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Mexico

Poultry and Products Annual

A Robust Poultry Sector Continues in Mexico

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Report Highlights:

Steady growth continues in Mexico's poultry sector despite irritants due to avian influenza. Growth is bolstered by low cost feed, vertical integration, and imported genetics. Demand for poultry and products, the most affordable animal protein source, remains strong. Mexico seeks to diversify import and export markets through a number of trade agreements, and looks for opportunities to reach niche markets such as with halal products. At the same time, domestic industry and the President-elect Lopez Obrador prioritize self-sufficiency in the sector, and strive to build domestic production capacity.

Commodities:

Poultry, Meat, Chicken

Poultry, Meat, Turkey

Poultry, Eggs

Note Regarding Reporting Change

This report provides chicken meat estimates and forecasts for 2017-2019. The prior broiler meat series has been discontinued and will not be revised or updated in the future.

Official USDA data will be available via the PSD database (<http://www.fas.usda.gov/psdonline>) on October 11, 2018. The October data release will include a historical chicken meat series back to 1999. The broiler meat series will terminate with 2016 data.

Chicken meat is defined as meat of domestic fowl (*Gallus gallus/Gallus domesticus*) including all chickens: broiler, layer, hybrid, domestic breeds, spent hens, ex-breeding stock, etc.

Executive Summary

The poultry sector in Mexico shows steady growth, despite irritants due to avian influenza. Growth is bolstered by vertical integration, low cost feed, good weather, imported genetics, and other industry investments. While chicken and turkey meat production is spread across Mexico, egg production remains concentrated in Jalisco.

Consumption of poultry products and eggs continues to grow as the most affordable source of animal protein. Imports of chicken and turkey meat fill the gap between production and demand. In particular, turkey remains a primarily imported product (91 percent of consumption in 2017). Demand is sustained from further processors for imported poultry products such as mechanically deboned meat.

Mexico faces a set of changes in 2018. First, Mexico concluded two major trade negotiations (the Mexico-EU FTA modernization through an agreement in principle and the Comprehensive and progressive Agreement for Trans-Pacific Partnership through both signing and ratifying), and continues work on the North America Free Trade Agreement (NAFTA).

While poultry trade is diversifying due to Mexico's various ongoing trade negotiations as well as the current tariff-rate quota (TRQ) for countries without an FTA, domestic industry seeks to augment production, and is outspoken about protecting their producers against imports.

Second, on July 1, 2018, Mexico elected a new Congress which will take office on September 1, 2018, and a new President (Andrés Manuel Lopez Obrador, known as AMLO) who will take office on December 1, 2018. Both the majority of congress and the presidency were won by the Morena leftist

coalition. During the election, AMLO's platform proposed that Mexico become self-sufficient in chicken and eggs, among other agricultural products.¹

¹ <https://lopezobrador.org.mx/temas/morena/>

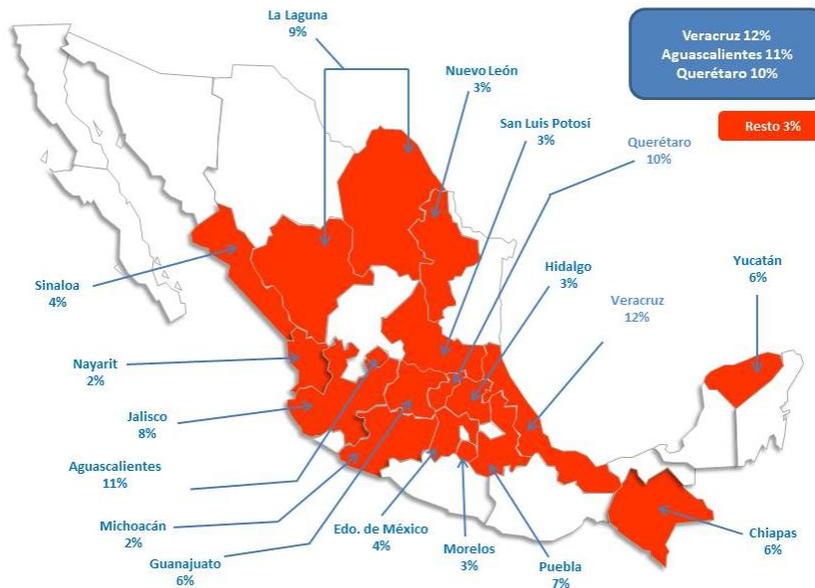
Poultry, Meat, Chicken

Production

Chicken production continues expansion

The forecast for commercial chicken meat production in 2019 is 3.6 million metric tons (MT) reflecting steady expansion and vertical integration of the poultry industry in Mexico. The estimate for 2018 remains unchanged, fueled by current low cost feed. Apart from large scale commercial production, significant backyard and patio poultry farming is seen across Mexico, particularly in poor rural communities. Further, as previously reported, dual usage of layer hens for eggs and then meat (traditionally used in soup/broth), is common practice. While chicken production is spread across Mexico, the top producing states remain Veracruz, Queretaro, Jalisco, and Aguascalientes. The 2017 figure is adjusted to reflect updated data from the National Poultry Association (UNA).

Principal Commercial Chicken Producing States in Mexico in 2017



Source: UNA's Economic Indicators of the Poultry Sector, 2018.

Improving Genetics

Also supporting expansion of the sector are the continued imports of hatching eggs, three-day chicks, and other poultry genetics, primarily from the United States. See the section on trade in "Eggs and Products" below. The principal genetic lines in Mexico remain Ross, Cobb-Vantress, and Hubbard.

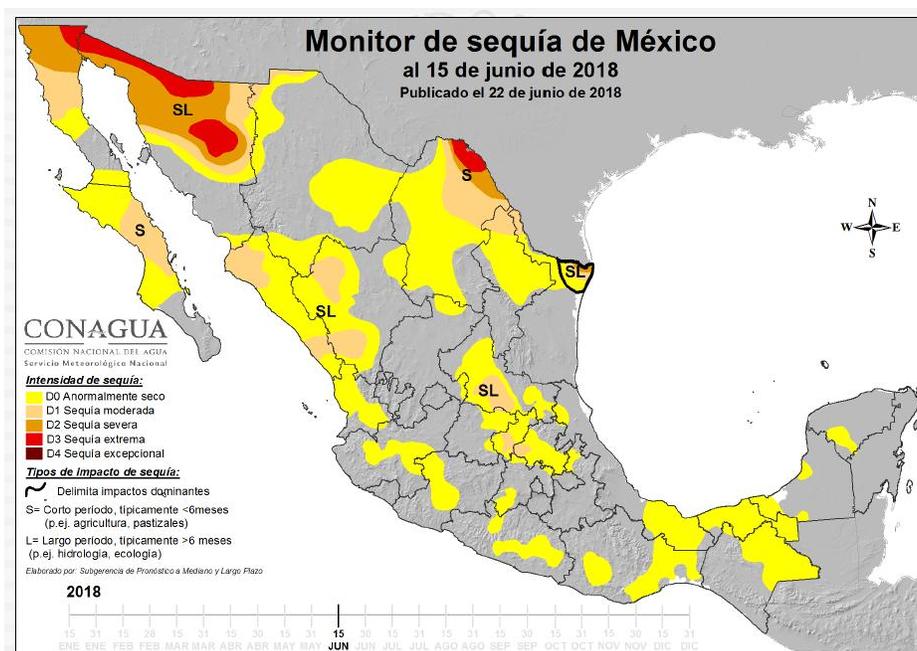
Avian Influenza still a thorn in Mexico's side

While biosecurity measures continue to generally improve, decreasing the risk of horizontal contamination, Mexico reported a small outbreak of highly pathogenic avian influenza (HPAI) to the World Animal Health Organization (OIE) in the early spring of 2018. The outbreak took place in

Guanajuato and Queretaro. Biosecurity measures include attempts to decrease production density (i.e. space out farms and production centers), vaccines, and on-farm measures. As previously reported, Mexico and the United States work closely together on animal disease issues, particularly for poultry as the countries share flyways. Work persists on an indemnification program, insurance program, and a National Poultry Research Center.

Weather conditions not expected to constrict production

While concerns about a longer dry season persisted in early 2018, by June 2018 conditions generally improved as demonstrated by the map below from Mexico’s National Commission for Water. While commercial poultry is principally provided feed and does not forage, the weather provides a positive outlook for grain production. As such, no impact on production due to drought or dry weather is expected at this time.



Source: Comisión Nacional del Agua (CONAGUA), Monitor de Sequía en México

Gobbling up the feed

The poultry sector is the primary consumer of feed grain in Mexico. Around half of animal feed goes to poultry and layer hens according to both the Mexican Association of Feed Producers (AMEPA) and the National Council of Producers of Balanced Feed and Animal Nutrition (CONAFAB). Similarly, according to Mexico’s *Servicio de Información Estadística Agrícola y Pecuaria* (SIAP), chicken meat, turkey meat, and eggs continue to account for more than 60 percent of livestock production (excluding dairy and honey products). As such, domestic production of grains does not sufficiently support growth in the poultry sector, and the industry relies heavily on imported grains² such as yellow corn, oilseed

² The imported grains used in feed typically come from the United States.

meals, sorghum, and other meals and inputs such as distiller's dried grains. (Please see [MX8010](#) for more information.) According to UNA, feed comprises almost two-thirds the cost of chicken meat production.

The poultry sector as a source of employment

UNA projects that in 2018, aviculture in Mexico will be responsible for almost 1.3 million jobs, increasing from previous years. They estimate that 60 percent of the employment comes from chicken production, 38 percent from egg production, and 2 percent from turkey production.³

Consumption

Chicken meat is cheap and popular

Consumption of chicken meat for 2019 is forecast at 4.4 million MT. As the most affordable and preferred animal protein in Mexico, consumers (particularly low and middle-income) continue to demand high volumes of chicken meat. For example, at wholesale distribution centers in Mexico City during the month of June, hens sold for MXN \$32-34 per kg, and whole chickens sold for MXN \$45.83-46.95 per kg.⁴ The forecast for 2018 remains unchanged, reflecting steady demand.

Further processing supports demand

Chicken meat also receives high demand from the further processing sector. This includes consumer products such as wings as well as use of imports such as mechanically deboned meat for processed meat products.

Trade

Imports continue to fill the gap

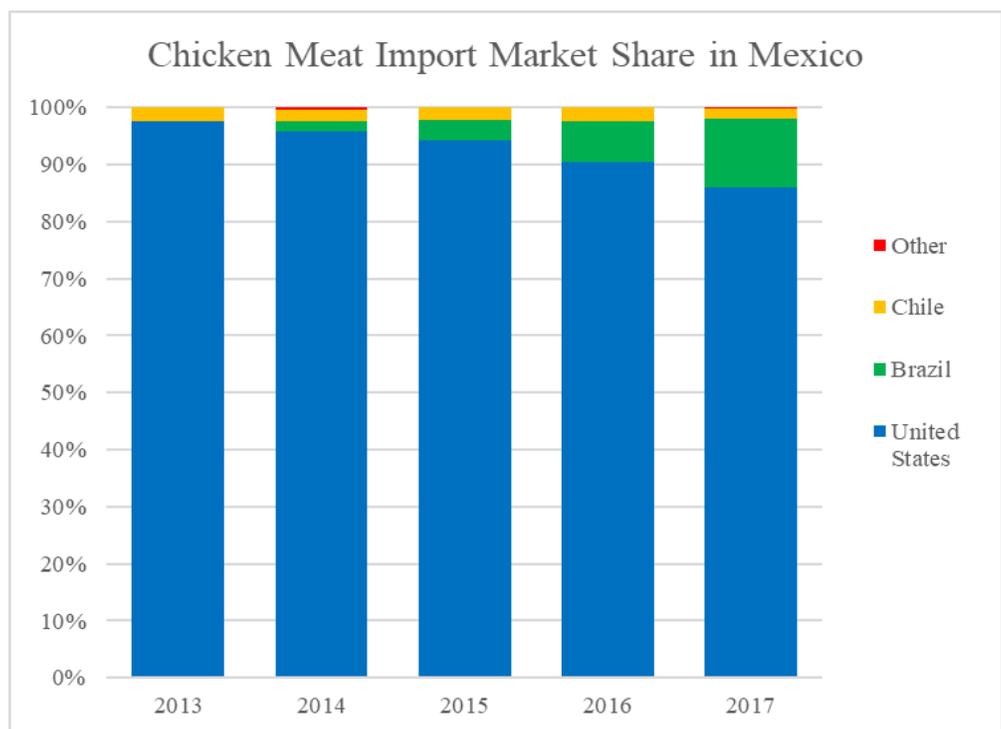
The forecast for chicken meat imports in 2019 are set at 840,000 MT, continuing an upswing from 2018. For 2018, the import forecast is raised to 830,000 MT as imports showed a 6 percent increase in the January to April period compared with 2017. While domestic production is expanding, the demand from consumers, and particularly processors, cannot be met. Of chicken meat consumed in 2017 in Mexico, 19 percent came from imports. The United States remains the dominate provider of chicken meat, holding 86 percent of the market share in 2017. Poultry imports may see a slight increase following Mexico's imposition of retaliatory tariffs on U.S. pork products, and potential substitutability.

Serious competition from Brazil

³ <http://www.una.org.mx/index.php/panorama/situacion-de-la-avicultura-mexicana>

⁴ Source: <http://www.secofi-sniim.gob.mx/nuevo/> (During June, the MXN Peso to USD exchange rate centered around MXN \$20 to USD \$1.)

Brazilian chicken meat imports continue to erode traditional market share from the United States, as they have for the past several years. In 2018 and 2019 this trend is expected to continue, with imports from the January to April period of 2018 from Brazil up by 8,000 MT compared with the same period of 2017. In part, Brazil has grown market share through the use of Mexico’s duty-free TRQ. (See the Policy section below). Chile held on to their 2 percent market share in 2017. Limited or negligible imports came from Canada, Argentina, the Cayman Islands, Denmark, and Spain.



Source: Mexico’s National Institute of Statistics and Geography (INEGI) through Global Trade Atlas

Exports continue low but show growth in early 2018

Exports for 2019 are forecast at 8,000 MT continuing an expected increase from the revised 2018 estimate (7,000 MT). Although exports are minimal, Mexico continues efforts to open new markets and expand current ones. In the first four months of 2018 exports were up compared to the same period of 2017. The United States remains the primary destination for exports, holding 43 percent of the market in 2017, almost entirely comprised of processed chicken products (96 percent) due to U.S. sanitary requirements. Specifically, the processed chicken products exported to the United States consist of chicken meat Mexico imports from the United States, Canada, or Chile.

Mexico also exports to a number of Asian, South American, African, and Central American countries (various meat cuts and offal). The spread of exports has grown over the past several years, indicating Mexico’s work to re-open and expand markets closed due to the severe 2012 HPAI outbreak.

The hope for halal

Mexican trade officials have made several visits to the Middle East to explore expansion of Mexican exports, particularly for halal certified meat.⁵ Specifically, Mexico’s Secretary of Agriculture (SAGARPA) is working closely with the Emirates International Accreditation Center on halal certification and supervision.⁶ The number of halal certified agri-food plants as well as meat and poultry slaughterhouses (and processing facilities) has grown rapidly in Mexico (61 certified plants as of July 2018), with the hopes to grow exports for the niche market.

Policy

Trade agreements opening up the poultry market

Mexico’s efforts to diversify trade are beginning to pay off. In April of 2018, Mexico and the European Union announced that they reached an “Agreement in Principle,” for the modernization of the Mexico-EU FTA. Under the “Agreement in Principle,” Mexico will gain full liberalization for poultry exports to the European Union except for a 10,000 MT tariff-rate quota (TRQ) for chicken breast.⁷ The European Union also will gain full liberalization for their mechanically deboned chicken meat, along with a duty free TRQ for 20,000 MT of chicken leg quarters (CLQs).

If economically competitive, full liberalization of EU mechanically deboned chicken meat to Mexico could potentially alter historical market patterns in the long run, as mechanically deboned meat from the United States is currently a top imported product. However, the United States will still maintain a strong geographical advantage, alongside the potential for smaller shipments more frequently via truck or rail (i.e. easier response time, and less risk for buyers). The same applies to the TRQ for chicken leg quarters (CLQs).

On March 8, 2018, 11 countries⁸, including Mexico, signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and the agreement is now under the ratification process. Mexico ratified the agreement in April 2018, and Japan and Singapore have subsequently ratified the treaty. The agreement will go into effect once six of the participating countries have ratified it. As a part of the agreement, many of the countries have agreed to immediate or phased-in tariff relief. Mexico agreed to the below table in order to liberalize their imports of poultry products.⁹

Table 1: Mexico’s Phase-Out of Poultry Tariffs under the CPTPP

Tariff Line	Description	Base Rate (%)	Year 1 (%)	Year 2 (%)	Year 3 (%)	Year 4 (%)	Year 5 (%)	Year 6 (%)	Year 7 (%)	Year 8 (%)	Year 9 (%)	Year 10 – Year 16 (and subsequent years) (%)

⁵ <https://www.globalmeatnews.com/Article/2018/07/18/Halal-meat-demand-to-boost-Mexican-exports>

⁶ <https://www.gob.mx/sagarpa%7Cchiapas/articulos/crece-numero-de-plantas-con-certificacion-halal-para-exportacion-a-mercados-musulmanes-165932>

⁷ Sanitary requirements remain unclear.

⁸ Mexico, Australia, Brunei, Canada, Chile, Japan, Malaysia, New Zealand, Peru, Singapore, and Vietnam. Mexico already has FTAs or economic agreements with several of the parties (ex: Canada, Chile, and Japan).

⁹ CPTPP text sourced from: <https://www.mfat.govt.nz/en/trade/free-trade-agreements/free-trade-agreements-concluded-but-not-in-force/cptpp/comprehensive-and-progressive-agreement-for-trans-pacific-partnership-text/>

020 7.11 .01	Not cut in pieces, fresh or chilled	234	210.6	187.2	163.8	140.4	117.0	93.6	70.2	46.8	23.4	0
020 7.12 .01	Not cut in pieces, frozen	234	0	0	0	0	0	0	0	0	0	0
020 7.13 .01	Mechanically deboned	234	0	0	0	0	0	0	0	0	0	0
020 7.13 .02	Carcasses	234	0	0	0	0	0	0	0	0	0	0
020 7.13 .03	Legs, thighs or legs and thighs in one piece	234	0	0	0	0	0	0	0	0	0	0
020 7.13 .99	Other	234	210.6	187.2	163.8	140.4	117.0	93.6	70.2	46.8	23.4	0
020 7.14 .01	Mechanically deboned	234	0	0	0	0	0	0	0	0	0	0
020 7.14 .02	Livers	10	0	0	0	0	0	0	0	0	0	0
020 7.14 .03	Carcasses	234	0	0	0	0	0	0	0	0	0	0
020 7.14 .04	Legs, thighs or legs and thighs in one piece	234	0	0	0	0	0	0	0	0	0	0
020 7.14 .99	Other	234	0	0	0	0	0	0	0	0	0	0
160 2.32 .01	Rooster or hens	20	0	0	0	0	0	0	0	0	0	0

The North American Free Trade Agreement (NAFTA) closely watched

The Mexican poultry industry continues to closely monitor progress in the modernization of NAFTA. Mexico is interested in expanding access for poultry and products, including eggs, with the United

States. At the same time, Mexico’s domestic industry relies on U.S. poultry meat for further processing, and U.S. grains for feed. It is worth noting UNA has stated that a failure of NAFTA renegotiations could represent an opportunity to develop domestic production without as much competition from imports.¹⁰

CLQ anti-dumping “sunset” review still in process

Preface: As previously reported, it is important to note that the anti-dumping duties claimed by Mexico in 2012 have not been enforced as Mexico suffered from a HPAI outbreak, and imported products were needed to meet domestic demand.

Mexico initiated the sunset review of the compensatory duties imposed on imports of CLQs from the United States in the summer of 2017. Various legal reviews have ensued, however the final decision is still pending. A conclusion is expected by the end of summer 2018. The NAFTA Panel which convened early in the case officially closed as announced in early 2018. (See previous reports for further details.)

Backyard Newcastle detection in California

Following backyard poultry Exotic Newcastle Disease (END) detection in California, the United States worked with Mexico to update relevant trade certificates for poultry and eggs as necessary. Generally, temporary zones were created in San Bernardino, Los Angeles, and Riverside counties. In its own right, this is not expected to have a major impact on the trade of poultry and products between the United States and Mexico.

Brazilian inroads through Mexico’s TRQ

The duty-free poultry meat TRQ (300,000 MT) for third countries without an FTA, as established by Mexico in 2013, continues to provide inroads for Brazilian chicken meat. As previously reported, the TRQ has been extended several times, most recently in January 2018, with an extension through the end of 2019. According to Mexico, slightly less than half of the TRQ is utilized.¹¹ Domestic industry seeks to limit the TRQ in order to bolster domestic production, and UNA has publicly expressed disagreement. (For more information see GAIN report [MX8000](#)).

PS&D, Poultry, Meat, Chicken

Meat, Chicken Market Begin Year	2017		2018		2019	
	Jan 2017		Jan 2018		Jan 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Mexico						
Beginning Stocks	0	0	0	0	0	0
Production	3400	3383	3500	3500	0	3600
Total Imports	804	804	820	830	0	840
Total Supply	4204	4187	4320	4330	0	4440

¹⁰ http://www.una.org.mx/index.php/sala-de-prensa/comunicados?%20%20option=com_content&layout=edit&id=85

¹¹ <https://www.snice.gob.mx/cs/avi/snice/cuposutilizacion.html>

Total Exports	6	6	6	7	0	8
Human Consumption	4198	4181	4314	4323	0	4432
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	4198	4181	4314	4323	0	4432
Total Use	4204	4187	4320	4330	0	4440
Ending Stocks	0	0	0	0	0	0
Total Distribution	4204	4187	4320	4330	0	4440

(1000 MT)

Not Official USDA Data

Poultry, Meat, Turkey

Production

The 2019 forecast for turkey production is kept flat at 18,000 MT, as the turkey sector continues to struggle to be competitive in an environment with a strong import sector, low number of producers, and low cost-benefit when compared with the cost to produce chicken. The 2018 production figure is kept at 18,000 MT based on SIAP data through June. As previously reported, under commercial production, the predominant genetic line is the Nicolas 700.

Southern production continues to dominate

The majority of turkey production takes place in southern Mexico. Major producing states include the Yucatan, Veracruz, Puebla, and México, as well as Chihuahua. In the southern states, production serves local and regional markets as well as on-farm consumption, with small-scale or backyard production. Many producers in these rural areas are women. As turkey was domesticated in central Mesoamerica, elements of traditional production and consumption systems remain. Larger-scale commercial production is limited, but ramps up prior to holiday consumption seasons.

Poultry Meat, Turkey	2017	2018	2019
Production	17	18	18
Imports	165	168	170
Exports	1	1	1
Consumption (1000 MT)	181	185	187

Not official USDA Data, Post Estimates

Consumption

Consumption patterns continuing to shift

While traditional consumption of turkey around holidays such as Christmas (when a common business gift is a whole turkey and festive dishes call for its use) remains, the trend of the past several years to increase consumption across the whole calendar year has increased. One outlier is in the southern states, and particularly the Yucatan peninsula, where turkey already plays a starring role in multiple traditional year-round recipes. The increase in daily consumption across the country is reflected in the purchase of processed deli meats, various sausages, ground turkey meat for hamburgers, etc. Factors fueling this consumption are perceived health benefits, convenience, taste, and price points. The high demand from meat processors for these products is largely supplied through imports. Ample opportunity to increase consumption remains.

Trade

Imports almost ten times greater than domestic production

The 2019 turkey import forecast is set at 170,000 MT as demand for turkey is expected to increase from processors, and consumers overall. Fresh/chilled mechanically separated meat remains particularly popular. Domestic production constitutes approximately 10 percent of consumption in recent years, a trend not likely to change in the medium-term. The 2018 remains unchanged based on official data

Pork and turkey trade-offs

Based on official data through April, the forecast for 2018 is maintained at 168,000 tons. This increase over 2017 is also likely to be supported by uncertainty in the pork market due to Mexico's retaliatory tariffs on U.S. agricultural products (See [MX8034](#)). Pork and turkey are often substituted by meat processors depending on the relative price. As previously reported, this is particularly true for deli-meat "hams," which can be a combination of pork and turkey, or one or the other. As the pork market becomes uncertain, it is expected that meat processors will turn to turkey imports (at least to a small degree).

Brazil made their move

The United States dominates the import market, holding 97 percent in 2017 (up from 94 percent in 2016). Chile lost ground in recent years, down to 1 percent of the market in 2017 from 4 percent in 2016. Brazil, however, continues to displace Chile, coming in at 2.5 percent in 2017. Based on 2018 official data through April, this trend is expected to continue, although Chile appears to be slightly up compared to 2017.

Exports remain low

Mexico's exports of turkey in 2019 are expected to remain low and flat (1,000 MT) as in recent years. The figure for 2018 remains the same based on official data through April. Of the small amount Mexico exports, the United States remains the primary destination, receiving 83 percent of exports in 2017. However, Brazil made a small showing in 2017, with what appears to be a one-off shipment in July, but accounting for 13 percent of exports over the year. Previous years showed negligible exports to Brazil. Japan received 4 percent of exports in 2017.

Getting the meat back

Exports to the United States trade under HS code 160231, or "Prepared or Preserved Turkey Meat." In other words, these exports are processed turkey products generally comprised of imported turkey meat (for export to the United States this would include meat from the United States, Chile, and Canada).

Poultry, Eggs

Production

In Jalisco, the egg is king

The forecast for egg production in 2019 is set at 3.1 million MT, continuing growth. The egg production forecast for 2018 is revised up to 3 million MT based on official data and strong production in the first six months of the year. Unlike with turkey, Mexico is one of the top five producers of eggs globally. While efforts to diversify production areas took place in recent years, more than half of production remains in the state of Jalisco. The same challenges that affect the rest of the poultry sector also affect egg production, in particular the frequent avian influenza outbreaks. Efforts continue towards vertical integration, improved genetics, and increased biosecurity.

Mexican Egg Production (MT)	
2015	2,652,292
2016	2,720,742
2017	2,828,056
2018*	3,000,000
2019*	3,100,000

**Post forecast*

Source: SIAP (Note: These numbers have been adjusted from previous reports to account for official SIAP data)



Source: UNA's Economic Indicators of the Poultry Sector, 2018.

Consumption

Eggs rule breakfast in Mexico

Mexico remains one of the top consumers of eggs worldwide, and according to UNA, is the world's largest consumer of eggs. UNA estimates around 23 kg per capita consumption, with expected growth. Eggs, in addition to poultry, are one of the most affordable sources of animal protein, driving consumption. They are sold in all standard consumer outlets, from corner shops to wet markets and grocery stores, generally unrefrigerated.

Primary consumption of eggs occurs during breakfast in Mexico, when hearty foods are served. Consumption occurs across socio-economic classes, from traditional dishes such as *chilaquiles*, *molletes con huevo*, various *tacos*, or *mahaca con huevo* made in the home or sold by street vendors, to those in upscale restaurants for brunch, such as eggs benedict or an egg-white omlet. Aside from direct egg consumption, eggs play an important role as inputs into baked goods, as well as other processed goods such as mayonnaise or egg whites sold for in-home use. As previously reported, Mexican consumer prefer an orange yoke (generally obtained through feed combinations).

Not just your typical white eggs

A diverse market for eggs continues to stimulate production in Mexico. As previously reported, while millennials and younger generations demand certain types of animal care, such as “cage free,” constraints to growth of this niche market include food safety, animal diseases, and cost. Niche markets also exist for brown/red hen eggs (perceived by consumers as high quality and healthy), organic eggs, as well as a variety of eggs from other avian species (including quail and ostrich).

Trade

Imports of eggs and products are expected to be relatively flat in 2018 and 2019. Unlike with chicken and turkey meat, Mexico imports a very small percentage of the eggs and products consumed. Demand for imports is driven by poultry producers (for genetics), consumers of table eggs, and processors in the bakery, confectionary, and other added-value industries. As of April 2018, import figures were down from 2017 owing to a dip in imports from the United States.

U.S. eggs support genetics and consumption.

The United States held 96 percent of the import market in 2017, down slightly from 2016. Of imports from the United States in 2017, 63 percent were hatching eggs, followed by 28 percent table eggs (HS code 040721), and by smaller percentages of various egg products.

Brazil begins to compete

Brazil is this only other country with non-negligible market share, with 3 percent in 2017. However, Brazil is significantly up from their 2017 numbers, continuing their growth trend (HS code 040711, or, hatching eggs). Brazil also reportedly reached an agreement with Mexico in October of 2017 to export Specific Pathogen Free eggs.¹²

¹² <https://avicultura.info/brasil-exportara-huevos-libres-patogenos-mexico/>

Mexico Import Statistics								
Commodity: Eggs & Products, (2017)								
Calendar Year: 2015 - 2017								
Partner Country	Unit	Quantity			% Share			% Change 2017/2016
		2015	2016	2017	2015	2016	2017	
World	T	63131	69029	63107	100.00	100.00	100.00	- 8.58
United States	T	61725	68411	60870	97.77	99.10	96.46	- 11.02
Brazil	T	753	316	2099	1.19	0.46	3.33	564.11
Argentina	T	342	140	60	0.54	0.20	0.10	- 56.90
Canada	T	24	7	46	0.04	0.01	0.07	525.10
France	T	0	0	16	0.00	0.00	0.03	4537.14
Spain	T	102	8	15	0.16	0.01	0.02	79.73
Other	T	187	146	0	0.30	0.21	0.00	-100

Source: INEGI through Global Trade Atlas

Exports expected flat

Exports of eggs and products are expected flat in both 2018 and 2019. While Mexico continues to seek expanded export markets, domestic demand for eggs claims the vast majority of production. Exports to Cuba are expected to continue to grow, up by 56 percent in the January to April period of 2018 over the same period in 2017. Exports to Japan, the number one market for Mexican eggs, however, fell by 50 percent during the same period, back to 2016 levels. In 2018 the principal egg product export to both Cuba and Japan appears as HS code 040891 (Birds' Eggs Not in Shell, Dried, W/N Sweetened). Germany made a small appearance in 2018 for the first time since 2012, receiving egg albumin (dried). Exports to the United States are negligible, and Mexico continues to look for market access for table eggs.

Policy

Part of new regulation sees delayed implementation

As previously reported, on January 16, 2018, the Secretariat of Health published the Official Norm, NOM-159-SSA1-2016, in Mexico's Federal Register. This long-expected norm establishes regulations and sanitary specifications, as well as the testing methods for eggs and egg products to be marketed in Mexico. Potentially trade-impacting in the Official Norm is clause 6.1.7 which reads notes that shell eggs for consumption should not be washed. U.S. eggs produced for consumption are washed and refrigerated.

On April 17, 2017, through a Federal Register announcement, Mexico put in place a 365 day delay of implementation of clause 6.1.7. USDA is working with Mexican regulators to find a resolution for this issue.

The Mexico-EU FTA frees space for egg products

As mentioned above, in April of 2018, Mexico and the European Union reached an “Agreement in Principle,” for the modernization of the Mexico-EU FTA. Under the “Agreement in Principle,” Mexico will gain a TRQ for 5,000 MT of egg yolks. Dried egg yolks are one of Mexico’s current top egg product imports from European countries.

Author Defined:

FAS/Mexico Web Site:

We are available at www.fas.usda.gov/regions/mexico or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

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.

Other Relevant Reports Submitted by FAS Mexico:

Report Number	Subject
MX8000	Mexico Modifies TRQs for Rice, Beef, Lemons, Onions, and Poultry Meat
MX8007	Mexico Poultry Semi-Annual
MX8034	The Phasing In Of Mexican Retaliatory Tariffs