



Mexico Update



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Sales of Canadian Beef

After the pandemic, Mexicans became more carnivorous and are expected to continue this trend for the remainder of 2023. Official data shows that while in 2019 the annual per capita meat consumption stood at 72.1 kgs, as of 2023 it as increased by 7% to a total of 76.9 kgs,

which is considered “high consumption”, and which places Mexico in sixth place worldwide. According to the Mex Meat Council, 73.6% of the meat consumed during 2022 was domestic product, while the remaining 26.6% was imported. Canadian beef exports to Mexico in April reached 2,124 MT (up 64% from a year ago) valued at US\$15.7 million (up 55.7%). Through the first four months of 2023, Canadian beef exports were 48.2% higher in volume (9,501 MT) and 21.8% higher in value (US\$75.1 million) compared to last year’s exports. Import prices suffered a 6% increase. Muscle cuts accounted for 87.4% (8,305 MT) of volume exports in this period, up 55.3% from a year ago (5,345 MT) while its export value rose 23% to US\$69.2 million.

Retail Sector Conditions

Inflation has begun to subside in some specific products, although it is difficult to predict its long term behavior. E-commerce offers have grown significantly in addition to store inventories. Supermarkets have increased investments to improve their distribution in the last mile and satisfy commercial demand. Summer season strategies will focus on volume purchases at lower prices. The macroeconomic environment has changed purchasing habits compared to last year with consumers taking 10% fewer categories in each visit to the point of sale.

Economic Indicators for Mexico

Indicator	Change	Last 3 Mth	Prev 3 Mth
Consumer Confidence	0.3	44.40	44.07
Business Confidence	1.7	53.27	51.60
Currency (PESO = 1US\$)	-5 %	17.87	18.83
Inflation (%)	-1.5	6.31	7.78
Interest Rates (%)	1	11.00	10.17
Stock Market (MEXBOL)	-4 %	53894	51863

Food Service Sector

In May, general inflation was 5.84%, still above the 3% target expected until the second quarter of 2024. Mexico continues to be a preferred tourism destination, strengthening the outlook for beef demand in the hotel and restaurant sector at its main beach destinations. While tourism employment in Mexico exceeded 4 million in the first quarter of 2023 (8.9% of the national jobs and 6.6% up YOY), the restaurant sector in the rest of the country will still take a few years to recover growth due to inflationary impacts. In terms of job recovery, the food sector employs 30% less workforce than in 2019.

Import/Distribution

Mexico currently ranks third amongst meat importers in the world. In 2022, Mex imported 2.13 million tonnes of meat, which represented an increase of 4.9% YOY. From every four kgs of meat consumed, one comes from another country. Between January and May 2023, the country’s meat trade balance (beef, pork and chicken), showed a deficit of 1.105 billion US dollars. In April, Mexico imported 13,370 MT of beef, up 8.5% YOY, valued at US\$103.8 million. U.S imports were 9,770 MT at US\$78.4 million, Canada 2,124 MT, Nicaragua 1,646 MT, Australia 160 MT, Argentina 4 MT, Chile 4 MT and Japan 3 MT.

Origin	Year \$ Change	US\$ '000 YTD		Year MT Change	Volume (MT) YTD		Yr \$/kg Change	US\$/Kg YTD		Yr Share Change	Market Share MT	
		2023	2022		2023	2022		2023	2022		2023	2022
CAN	22 %	\$75,169	\$61,714	48 %	9,501	6,410	-18 %	\$7.91	\$9.63	29 %	16%	12%
USA	11 %	\$348,825	\$315,652	18 %	42,729	36,265	-6 %	\$8.16	\$8.70	3 %	71%	69%
AUS	10 %	\$4,567	\$4,134	13 %	625	551	-3 %	\$7.31	\$7.50	-1 %	1%	1%
NZ	-59 %	\$75	\$182	-67 %	3	9	24 %	\$25.00	\$20.22	-71 %	0%	0%
Other	-27 %	\$40,122	\$54,845	-19 %	7,627	9,403	-10 %	\$5.26	\$5.83	-29 %	13%	18%
ALL	7 %	\$468,758	\$436,527	15 %	60,485	52,638	-7 %	\$7.75	\$8.29		100%	100%

Source: (Comecarne)