexican National Weather Monitoring System

## Trade

### Imports

In MY 2020, Post revises Mexico's cattle imports down to 20,000 head. In MY 2021, Post forecasts cattle imports at 19,000 head. Mexico is going through one of its worst economic recessions in decades, with an estimated gross domestic product (GDP) contraction of 10 percent in 2020 and possible GDP growth of 3 percent in 2021, according to some estimates. These adverse economic conditions have slowed down Mexico's imports of livestock, which serve largely an investment in genetics for improving the Mexican herd. Mexico's live cattle imports are high-quality, high-value animals intended for breeding purposes, as Mexico imports almost no live cattle for slaughter.

### Exports

Mexico continues to be a key livestock trading partner to the United States. In MY 2020, Post revises Mexico's cattle exports down to 1.3 million head. In MY 2021, Post forecasts Mexico's cattle exports at 1.35 million head. The first two quarters of 2020 have been a roller coaster ride for Mexico's cattle exports, as the United States' demand and prices dramatically fluctuated due to the 2019 novel coronavirus (COVID-19) pandemic. The first quarter of 2020 was exceptionally good for Mexican cattle exporters, but when the United States' cattle market overflowed due to a backlog of cattle waiting to be slaughtered, prices decreased and the appeal to export was not as good for Mexican cattle producers. Mexican cattle exports seasonably fluctuate, with July and August being slow months for Mexico's cattle exports. Thus, Mexico's cattle industry expects cattle exports to increase and stabilize by the fourth quarter of 2020.

*Table 1: Mexican Live Cattle Exports to the United States (2020)*

	January	February	March	April	May	June
Cattle Head	100,127	112,697	160,461	142,065	125,045	133,178
Value (1,000 Dollars)	57,795	60,818	73,437	65,626	61,465	65,049
Price (Dollar per Head)	577	540	458	462	492	488

Source: Tax Administration Service (SAT) and Mexican Cattle Producers Association (AMEG)

*Table 2: Mexican Live Cattle Exports to the United States, 2018-Present*

	2018	2019	2020*
Cattle Head	1,278,035	1,326,950	773,573
Value (1,000 Dollars)	730,213	754,954	384,190
Price (Dollar per Head)	571	569	497

Source: SAT and AMEG; \* Data from January to June 2020

## Policy

### Southern Border Open to Guatemalan Live Cattle

In May 2020, Mexico’s National Service of Health, Food Safety, and Food Quality (SENASICA) published a zoo sanitary import requirement sheet (HRZ) for Guatemalan live cattle. This finalized negotiations between Guatemala and Mexico to formalize live cattle trade between Central America and Mexico. In June 2020, the first legal livestock crossing from Guatemala to Mexico occurred through the Chiapas *Subteniente López* point of entry. Live cattle eligible for export from Guatemala to Mexico must remain in Guatemala under government supervision for a 60-day period and be tested for tuberculosis and brucellosis, as well as other international health measures. Mexican cattle producer organizations have long asked for stronger sanitary measures and traceability to help protect domestic industry. That said, implementation and enforceability of the HRZ for Guatemalan live cattle at Mexico’s southern border could pose new challenges.

Animal Numbers, Cattle Market Year Begins Mexico	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Total Cattle Beginning Stocks</b> (1,000 HEAD)	16,699	16,699	16,900	16,900	0	17,200
<b>Dairy Cows Beginning Stocks</b> (1,000 HEAD)	3,450	3,450	3,500	3,500	0	3,500
<b>Beef Cows Beginning Stocks</b> (1,000 HEAD)	7,700	7,700	7,900	7,900	0	7,900
<b>Production (Calf Crop)</b> (1,000 HEAD)	7,950	7,900	8,105	8,105	0	8,300
<b>Total Imports</b> (1,000 HEAD)	29	30	20	20	0	19
<b>Total Supply</b> (1,000 HEAD)	24,678	24,629	25,025	25,025	0	25,519
<b>Total Exports</b> (1,000 HEAD)	1,381	1,330	1,350	1,300	0	1,354
<b>Cow Slaughter</b> (1,000 HEAD)	1,370	1,370	1,390	1,390	0	1,410
<b>Calf Slaughter</b> (1,000 HEAD)	250	250	260	260	0	270
<b>Other Slaughter</b> (1,000 HEAD)	4,630	4,630	4,674	4,744	0	4,900
<b>Total Slaughter</b> (1,000 HEAD)	6,250	6,250	6,324	6,394	0	6,580
<b>Loss and Residual</b> (1,000 HEAD)	147	149	131	131	0	135
<b>Ending Inventories</b> (1,000 HEAD)	16,900	16,900	17,220	17,200	0	17,450
<b>Total Distribution</b> (1,000 HEAD)	24,678	24,629	25,025	25,025	0	25,519
(1,000 HEAD)						

## **MEAT, BEEF AND VEAL**

### **Production**

In MY 2020, Post revises its beef production forecast upward to 2.09 million MT. In MY 2021, Post forecasts beef production at 2.15 million MT. Production is expected to continue its favorable trend thanks to international trade, as domestic consumption is expected to drop due to internal economic factors that will affect consumers' purchasing power in Mexico.

Mexico's beef industry is keeping a steady pace in implementing best production practices, which have increased the national meat supply chain's resilience during Mexico's adverse economic times. In the federally inspected establishments (TIFs), Mexico established strong health protocols ahead of unforeseen coronavirus outbreaks, which allowed the domestic industry to continue production without major setbacks or closures. Industry and government worked together to develop health protocols, which were both preventative and responsive, providing proper health guidelines to suit the evolving pandemic circumstances. TIF establishments assessed their complete supply chain and altered production between different meat plants owned by the same company. However, investment in Mexico's beef industry is still at risk due to the overall disadvantageous investment conditions in Mexico.

### **Consumption**

In MY 2020, Post revises Mexico's beef consumption forecast down to 1.875 million MT. In MY 2021, Post forecasts Mexico's beef consumption will remain flat at 1.875 million MT, as households switch to more affordable sources of animal protein.

Before the COVID-19 outbreak in Mexico, households tended to buy a wide variety of meat cuts, from individually portioned cuts to bulk. From March-June 2020, Mexico's meat processing industry saw changes in purchases from some retail consumer segments while other consumer segments stuck to meat cuts and portions they already knew. Offering a variety of meat cuts is becoming the best way to appeal to consumers' desire for variety, convenience, and affordability, whether in bulk or smaller portions. Industry sources indicate rising demand for smaller packaging and more individual servings. This demand for one to two portions is driven by factors such as smaller households in urban settings and lower disposable income due to Mexico's economic recession. Concurrently, health-conscious shoppers still want to integrate meat and poultry but emphasize moderation and seek smaller portions. Thus, industry seeks to adapt to these retail consumer trends by providing more choice, from individual to family-sized packages.

## Trade

### Imports

In MY 2020, Post revises Mexico's beef import forecast down to 145,000 MT. In 2020, imports have been greatly affected by factors, such as the coronavirus outbreak and the ongoing negative macroeconomic conditions. In MY 2021, Post forecasts Mexico's beef imports to remain flat at 145,000 MT.

Mexico's hotel, restaurant, and institutional (HRI) sector has almost come to a stop, as pandemic emergency measures continue throughout Mexico, preventing the HRI sector from resuming operations. Industry sources estimate at least 40 percent of Mexico's restaurants closed during the COVID-19 outbreak, many of which may never reopen. The United States remains Mexico's top beef provider, with 86 percent market share. Canada follows with 7.5 percent and Nicaragua with 5 percent. Nicaragua is the only beef provider to Mexico with a positive trend in the first quarter of 2020, driven by just one Mexican company that divides its production between Mexico and Nicaragua.

### Exports

In MY 2020, Post revises Mexico's beef export forecast upward to 360,000 MT. In MY 2021, Post forecasts Mexico's beef export at 420,000 MT.

Mexico's beef exports have been not only resilient to COVID-19 pandemic mitigation efforts, they have actually thrived due to demand in the U.S. import market, as the U.S. meat industry struggled with outbreaks and meatpacking plant closures during the months of March and April 2020. Depreciation of the peso also drove increased exports to the United States, making Mexican products cheaper for U.S. consumers. During the first quarter of 2020, Mexican beef exports grew 23 percent. Mexican beef exports are expected to end MY 2020 with 15 to 17 percent total growth. Mexico's beef exports increasingly made their way to U.S. consumers' plates. Mexico provides similar beef cuts as U.S. beef producers, but Mexico's beef cuts are leaner, smaller, and less expensive. During February-May 2020, Mexican chucks, rounds, and trimming were the most exported cuts to the United States. As the pandemic situation in the United States improved, U.S. consumer preference switched to ribs, loins, and sirloins, all driven by U.S. market prices.

In 2021, Mexico also expects to grow its export market share by strengthening beef exports to Canada, as Mexico's beef exporters expect Canada to redirect part of its own beef production to China. These Mexican beef exports to Canada are expected to be seasonable but with much added value. Mexico is also expected to grow its beef export market share to Asia, certifying more TIF establishments for beef exports to China, as well as improving beef exports to Japan and South Korea.

Meat, Beef and Veal Market Year Begins Mexico	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Slaughter (Reference)</b> (1,000 HEAD)	6,250	6,250	6,324	6,394	0	6,580
<b>Beginning Stocks</b> (1,000 MT CWE)	0	0	0	0	0	0
<b>Production</b> (1,000 MT CWE)	2,030	2,030	2,065	2,090	0	2,150
<b>Total Imports</b> (1,000 MT CWE)	189	190	155	145	0	145
<b>Total Supply</b> (1,000 MT CWE)	2,219	2,220	2,220	2,235	0	2,295
<b>Total Exports</b> (1,000 MT CWE)	315	314	355	360	0	420
<b>Human Dom. Consumption</b> (1,000 MT CWE)	1,904	1,906	1,865	1,875	0	1,875
<b>Other Use, Losses</b> (1,000 MT CWE)	0	0	0	0	0	0
<b>Total Dom. Consumption</b> (1,000 MT CWE)	1,904	1,906	1,865	1,875	0	1,875
<b>Ending Stocks</b> (1,000 MT CWE)	0	0	0	0	0	0
<b>Total Distribution</b> (1,000 MT CWE)	2,219	2,220	2,220	2,235	0	2,295
(1,000 HEAD), (1,000 MT CWE)						

## ANIMAL NUMBERS, SWINE

### Production

In MY 2020, Post forecasts Mexico's swine production at 20.275 million head. In MY 2021, Post forecasts Mexico's swine production at 20.8 million head, as demand for pork meat increases in Mexico and globally. Mexico's swine producers continue to vertically integrate production chains, invest in technology, and implement biosafety measures to reduce swine mortality at farms.

According to Mexico's Agriculture Secretariat, Mexico's pork production grew 6.5 percent in 2019, keeping a steady pace through the first quarter of 2020. In 2020, however, farm gate prices of hogs in Mexico decreased 30 percent due in part to seasonality and partly because of the backlog of hogs in the United States, which depressed U.S. hog prices and had the same ripple effect on Mexico's hog prices. This has been a recent complaint from hog producers, as hog producer income is being negatively affected while pork prices in retail stores and public markets have increased 5 percent in April 2020 alone. During May-June 2020, as the United States' production began to stabilize following COVID-19 related production problems, hog prices in Mexico began an upward trend to a more favorable scenario for domestic swine producers. When slaughter and pork production in the United States stabilized, U.S. hog prices rose and raised Mexico's hog prices as well. U.S. and Mexican hot markets are tightly connected and ripple effects are easily felt through the supply chain.

Since 2019, demand for pork meat in Mexico has continued to grow, as adverse macroeconomic conditions escalate and more retail consumers switch from beef to pork as a cheaper animal protein. In 2019, Mexico's GDP contracted 0.01 percent year-over-year (YOY). In 2020, Mexico's YOY GDP growth is estimated to contract 10 percent. In 2020, this phenomenon will increase demand for pork and pork-based products, as household disposable income remains depressed. In 2021, Mexico's GDP is forecast to grow 3 percent, but retail consumer power will remain low. The price of grains and feed will retain its major role in swine production. If feed prices remain relatively stable, domestic production will continue its upward trend without pressure for farmers to rush their animals to slaughter. In 2020, Mexico's domestic feed industry

reports an expected feed production of almost 38 million MT, with 16.8 percent consumed by swine.

The main swine-producing states are Jalisco at 21 percent, Sonora at 18 percent, Puebla at 11 percent, Yucatan at 10 percent, and Veracruz at 9 percent. The remaining 31 percent is scattered through Mexico's other 27 states. In the next five years, these percentages may change if swine producers diversify production and other states improve their zoo-sanitary status.

## Trade

### Imports

In MY 2020, Post forecasts Mexico's swine imports at 41,000 head. In MY 2021, Post forecasts Mexico's swine imports at 40,000 head. Mexico's swine imports are driven by the need for better herd genetics and for breeding purposes, as Mexican producers look for better yields and breeds more resistant to diseases. As Mexico's negative macroeconomic situation is worsened by the COVID-19 pandemic, producers' capacity for continued investment in better genetics is decreased. This will be reflected in reduced imports in the fourth quarter of 2020 and through 2021. The United States is the main provider of live swine to Mexico with 72 percent market share, followed by Canada at 28 percent.

### Exports

Mexico's exports of live swine are insignificant. Thus, Post keeps Mexico's swine import forecasts at zero. Mexico's swine production cannot meet its growing domestic demand, leaving almost no exports of swine.

Animal Numbers, Swine Market Year Begins Mexico	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Total Beginning Stocks</b> (1,000 HEAD)	10,700	10,700	11,050	11,050	0	11,500
<b>Sow Beginning Stocks</b> (1,000 HEAD)	1,230	1,230	1,245	1,245	0	1,255
<b>Production (Pig Crop)</b> (1,000 HEAD)	19,650	19,650	20,275	20,275	0	20,800
<b>Total Imports</b> (1,000 HEAD)	38	38	41	41	0	40
<b>Total Supply</b> (1,000 HEAD)	30,388	30,388	31,366	31,366	0	32,340
<b>Total Exports</b> (1,000 HEAD)	0	0	0	0	0	0
<b>Sow Slaughter</b> (1,000 HEAD)	0	0	0	0	0	0
<b>Other Slaughter</b> (1,000 HEAD)	18,500	18,500	19,000	19,000	0	19,700
<b>Total Slaughter</b> (1,000 HEAD)	18,500	18,500	19,000	19,000	0	19,700
<b>Loss and Residual</b> (1,000 HEAD)	838	838	866	866	0	870
<b>Ending Inventories</b> (1,000 HEAD)	11,050	11,050	11,500	11,500	0	11,770
<b>Total Distribution</b> (1,000 HEAD)	30,388	30,388	31,366	31,366	0	32,340
(1,000 HEAD)						

## **MEAT, SWINE**

### **Production**

In MY 2020, Post revises its forecast for Mexico's pork production downward to 1.46 million MT. In MY 2021, Post forecasts Mexico's pork production at 1.53 million MT.

Retail consumer demand for pork meat continues driving pork production increases in Mexico. Changing retail consumer trends toward more affordable animal proteins (compared to beef, for example) driven by poor economic conditions in Mexico continue to increase demand for pork cuts and pork-based products. Mexico's TIF establishments were able to maintain uninterrupted pork production due to timely implementation of sanitary protocols in as preventive measures to possible COVID-19 outbreaks at plants and resulting plant closures. Meatpacking plants' COVID-19 preventive measures allowed Mexico's pork production to continue its upward trend to meet demand, especially from March to June 2020.

### **Consumption**

In MY 2020, Post revises its forecast for Mexico's pork consumption downward to 2.125 million MT. In MY 2021, Post forecasts Mexico's pork consumption at 2.15 million MT. Mexico's upward pork consumption trend is driven mainly by adverse macroeconomic conditions, as retail consumers switch from beef to pork in their diets. Poultry meat remains the number one source of animal protein for the Mexican consumer. However, pork continues to gain market share and maintains its second place as the most consumed animal protein in Mexico.

Mexican consumers' buying habits have changed, challenging pork processors to provide a wider range of options. Domestic industry reports increased demand from single individual households who want quicker and easier meals, making pre-portioned cuts more relevant. Versatility, convenience, flavor, and a variety of choices have become the trend among the expanding urban middle class, driven by pressure to save time, seek added value, and have greater convenience in heating and serving meals. However, in more rural areas with generally lower income populations, backyard slaughter for household consumption continues to be prevalent.

### **Trade**

#### **Imports**

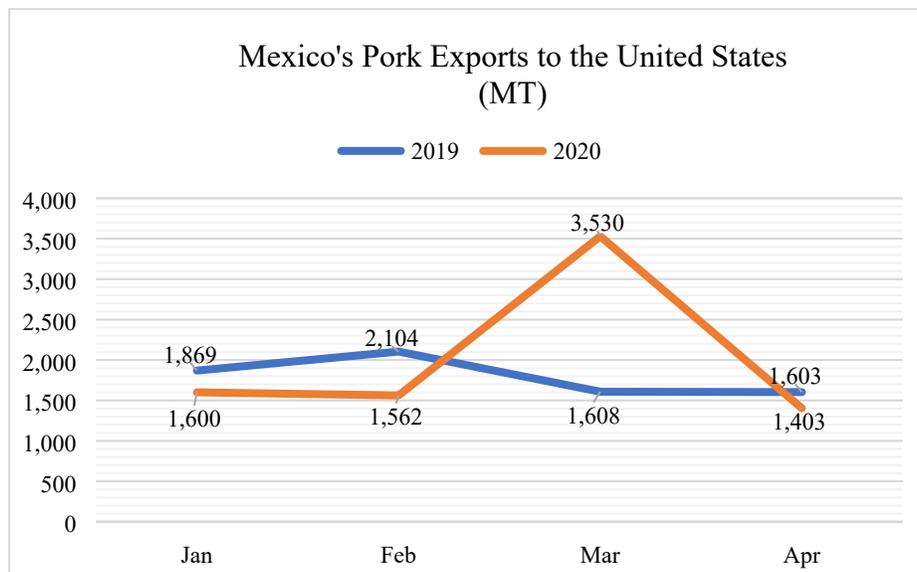
In MY 2020, Post forecasts Mexico's pork imports at 950,000 MT. In MY 2021, Post forecasts Mexico's pork imports at 960,000 MT.

Mexico heavily depends on U.S. pork imports to satisfy domestic demand. However, the COVID-19 pandemic measures enacted in Mexico and the United States negatively affected Mexico's pork import figures in the first and second quarters of 2020. In MY 2021, Mexico should see a small rebound on pork imports as the HRI sector begins to open up and HRI demand for pork increases. Mexico's pork imports increased 9.9 percent in the first quarter of

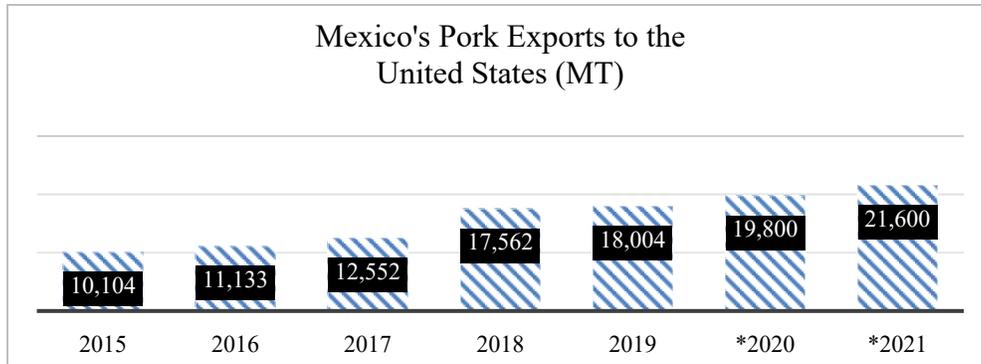
2020 compared to the same period in 2019, with a 14.7 percent increase of U.S. pork imports. Mexican pork processors depend heavily on pork imports to satisfy raw material needs, driving imports in 2019 to approximately 2.3 million MT total. In 2019, Mexican customs data reported a total of 2.9 million MT of pork imports, with a potential data error for the month of April 2019 of 1.4 million MT.

## Exports

In MY 2020, Post forecasts Mexico's pork exports at 285,000 MT. In MY 2021, Post forecasts Mexico's pork exports at 340,000 MT. Mexico's MY 2021 pork export forecast is attributed to the increased international demand for Mexican pork as Mexican pork supply remains stable and the product retains its high quality. In MY 2020, Mexican pork exports fluctuated upward and downward. The United States, as an export destination for Mexico's pork, dropped 20 percent in January and February of 2020 compared to the same period of 2019. However, by the end of April 2020 the difference was a positive 12 percent compared to the same period of 2019, as shown in the first graph below. Mexico's pork industry expects MY 2021 to see stabilized pork exports to the United States, retaining that market as the third main export destination for Mexican pork.



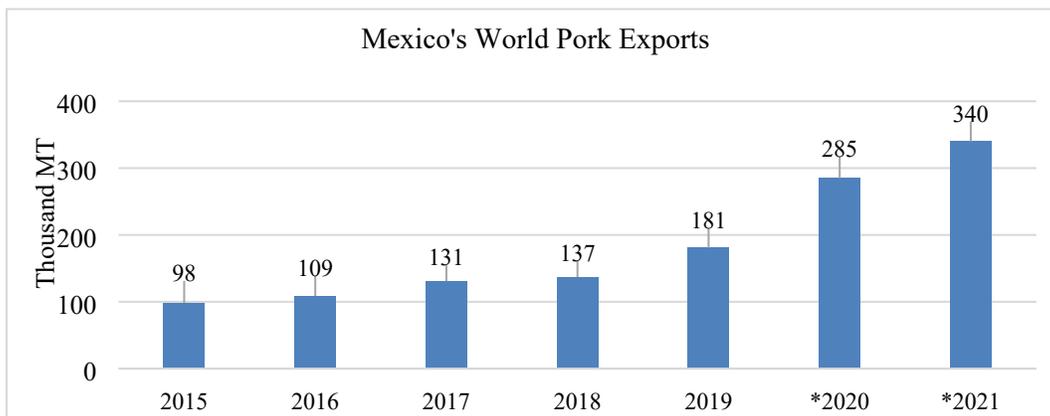
Source: Trade Data Monitor



Source: Trade Data Monitor  
 \*2020 and \*2021 are Post estimates

The increasing demand for Mexico’s pork from Asian countries, such as China, Japan, and South Korea, have driven Mexico’s pork exports to new heights. Japan has increased its share of pork imports from Mexico at a rate of 19 percent in the first two quarters of 2020. Mexico’s pork industry expects this positive trend to continue throughout 2021. Mexican pork products are highly valued due to their high-labor input, which is able to comply with the very demanding and very specific market in Japan.

China has become the second most important export market destination for Mexican pork, with 27,280 MT in Mexican pork exports to China. Those export numbers keep growing, as Mexican producers comply with increasingly more stringent COVID-19 related import requirements from China and additional Mexican meat exporting establishments wait for export eligibility from China.



Source: Trade Data Monitor  
 \*2020 and \*2021 Post estimates

Meat, Swine Market Year Begins Mexico	2019		2020		2021	
	Jan 2019		Jan 2020		Jan 2021	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Slaughter (Reference)</b> (1,000 HEAD)	18,500	18,500	19,000	19,000	0	19,700
<b>Beginning Stocks</b> (1,000 MT CWE)	0	0	0	0	0	0
<b>Production</b> (1,000 MT CWE)	1,408	1,408	1,460	1,460	0	1,530
<b>Total Imports</b> (1,000 MT CWE)	985	985	950	950	0	960
<b>Total Supply</b> (1,000 MT CWE)	2,393	2,393	2,410	2,410	0	2,490
<b>Total Exports</b> (1,000 MT CWE)	234	234	300	285	0	340
<b>Human Domestic Consumption</b> (1,000 MT CWE)	2,159	2,159	2,110	2,125	0	2,150
<b>Other Use, Losses</b> (1,000 MT CWE)	0	0	0	0	0	0
<b>Total Domestic Consumption</b> (1,000 MT CWE)	2,159	2,159	2,110	2,125	0	2,150
<b>Ending Stocks</b> (1,000 MT CWE)	0	0	0	0	0	0
<b>Total Distribution</b> (1,000 MT CWE)	2,393	2,393	2,410	2,410	0	2,490
(1,000 HEAD), (1,000 MT CWE)						

## POLICY

### Mexico Beef and Pork Export Authorizations to China Pending

As of July 2020, Mexico has only six pork facilities and two beef facilities authorized for meat exports to China, with 39 establishments (14 for pork and 25 for beef) still pending. Some Mexican meat exporting companies have been able to export up to two containers (23 MT per container) of pork per day thanks to their vertically integrated production chain. Vertical integration helps increase exports from these exporters because they are being able to control all sanitary measures from litter to slaughter, as well as feed quality and the correct use of growth promoters. Thus, optimizing resources, minimizing losses, and creating a steadier production stream. Other companies are only able to send three shipments per week. Mexico's meat industry and government officials are working to overcome challenges to obtain the necessary authorizations from China, such as providing assurances of meat produced without growth promoter residues, proper traceability, and new COVID-19 preventive measures.

### U.S. Bison Meat and Offal Market Access

In May 2020, Mexico opened its market to U.S. bison meat by publishing the SENASICA zoo-sanitary requirements (HRZ) for U.S. bison meat imports into Mexico. The new export market for U.S. bison meat in Mexico may develop slowly due to adverse conditions in the Mexican economy but rising consumer interest for high-quality, niche products should make the Mexico bison meat market ready for development. Interested U.S. bison meat exporters may consult the FSIS Export Library ([link here](#)) and FAS Mexico for more details. FAS Mexico is also working to secure U.S. bison offal market access in Mexico.

## **Problems with Agricultural Statistics**

In 2019 and 2020, Mexico's agricultural statistics office (SIAP) suffered major budget and personnel cuts. Those challenges, added to COVID-19 pandemic setbacks, have resulted in agricultural statistics publications being delayed and, for some agricultural commodities, being eliminated altogether. This has become a major challenge in information gathering and has had detrimental impacts on the quality and depth of official agricultural statistics.

## **Front of Pack Labeling (FOPL)**

In March 2020, Mexico published the modification to regulation NOM-051-SCFI/SSA-2010 regarding FOPL for food products and non-alcoholic beverages. This regulation creates a system of warning signs for products that contain an excess of sugar, fat, sodium, and caloric contents, among others. NOM-051 is mandatory for products intended for retail and final consumer sale, but excludes bulk products. NOM-051 is projected to have minimal impacts on beef and pork imports, as close to 98 percent of Mexico's beef and pork imports are raw materials. In the case of a pre-packaged meat product intended for sale to final consumer, it is the responsibility of the importer to comply with the updated FOPL regulation.

## **The United States–Mexico–Canada Agreement (USMCA)**

In July 2020, the USMCA entered into force as an update to the North American Free Trade Agreement (NAFTA). NAFTA had already bolstered agricultural trade between the United States and Mexico, which USMCA further strengthens. Mexico has goals of expanding its meat export market share in Canada, while building on its already successful meat exports to the United States.

## Annex A

**Conversion Rates:** As a result of continuous efforts to improve data reliability, the “New Post” trade forecasts in this report reflect new conversion rates. On April 9, 2020, historical data revisions (from 2005 onward) were published in the production, supply, and distribution (PSD) database (<http://www.fas.usda.gov/psdonline>).

Beef and Veal Conversion Factors		
Code	Description	Conversion Rate*
020110	Bovine carcasses and half carcasses, fresh or chilled	1.0
020120	Bovine cuts bone in, fresh or chilled	1.0
020130	Bovine cuts boneless, fresh or chilled	1.36
020210	Bovine carcasses and half carcasses, frozen	1.0
020220	Bovine cuts bone in, frozen	1.0
020230	Bovine cuts boneless, frozen	1.36
021020	Bovine meat salted, dried or smoked	1.74
160250	Bovine meat, offal nes, not livers, prepared/preserve	1.79
* Exception		
Argentina - Exports of HS 160250 are excluded.		

Pork Conversion Factors		Conversion factor
HS Code	Description	(T to CWE)
020311	Carcasses/half-carcasses, fr/ch	1.00
020312	Bone-In hams, shoulders and cuts thereof, fr/ch	1.00
020319	Other pork cuts, fr/ch	1.30
020321	Carcasses/half-carcasses, frozen	1.00
020322	Bone-In hams, shoulders and cuts thereof, frozen	1.00
020329	Other pork cuts, frozen	1.30
021011	Bone-In hams, shoulders and cuts thereof, processed	1.10
021012	Bellies (streaky) and cuts thereof, processed	1.20
021019	Other meat of swine, processed	1.16
160241	Hams and cuts thereof, prep/pres	1.30
160242	Shoulders and cuts thereof, prep/pres	1.30
160249	Other meat of swine including mixtures, prep/pres	1.30

**Technical Note:** The definition of CWE/product weight equivalent (PWE) remains the same. All quantities of beef and pork noted are in CWE unless otherwise noted as PWE. CWE is the weight of an animal after slaughter and removal of internal organs, head, and skin. PWE is the actual weight of the meat product exported.

**Attachments:**

No Attachments