

Beef cuts are expected to represent an increasing market, as the Mexican consumer begins to appreciate the American type of cut over the Mexican one. Although American cuts will continue to be viewed as a luxury item as long as the official price on beef persists, the improved purchasing power will allow more and more consumers to purchase these cuts. The largest buyers of American cuts will probably continue to be hotels and restaurants, which presently buy approximately 80% of total apparent consumption. On the other hand, lean and boneless meats, as well as flattened cuts, will continue to represent the large majority of beef consumed in Mexico. Therefore, Canadian exporters should consider the possibility of shipping either carcasses or prime cuts in the form as they are cut in Mexico. At present Canadian beef is not competitive in Mexico, but it could eventually be.

In the case of pork meat, Canadian exporters should get to know the Mexican way of cutting carcasses, since most large consumers, such as supermarket chains, will expect to get the primal cuts in the same way as those provided by local suppliers, in order to offer the usual cuts to the consumer. This could be done by sending a butcher of the company to Mexico, in order to learn the Mexican method. Although a small market exists for the traditional American cuts, this still represents a relatively small volume. Lean meats are also favored over fat meats in Mexico, as well as boneless cuts and fresh meats rather than frozen meat. Pork legs for prepared hams are expected to represent an important market, in particular through meat packing houses, which then further process the meat.

3.1.1 BEEF

The following table shows total apparent consumption of beef meat.

TABLE 4
APPARENT CONSUMPTION OF BEEF MEAT
(000 tons)

	1988	1989	1990
Production	1,217.3	1,162.8	1,132.7
+ Imports	26.0	38.9	41.2
- Exports	4.2	4.7	4.3
TOTAL	1,239.1	1,197.0	1,169.6

Imports have traditionally represented a very small proportion of apparent consumption. In 1990, they represented 3.5% of total demand, up from 2% in 1988. In terms of value, beef meat imports represented \$98.3 million in 1990, up 70% from \$57.7 in 1988 and 15% over \$85.6 million in 1989. Several factors have been influential in limiting imports: the fact that imported beef usually is not competitive with domestically produced meat; the official price on beef; and the preference of the Mexican