

Borrer on Mexico Decree 10-31-22

SPEAKERS

Erin Borrer, Joe Schuele

Joe Schuele 00:00

Mexico's efforts to combat food price inflation have raised concerns for its own meat industry as well as current meat supplying countries. Erin Borrer, U.S. Meat Export Federation vice president of economic analysis, has more details in this USMEF report.

Erin Borrer 00:15

Back in May, Mexico had announced they were eliminating all import duties for eligible suppliers on some products and that included beef and pork. But the latest decree takes a very interesting twist, again, aiming to reduce the inflationary impact on consumers looking, specifically at a basket of goods, which does include some beef and pork products. And one of the creative pieces appears to be an effort to allow imports from additional supplying countries. Initially that raised a lot of concerns. Our immediate concern was ensuring that the Mexican authorities were still going to strictly enforce all animal health and food safety requirements. Our trade obviously goes both directions and you can't have any risk introduced.

Joe Schuele 01:10

While it now appears that all sanitary regulations will continue to be enforced, the changes could still cause a shake up in the Mexican market.

Erin Borrer 01:17

Then the question turns to well, what can be the added competition in the market? Mexico does allow imports from a handful of European countries. Those are all countries that do not have African swine fever. So really, the big question is whether Brazil will gain access for beef and pork. The fact that Brazil is not eligible goes back to foot and mouth disease. We allow, here in the U.S., imports from certain states in Brazil that have either FMD free or FMD free with vaccination status. If Mexico takes a similar track, then it would introduce more competition into the market, especially again, because at least for now, they'd be duty free.

Joe Schuele 01:58

For more, please visit USMEF.org for the U.S. Meat Export Federation, I'm Joe Schuele.