



## Mexico Update

### Sales of Canadian Beef



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In August, Mexico experienced its highest total beef imports of the year, reaching 19,248 MT, which is a 30.6% increase compared to the same period last year. The total value of these imports amounted to USD\$151.7 million. From January to August, the accumulated total of beef imports reached 127,939 mt valued at USD\$1 billion. Specifically for the month of August, Canadian beef exports to Mexico amounted to 2,271 MT valued at USD\$17.9 million. The total accumulated Canadian beef exports for 2023 reached 18,138 MT, showing a significant growth of 33% compared to the same period last year. Out of the total exports from January to August, muscle cuts accounted for 86.5% (15,690 MT), while offals represented 13.5% (2,356 MT). The total value of these shipments reached USD\$144.4 million, which is an 18% increase year-over-year. Notably, Canadian beef has achieved a 12% greater market share in Mexico, reaching 14.2% compared to the previous year (2022).

### Retail Sector Conditions

Total consumption of beef in Mexico is expected to increase to meet the growing demand within the country. August 2023 food price inflation shows corn with the highest increase (10%), followed by eggs (6%), pork (3.5%), and beef (2.5%). While inflation is projected to moderate, pork and beef consumption is anticipated to slightly increase for the remainder of 2023 and 2024. The transgenic corn dispute between Mexico and the US could raise prices of key foods. Inflationary pressures persist, with an 8.2% annual variation in the basic goods basket. Livestock products in the basic basket increased by 4.3% YoY, but slightly decreased by 0.5% compared to July.

### Economic Indicators for Mexico

Indicator	Change	Last 3 Mth	Prev 3 Mth
Consumer Confidence	1.8	46.57	44.80
Business Confidence	0.3	53.63	53.30
Currency (PESO = 1US\$)	-3 %	17.02	17.57
Inflation (%)	-1.1	4.63	5.72
Interest Rates (%)	5	11.25	6.25
Stock Market (MEXBOL)	2 %	52863	53751.003

### Food Service Sector

The hospitality sector in Mexico has fully recovered in 2023, with some segments experiencing double-digit growth. The industry is growing at a rate of over 5% annually, generating over 2 million jobs. The hotel industry is witnessing a resurgence and the number of hotel rooms is expected to increase by 5%. The restaurant industry, with 2 million businesses and 10 million jobs, is projected to generate higher sales for the remainder of 2023, with the fast food segment maintaining a significant share.

### Import/Distribution

Lower cattle prices are forecasted to increase beef demand in the coming months for local and imported beef. The US dominated the beef import market from Jan-Aug, with 90,252 MT, valued at US\$754.4 million. Muscle meats accounted for 65.7% (59,358 MT), while variety meats made up 34.2% (28,358 MT) of their imports. Mexico also imported 117 MT of beef from Argentina, worth US\$1.66 million, and 283 MT from Brazil, valued at US\$1.2 million, from Mar-Aug. Additionally, 77 MT of beef from Chile, 218 MT from Spain, 20 MT from Japan, 16,807 MT from Nicaragua valued at US\$88.6 million, 8 MT from NZ, 5 MT from Panama, and 64 MT from Uruguay.

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	18 %	\$144,410	\$122,682	33 %	18,138	13,606	-12 %	\$7.96	\$9.02	12 %	14%	13%
USA	16 %	\$754,430	\$652,163	20 %	90,252	75,224	-4 %	\$8.36	\$8.67	1 %	71%	70%
AUS	51 %	\$11,405	\$7,548	157 %	1,714	668	-41 %	\$6.65	\$11.30	115 %	1%	1%
NZ	-19 %	\$185	\$229	-27 %	8	11	-96 %			-39 %	0%	0%
Other	-9 %	\$95,586	\$104,771	1 %	17,827	17,720	-9 %	\$5.36	\$5.91	-16 %	14%	17%
<b>ALL</b>	<b>13 %</b>	<b>\$1,006,016</b>	<b>\$887,393</b>	<b>19 %</b>	<b>127,939</b>	<b>107,229</b>	<b>-5 %</b>	<b>\$7.86</b>	<b>\$8.28</b>		<b>100%</b>	<b>100%</b>

Source: (Comecarne)