



Mexico Update



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Sales of Canadian Beef

During the first 9 months of 2021, Mexico imported 129,507 tonnes of beef, 24.29% more than in 2020. The value amounted to US\$890.3 million, a considerable increase of 57.15% year-over-year. Following a steady performance in the last 3 months, Cdn beef exports to Mexico took a step back & dropped 14% in volume in Sep. Month-to-month value fell 24.8% from US\$18.25 million in Aug to US\$13.71 million in Sep. Nonetheless, demand through Jan-Sep 2021 remained strong from a year ago, with accumulated volume up 78.3% valued at US\$114.32 million. From Jan-Sep '21, Cdn chilled beef exports were up 80.8% YOY, with value up 120.4% to US\$98.43 million.

Retail Sector

In September 2021, beef prices in Mexico rose more than 14% annually, more than 4 times the rise in the same period from 2019 to 2020. The increase is still due to the impact of grain costs registered since August 2020 and consequences of poor weather. In September 2021, Mexican domestic retail beef prices were; sliced round (US\$9.17/kg), ground beef (US\$6.28/kg), top sirloin (US\$9.10/kg), chuck (US\$8.94/kg) and tenderloin (US\$20.48/kg). Some of the main producers/distributors of food in Mexico are preparing to boost the consumption of alternative meat products in the country. A startup specializing in the development of products to substitute ingredients of animal origin is already working closely with this sector to promote veggie burgers. However, large retailers are also following post-pandemic consumer trends and promoting high-quality and innovative differentiated products, including groceries and beef.

Food Service Sector

Although YTD September, the hotel and restaurant sectors have shown improvement since 2020, it will not be until 2023 when these sectors might reach 2019 levels. The eagerness of the Mexican population to return to social life will allow the restaurant sector to recover faster than the hotel industry. Advancements in vaccination rollout, has been a source of trust for people to go

Economic Indicators for Mexico			
Indicator	Change	Last 3 Mth	Prev 3 Mth
Consumer Confidence	-0.4	43.20	43.63
Business Confidence	0.2	51.53	51.37
Currency (PESO = 1US\$)	2 %	20.40	19.91
Inflation (%)	-0.9	5.00	5.86
Interest Rates (%)	0	4.63	4.75
Stock Market (MEXBOL)	3 %	51940	50654

out and return to economic normality. Despite the fact that home delivery is still a main source of income for restaurants, people are returning to the sit-down dining experience. Holidays, festivals such as "The Day of the Dead" Black Friday, F1 Racing and the upcoming Christmas season are among the main activities that will allow for a faster reactivation. The National Restaurant Chamber has started to develop nationwide campaigns to promote food created by chefs from different states and municipalities. The road to recovery of the tourism market in the capital and in most cities is still in progress due to intermittent restrictions, higher inflation rate, more virtual meetings and lack of personnel. In contrast, hotel occupancy at beach destinations has seen a 20% growth in the last quarter.

Import/Distribution

Beef imports into Mexico during September totaled 129,507 MT. The US holds a 68.5% volume market share, Nicaragua 17.9% and Canada 12.2%. September imports from US beef were 14.3% below their previous month's volume and down 2.65% YOY. Value for US imports also slipped 12.92% from the previous month, to US\$82.64 million in September 2021. The US Department of Agriculture suspended live Mexican cattle imports until new rules and certifications were implemented. The measure affected 11 exporting states which had to sell their cattle in the domestic market at a lower price. Higher inflation rates and a drop in pork prices in Mexico have represented new challenges for beef consumption.

Origin	Year \$ Change	US\$ '000 YTD		Year MT Change	Volume (MT) YTD		Yr \$/kg Change	US\$/Kg YTD		Yr Share Change	Market Share MT	
		2021	2020		2021	2020		2021	2020		2021	2020
CAN	119 %	114,329	52,139	78 %	15,755	8,837	23 %	\$7.26	\$5.90	43 %	12%	8%
USA	45 %	677,847	468,844	12 %	93,071	82,742	29 %	\$7.28	\$5.67	-9 %	72%	79%
AUS	136 %	6,050	2,568	19 %	1,031	865	98 %	\$5.87	\$2.97	-4 %	1%	1%
NZ	-100 %	0	60	-100 %	0	15	-100 %	\$0.00	\$4.00	-100 %	0%	0%
Other	115 %	92,084	42,915	67 %	19,650	11,744	28 %	\$4.69	\$3.65	35 %	15%	11%
ALL	57 %	890,310	566,526	24 %	129,507	104,203	26 %	\$6.87	\$5.44		100%	100%

Source: (Comecarne)