

Beef offals will continue to represent good market opportunities for Canadian exporters, since imported offals are price competitive with Mexican products and the demand for them will continue to increase.

3.1.2 PORK

Table 6 shows total apparent consumption of pork meat. Total production has been decreasing due to a reduction in the real prices of pork and the increase in the costs of feed. These factors have particularly impacted on the small, family producers, which have tended to disappear, in favor of the large, technologically advanced companies. These have gradually been able to cover existing demand. It is expected that the market for pork meat will begin to grow rapidly in response to a growth in demand.

TABLE 6
APPARENT CONSUMPTION OF PORK MEAT
(000 tons)

	1988	1989	1990
Production	861.2	726.7	732.4
+ Imports	54.1	56.4	26.9
- Exports	0.8	0.2	0.6
TOTAL	914.5	782.9	758.7

Imports are also expected to continue increasing, since imported pork meat has been competitive with local meat since 1987, when the price of pork dropped in the United States. Additionally, the service, quality and reliability of foreign suppliers have allowed their penetration into the Mexican market, which, until 1986, showed no imports.

An important factor that has limited imports is the way the carcass is cut in Mexico as opposed to Canada or the U.S. Since the Mexican wholesaler and retailer buy primal cuts from the obradores (3) rather than carcasses, as in the case of beef, they expect imported meat to be shipped the same way. The American type cuts are still rarely consumed in Mexico. Pork meat is presently subject to a 20% ad valorem import duty. It is possible that the free trade agreement will reduce these rates, making imported products more competitive.

Approximately 30% of pork meat shipped to Mexico is fresh and refrigerated, while the majority is shipped frozen. Carcasses have represented a decreasing percentage of total imports, from

3. The term obrador refers to the intermediary between the slaughterhouse and the wholesaler, who cuts the carcass into the commercial pieces common in Mexico. The obrador can be the same as the introducer.