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## Guatemala

### Poultry and Products

#### Annual

#### 2001

Approved by:

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#### **Report Highlights:**

**Guatemala's chicken consumption growth rate in 2001 is 5 percent. In 2002, the growth rate is expected to be higher. The expanding market for US chicken parts should be serviced by more quality U.S. businesses.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
Guatemala [GT1], GT

**TABLE OF CONTENTS**

Executive Summary .....	<a href="#">1</a>
PSD Table .....	<a href="#">2</a>
Poultry, Meat, Total .....	<a href="#">2</a>
Production .....	<a href="#">3</a>
Consumption .....	<a href="#">3</a>
Import Trade Matrix .....	<a href="#">4</a>
Poultry, Meat, Total .....	<a href="#">4</a>
Export Trade Matrix .....	<a href="#">5</a>
Poultry, Meat, Total .....	<a href="#">5</a>
Trade .....	<a href="#">5</a>
Policy .....	<a href="#">6</a>

## **Executive Summary**

According to the Guatemalan National Poultry Producer's Association (ANAVI), the growth rate in meat production in the poultry industry in 2001 is expected to be 5 percent. In 2002, the Agricultural Counselor expects the growth rate to be higher. This will occur as the economy recovers and as imported chicken becomes more available as prices lower than in prior to the February 2001 tariff changes. So far, U.S. imports are not a real threat to the Guatemalan poultry industry, but if local production costs continue to increase, U.S. imports could eventually affect the Guatemalan poultry industry.

Poultry imports into Guatemala are subject to a tariff rate quota (TRQ) of 7,000 MT at a tariff of 15 percent within the quota and 45 percent outside the quota. The United States is by far the primary source of imported chicken. In addition, the United States is the major supplier of feed ingredients for the poultry industry. Imports include yellow corn, soybean meal and tallow. A (TRQ) of 501,820 MT for yellow corn has been established with a tariff of 5 percent within the quota and a tariff of 35 percent outside the quota.

PSD Table						
Country	Guatemala					
Commodity	Poultry, Meat, Total				(1000 MT)(MIL HEAD)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	137	137	144	144	0	155
Whole, Imports	0	0	0	0	0	0
Parts, Imports	18	14	14	17	0	20
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	18	14	14	17	0	20
TOTAL SUPPLY	155	151	158	161	0	175
Whole, Exports	0	0	0	0	0	0
Parts, Exports	0	0	0	0	0	0
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	0	0	0	0	0	0
Human Consumption	155	151	158	161	0	175
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	155	151	158	161	0	175
TOTAL Use	155	151	158	161	0	175
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	155	151	158	161	0	175
Calendar Yr. Imp. from U.S.	18	14	14	17	0	20

## Production

The poultry industry in Guatemala is based in three different groups: Campero, PAF (Pesca, Areca y Frisa), and small producers. The Campero group is a large group that owns and operates poultry farms, feed mills, processing plants, and Pollo Campero is the largest restaurant chain in Central America. The PAF also operates poultry farms and processing plants. The Campero group and the PAF group control around 75 percent of Guatemala's total poultry production, with the remaining 25 percent provided by small producers. However, it is small producers that have been growing fastest in the past few years. Production of poultry meat has been growing about five percent per year, ANAVI officials believe growth could have been somewhat higher; however, US exports of chicken parts have filled much of the growth in demand.

There are 10 registered slaughtering facilities in Guatemala and around 300 broiler producers throughout the country. In 2001 the average live weight is between 4.0 and 4.5 lbs, while the average weight to market is 3.5 lbs. The average grow-out period for broilers is 40 days. There are around 190 egg producers in Guatemala. In 2000, 5.8 million layers were in production and 3.3 million birds were being raised for laying purposes. Production in 2000 was 1.6 billion eggs. Per capita consumption in 2000 was 144 eggs per year and the average production per bird in 2000 was 276 eggs.

The level of technology in Guatemala's poultry industry is relatively high in the larger poultry operations. The two largest producing groups are vertically integrated and use the latest technology to increase production yields, improve food quality and control diseases. Almost all the poultry industry's feed is manufactured domestically from yellow corn, soybean meal and tallow. In 2000 the industry consumed over 450,000 MT of yellow corn, a sum that is forecast to increase in the year 2001. The smaller producers receive direct or indirect support from ANAVI. ANAVI organizes seminars, provide technical assistance and represent the industry in lobbying for changes in Government policies.

## Consumption

Poultry per capita consumption is expected to continue rising in 2001. Poultry is part of the regular diet of most Guatemalans. Higher beef prices have pushed consumers to shift more from beef consumption to poultry. In addition, many consumers now perceive beef as a luxury item and pork is still fighting the image of an unsanitary food.

According to ANAVI officials poultry consumption has grown in the past fifteen years at a annual average of around five percent annually. The increase in poultry consumption was mainly due to an increase in beef prices which led to a substitution of beef for poultry. In 2001 and 2002 it is expected that poultry consumption will follow the trend of annual increases of five percent.

ANAVI reports that approximately 90 percent of all poultry consumed in Guatemala is purchased as whole birds, most of which are bought fresh from open markets and small stores. Approximately 10 percent of total poultry consumed in the country is bought from large supermarkets. There has been a slight increase in preference for U.S. frozen chicken parts due to lower retail prices. However, Guatemalans still prefer fresh poultry versus frozen parts. Almost all imports are frozen poultry parts.

Guatemala's local wholesale poultry prices in 2001 remain the same as last year, but in dollar terms decreased. Retail prices have increased slightly, in spite of steady wholesale prices. Poultry meat is the meat of consumer choice due to relatively high beef prices. A Guatemalan owned fast food franchise called Pollo Campero is in

fact more popular than McDonald's in the Central American countries, such as Guatemala, El Salvador and Honduras.

Import Trade Matrix	
Country	Guatemala
Commodity	Poultry, Meat, Total
Time period	Jan-Dec
Imports for:	2000
U.S.	14,000
Others	
Total for Others	0
Others not Listed	
Grand Total	14000

Export Trade Matrix	
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Country	Guatemala
Commodity	Poultry, Meat, Total
Time period	Jan-Dec
Exports for:	2000
U.S.	
Others	
Honduras	770
Total for Others	770
Others not Listed	
Grand Total	770

## Trade

Guatemala continues to operate a tariff rate quota (TRQ) for poultry parts. The TRQ in 2001 continues at 7,000 MT as it was in 2000. According to ANAVI officials, unrecorded imports not paying the 15 percent duty from the U.S. have increased in the last few years. In 2000, it was estimated that around 7,000 MT of poultry meat came into the country without record. ANAVI also reported unrecorded imports of egg products from Mexico.

The GSM-102 program continues to be a source of financing for the Guatemalan poultry industry when buying US commodities necessary for feed manufacturing. Guatemalan feed manufacturers actively use the GSM-102 program to purchase yellow corn and they are starting to use the program to purchase soybean meal. Since the GSM-102 allocation for the Central American Region is not country specific, this report cannot provide program usage figures for Guatemalan importers.

## Policy

Under the WTO agreement the GOG agreed to a TRQ for poultry that would be eliminated over a ten year transition period by the year 2005. As of February 23, 2001, Guatemala's annual TRW for poultry is 39,452 MT

at a tariff of 5%. This was an encouraging charge for international poultry trade.

The GOG is aware of unrecorded egg imports from Mexico. With the help of ANAVI through border inspections of egg imports, they are trying to eliminate the illegal trade in eggs. So far, the measure has reduced imports.

Readers are advised to see GT1008, Subject Tariff Reduction, dated March 5, 2001 for the latest development of the Government of Guatemala's poultry import policy.