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Mexico

Post: Mexico

Economia Opens 221K Metric Ton Egg Quota Due to Market Speculation

Report Categories:

Poultry and Products

Agriculture in the Economy

Agriculture in the News

Pest/Disease Occurrences

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Report Highlights:

On July 6, the Secretariat of Economy (SE) [announced](#) that it planned to open a 132,000 metric ton (MT) tariff-free tariff rate quota (TRQ) in order to help stabilize domestic egg prices. By the end of the day, SE increased the planned TRQ to 221, 000 MT as it approximated estimated monthly egg consumption. Egg prices throughout much of Mexico have skyrocketed over the past weeks as high pathogenic avian influenza has hit Mexico's layer flock and raised concerns about egg and egg product availability. The United States remains eligible to export eggs to Mexico without any tariff imposed on U.S.-origin eggs.

General Information:

On July 6, the SE decided to open a 132,000 MT quota to import table eggs from Poland, China, Turkey, and Ukraine in order to stabilize domestic egg prices that have significantly increased due to alleged market speculation. Later in the day, SE increased the planned TRQ to 221,000 MT. SE reported that the elimination of the current tariff (45 percent) that Mexico applies to the import of eggs from the above countries is not part of any trade agreement. The Secretary of Economy, Bruno Ferrari, has indicated that the proposed quota must be approved first by the Foreign Trade Commission and then by the Regulatory Improvement Commission (COFEMER) before publication in the Mexico’s Federal Register (*Diario Oficial*). The exact date of publication is uncertain but it is expected that it will be published in the short term.

FAS Comments:

Private and industry sources declared that the recent statement by Secretary Ferrari is somewhat confusing as importing eggs from China is not a feasible option. Sources report that Poland currently supplies the European Union, who is paying a higher price compared to those that Mexico could pay, and the Ukraine will be in a similar situation. Imports from Turkey, would take up to 40 days for transit and costs would be passed along to consumers at prices likely beyond their purchasing power. Furthermore, industry sources declared that the SE announcement is contradictory as the Secretariat and industry officials have been claiming that there is sufficient domestic supply.

Nationwide egg prices have increased as have prices for other poultry and basic products (corn tortillas, beans, rice, etc.). Mexico City egg prices skyrocketed 56 percent by the first week of July in comparison to the last week of June 2012. Sources report that this price increase is unjustified and is being attributed to speculative traders and distributors. Some private sources have declared that the SE announcement appears to be a maneuver to calm prices from escalating further and to unveil the possibility of using legal tools to control speculation.

Author Defined:

For More Information

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work

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MX2012	2012 Poultry and Poultry Products Semi-Annual	3/20/2012
MX2004	Mexico Publishes Preliminary Determination on U.S. CLQs	1/20/2012
MX1092	New Meat and Poultry Letterhead Certificates Required	12/6/2011

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.