



Mexico

Sales of Canadian Beef



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In early 2024, a surge in inflation reached 4.90% annually, marking the highest rate in over six months. This has significant implications for the meat industry, including beef. It signals potential cost increases for imports and domestic production. Despite facing challenges such as heightened security

costs, climate change impacts, and economic pressures, the sector remains optimistic. It anticipates stable prices for 2024. Nevertheless, there's a pressing concern regarding the consumption of non-certified meat, with approximately 22% of meat consumed in Mexico failing to meet safety standards. While government programs aim to mitigate inflation and support the meat industry, concerns persist about the imports of lower-quality meat. The industry's future hinges on regulatory and policy measures. Notably, Mexico's beef imports from Canada experienced significant growth in January 2024, 30.0% more volume (2,110 to 2,747 MT) and a 30% increase in value (US\$16.3M to US\$21.2M) YOY .

Retail Sector

In 2023, total retail sales in Mexico amounted to 1.5 trillion pesos, marking an 8.5% YOY increase. The 3.1% economic growth contributed to increased household purchasing power. The retail sector continues to expand, with new store openings and existing store expansions. Key trends include digitization, an omnichannel approach, meeting consumer expectations across physical and digital channels, and a growing interest in sustainable products and services. Average consumer prices for domestic cuts are as follows: Tenderloin \$23.50 USD/kg; Chuck \$9.55 USD/kg and Ground Beef \$7.70 USD/kg.

Economic Indicators for Mexico

Indicator	Change	Last 3 Mth	Prev 3 Mth
Consumer Confidence	0.1	46.70	46.63
Business Confidence	0.4	54.13	53.77
Currency (PESO = 1US\$)	3 %	17.44	16.96
Inflation (%)	-0.2	4.41	4.63
Interest Rates (%)	0	11.25	11.25
Stock Market (MEXBOL)	-1 %	53442	52838

Food Service Sector

Mexico's hospitality and restaurant industry is poised for growth, fueled by tourism, digitalization, and strategic investments in top destinations. The sector remains a vital contributor to Mexico's GDP and cultural allure. The food-service market is estimated to be \$90.43 billion USD in 2024 and is projected to reach \$138.81 billion USD by 2029, growing at an annual rate of 8.95% during the forecast period (2024-2029).

Import/Distribution

In Jan 2024, Mexico's beef imported volumes witnessed significant fluctuations compared to the previous year. Argentina 330 MT (up 573% from Dec 2023), Australia 193 MT (up 60.8% YOY) Brazil 2,151 MT (up 18.77% from Dec 2023), Canada at 2,747 mt, Japan 1 MT, and Chile 20 MT. The U.S was the largest contributor with 13,549 MT (up 21.9%), while volume from Nicaragua was 2,570 MT (up 28.6%). The total beef import volumes for January 2024 amounted to 21,721 MT an increase of 41% vs January 2023. Additionally, the total USD value of these imported products in January 2024 was in USD: Argentina (\$2 million), Australia (\$667,000), Brazil (\$9.3 million), Canada (\$21.2 million), Chile (\$35,000), Spain (\$44,000), US (\$101.4 million), Japan (\$46,000), Nicaragua (\$15.9 million), and New Zealand (\$55,000), reaching a grand total of US\$151.4 million, up 33% vs. the previous year same period.

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	16 %	\$219,971	\$189,825	25 %	27,881	22,300	-7 %	\$7.89	\$8.51	-33 %	2367%	3512%
USA	13 %	\$1,150,937	\$1,020,418	14 %	138,738	121,735	-1 %	\$8.30	\$8.38	-39 %	11777%	19171%
AUS	83 %	\$20,803	\$11,364	186 %	3,105	1,087	-36 %	\$6.70	\$10.45	54 %	264%	171%
NZ	33 %	\$403	\$302	407 %	76	15	-93 %			173 %	6%	2%
ARG	%	\$5,255	\$0	%	555	0	%	\$9.47		%	47%	0%
NIC		\$21,459	\$0		4,243	0						
Other		\$145,937	\$145,183		25,704	25,414						
ALL	9 %	\$7,407	\$6,769	86 %	1,178	635	-41 %	\$6.29	\$10.66	-58	14461%	22856%

Source: (Comecarne)