

Pork Products



THE OPPORTUNITY

Mexico offers important opportunities for Canadian producers of all kinds of pork, ranging from prime cuts to high value-added processed products.

- Mexicans are major consumers of pork. Per capita consumption is expected to rise to about 20 kilograms per capita by the year 2000.
- Canadian pork is considered superior to pork from the United States, and closer in texture and taste to high-quality Mexican pork.
- Mexican producers cannot keep up with demand. Imports accounted for almost one-quarter of the market in 1994.
- The devaluation of the peso will reduce overall meat consumption, but middle-income Mexicans will switch from beef to pork to cut costs.

THE MEXICAN PORK SECTOR

Pork has always been an important component of the Mexican diet. Mexicans consume virtually every part of the pig, including the intestines, brains and *codillos*, pork hocks. Per capita consumption for 1993 was somewhere between 10 to 11 kilograms. According to industry experts, consumption could reach 20 kilograms per capita by the year 2000.

For decades, the Mexican industry developed under the protection of government-imposed price controls

and import restrictions. Although these policies succeeded in fostering the development of small producers, the end effect was an inefficient industry that was ultimately unable to meet the nation's needs.

Beginning in 1988, the government embarked on a sweeping program of reforms, affecting the entire economy. Price controls were eliminated, and imports of pork products were allowed for the first time. Competition from imports increased sharply as a result.

Canada's exports of pork to Mexico have increased steadily since imports were first allowed in 1988. According to official Mexican data, the value of exports rose tenfold from US \$3.6 million in 1989 to US \$36 million in 1994. The sharp devaluation of the peso, which occurred in December 1994, is expected to curtail imports during 1995. The impact of this will be mitigated to some extent by consumers switching from beef to pork.

Some analysts believe that Canada could increase its market share dramatically, from about 14 percent in 1993 to as much as 50 percent of the total market for imported pork. The key is to establish an image of Canadian pork as a safe, high-quality product.

SUMMARY REPORT

In addition to this market summary, the Department of Foreign Affairs and International Trade (DFAIT) has prepared a market profile entitled *Opportunities in Mexico: Pork Products*. This market information on the Mexican Market for Pork Products has been produced and published by Prospectus Inc. under contract with DFAIT, along with other market profiles and summaries on business opportunities in Mexico. It is available from:

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The market profiles are available in electronic form from the IBB, or in hard copy at a cost of \$10.00 plus shipping and applicable taxes, from Prospectus Inc. Please contact:

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