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Report Highlights:

Mexico's chicken meat production is forecast to exhibit continued growth in 2024 due to increased private investment in the sector. Imports are also forecast to increase, driven by robust domestic demand. Likewise, Mexico's chicken meat exports are forecast to grow due to an expected tempered "super peso" in the second half of 2024 and increased export demand. Chicken meat consumption in 2024 is forecast to increase due to price competitiveness of chicken meat.

Executive Summary

Production is forecast at 4.0 million metric tons (MMT) in 2024, two percent higher than in 2023. Strong domestic demand and increased private sector investment are reflected in the poultry industry's steady growth. Animal feed accounts for over 60 percent of poultry production costs in Mexico. Improved prices for feed grains strengthen the production outlook in 2024.

Imports are forecast at 1.0 MMT in 2024, four percent higher than in 2023. Domestic production cannot satisfy growing domestic demand for chicken meat and Mexico will rely on imports to meet the demand. Imports are expected to be led by chicken leg quarters (CLQ) from the United States, and in a smaller share by mechanically deboned meat. Although exports are limited, they are forecast 25 percent higher than 2023 at 5,000 metric tons (MT) due to expectations the "super peso" will lose value and slightly increased export demand.

Consumption is forecast at 5.0 MMT in 2024, three percent higher than in 2023 based on strong, steady domestic demand as chicken continues to be the most affordable meat.

Mexico's poultry sector faces a yearly threat from Highly Pathogenic Avian Influenza (HPAI) outbreaks from migrating birds traveling through the Americas. HPAI outbreaks reduce industry competitiveness and compel producers to shoulder the cost of culling, re-stocking birds, and maintenance until new birds start their production cycle.

Chicken Meat

Table 1: Chicken Meat – Production, Supply, and Distribution (PSD)

Meat, Chicken Market Year Begins Mexico	2022		2023		2024	
	Jan 2022		Jan 2023		Jan 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Beginning Stocks (1000 MT)	0	0	0	0	0	0
Production (1000 MT)	3,763	3,763	3,855	3,855	3,950	3,950
Total Imports (1000 MT)	915	915	985	985	1,025	1,025
Total Supply (1000 MT)	4,678	4,678	4,840	4,840	4,975	4,975
Total Exports (1000 MT)	12	12	4	4	4	5
Human Consumption (1000 MT)	4,666	4,666	4,836	4,836	4,971	4,970
Other Use, Losses (1000 MT)	0	0	0	0	0	0
Total Dom. Consumption (1000 MT)	4,666	4,666	4,836	4,836	4,971	4,970
Total Use (1000 MT)	4,678	4,678	4,840	4,840	4,975	4,975
Ending Stocks (1000 MT)	0	0	0	0	0	0
Total Distribution (1000 MT)	4,678	4,678	4,840	4,840	4,975	4,975
(1000 MT)						

Note: Not official USDA data.

Production

2024

Production is forecast at 4.0 million metric tons (MMT) in 2024, two percent higher than in 2023, due to relatively eased costs of grain and other inputs, strong domestic demand, and continued private investment in the sector. Despite high interest rates, capital investment and expansion in the poultry sector is forecast to continue to grow due to a faster return on investment compared to the cattle and swine sectors.

Mexico’s poultry producers report that concerns for production in 2024 include any volatility for input costs from global geopolitical conflicts. Additionally, they share concern for unforeseen policy changes to trade, production, or macroeconomic stability because of presidential elections in both Mexico and United States.

2023

Production for 2023 is estimated at 3.9 MMT, an increase of two percent from 2022. Strong domestic demand for chicken meat and no major impacts from poultry diseases allowed the sector to grow.

Veracruz led chicken meat production, followed by Jalisco, Aguascalientes, Queretaro, and Chiapas. These five states represented over 50 percent of Mexico’s production. Guanajuato and Puebla continue to be growing contributors to the sector. Poultry represents more than 60 percent of Mexico’s livestock production and serves a critical role in the nation’s food security. Mexico is the sixth largest producer of chicken meat worldwide and satisfies nearly 80 percent of domestic demand.

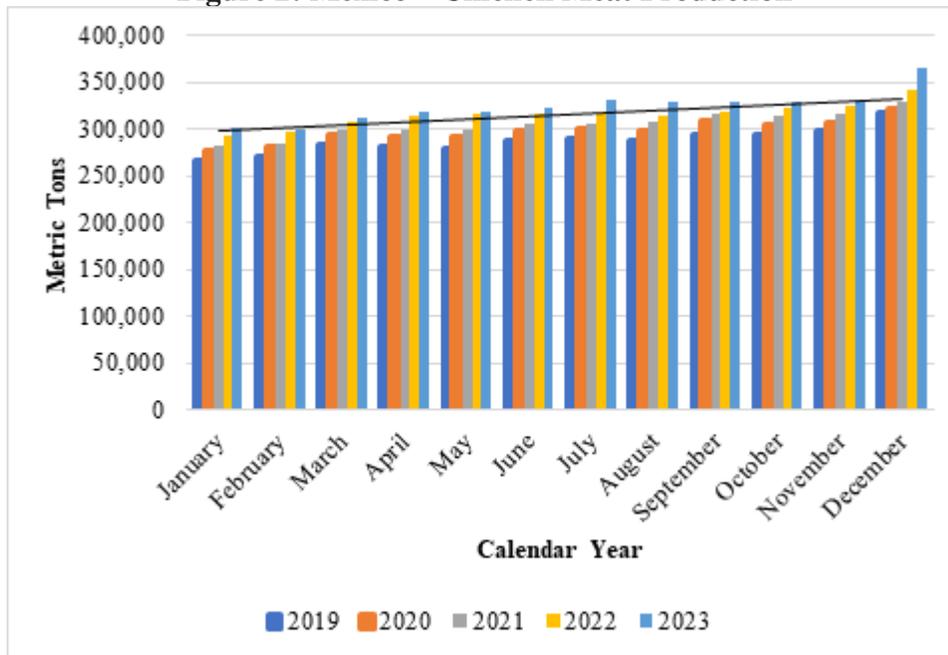
Figure 1: Chicken Meat – Mexico Leading Chicken Meat Production States



Source: Service of Agri-food and Fisheries Information (SIAP)

According to the National Association of Poultry Producers (UNA), in the last ten years (2013 – 2023), chicken meat production in Mexico grew more than 30 percent.

Figure 2: Mexico – Chicken Meat Production

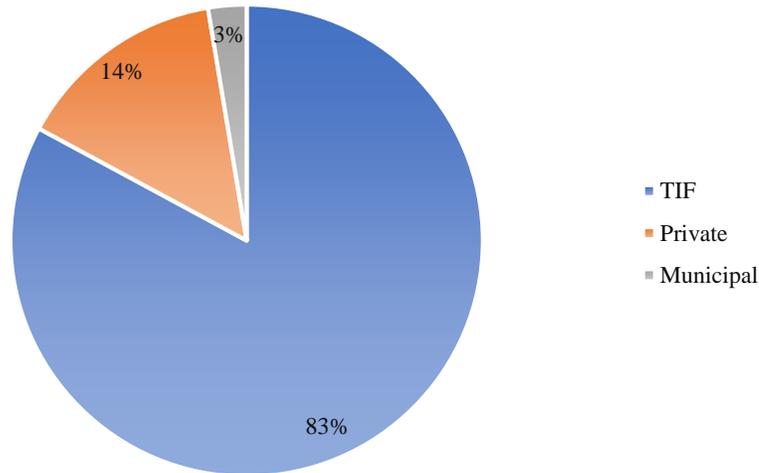


Source: Service of Agri-food and Fisheries Information (SIAP)

Improved broiler genetics contribute to increased chicken meat production in Mexico. Advanced producers can obtain a fully grown bird at seven weeks with a market weight of three kilograms (kg). Chicken also holds a relatively high feed conversion rate (1.8 kg feed: 1.0 kg bird weight).

Production growth is also attributed to efficient ways of doing business. Nearly 40 percent of chicken meat production in Mexico is through contract farming which lower risks and costs along the supply chain. Mexico’s chicken slaughter is mainly performed at Federally Inspected Establishments (TIF) for adherence to food safety regulations.

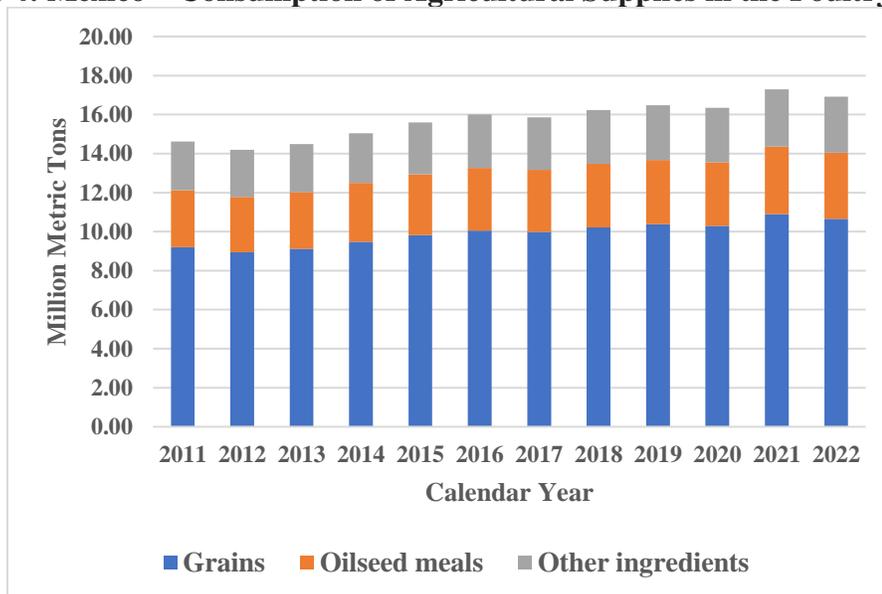
Figure 3: Mexico – 2023 Chicken Slaughter



Source: National Service for Agricultural Health, Food Safety and Agri-food Quality (SENASICA)

In 2023, more affordable international feed prices increased poultry sector performance. According to the Secretary of Agriculture and Rural Development (SADER), in 2023 the price of corn decreased by over 30 percent from 2022. Feed contributes to over 60 percent of the production costs of chicken meat and eggs. The poultry sector consumes nearly 17.0 MMT of balanced feed annually. Lower costs of feed directly impact production growth.

Figure 4: Mexico – Consumption of Agricultural Supplies in the Poultry Sector



Source: National Association of Poultry Producers (UNA)

Despite favorable conditions which enable Mexico’s poultry sector to grow, some factors constrain production growth. The most significant challenge reported by producers is yearly HPAI outbreaks from migrating birds. Uncertainty around the severity, locations, and exact timing of outbreaks yields production risks. Outbreaks reduce industry competitiveness and add costs for culling, re-stocking birds, and maintenance until new birds start their production cycle. Producers impacted by HPAI often cannot shoulder the additional economic burden and abandon the sector.

Figure 5: Mexico – HPAI Zones (unchanged since June 2021)



Source: National Service for Agricultural Health, Food Safety and Agri-food Quality (SENASICA)

Poultry producers also face relatively high costs related to maintenance and inputs such as for security, facilities, equipment, feed, vaccinations, and transportation, among others. It is estimated that over the last five years, these costs increased by more than 20 percent.

In a price-driven market context for poultry production, with high and volatile business costs, combined with the yearly eminent risk of HPAI, producers are forced to seek optimal efficiency and biosecurity.

Consumption

2024

Consumption is forecast three percent higher in 2024 than in 2023 at 5.0 MMT. Chicken meat continues to be the most affordable meat and first choice of meat for Mexico’s consumers. Robust domestic demand drives consumption upward. Factors such as increased social welfare programs, less headline inflation, and increased minimum wages since 2018 support chicken consumption.

Mexico’s consumption of chicken meat is forecast to grow due to competitive prices. Furthermore, chicken meat is expected to continue to hold a favorable perception among Mexican consumers as a healthy and versatile product.

Currently, whole chicken meat carcass prices are 17 percent lower than the same time last year. A challenge for the poultry sector in 2024 is to maintain competitive prices compared to other meats, despite any potential increases to food price inflation.

Figure 6: Mexico – Whole Chicken Carcass Prices (Pesos/Kilogram)

Product	Price	Previous Price
	January 2024	January 2023
Whole chicken	48.47	58.49

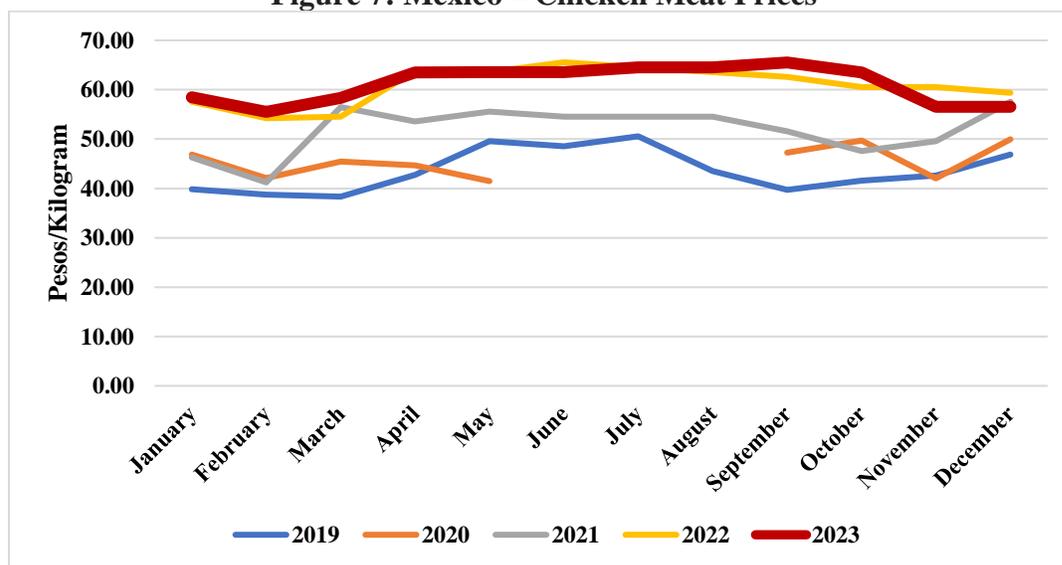
Source: Service of Agri-food and Fisheries Information (SIAP)

2023

Consumption is estimated at 4.8 MMT in 2023, a four percent increase compared to 2022. According to industry sources, increased demand from both domestic consumers and the hotel, restaurant, and institution (HRI) sector for chicken meat as an affordable and healthy animal protein helped drive increased consumption growth in Mexico.

Cost savings continued to be a priority for poultry consumers. During periods of food inflation, consumers favor lower cost animal protein such as chicken, changed their purchasing frequency, or skipped purchases entirely.

Figure 7: Mexico – Chicken Meat Prices



Note: June-August 2020 data not reported.

Source: Service of Agri-food and Fisheries Information (SIAP)

A recent Mexican industry study found that breast meat, legs, and thighs, rather than processed products, comprised the majority of chicken meat purchases. In addition, most purchases were made in public markets and local butcher shops rather than in retail stores. This presents a potential opportunity to

increase per capita chicken meat consumption through more sales of processed products and increased purchase channels.

Chicken meat production occupies an important share in Mexico's livestock industry and contributes heavily to Mexico's food security. Chicken meat is part of Mexico's basic food basket. Through the Government of Mexico anti-inflationary program (see policy section), Mexico seeks to curb chicken meat prices to help maintain food security among vulnerable populations.

Trade

Imports

2024

Imports in 2024 are forecast four percent higher than in 2023 at 1.0 MMT. Robust domestic demand is expected to surpass domestic production. Therefore, imports will fill the gap between domestic production and consumption. Imports are expected to be driven by CLQ's from the United States, and in a smaller share by mechanically deboned meat intended for different products such as cooked hams and hot dogs. According to industry analysts, chicken meat trade will continue to grow in 2024, but at a more moderate pace.

2023

Imports are estimated at 985,000 MT in 2023, eight percent higher than in 2022. Mexico's peso appreciation or "super peso" relative to the United States dollar created competitive pricing for imports. Increased demand for chicken meat, especially from the HRI and processing sectors, surpassed local production and therefore imports filled the gap. In 2023, Mexico's production covered close to 80 percent of all domestic consumption, while imports filled in the remainder of domestic chicken meat consumption.

In 2023, Mexico was the second biggest importer of chicken meat globally, after Japan. The United States continued to be Mexico's main supplier of chicken meat in 2023, while Brazil gained increased market share due to the zero-tariff Presidential Anti-Inflation decree. The United States held an 80 percent share of Mexico's poultry imports at the end of 2023, in contrast to a 95 percent market share at the end of 2021. The loss of market share was filled mostly by Brazil, followed by Chile with a small percentage.

Exports

2024

Exports are forecast at 5,000 MT in 2024, an increase of 25 percent compared to 2023, and 25 percent above the USDA estimate. Processors are expected to regain some market share for chicken meat exports, especially to the United States. The increase is expected to fulfill demand in the "nostalgic market" driven by Mexican Americans in the United States and increased tailor-made flavors and product offerings for U.S. consumers. Some Mexican processing facilities are expected to increase exports to Central and South America through products tailored for local cuisine flavors.

Strong growth for Mexico as a poultry exporter is limited from HPAI outbreaks and a lack of export eligibility or zoo sanitary recognition from trading partners. Mexico's poultry exports are limited to heat treated products, mostly Ready-to-Eat (RTE) and some Ready-to-Cook (RTC).

2023

Exports are estimated at 4,000 MT in 2023, a decrease of 67 percent from 2022. The "super peso" and robust domestic demand deterred exports. Despite increased global demand for chicken meat, Mexico did not increase export share, due in part to Mexico's poultry exports being limited to heat treated products.

Policy

12-Year U.S. Chicken Leg Quarter (CLQ) Dumping Case to Remain Open

On [December 28](#), Mexico's Secretariat of the Economy (Economia) initiated a new ex officio procedure which reopens the review to seek retaliatory measures on CLQ's from the United States. On [December 27](#), the Unit of Foreign Trade Practices (UPCI) under Economia determined that an antidumping duty will be in force until August 6, 2027, considering a five-year period from August 7, 2022. So far, Mexico has not pursued retaliatory measures against the United States and is not expected to impose tariffs while the Presidential Anti-Inflation decree is active, nor is it expected to suspend duties during seasonal highly pathogenic avian influenza (HPAI) outbreaks.

On May 23, 2023, UPCI held a hearing about alleged U.S. dumping of chicken products, a case which has been ongoing for more than ten years. In 2012, the Secretariat of the Economy concluded that U.S. exporters were guilty of engaging in an "unfair" trade practice with its sales of CLQs to Mexico (see GAIN Report [MX2171](#)).

February 2023 Corn Decree

On February 13, Mexico published [a presidential decree](#) which includes a directive that "the dependencies and entities of the Federal Public Administration will carry out the actions leading to the effect of carrying out the gradual substitution of genetically modified corn for animal feed and for industrial use for human food." On August 17, the United States Trade Representative [announced](#) the United States establishment of a dispute settlement panel under the United States-Mexico-Canada Agreement (USMCA) regarding certain Mexican measures concerning biotech corn.

Extension of Presidential Anti-Inflation Decree

On December 27, 2023, the Government of Mexico published a presidential decree to extend the exemption of tariffs and easing of administrative procedures for the importation of basic food basket products, including chicken, through December 31, 2024 (see GAIN Report [MX2024-0004](#)). The inflation decree extension is expected to increase tariff-free imports from countries that do not currently have a free trade agreement with Mexico through December 31, 2024. The related Harmonized System (HS) codes are listed below.

CODE	DESCRIPTION	NOTE
02.07	Meat and edible offal of poultry of heading 01.05, fresh, chilled, or frozen.	
0207.11.01	Uncut, fresh or chilled.	
0207.12.01	Uncut, frozen.	
0207.13.04	Pieces and offal, fresh or chilled.	
0207.14.99	Others.	
04.07	Bird eggs in shell (cascarón), fresh, preserved, or cooked.	
0407.21.02	Chicken of the species <i>Gallus domesticus</i> .	
0407.29.01	For human consumption.	Chicken only.

Specifications for the Regulation of Products for Animal Use or Consumption

On November 6, 2023, Mexico’s Secretariat of Agriculture (SADER) published Official Mexican Standard NOM-012-SAG/ZOO-2020: Specifications for the Regulation of Products for Animal Use or Consumption (see GAIN Report [MX2023-0060](#)). The standard outlines specifications for the production, storage, distribution, marketing, quality control, and verification of products for animal use or consumption for nutritional purposes and disease management.

Mexico Welcomed 2024 with a 20 Percent Minimum Wage Increase

On January 1, 2024, Mexico’s minimum wage in the northern border cities increased to \$377.89 MXP/day (\$21.5 USD), and \$248.93 MXP/day (\$14.22 USD) in the rest of the country. The wage increase reflects the minimum daily wage that a worker must receive for the services rendered during the workday and benefits an estimated 8.9 million Mexicans working in the formal sector. Roughly 54 percent of the Mexican labor force is ‘informal’ and thus would not benefit directly from any official wage increase.

NOM-036 Manual Labor Standard Comes into Force

On March 31, 2024, the revised Mexican Standard [NOM-036](#) comes into force, which restricts the amount of lifting and other manual labor considerations. Some meat processing companies share concern the standard could reduce labor availability and at least temporarily impact operations which already face existing labor shortages.

For More Information

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Report Number	Title	Dated
MX2023-0060	Poultry and Products Annual	11/28/2023
MX2023-0007	Poultry and Products Semi-annual	02/21/2023
MX2022-0045	Poultry and Products Annual	09/06/2022
MX2022-0005	Poultry and Products Semi-annual	03/01/2022
MX2021-0045	Poultry and Products Annual	08/20/2021
MX2021-0008	Poultry and Products Semi-annual	03/12/2021
MX2020-0042	Poultry and Products Annual	08/19/2020

Attachments:

No Attachments