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# Animal Feed Products



## THE OPPORTUNITY

Mexico's animal feed sector offers interesting opportunities for Canadian producers.

- Mexico is a net importer of both prepared feeds and the raw materials used to make them.
- Domestic production of balanced feeds fell by more than 11 percent in 1995 and producers are anxious to modernize to meet the influx of competition under liberalized trade.
- Changes to Mexico's *ejido* system of communal land tenure are encouraging the formation of vertically-integrated agricultural cooperatives.
- There has been a recent trend towards the use of prepared pet food for dogs and cats, which has not been traditional in Mexico.

## FEEDING MEXICO'S ANIMALS

Animal feed that is used in Mexico, as in the rest of the world, consists of natural grasses, forage, mixtures of grain and manufactured, balanced rations. Mexico relies more heavily

on natural grasses for raising beef and dairy cattle than most developed countries. A large proportion of Mexican beef is exported to the United States as feeder calves, and then re-imported as carcasses or boxed beef. But the domestic pork and poultry industries are heavily dependent on grain mixtures and manufactured feed preparations.

Mexico was the world's fourth-largest importer of the cereals typically used for animal feed (corn, sorghum, barley, rye and oats) in 1995. Mexican purchases could reach some 10 million tonnes by the end of the century. Since it is not possible to entirely separate cereals used for human and animal consumption, this market summary focuses mainly on preparations designed as balanced animal feed or as raw material for its manufacture.

Agricultural markets were severely disrupted by the sharp devaluation of the peso in December 1994, and the economic crisis which followed. Production of animal food fell by 11.4 percent in 1995 according to statistics published by the balanced animal food section of *Cámara Nacional de la Industria de la Transformación (Canacintra)*, National Chamber of the Manufacturing

## SUMMARY REPORT

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