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

**Country:** Mexico

**Post:** Mexico City

**Report Category:** Poultry and Products

**Prepared By:** Gustavo Lara

**Approved By:** Susan Karimiha

### **Report Highlights:**

Mexico is the sixth largest poultry producer and fifth largest consumer globally. In 2025 production is forecast to grow as higher private investments in poultry sector and improved feed prices are expected to boost industry-wide productivity. Poultry consumption is forecast to increase due to more moderate inflation. Imports are expected to remain unchanged, constrained by more domestic availability and a weaker forecast Mexican Peso. Although Mexico is a marginal poultry exporter, increased access to Central American retail markets is expected to drive up exports.

## **Executive Summary**

The Mexican economy is anticipated to continue growing in 2025, albeit slower than in previous years. Record-high remittances, ongoing social benefit programs, and low unemployment rates are expected to support increased poultry purchases. While inflation gradually decreases, it remains above the Bank of Mexico's target. Analysts predict further peso weakening in 2025, which could favor agricultural exports and reduce imports. Security concerns in the agricultural sector continue to impact long-term production decisions.

Poultry production in Mexico is expected to grow in 2025, reaching 4.09 million metric tons (MMT), a 2.5 percent increase from 2024. Higher private investments, operational consolidation, and relatively low feed prices in 2024 will contribute to this growth. Additionally, enhanced biosecurity measures implemented in 2024 are anticipated to boost industry-wide productivity.

Poultry consumption will increase by 2.2 percent to 5.05 million MMT in 2025. As inflation moderates, chicken meat is expected to remain Mexican cuisine's most affordable and versatile protein option, driving consumption growth.

Post forecast for imports is at 970,000 MT in 2025, a one percent increase from 2024. Despite a less favorable exchange rate, Mexico's poultry processing industry is expected to continue importing chicken leg quarters, mechanically deboned meat, and breasts due to their competitive prices abroad.

Mexico's limited poultry exports are projected to increase by 25 percent to 5,000 MT in 2025. A more favorable exchange rate for exports, increased access to retail stores in Central America, and growing demand for Mexican and Latin American products in the United States are expected to drive this growth.

## Chicken Meat

**Table 1: Chicken Meat – Production, Supply, and Distribution (PSD)**

Meat, Chicken	2023		2024		2025	
	Jan 2023		Jan 2024		Jan 2025	
Market Year Begins	Jan 2023		Jan 2024		Jan 2025	
Mexico	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
<b>Beginning Stocks</b> (1000 MT)	0	0	0	0	0	0
<b>Production</b> (1000 MT)	3,888	3,888	4,000	3,985	0	4,085
<b>Total Imports</b> (1000 MT)	1,006	1,006	960	960	0	970
<b>Total Supply</b> (1000 MT)	4,894	4,894	4,960	4,945	0	5,055
<b>Total Exports</b> (1000 MT)	4	4	4	4	0	5
<b>Human Consumption</b> (1000 MT)	4,890	4,890	4,956	4,941	0	5,050
<b>Other Use, Losses</b> (1000 MT)	0	0	0	0	0	0
<b>Total Dom. Consumption</b> (1000 MT)	4,890	4,890	4,956	4,941	0	5,050
<b>Total Use</b> (1000 MT)	4,894	4,894	4,960	4,945	0	5,055
<b>Ending Stocks</b> (1000 MT)	0	0	0	0	0	0
<b>Total Distribution</b> (1000 MT)	4,894	4,894	4,960	4,945	0	5,055

(1000 MT)

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

**Note:** Not official USDA data.

### Production

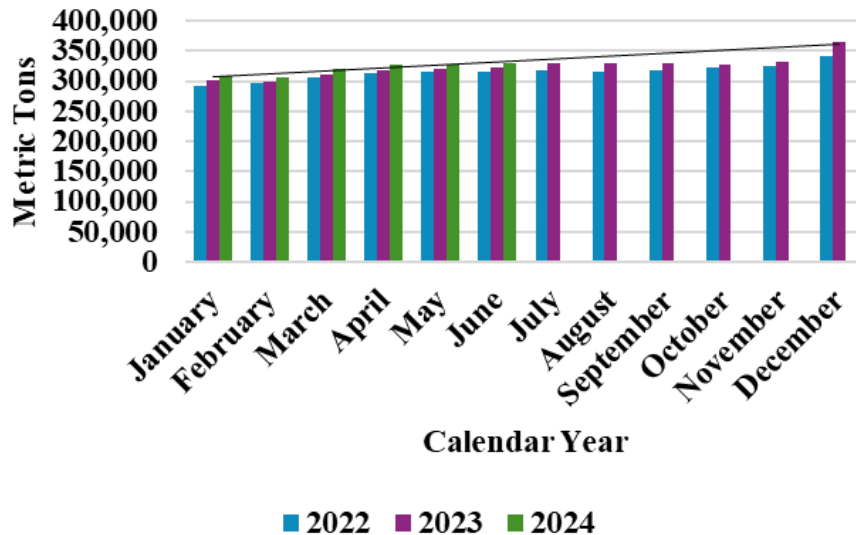
#### 2025

Post expects poultry production in Mexico to grow in 2025, reaching 4.09 million metric tons (MMT), a 2.5 percent increase from 2024. Several factors drive this growth, including strong domestic demand, relatively low feed prices, increased private investment, and vertical integration within the industry. Enhanced biosecurity measures implemented in 2024 are expected to bolster productivity.

#### 2024

In 2024, production reached 3.99 MMT, a 2.49 percent increase from 2023. This growth rate is slower than the 3.33 percent increase observed from 2022 to 2023. Challenges such as increased insecurity in transportation and public markets and volatile input costs (energy and fuel) hindered productivity growth.

Figure 1: Mexico – Chicken Meat Production



Source: Service of Agri-food and Fisheries Information (SIAP)

In June 2024, live chicken prices were 43.75 pesos per kilogram, an increase of 41 percent compared to December 2023. The robust price outlook, combined with lower input prices, has increased the sector’s profitability and spurs production.

***Disease Pressure is Limited***

Highly Pathogenic Avian Influenza (HPAI) outbreaks in Mexico remain a constant threat due to migratory bird patterns. In 2024, Mexican poultry producers strengthened biosecurity measures to protect their flocks from diseases and increase the health of their breeder stock. Companies implemented measures such as separating breeders, hatcheries, layers, and broilers on different farms. Over the past four years, a trend of relocating breeder flocks to more secluded areas has been observed to minimize the risk of disease outbreaks, and this trend is expected to continue in 2025.

No HPAI outbreaks were reported from January to June 2024. On July 2, 2024, the Secretariat of Agriculture and Rural Development (SADER) announced the end of the National Animal Health Emergency for HPAI AH5N1, which had been in place since December 2023. There were no authorized government vaccination campaigns against HPAI in 2024. Vaccines are only available through the government and require prior authorization.

Mexico's poultry flock is considered relatively healthy. Jalisco leads in both flock population and egg production. Puebla, Veracruz, Aguascalientes, and Querétaro follow Jalisco in flock size. These five states account for 50 percent of Mexico's poultry population. For chicken meat production, Veracruz is the leading state, followed by Aguascalientes, Jalisco, Querétaro, and, to a lesser extent, Durango, Chiapas, Guanajuato, and Puebla. These eight states represent 70 percent of Mexico's total chicken meat production.

**Figure 2: Mexico’s Flock – Top Five States**



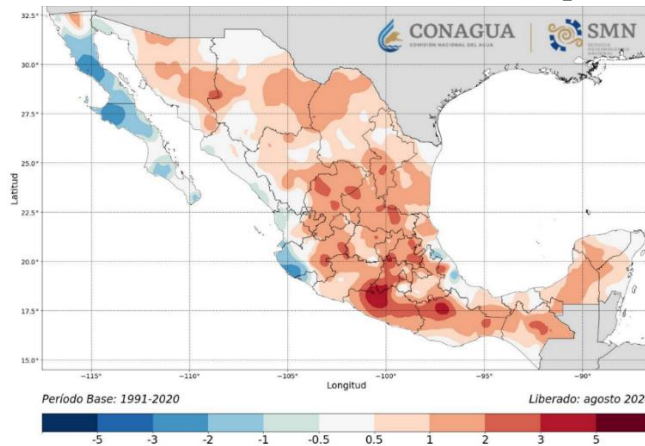
Source: 2023 Agricultural and Fisheries Information Service (SIAP)

In addition to efforts to protect poultry flock health, efforts were made in 2024 to increase food safety for consumers of chicken meat. In 2024, industry estimates that slaughter in Federally Inspected Establishments (TIF) will grow two percent to 85 percent compared to 2023. There are 121 TIF facilities in Mexico authorized to slaughter poultry.

### *Weather Conditions not Impacting Production*

Climate plays a crucial role in poultry production. While hotter-than-average temperatures are anticipated in some regions, Mexican producers are generally well-equipped with climate control mechanisms to adapt to annual temperature fluctuations. Additionally, producers have secured water supplies for their facilities and benefit from favorable electricity rates for agricultural use, which help offset the costs associated with climate variations.

**Figure 3. Three Month Outlook October 2024: Maximum Temperature Anomaly in Celsius**

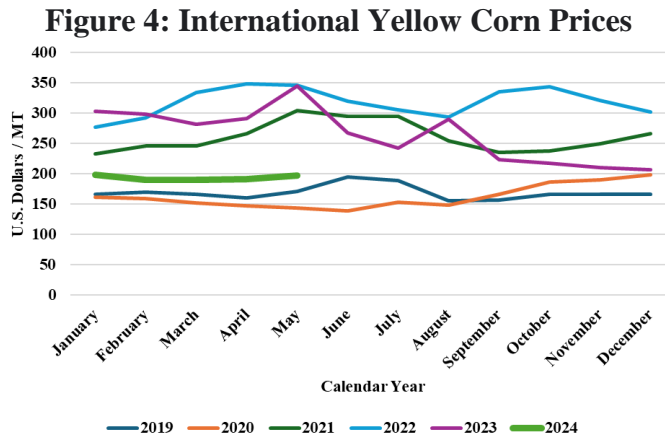


Source: Servicio Meteorológico Nacional (SMN)

Therefore, anticipated temperature increases are not expected to significantly impact producer costs or productivity.

### Feed Prices are Appealing

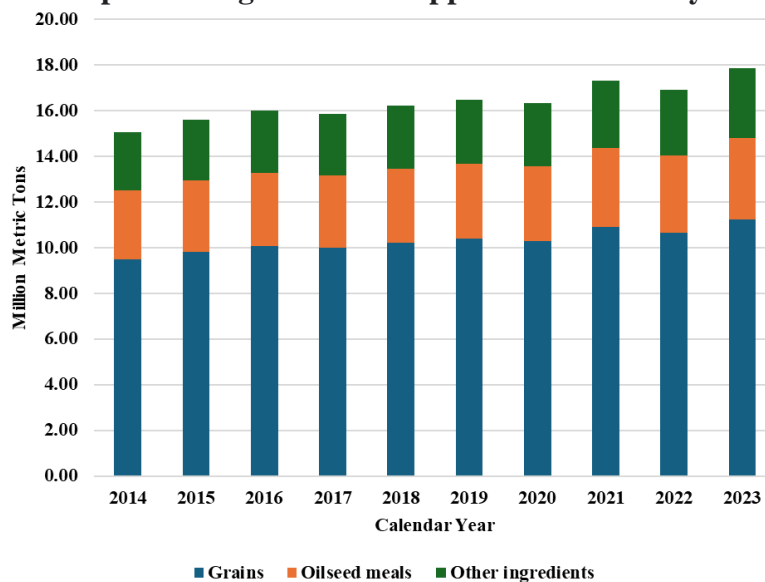
Feed is projected to account for approximately 60 percent of total poultry farming costs in 2024, a three percent decrease compared to 2023. Lower feed prices have contributed to improved profitability and incentivized production. The poultry industry relies heavily on imported yellow corn at lower prices than in the previous three years.



Source: Service of Agri-food and Fisheries Information (SIAP) and Private Sector Data

The favorable exchange rate between the Mexican peso and the U.S. dollar during the year's first half supported increased domestic feed production using imported materials. Commercial feed mills in Mexico experienced an average annual growth rate of nearly 3 percent for broiler feed and over one percent for layer feed in 2023.

**Figure 5: Consumption of Agricultural Supplies in the Poultry Sector (Mexico)**



Source: National Association of Poultry Producers (UNA)

This increased feed production aligns with the growth in chicken meat production and estimates by SADER.

## Consumption

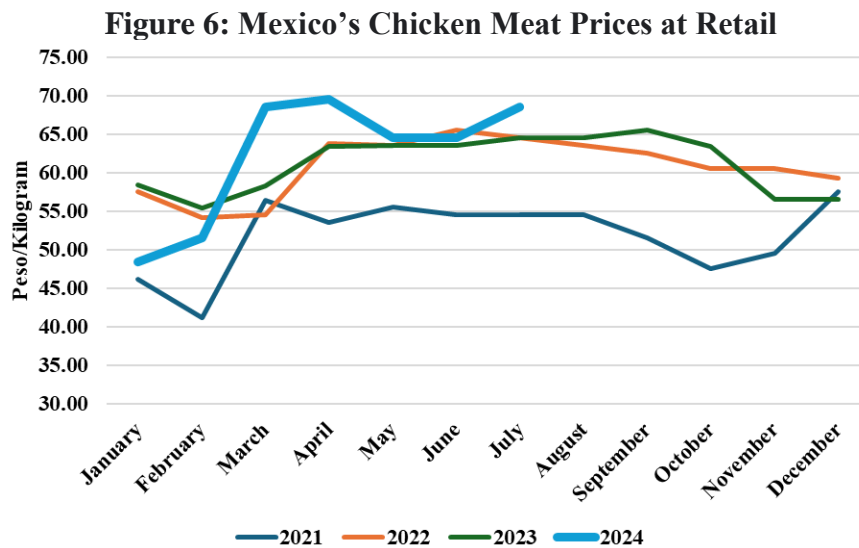
### 2025

Post poultry consumption in Mexico is forecast to reach 5.05 million metric tons (MMT) in 2025, a 2.2 percent increase from 2024. As inflation moderates, chicken meat is expected to remain Mexican cuisine's most affordable and versatile protein option. Whole birds are anticipated to dominate consumer purchases, accounting for approximately 80 percent of the market. While 14 percent of chicken meat is sold in pieces (like leg quarters), only six percent is sold as value-added products. The processing industry has an opportunity to expand its market share for value-added products by offering a more comprehensive range of options to compete with fresh whole birds or pieces and cater to various consumer price points.

The growing trend of retail stores offering prepared meals in urban areas, particularly in large cities like Mexico City, Guadalajara, and Monterrey, is expected to boost sales of ready-to-eat (RTE) processed poultry products. Increased thefts and extortions could negatively impact production and drive-up consumer prices.

### 2024

In 2024, poultry consumption reached 4.94 MMT, a one percent increase from 2023. Chicken meat remains the most affordable and widely consumed meat in Mexico. Record-high remittances, social benefit programs, and low unemployment rates have given consumers more disposable income for poultry purchases. Per capita, chicken meat consumption is expected to grow marginally compared to 2023, while beef and pork consumption is projected to increase by three percent. Although other meats are growing faster, chicken meat remains the most consumed in volume. In 2024, estimated per capita consumption was 37.75 kg for chicken, 20.94 kg for pork, and 16.44 kg for beef.



Source: Service of Agri-food and Fisheries Information (SIAP)

Despite higher chicken meat prices compared to previous years, it remains the most affordable option for Mexican consumers. By the end of July 2024, chicken meat was priced at 69.56 pesos/kg, while beef was 97.78 pesos/kg, and pork was 76.5 pesos/kg. Whole chicken prices reached record highs in March and April 2024, primarily due to public insecurity at markets and local meat shops where organized crime influenced pricing, distorting domestic market prices.

**Table 2: Inflation on Yearly Basis ( percent) June 2024**

Product	Inflation Rate
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)

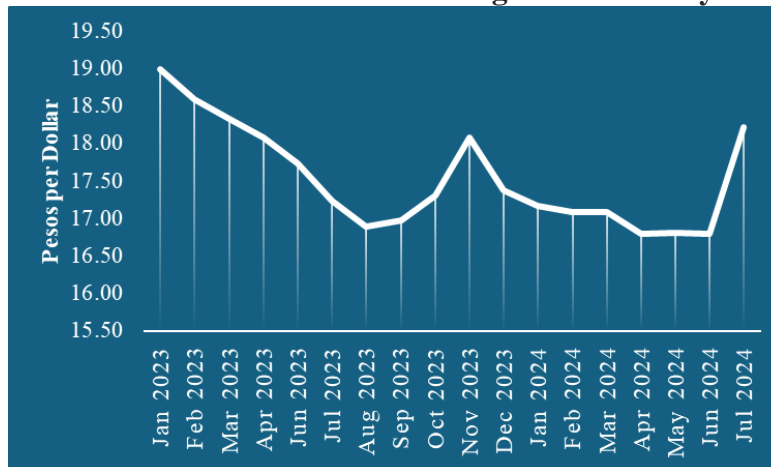
## Trade

### Imports

#### 2025

Post project poultry imports to increase by one percent to 970,000 metric tons (MT) in 2025 despite a less favorable exchange rate. Due to their competitive prices abroad, Mexico's poultry processing industry is expected to continue importing chicken leg quarters, mechanically deboned meat, and breast meat. The Mexican peso is anticipated to weaken further against the U.S. dollar in 2025, as the Bank of Mexico's June 2024 [report](#) indicates. Importers will also closely monitor HPAI outbreaks in exporting countries like the United States and Brazil, as these could disrupt Mexico's market conditions and trade flows.

**Figure 7: Mexican Peso to U.S. Dollar Exchange Rate January 2023-July 2024**



Source: Mexico's Central Bank (BANXICO)

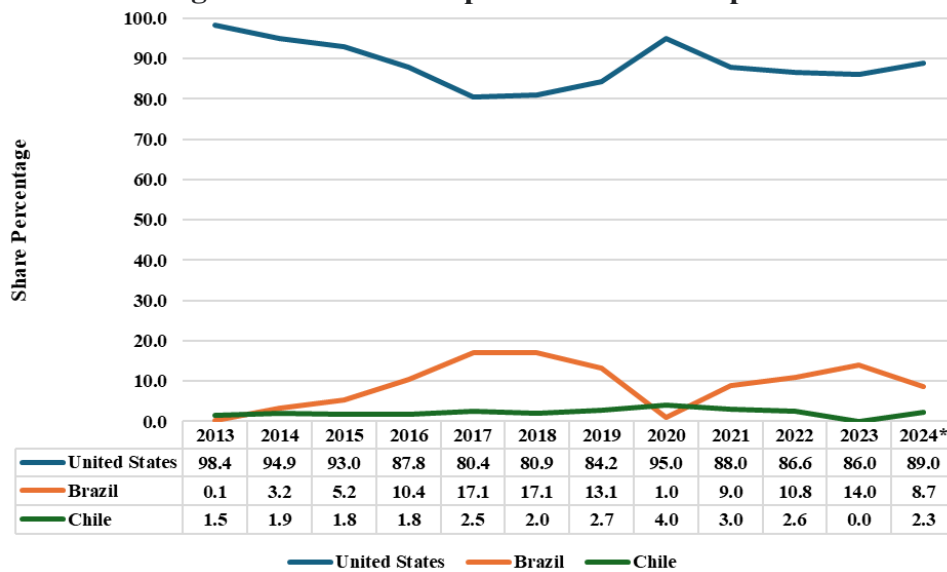
#### 2024



In 2024, poultry imports were estimated at 960,000 MT, a 4.57 percent decrease from 2023. The stronger peso during the year's first half supported higher import levels. However, the industry is saturated with chicken meat, and the significant growth in imports from 2022 to 2023 is not sustainable. Despite this, competitive prices for chicken meat from the United States and Brazil are expected to maintain high import volumes.

In 2023, the United States accounted for approximately 86 percent of Mexico's chicken meat imports, while Brazil supplied nearly 14 percent. Brazilian imports are influenced by longer shipping times (15-45 days) than U.S. shipments, which can arrive within 12 hours. Shipments from the United States allow for fresher products and reduce handling costs. However, Brazilian chicken meat is often more price-competitive, especially for higher-value cuts like breast meat.

**Figure 8: Mexico’s Top Chicken Meat Imports**



\*Note: 2024 Data as of June 2024

Source: National Association of Poultry Producers (UNA)

In December 2023, Mexico banned poultry imports from Brazil due to a Newcastle Disease outbreak in Rio Grande. This ban was lifted in August 2024, although restrictions remain for poultry from Rio Grande. The overall impact of this ban on Brazilian poultry imports in 2024 is expected to be minimal, as Mexican importers have indicated a shift in purchases to other Brazilian states.

## Exports

### 2025

Post expects Mexico's poultry exports to remain limited in 2025. Exports are forecast at 5,000 metric tons (MT), a 25 percent increase from 2024. Processors aim to expand exports to the United States and Central America by focusing on value-added, ready-to-eat (RTE), and ready-to-cook (RTC) products. Additionally, domestic processors anticipate continued growth in RTE sales to the United States through ethnic and nostalgia markets and new U.S. consumers who were introduced to these products through sampling efforts in 2024.

## **2024**

In 2024, poultry exports were estimated at 4,000 MT, remaining flat compared to 2023. During the first half of the year, the strong Mexican peso discouraged exports, and robust domestic demand is expected to limit exports for the remainder of the year.

## **Policy**

### **Aftermath of the 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 elections in June 2024. Contacts assert that President Andres Manuel Lopez Obrador's proposed set of constitutional and legal reforms, including a ban on genetically engineered corn and judicial reforms, creates an uncertain environment for producers and processors to invest in their operations. The proposed reforms are currently being debated and could be considered for voting during the new congressional session, which starts on September 15, 2024.

### **12-Year U.S. Chicken Leg Quarter (CLQ) Dumping Case to Remain Open**

On [July 30, 2024](#), a preliminary resolution for the dumping case was published in the Official Gazette (DOF). The administrative procedure for the review of the compensatory quota continues without modifying the compensatory quota imposed on imports of chicken legs and thighs originating in the United States, regardless of the country of origin.

So far, Mexico has not pursued retaliatory measures against the United States and is not expected to impose tariffs during the Presidential Anti-Inflation decree.

### **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](#) strengthens the penalties for non-compliance with the law and lists substances banned for use in livestock intended for human consumption.

### **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, including chicken, 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 through December 31, 2024.

<b>02.07</b>	<b>Meat and edible offal of poultry of heading 01.05, fresh, chilled or frozen.</b>			
0207.11.01	Uncut, fresh or chilled.	kg	Ex.	Ex.
0207.12.01	Uncut, frozen.	kg	Ex.	Ex.
0207.13.04	Pieces and offal, fresh or chilled.	kg	Ex.	Ex.
0207.14.99	Others.	kg	Ex.	Ex.
0207.24.01	Uncut, fresh or chilled.	kg	Ex.	Ex.
0207.25.01	Uncut, frozen.	kg	Ex.	Ex.
0207.26.03	Pieces and offal, fresh or chilled.	kg	Ex.	Ex.
0207.27.99	Others.	kg	Ex.	Ex.

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<a href="#">MX2022-0045</a>	Poultry and Products Annual	09/06/2022
<a href="#">MX2022-0005</a>	Poultry and Products Semi-annual	03/01/2022

### Attachments:

No Attachments