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Mexico

Product Brief

The Mexican Market for Balanced Feed and Ingredients 2000

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1. PRODUCT DEFINITION

The products included in this report are balanced feed and ingredients. These products are in Sub-Chapter 23.09 (Preparations of a kind used in animal feeding) of the Mexican Tariff System.

2. MARKET SIZE

Production

Mexican production of balanced feeds increased from 14.0 million tons in 1996 to 17.2 million tons in 1998, representing an annual average increase of 11.6 percent. Since 1993, production has increased every year. See table 1.

Local production is composed of commercial and integrated manufacturers. Commercial producers are the companies that produce solely for the market and usually have distribution channels, while integrated manufacturers are large farms that produce for themselves and for other farms and ranches. Among the principal raw materials used in making balanced feed mixes, Mexican producers consumed 10.8 million tons of forrage grain and 3.5 million tons of oilseeds in 1998.

Table 1
**MEXICAN PRODUCTION OF BALANCED FEED
1996-1998**

(Million Tons; Percent)

Year	Commercial Producers	%	Integrated Producers	%	Total Mexican Production	%
1996	3.5	25.1	10.5	74.9	14.0	100
1997	4.2	27.7	10.9	72.3	15.1	100
1998	5.0	29.3	12.2	70.7	17.2	100

Source: Seccion de Fabricanes de Alimentos Balanceados de CANACINTRA (Balanced Feed Manufacturers Section of the National Chamber of Manufacturing Industries) with data from Feed International Management and Alimentos Balanceados para Animales Magazines.

Imports

Total Mexican imports of balanced feed increased from US\$82.5 million to US\$131.2 million in 1998, representing an annual average growth rate of 29.5 percent. In terms of tonnage, these imports represented 134 thousand tons in 1996, and grew to 186.2 thousand tons in 1998 at an annual average growth rate of 19.4 percent. See table 2. Mexican imports of balanced feed are concentrated in three categories: dog/cat food for retail sale (2309.1001); other preparations (2309.9099); and concentrated preparations for the production of balanced feed (2309.9007), which represented 63.1 percent of total imports, in value terms, in 1998.

Mexican statistics on foreign trade are divided into three groups: In-bond imports and exports; definite imports and exports; and temporary imports and exports. This report focuses on the definite imports, which are those consumed in the domestic market.

Table 2
MEXICAN IMPORTS OF BALANCED FEED
BY PRODUCT CATEGORIES, 1996-1998
 (U.S. Million Dls.; Thousand Tons)

Products	1996		1997		1998	
	\$	Tons	\$	Tons	\$	Tons
Total-Preparations of a kind used in animal feeding-2309	82.5	134.1	97.0	149.5	131.2	186.2
Subtotal-Dog/Cat Food, put up for retail sale-2309.1001	29.5	43.5	38.7	63.3	56.7	100.0
Subtotal-Other preparations of a kind used in animal feeding-2309.90	53.0	90.6	58.3	86.2	74.5	86.2
Poultry feed-2309.9001	0.2	0.5	0.1	0.5	0.1	0.3
Pasture-2309.9002	0.1	0.0	0.0	0.0	0.1	0.1
Prepared sugared forages-2309.9003	0.1	0.2	0.1	0.4	0.1	0.9
Mixed preparations for ornamental fish-2309.9004	0.8	0.1	1.0	0.1	0.8	0.2
Stimulating preparations with a maximum of 2% of vitamin H-2309.9005	3.1	0.0	2.2	0.0	2.6	0.0
Preparations for balanced feed from caustic soda, phosphoric acid and dolomite-2309.9006	0	0	0	0	0	0
Concentrated preparations for the production of balanced feed, except those in 2309.9010 and 11-2309.9007	8.9	11.8	10.6	13.4	12.6	11.9
Milk substitutes-2309.9008	1.8	1.6	2.2	2.0	2.6	2.2
Preparations with vitamins B12-2309.9009	0.9	0.0	1.1	0.0	1.1	0.0
With dairy solids, totaling more than 10 percent but less than 50 percent- 2309.9010	0.1	0.0	0.3	0.3	0.6	1.1
Preparations with more than 50 percent of weight in dairy products 2309.9011	1.4	1.3	3.2	3.2	3.2	3.0
Other preparations-2309.9099	35.8	74.9	37.5	66.3	49.6	66.5

Source: Banco Nacional de Comercio Exterior (National Bank of Foreign Trade)

U.S. Exports To Mexico

U.S. exports of balanced feed to Mexico increased from US\$68.7 million in 1996 to US\$111.1 million in 1998, representing a 30.1 percent annual average growth rate. U.S. balanced feed exports accounted for 83.3 percent of the Mexican import market in 1996, 86.8 percent in 1997 and 84.7 percent in 1998. U.S. suppliers are the absolute leaders in this market and have been able to maintain their dominant market shares due to competitive pricing and a strategic geographic location allowing quick, cost-effective delivery. See table 3.

Table 3
MEXICAN IMPORTS OF BALANCED FEED, 1996-1998
 (Million U.S. Dls.; Thousand Tons.)

	1996		1997		1998	
	\$	000 Tons	\$	000 Tons	\$	000 Tons
Total Mexican Imports of Balanced Feed	82.5	134.1	97.0	149.5	131.2	186.2
U.S. Exports to Mexico	68.7	129.5	84.2	145.2	111.1	180.8
U.S. % Market Share	83.4	96.6	86.8	97.1	84.7	97.1
Exports from France	2.8	0.103	2.3	0.124	3.9	0.111
French % Market Share	3.4	0.08	2.4	0.08	3.0	0.10
Exports from Brazil	2.3	0.415	1.0	0.182	2.4	0.484
Brazil % Market Share	2.8	0.3	1.0	0.1	1.8	0.3
Exports from Germany	2.0	0.220	2.7	0.332	3.6	0.353
German % Mkt. Share	2.4	0.2	2.7	0.2	2.7	0.2

Source: Banco Nacional de Comercio Exterior (National Bank of Foreign Trade)

In the breakdown of U.S. exports by products, the tariff headings do not provide clear descriptions. However, the products with best export sales are: Dog/cat food for retail sale (2309.1001); other preparations (2309.9099); concentrated preparations for the production of balanced feed except those in 2309.9010 and 11 (2309.9007); and preparations with more than 50 percent in weight of dairy products (2309.9011). See table 4.

U.S. exporters are market leaders in every category except for "stimulating preparations with a maximum of 2 percent of vitamin H (2309.9005)," and "preparations with vitamin B12 (2309.9009)," for which France is the leading supplier.

Table 4
U.S. EXPORTS TO MEXICO AND MARKET SHARES
BY PRODUCT CATEGORIES, 1996-1998
 (U.S. Million Dls.; Thousand Tons.)

	1996	1997	1998
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Products	\$	Tons	\$	Tons	\$	Tons
Total-Preparations of a kind used in animal feeding-2309	68.7	129.5	84.2	145.2	111.1	180.8
Subtotal-Dog/cat food, put up for retail sale-2309.1001	29.2	43.2	38.3	62.9	57.0	99.5
Percent Market Share	99.3	99.3	99.2	99.4	98.9	99.5
Subtotal-Other reparations of a kind used in animal feeding-2309.90	39.5	86.3	45.9	81.9	54.1	81.3
Poultry feed-2309.9001	0.155	527.8	0.128	451.7	0.094	315.8
Percent Market Share	100	100	100	100	100	100
Pasture-2309.9002	0.010	25.2	0.033	57.8	0.075	64.4
Percent Market Share	9.2	99.3	100	99.5	100	99.5
Prepared sugared forages-2309.9003	0.050	237.5	0.075	386.1	0.113	898.7
Percent Market Share	100	100	100	100	100	100
Mixed preparations for Ornamental fish-2309.9004	0.399	71.9	0.420	76.4	0.552	127.6
Percent Market Share	49.5	59.5	42.1	51.0	69.2	83.0
Stimulating preparations with a maximum of 2% of vitamin H-2309.9005	0.621	10.5	0.009	0.1	0.020	0.6
Percent Market Share	20.1	22.1	0	0.2	0	0.8
Preparations for balanced feed from caustic soda, phosphoric acid and dolomite-2309.9006	0	0	0	0	0	0
Percent Market Share						
Concentrated preparations for the production of balanced feed , except , those in 2309.9010 and 11-2309.9007	6.376	9,947	8.373	11,754	9.567	10,556
Percent Market Share	71.7	83.9	78.2	88.0	75.9	89.0
Milk substitutes-2309.9008	1.538	1,372	1.845	1,704	2.230	1,905
Percent Market Share	87.3	86.8	83.5	86.1	84.8	85.5
Preparations with vitamin B12-2309.9009	0	0.5	0.001	3.6	0	0
Percent Market Share	4.0	2.9	0	15.0	11.0	0
With dairy solids, totaling more than 10 percent but less than 50 percent-2309.9010	0.009	3.9	0.190	213.0	0.535	1,033.0
Percent Market Share	17.9	11.8	58.6	71.5	86.3	94.7

	1997		1998		1998	
Preparations with more than 50 percent in weight in dairy products 2309.9011	1.256	1,009	3.079	2,889	2.986	2,492
Percent Market Share	90.5	79.3	95.1	90.2	90.8	82.8
Other preparations- 2309.9099	29.0	43,213	31.7	62,998	37.9	99,498
Percent Market Share	81.1	57.4	84.6	95.0	76.5	75.0

Source: Banco Nacional de Comercio Exterior (National Bank of Foreign Trade)

Some of the balanced feed/ingredients brands and companies found in the Mexican market place include the following: Alltech, RiverLab, Lucta, Industrias Alcosa, Pilgrim's Pride, Micro-Aid, Elanco, Zinpro, Vitamex, Schering-Plough Animal Health, Purina, Clayton, Nutek, Industrial Organica, Avimex, Virbac, Bayer, Boehringer Ingelheim, Hoechst Roussel Vet, ECO Animal Health and BASF.

Other Foreign Competitors

Official Mexican import statistics listed sixty-one countries as exporting balanced feed to Mexico during the period 1996-1998. However, there is no real competition to the United States from other foreign suppliers. Other countries that also export to Mexico are France, Brazil and Germany, all with market shares of less than five percent. See table 3.

Domestic Consumption

Mexican consumption of balanced feed increased from 14,124.1 thousand tons in 1996 to 17,426.2 thousand tons in 1998. Local production continues to represent the principal source of supply, accounting for a commanding 99.06 percent and 98.94 percent of the total market in 1996 and 1998, respectively. See table 5. Imports represented a minute share of domestic demand of 0.94 and 1.06 percent in 1996 and 1998, respectively.

Table 5
MEXICAN CONSUMPTION OF BALANCED FEED
1996-1998
(Thousand Tons)

	1996	1997	1998
Production (1)	13,990	15,076	17,240
Imports (2)	134.1	149.5	186.2
Exports (2)	0	0	0
Consumption	14,124.1	15,255.5	17,426.2
Imports as % of consumption	0.94	0.97	1.06

Sources: (1)- Seccion de Fabricanes de Alimentos Balanceados de CANACINTRA (Balanced Feed Manufacturers Section of the National Chamber of Manufacturing Industries)

(2)- Banco Nacional de Comercio Exterior

3. DOMESTIC COMPETITION

There are 360 registered producers of animal feed in Mexico, of which 240 are classified as integrated producers and 120 as commercial producers. Installed production capacity in 1998 was

26 million tons and local producers reported they are utilizing 66 percent of their installed capacity. This sector generates 30,000 direct jobs. Mexico is ranked as the eighth largest producer in the world of balanced feed, the second largest in Latin America after Brazil. See table 6.

Table 6
LEADING PRODUCERS OF BALANCED FEED, 1998
(Million Tons)

Country	Million Tons	%
United States	140.5	24.4
China	54.7	9.5
Brazil	29.0	5.0
France	24.1	4.2
Japan	23.0	4.0
Canada	19.3	3.4
Germany	18.9	3.3
Mexico	17.2	3.0
Argentina	5.6	1.0
World Total	575.7	100

Source: Seccion de Fabricanes de Alimentos Balanceados de CANACINTRA (Balanced Feed Manufacturers Section of the National Chamber of Manufacturing Industries) with data from Feed International Management and Alimentos Balanceados para Animales Magazines.

During 1998, the principal producing states in Mexico were: Jalisco with 2.5 million tons (14 percent), Sonora, 1.9 million tons (11 percent); Yucatan, 1.8 million tons (11 percent); Puebla, 1.6 million tons (9 percent) and Nuevo Leon, 1.4 million tons (8 percent), representing 53 percent of total production. The primary consumption sectors for domestic production are the principal livestock industries: poultry, pork, dairy cows, cattle beef and others (pets, aquaculture, horses, rabbits, roosters, etc.). See table 7.

Table 7
CONSUMPTION OF DOMESTICALLY PRODUCED BALANCED FEED, BY SECTORS 1998
(Million Tons; Percent)

Sector	Million Tons	Percent
Poultry	8.9	52
Pork	3.4	19
Dairy Cattle	2.8	16
Beef Cattle	1.3	8
Others	0.9	5
Total	17.2	100

Source: Seccion de Fabricanes de Alimentos Balanceados de CANACINTRA (Balanced Feed Manufacturers Section of the National Chamber of Manufacturing Industries)

4. IMPORT REQUIREMENTS

Tariffs

Mexican import duties are classified according to the Standard International Harmonized System, as established under the provisions of the North America Free Trade Agreement (NAFTA). Sub-

Chapter 29.03 (Preparations of the type used as animal feed) includes the 13 tariff codes for balanced feed and ingredients. Other related sub-chapters and products are: 10.01 (Wheat), 10.02 (Barley), 10.03 (Corn), 10.07 (Sorghum), 12.01 (Soyabean) and 28.20 (Ingredients). In total, there are 34 tariff codes related to these product categories. As part of the NAFTA agreement, 12 products have reached zero tariffs and are no longer subject to import duties. These products are as follows:

Products	Tariff Codes
Sweetened forages-	2309.9003
Stimulating preparations with a maximum of 2% of vitamin H-	2309.9005
Preparations for balanced feed from caustic soda, phosphoric acid and dolomite-	2309.9006
Milk substitutes-	2309.9008
Preparations with vitamin B12-	2309.9009

The following products are included in the 10 year phase-out period, and will reach zero duties on January 1, 2003. During 1999, these products are levied with a six percent duty which will decrease one percent, each year.

Products	Tariff Codes
Dog/cat food, put up for retail sale-	2309.1001
Poultry feed-	2309.9001
Pasture-	2309.9002
Mixed preparations for ornamental fish-	2309.9004
Concentrated preparations except those in With solid content of more than 10 percent but less than 50 percent-	2309.9010 and 11- 2309.9007
Preparations with more than 50 percent of in weight in dairy products-	2309.9010
Other preparations-	2309.9011
	2309.9099

In addition, Mexico has a fifteen percent value-added tax (VAT, or IVA in Spanish). Mexican Customs collect the VAT on foreign transactions upon entry of the merchandise into the country. Mexican Customs used to charge a nominal customs processing fee of 0.08 percent. However, as of July 1 1999, it has been eliminated as part of the NAFTA agreement. The following example illustrates how these duties are calculated as compared to locally produced item.

	Imported Products	Domestic Products
F.O.B. Invoice value	\$100.00	\$100.00
Ad-Valorem duty (6 percent)	6.00	N.A.
	Sub-total \$106.00	\$100.00
Value added tax (15 percent)	15.90	15.00
	Total \$121.90	\$115.00

Customs brokers use this total figure to calculate their fees, which are 0.5 percent, on average,

plus any storage and handling fees.

The basic Mexican import document is the Pedimento de Importación (customs entry document), which must be presented to Mexican Customs together with the commercial invoice in Spanish and a bill of lading. Products qualifying as "North American" must be accompanied by the NAFTA certificate of origin to receive preferential treatment. This is issued by the exporter and does not have to be validated or formalized. Mexican Customs Law is very strict regarding proper submission and preparation of customs documentation. Errors in paperwork can result in fines and even confiscation of merchandise as contraband. Exporters are advised to employ competent, reputable Mexican importers or custom brokers.

Health Certificate and Non-Tariff Requirements

Under NAFTA, Mexican imports of balanced feed do not require import permits. However, balanced feed exports to Mexico are subject to a Sanitary Certification and inspection by the Sanitary Qualification Office of the Health Ministry as published in the Diario Oficial (Official Gazette) on August 29, 1994. This Certificate is secured after presenting a Sanitary Statement (Constancia Sanitaria) from the exporting country's respective sanitary authorities or a FDA-certified laboratory declaring that the products, identified by production lot, are safe and fit consumption; indicating their physical-chemical analysis; microbiological analysis; and if applicable, specific analysis; country of origin and expiration date. If this Sanitary Statement is not available, then it is necessary to present the above mentioned documents individually plus the following: certificate of origin and a certified letter stating that those items are sold freely in the country of origin.

On July 21, 1999 the Mexican Government, through the Secretaria de Agricultura, Ganaderia y Desarrollo Rural-SAGAR (Secretariat of Agriculture, Livestock and Rural Development) published a new proposed rule (PROY-NOM-060-ZOO-1999) which would prohibit the use of imported rendered products in animal feed from countries with BSE or scrapies, or unless treated at high temperature and pressure. This ruling would apply to domestic and imported products. The final rule (when published) becomes effective 60 calendar days from the date of publication. However, high-temperature plants will be given two years to comply. These plants must present to SAGAR, within six months, definite plans to make the modifications required to comply with this rule. The public comment period started on July 22, 1999 and will last 60 days until the 15 of September.

Labeling

There is not a specific labeling requirement for balanced feed. According to the NOM-051-scfI-1994 (Mexican Official Quality Norm) on labeling, published in the Diario Oficial (Official Gazette) on January 24, 1996, products that are shipped in bulk are not subject to labeling requirements.

However, all imported products to be sold at retail must be labeled according to Mexican government specifications. Some U.S. suppliers choose to develop special packaging for the Mexican market. At a minimum, a label must be affixed to each package of the imported product prior to entering the country. All the information on the label must be in Spanish and must include the following data:

Commercial/brand name
Producer's name and address

Exporter's name and address
 Country of origin (i.e., Producto de EE.UU.)
 Importer's name, address and RFC number (taxation number)
 Product description in Spanish
 Product description in English
 Preparation and handling instructions
 Net weight in metric units
 Date of expiration
 Special warning (if any)

U.S. companies must have a Mexican importer or a representative registered with the Secretary of Finance and Public Credit (SHCP) in order to export to Mexico.

The Mexican Health Ministry has an address on the Internet [Http://ww.ssa.gob.mx/nom/index.html](http://ww.ssa.gob.mx/nom/index.html) where more information on these NOMS can be obtained.

5. WHO BUYS IMPORTED PRODUCTS IN MEXICO

The Mexican livestock sector is the principal buyer of imported balanced feed. This sector includes poultry (brooding and meat), pork, dairy cattle and beef cattle producers. In spite of the difficulties experienced by these livestock sectors (scarce and rising interest rates, harsh climate, excessive sanitary regulations, increasing feed costs, competition from imported products, etc.), in 1998, they were still able to register increases in their production.

In terms of volume, the principal sector contributing to livestock production in Mexico is poultry, with a combined contribution of 57 percent followed by production of bovine meat, pork meat and others. See table 8.

Table 8
**PRODUCTION AND STRUCTURE OF SELECTED
 LIVESTOCK SECTORS, MEXICO-1998**
 (Thousand Tons)

Sectors	Production	Percent
Egg Production	1,686.8	29.6
Poultry Meat	1,586.4	28.0
Pork Meat	960.8	16.5
Bovine Meat	1,380.0	23.5
Others	136.6	2.4
Grand Total	5,690.8	100.0

Source: Canacintra

Poultry

Combined poultry production (meat and eggs) represents 57 percent of total livestock production in Mexico. Poultry meat has surpassed the volume of bovine production, and egg production is the sector with the largest contribution to Mexico's livestock production.

Egg production increased by a 7.4 percent average annual growth rate, from 1.5 million tons in 1996 to 1.8 million tons in 1998. Eggs represent the cheapest source of animal protein in Mexico and

domestic per capita consumption is the third largest in the world, at 38.9 pounds.

Production of chicken meat increased from 1.5 million tons in 1996 to 1.6 million tons in 1998, representing a 3.2 percent average annual growth rate. The per capita consumption of chicken meat for 1998 was 36.4 lbs. and 0.27 lbs. for turkey meat. The primary chicken producing states in Mexico are Queretaro (10 percent), La Laguna Region (10 percent), State of Mexico (9 percent), Puebla (9 percent), Jalisco (9 percent) and Nuevo Leon (8 percent). The Union Nacional de Avicultores-UNA (Mexican Poultry Union) reports that the average conversion ratio is 2.2 Kgs. of feedstuffs to 1 Kg. of poultry meat with sorghum continuing to be the main feed ingredient used in poultry feed rations. Industry sources state that the Mexican poultry industry imported 9.3 MMT of feedstuffs, including 5.9 MMT of corn and sorghum, 1.8 MMT of oilseeds and 1.6 MMT of other compounds like orthophosphate, calcium, salt, methionine, lysine and meat flour in 1998. The market is controlled by five companies (Bachoco, Pilgrim's Pride, Univasa, Trasco-Tyson Foods and Patsa) which account for roughly 50 percent of the market. The remaining 50 percent is comprised of 200 independent producers. The total poultry flock is estimated at 300.1 million head, with 97.3 thousand laying hens in production.

Combined production of the sector was 3.3 million tons, with a value of approximately \$28 billion pesos (about US\$3.04 billion at the average exchange rate of 9.2 pesos per one dollar for 1998). The sector generated a total of 132,000 direct and 655,000 indirect jobs. See table 9.

Pork

Mexican pork meat production increased 2.3 percent in 1998, below the 3.2 percent registered one year earlier. Production reached 960.8 thousand tons in 1998 surpassing the 939.2 thousand tons produced in 1997. See table 9. This industry provides 25 percent of the country's domestic pork meat supply, and is currently enjoying increasing export sales to Japan. Mexican per capita consumption was 12.0 Kgs. (26.4 Lbs.) in 1998, a healthy increase over 9.8 Kgs. (21.6 Lbs) in 1996. The principal producing states in Mexico are: Jalisco (19 percent), Sonora (18 percent), Guanajuato (11 percent), and Yucatan (8 percent), representing 56 percent of national output. The swine population in Mexico was 15.4 million head in 1997, approximately the same number as in 1996.

Domestic feedstuff supplies are not sufficient enough to meet the demand of hog producers, because of lower production of corn and sorghum in the northern Mexican States which suffer from dry climate conditions. The scarcity of local production has resulted in higher prices for domestic feedstuffs in comparison with imported products. Consequently, the pork sector is a good potential market for U.S. feedstuffs, as the number of Mexican pig farms are expected to increase in the immediate future.

Dairy Cattle

Mexico has traditionally been an importer of milk. One of the principal reasons for this situation was the strict government price control on milk which was in place for over 50 years, and finally ended in January, 1998. Mexico still imports about 31 percent of its milk needs and there are several investment projects in the near future for new dairy products that will help to develop this market. Most of these projects involve strategic alliances and purchases of small/medium sized Mexican companies by U.S. companies. During 1998, milk production increased 4.4 percent, reaching an estimated 8.6 million liters. See table 9. The number of dairy cattle was 2.2 million head in early

1999, and is expected to increase by approximately 1.6 percent, per year for at least the short term. Per capita consumption of cow milk was 124.5 liters in 1998, an increase over the 119.3 liters in 1997. The principal states producing milk are: Jalisco (15 percent), Durango (10 percent), Coahuila (9 percent), Chihuahua (8 percent) and Guanajuato (7 percent), representing 49 percent of total production.

Beef Cattle

Production of red meat increased from 1,313 to 1,380 thousand tons during the 1996-1998 period, representing an annual growth rate of 2.6 percent. See table 9. Per capita consumption of beef also increased slightly from 14.3 Kgs (31.5 lbs.) to 14.5 Kgs. (31.9 lbs.) in the same period. The number of beef cattle during 1998 is estimated at 23 million head, but will probably decline because of lower calf crops and higher slaughter rates resulting from the drought in the northern Mexican States. Cattle inventories will be reduced by about two percent from current figures. Most of the cattle in Mexico continue to be grass fed.

Table 9
**PRODUCTION AND GROWTH RATES OF SELECTED
LIVESTOCK SECTORS, 1996-1998 - MEXICO**
(Thousand Tons and Thousand Liters)

Sectors	1996	1997	1998	Growth Rate %
Poultry Meat (TT) 1)	1,478.3	1,492.9	1,586.8	6.3
Egg Production (TT) 1)	1,469.6	1,589.5	1,686.8	6.1
Pork (TT) 2)	939.2	939.2	960.8	2.3
Dairy Cattle (TL) 3)	7,586.0	7,848.0	8,190.0	4.4
Meat Cattle (TT) 4)	1,313.0	1,340.0	1,380.0	3.0

Source: 1) Union Nacional de Avicultores (National Poultry Union); 2) Consejo Mexicano de Porcicultura; 3) Asociacion Nacional de Ganaderos Lecheros, A.C. (National Association of Dairy Cattle Growers); and, 4) Asociacion Mexicana de Engordadores de Ganado Bovino (Mexican Association of Beef Stockers)

6. DISTRIBUTION OF PRODUCT IN MEXICO

The importation of balanced feed into Mexico is done primarily through direct sales, agents, distributors and representatives. Mexican distribution channels have not been fully developed and very few companies have national coverage. Most balanced feed distribution is done on a regional basis by companies who can assist their clients with technical support and are located geographically near them. Only pet food products, which are sold largely at the retail level, benefit from the national coverage developed by the major retailers.

The retail market is composed of supermarket chains and convenience stores. The leading organizations in this sector are: Gigante, Comercial Mexicana and Grupo Cifra, which have national coverage and are comparable to similar establishments in the United States. There are also a series of smaller chains and convenience stores with regional coverage, which are very strong in their regions and also represent an important market segment. In total, there are approximately 3,239 retail stores throughout Mexico (1,294 retail chains and 1,900 convenience stores).

U.S. firms wishing to penetrate the Mexican market should have a locally based distributor/representative in order to establish a successful business relationship with domestic

buyers and authorities.

7. TRADE EVENTS AND SPECIALIZED PUBLICATIONS

Trade events

The leading trade event which specifically promotes balanced feed, ingredients and related agricultural products in Mexico is the "AFIA Agro de las Americas" exposition, which is held annually every March in Guadalajara at the Expo-Guadalajara Convention Center. In 2000, the show will take place March 9-11. For more information, contact: Veronica Garcia, Tel/fax: (001)(52) 55453572, Internet: www.afia-agro.com, email: afia-agro99@micronet.com.mx.

Specialized trade publications

There are several trade magazines related to balanced feed and agricultural topics that circulate in Mexico. The leading publications are:

- 1) "**Tecnologia Avipecuaria en Latinoamerica**," published monthly by Midia Relaciones; Tel: (011)(52)5251-3081, Fax: (011)(52)55967198, email: midia@mail.internet.com.mx; contact: Amanda Balconi del Cid, Editor;
- 2) "**Agro-Sintesis**," published monthly by Agrosintesis; Tel: (011)(52) 56693125; contact: Ing. F. Gonzalez Iñigo; "2000 Agro," published quarterly by Publicaciones Sayrols, S.A., Tel & Fax: (011)52 56603533, E-mail: teorema@adf1.telmex.net.mx; contact: Wendy Coss;
- 3) "**Carne y Leche**," published bimonthly by Carne y Leche, Tel: (011)(52) 56693125; contact: Ing. Juan F. Gonzalez, Editor;
- 4) "**Lacteos y Carnicos**," published bimonthly by Alfa Editores Tecnicos, Tel: (011)(52) 5579 3333; contact: Ing. Alejandro Garduño;
- 5) "**Enlace**," published monthly by ASIA, Tel: (011) 52 5610-2533 Fax: (011) 52-55492483; contact: Marcel Morales;
- 6) "**Al Grano**," published quarterly by ASTECA, Tel (011)43 144514 & Fax: (011)43 144698; contact: Luis M. Zuarth; and
- 7) "**CPM**," published bi-monthly by United Agri Products <http://www.crop-net.com>; contact: Jeffrey Powell.

Some of the leading general business publications in Mexico are: "**Business Mexico**," published monthly in English by the American Chamber of Commerce of Mexico-phone: 011(52) 5724-3800 ext. 3335, fax: (52) 5703-2911, contact: Ms. Diane Hemelberg de Hernandez, Editor or Ms. Cristina Bustos, Advertising Dept.; and "**MB**," published monthly in English by Hemisphere Publishers Group Inc., contact: Ms. Lorena Jimenez, Advertising Director, phone: (011)(52) 5540 7977 and fax: 5202 8478.

8. KEY TRADE CONTACTS

As of February 1999, a number five was added to telephone numbers in the Mexico City area. However, for long distance calls from the United States, this additional five is not dialed.

U.S. Embassy

Agricultural Trade Office-ATO, USDA

Jaime Balmes 8-201

Col. Los Morales Polanco

Mexico 11510

Mexico

Phone: (011)(525)2805291, 280-5277, 281-6586; Fax: (525) 281-6093

<http://www.atomexico.gob.mx>

Contact: Chad R. Russell, Director

U.S. Grain Council

Jaime Balmes 8-201

Col. Los Morales Polanco.

Mexico 11510

Mexico D.F.

Phone:(011)(525)2820973; Fax:(011)(525)282-0968

e-mail: rcelma@grains.org.mx; <http://www.grains.org>

Contact: M.V.Z., M. Sci. Ricardo Celma A.; Regional Director Mexico and Central America

This office represents U.S. grain producers in Mexico by identifying and creating export opportunities. They also provide information to Mexican buyers on U.S. suppliers, promotional events and other topics of interest.

Animal & Plant Health Inspection Service-APHIS; USDA

Sierra Nevada 115

Mexico D.F. 01100

Mexico

Phone: (011)(525) 5204444

Fax: (525)

Contact: Joan Sills, Director

Secretaria de Salud

Sanitary Qualification Office

Donceles 39-PB

Mexico 06010, D.F.

Phone: (011)(525)5182692

<Http://ww.ssa.gob.mx/nom/index.html>)

Contact: Dr. Jose Meljem Moctezuma, Director

This is the office of the Health Ministry that regulates NOMS on health related issues.

Secretaria de Comercio y Fomento Industrial

Direccion de Normas

Puente de Tecamachalco 6

Lomas de Tecamachalco

Edo. Mexico 53950

Mexico

Tel:(011)(525)2296100-X4158

www.secofi.gob.mx

Contact: Lic. Jorge Hernandez, Direccion de Normas

This is the office of the Ministry of Industry and Commerce which creates the norms on quality and labeling.

Secretaria de Comercio y Fomento Industrial-SECOFI

Informacion Comercio Internacional
Alfonso Reyes 30-PB
Col. Hipodromo Condesa,
Mexico 06710, D.F.
Phone: (011)(525)2296100-X3395 & 4949

www.secofi.gob.mx

Contact: Rocio Ruiz Chavez, Director

This office of the Ministry of Industry and Commerce provides general information related to NAFTA.

Union Comercializadpra Industrial y de Sevicios Alimenticios Animales, S.A. de C.V.

Wateau 70
Col. Nonalco-Mixcoac
Mexico D.F. 03910
Tel: (011)(525)5634600,563 4682
Fax: (011)(525)563 4881, 6112387

Contact: Lic. Cipriano Bermejo, Secretary

This one of the three leading trade association which represent domestic manufacturers of balanced feed.

Asociacion Nacional de Fabricantes de Alimentos Pecuarios Balanceados

Paseo de la Reforma 107-7
Col. Revolucion
Mexico D.F.06030
Ph: (011)(525)7050570; 7031910, 5350535
Fax:(011)(525)5357102

Contact: Lic. Fernando Aramburu Santa Cruz

One of the leading trade associations which represent domestic manufacturers of balanced feed.

Asociacion Nacional de Fabricantes de Alimentos para Consumo Animal

Bruselas 626
Col. Moderna
Guadalajara, Jal. 44190
Mexico
Phone: (011)(528)120381, 8111561
Fax: (011)(528)8116349, 6104792

Contact: Lic. Fernando Lozano Plascencia, Director General

One of the leading trade associations which represent domestic manufacturers of balanced feed.

American Chamber of Commerce-AMCHAM

Lucerna 78 – 4
Mexico 06600
Phone: (011)(525)7243800
Fax: (525)703-2911
Phone: (011)(525)7243800

Fax: (525)703-2911

Contact: Christine Hawkins, International Trade and Investment Consulting, Director
A non-profit organization which assists U.S. companies in their business activities in Mexico.

Secretaria de Agricultura, Ganaderia y Desarrollo Rural

Direccion de Salud Animal

Recreo 14-12

Mexico 03230 D.F.

Tel: (011) (525) 534-1131; fax: (011) (525)533 2320

Contact: Dr. Angel Omar Flores, Director

Office of the Ministry of Agriculture and Livestock which regulates animal health.

Camara Nacional de la Industria de la Transformacion-CANACINTRA

Seccion de Fabricantes de Alimentos Balanceados para Animales

Watteau 70

Mexico D.F. 03700

Mexico

Tels: (011) (525) 5634600; 5634682; Fax: 5563-4881;

e-mailucisal@infoabc.com

Contact: Lic. Jose Luis Mungia Jimenez, Presidente

This is the camber section of balanced feed producers that represents the various trade associations.

Asociacion de Proveedores de Productos Agropecuarios, A.C.

Durango 245-203

Mexico D.F. 06700

Mexico

Tel. (011)(525) 533-4339

Contact: Greta Villaseñor, Manager