



own feedlots. Feed is usually grain, crop wastes, cotton ginning and industrial by-products.

DAIRY CATTLE

Dairy production occurs in every Mexican state. Output rose slightly in 1995 to reach 7.4 billion litres. Jalisco is the leading milk-producing state, with almost 16 percent of the total. Other major producers are Veracruz, with 9.5 percent, as well as Aguascalientes, Puebla and San Luis Potosí, each with about 4 percent of national production.

Demand for dairy feed may be bolstered by a new government initiative which is intended to make Mexico nearly self-sufficient in milk by 2000. The plan is to boost production by 10 percent per year, through higher prices and the promotion of new technology. Mexico imports 10 million litres of milk per day, about 36 percent of domestic consumption.

According to US Department of Agriculture estimates, Mexico's 1996 year-opening inventory of dairy cows was about 2 million, unchanged from 1995, but down from 2.2 million at the beginning of 1994.

Technical Mexican milk producers tend to identify with modern — but not state-of-the-art — producers in New England, which tend to be about the same size. Holsteins are the most popular breed, and many technical operators produce their own forage, which is supplemented with commercially balanced feed.

Traditional dairy producers are mostly located in the tropical regions where natural grasses are available year-round. The most common breeds are Swiss-Zebu and Holstein-Zebu varieties. These operations generally lack facilities for proper cooling and handling. Recently, some producers have been forming cooperatives so as to install shared facilities, in associ-

ation with multinational dairy producers such as Nestlé.

About 35 percent of all of Mexico's milk is sold as *leche bronca*, course milk, without sanitary control in the informal market. Another 51 percent is sold commercially, under controlled conditions. This category includes ultra-pasteurized milk, powdered milk and other long-storage types. The remaining 14 percent is distributed through government programs.

HOGS

Hogs are raised throughout Mexico, but the bulk of commercial production takes place in the states of Jalisco, México, Michoacán, Sinaloa, Sonora, Puebla, Guanajuato and Veracruz. The state of Yucatán is rapidly emerging as a major hog producer, especially since the building of new production plants as part of the *Henequen* Farm project. Chiapas has a higher population of pigs than any state except Jalisco and Sonora, but most of the production is destined for immediate local consumption.

Pork production is heavily dependent on the availability and price of feed. Sorghum, soymeal and corn are the most popular feeds, although Mexican law reserves domestic corn for human consumption. According to media reports, the Mexican government has recently been restricting the issuance of corn-tariff quota permits in order to drive up the demand for domestic sorghum, which is in surplus, especially in Tamaulipas.

The pork industry has been hard hit by recent increases in the price of feeds, because of the devaluation of the peso and drought in the northern states. As a result, imported pork from the US and Canada has become more competitive. Since late 1993, wheat from Canada has been selling in Mexico at prices that are competitive with US sorghum and corn, and

some of it has been purchased for hog feed by producers' unions.

The size of Mexico's swine herd at the beginning of 1996 was estimated by the United States Department of Agriculture at 11.1 million head, compared with 12.5 million at the beginning of 1995. A small number of producers dominate the market. Highly technical producers account for about 40 percent of Mexican pork production, semi-technical operations produce 30 percent, and the rest comes from traditional family operations.

The technical producers maintain specialized sites and operate under strict controls. The most common breeds are Yorkshire, Duroc, Hampshire, Spotted and Landrace. Feeds are selected according to the six phases of the productive cycle. They are based on grains and oilseed meals and are generally produced locally by the breeders.

Semi-technical producers use commercially purchased balanced feeds. As a result, they are extremely sensitive to changes in the feed costs, which comprise about two-thirds of production costs. The feed is usually made from sorghum, corn and oilseed meals, mostly soya. Many semi-technical producers are beginning to import lower-cost animal feed from the United States.

Traditional production of pork is still very common in Mexico, accounting for about 30 percent of production and 40 percent of the national stock of pigs. These operations are especially prevalent along the coasts, in the tropical and sub-tropical areas, and among low-income families. Some producers use balanced feeds during the first few weeks after birth and just prior to slaughter. Sanitary problems are frequent and productivity is quite low.