

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: 11/30/2012

GAIN Report Number: MX2090

Mexico

Post: Mexico

Mexican Pork Sector Crosses the Great Wall of China

Report Categories:

Agriculture in the Economy

Agriculture in the News

Livestock and Products

Sanitary/Phytosanitary/Food Safety

Sanitary/Phytosanitary/Food Safety

Approved By:

Daniel K. Berman

Prepared By:

Gabriel Hernandez and Adam Branson

Report Highlights:

Mexican pork producers received new market access to China and are looking for expanded market access elsewhere in Asia. Disease free recognition remains one of the key barriers for the industry but as science-based discussions continue, the door for Mexican origin pork and pork offal exports will widen. The country is expected to remain a net pork importer with the United States being the primary foreign supplier.

General Information:

Mexican Pork Producers Open the Door to Supplying China

The Government of Mexico (GOM), state governments, and livestock producer organizations have been pursuing pork market access to China since 2008 after having already been able to ship to the United States, Japan, and Korea. Recently, the National Service of Health, Food Safety, and Food Quality (SENASICA) announced that the People's Republic of China Quality Supervision, Inspection and Quarantine General Administration (AQSIQ), approved the Zoo-sanitary Export Certificates that will enable four Mexican establishments to ship pork to China. Mexico's President Calderon and People's Republic of China Prime Minister Wen Jiabao signed the protocol under which the trade of this merchandise must comply.

The four Federal Inspection Type (TIF) establishments granted access are located in the State of Sonora and will be eligible to export chilled or frozen pork cuts (not offal at this time). Industry sources indicate that contractual requirements will likely dictate that the product be ractopamine free. Sources also suggest that the target market for the product will likely be retail (e.g., self-service supermarkets) and institutional (e.g., cafeterias) that wish to purchase hams, split carcasses, or whole carcasses and then add value to the product for final consumers. Mexican industry members are now analyzing the opportunities to see whether they can produce to Chinese requirements.

Mexico's pork sector forecasts that its pork meat exports to China, in the short term, will be 10,000 metric tons (MT) and could be valued at U.S. \$35 million. Industry sources are optimistic that this initial amount could be doubled soon given the strong demand for pork meat and offal that China has sourced from world markets over the past two years. Mexican industry sources report that per capita consumption in China is around 45 kilograms while Mexican per capita consumption is estimated at 14 kilograms.

Officials from the Mexican Pork Confederation (CPM) believe that Mexican producers are capable of producing sufficient amounts of pork meat that would allow exports to China to reach 20,000 MT. This could be accomplished with the Chinese recognition of 9 additional establishments, whose petitions were submitted at the beginning of the negotiations between Mexican and Chinese authorities.

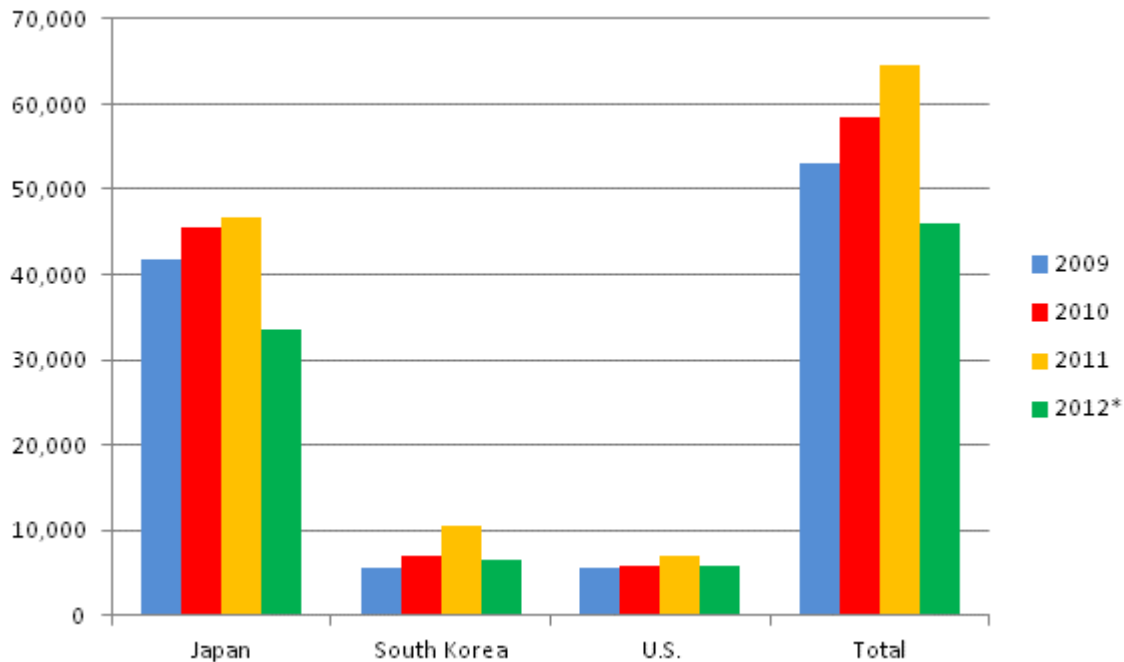
Mexican Disease Free Recognition Remains Key to Expanded and New Access

The Japanese Ministry of Agriculture, Forestry, and Fisheries (MAFF) recognizes that Sonora, Baja California, Chihuahua, Sinaloa, and the Yucatan are free of classical swine fever (CSF) and are eligible to ship pork meat from Mexican origin swine to Japan. Recently, Japan recognized a TIF establishment located in the State of Jalisco as eligible to supply pork—one of the most important pork producing states in Mexico—and it is likely that Mexico will request Japan authorize an additional 24 TIF pork slaughter and processing establishments.

As previously reported, the United States' recognition of Mexican states as free of CSF has been one of the key factors to opening foreign markets for Mexican pork. USDA continues discussions with Mexico that could result in more Mexican states being considered CSF-free and could allow more raw Mexican-origin pork to be considered eligible for access to the United States. Presently, all Mexican states can export processed/cooked pork to the United States whereas only 9 states can ship raw pork.

In the meantime, Mexico is expected to continue exploring foreign market niches for high quality Mexican pork meat while expanding exports to what the industry considers are established markets. However, given that Mexico is a net importer, the United States will continue to be its major foreign supplier.

Chart 1. Mexico: Mexican Pork Exports by Destination (Metric Tons) from 2009 to 2012 Year to Date



Author Defined:

For More Information

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.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work

<http://www.youtube.com/user/ATOMexicoCity>

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
JA2023	2012 Japan Livestock and Products Annual	10/2/2012
CH12056	2012 China Livestock and Products Annual	9/23/2012
KS1243	2012 Korea Livestock and Products Annual	9/10/2012
MX2065	2012 Mexican Livestock and Products Annual	9/9/2012
MX2061	Mexico Declares itself free of CSF and Avian Salmonella	8/14/2012
MX2060	New Options to Obtain SENASICA Import-Export Documents	8/14/2012

MX2059	Mexico Announces Import Quotas for U.S. Eggs	8/14/2012
MX2046	Economia Opens 221K Metric Ton Egg Quota Due to Market Speculation	7/10/2012
MX2044	Avian Influenza Hits More Farms in Jalisco	7/5/2012
MX2043	Emergency Management System Activated to Combat Avian Influenza	7/2/2012
MX2040	High Path Avian Influenza Outbreak in Jalisco	6/26/2012
MX2503	Exporting to Mexico – Managing Border Entry Issues	3/22/2012
MX2016	2012 Livestock and Products Semi-Annual	3/21/2012
MX2012	2012 Poultry and Poultry Products Semi-Annual	3/20/2012
MX2004	Mexico Publishes Preliminary Determination on U.S. CLQs	1/20/2012
MX1092	New Meat and Poultry Letterhead Certificates Required	12/6/2011

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.