

Intensive campaigns have been undertaken to eradicate these common and frequent sanitary problems. The gravest problems are pork cholera, the Aujeszky disease and several types of parasitosis.

VERTICAL INTEGRATION

Compliance with *Tipo Inspección Federal (TIF)*, sanitary inspection standards, is key to commercially-successful operations. Vertically-integrated companies are in the best position to comply, because they control the entire process from hog production to distribution. Many of them own their own refrigerated trucks and warehouses, giving them an advantage over competitors who are hampered by Mexico's underdeveloped transportation and storage infrastructure, especially for refrigerated products.

For these reasons, pork processing firms with access to financing are beginning to integrate backwards into hog production. In spite of the advantages of vertical integration, however, the standards are also met by alliances of hog producers who sell to independent *TIF*-compliant slaughterhouses. Although many independent slaughter facilities are not yet *TIF* certified, they are gradually complying with the regulations.

The integrated firms account for approximately 30 percent of hog production. Another 30 percent is attributed to medium-sized farms and alliances of producers. Many of them are still in the process of developing the facilities required to be certified as *TIF* producers.

The remaining 40 percent of production comes from small rural producers where pigs are "grown on" and compete for food with their owners. Meat quality is poor and disease levels are high. The animals are usually slaughtered for domestic use or are sold to clandestine slaughterhouses that lack refrigeration and acceptable hygiene standards.

Recently, agrarian reform has allowed joint ventures and collaborative alliances to emerge between processors and *ejidatarios*, owners of small farms. The latter are farmers who own small plots of land thanks to federal programs, and who often come together to form collective operations.