

consumer for lean and boneless cuts, as opposed to the American type cuts. It is expected that imports will begin to play a much more important role as a result of the free trade agreement negotiations on the one hand, but also as a result of improved economic conditions, which will lead to a general surge in demand, but in particular in the demand of luxury type beef cuts, both for the home and in hotels and restaurants.

At the same time, exports will become more attractive through the price differential between local and international prices. Mexico has traditionally been a major exporter of bovine cattle. In 1990 it exported 1.2 million head, mostly of calves to be fattened abroad. It is quite possible that this export trend, presently limited by export quotas, could bring about a reduction in local beef production and an increase in imports to cover the growing demand.

The composition of imports has gradually been changing. While fresh and refrigerated meat represented around 70% of total imports in 1988 and 1989, in 1990, this percentage dropped to 56%, while imports of frozen meat increased proportionately. Imports of carcasses have been decreasing slightly to 34% of total imports in 1990, as compared to 39% in 1988; boneless cuts have increased from 32% to 44% of total imports; and normal cuts with bone now represent 22%, as opposed to 29%.

Mexican imports of beef offals have also played a major role, representing 15% of demand in 1989 (2). The following table shows total apparent consumption of beef offals.

TABLE 5
APPARENT CONSUMPTION OF BEEF OFFALS
(000 tons)

	1988	1989	1990
Production	311.3	310.4	302.4
+ Imports	41.9	53.9	120.0
- Exports	0.2	1.0	0
TOTAL	352.0	362.3	422.4

Of total imports in this category, 18% corresponds to frozen tongues, 16% to frozen liver, 9% to fresh offals and the remaining 47% to other frozen offals.

2. I have not used 1990 figures as reference, since reported imports of 120,000 tons seem exceptional as compared to previous years. It may be possible that import data, which are still preliminary, are incorrect, in particular since this surge in volume is not reflected in an increase but a decrease in value.