

- There is a lack of credit for expanding Mexico's waste management facilities.
- The warmer climate requires a greater use of vaccines.

Until recently, grain prices were established by the Mexican government at higher-than-market levels. Farmers could sell their grain to the government at inflated prices. Pork producers were forced to match the government price or else import. Many opted to use chick-peas rather than corn as feed, but because it takes more of the former to fatten the animal, fattening costs were higher. Some producers are still hesitant to use grain feed given the political sensitivity of competing with human beings for the available grain stocks. Grain prices are expected to fall over the next ten years as a result of the North American Free Trade Agreement (NAFTA).

Parts of northern Mexico have suffered from a serious drought in early 1995. Rainfall in the states of Chihuahua, Coahuila, Durango, Nuevo León and Tamaulipas has been 40 percent below normal. According to estimates by the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (SAGAR)*, Secretariat of Agriculture, Livestock and Rural Development, farmers in these states have been prevented from planting almost 700,000 hectares of crops and the conditions have also killed more than 200,000 head of cattle. There are no reports on the impact on hog production, but at the very least, elevated prices of feed can be expected to prevail for some time.

PRODUCTS

Processed meat consumption in Mexico has risen from 2.3 kilograms per capita in 1989 to 4.6 kilograms in 1993. There are about 450 brands of deli-products in the Mexican market. The formal supply of processed meat is very concentrated and dominated by *Sigma Alimentos*. *Sigma* imports about 20 percent of its sales, mostly through a joint venture with Oscar Meyer. *Zwanenberg*, another major producer, buys imported meat because of the shortage of pork carcasses in Mexico that conform to *Tipo Inspección Federal (TIF)*, sanitary inspection standards.

The most important types of meat produced by the Mexican pork processing industry are cold-cuts, sausages and smoked products. These comprise 300,000 tonnes of processed meat annually.

Ham accounts for about 40 percent of the Mexican market for processed pork. The average meat content of a medium-quality, cooked ham is about 35 percent. Processors use front legs, potato flour and soya, among other ingredients. High-quality ham brands are *Campofrío Extra*, *Zwan Piernil Holandés*, and *Bernina*. The price ranges from N \$32 pesos to N \$36 pesos per kilogram. High-quality hams account for more than 10 percent of the market.