

1-8-24-Borrer-Mexico-Duty-Exemptions

SPEAKERS

John Herath, Erin Borrer

John Herath 00:00

Pork, beef and poultry from all eligible suppliers will continue to enter Mexico duty-free through the end of this year. Erin Borrer, U.S. Meat Export Federation vice president of economic analysis, has more details.

Erin Borrer 00:12

So if we recall back to May of 2022 and the inflationary reduction efforts by several countries, that's when the Mexican government first implemented zero tariffs on all imports of beef, pork and poultry. Not completely unheard of because Mexico had previously introduced temporary tariff free quotas for import. Similar to the U.S., inflation in general has been coming down. So we kind of had a sense that they may go ahead and let that temporary tariff exemption expire at the end of 2023. But they extended it again through the end of 2024, and so now it's kind of become a longer term policy.

John Herath 00:54

Borrer explains how this has affected competition in the largest destination for U.S. pork.

Erin Borrer 01:00

The U.S. and Canada are at zero duty through NAFTA and USMCA, so the zero tariff benefits were really going, on the pork side, to Europe and then with Brazil beginning shipments in February of 2023, Brazil was also benefiting. Those exports from Brazil had ticked up above 5000 metric tons a month. But then in late November, a Mexican court actually halted the access for Brazil related to their sanitary access. So the court case has resulted in at least a temporary suspension of Brazilian pork entering Mexico. Ninety percent of our exports are chilled and difficult for Brazil to compete head on. So our share of total exports of pork to Mexico actually increased from the prior two years to 84%. So that Brazilian product that has made inroads - they were taking market share from Canada, and Brazil took share from Europe.

John Herath 01:59

For more, please visit [USMEF.org](https://usmef.org) For the U.S. Meat Export Federation, I'm John Herath.