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Mexico

Poultry and Products

Poultry Ban Partially Lifted

2004

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Report Highlights:

On March 8, 2004, the Government of Mexico announced a partial lifting of the ban on poultry products it had imposed on imports from the United States, allowing imports of mechanically separated poultry from chicken and turkey and de-boned turkey thigh for thermal processing from 39 U.S. states. A few days later, the Government allowed imports of poultry meat for border areas, baby chicks, baby turkeys and hatching eggs.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

Imports of Some Poultry Products Resume

During the week of March 8, 2004, Mexico's Secretariat of Agriculture (SAGARPA) announced a partial lifting of its February 24, 2004, ban on imports of uncooked (imports of cooked products were not banned) poultry products and live birds. SAGARPA announced that it would allow imports of mechanically separated meat from chicken and turkey and de-boned turkey thigh meat for thermal processing from the 39 U.S. states where avian influenza (AI) has not been detected in the past two years. SAGARPA also established import requirements for poultry meat for the retail market in the "franja fronteriza" or 20 km border line which also includes Cancun. Import requirements for three-day-old baby chicks and turkey chicks, and hatching eggs were also established. In some cases, new testing requirements were also imposed. A summary follows:

New Requirements for Poultry Imports

- ❖ The Mexican government is allowing poultry imports from 39 states, as 11 states remain banned due to previous or recent AI detections.
- ❖ No storage of products in banned states is permitted which makes it impossible to consolidate shipments along the border before entering Mexico.
- ❖ Mexico will only authorize poultry meat imports for the border areas from animals slaughtered on or after March 5, 2004.
- ❖ Imports of poultry mechanically separated meat and de-boned turkey thigh for further processing will be required to have the AGAR gel test with negative results to AI on or after April 1, 2004. (These products weren't subject to this test before)
- ❖ To export baby chicks, turkey chicks, and hatching eggs, it is now required to have the Hemagglutination Inhibition (HI) test in addition to the AGAR gel precipitation test with negative results to AI. The sampling with HI test will be requested on or after April 5, 2004.
- ❖ Birds can only be transported by air. Baby chicks can only be imported if born on or after March 5, 2004.
- ❖ Hatching eggs can only be imported if they were laid (born) on or after March 5, 2004

Note: For additional information regarding poultry meat and egg products exports to Mexico see the web page USDA/FSIS/Export Library at <http://www.fsis.usda.gov/OFO/export/Mexico.htm>

SAGARPA originally indicated that the ban would be in place for six months, but eventually decided to partially regionalize its response to the discovery of High Pathogenic Avian Influenza (HPAI) in Texas.

Restrictions on 13 States Remain in Place

The detections of AI and Exotic New Castle Disease (END) in several U.S. states over the past two years has led to the imposition of export restrictions (since July of 2002 in some cases) for certain U.S. states. In January 2004, SAGARPA made a proposal to the Animal and Plant Health Inspection Service (APHIS) that would have established requirements for resuming trade in banned products from these states. The proposal would have called for the re-introduction of the Hemmagglutination Inhibition test for a period of 12 months for the

Low Pathogenic Avian Influenza (LPAI) states and requested more information on APHIS control procedures for backyard flocks and movement controls in END states. However, with the detection of HPAI in Texas, SAGARPA has indicated that this offer is now rescinded. A summary of each state's current status follows.

Maine, North Carolina, Virginia, West Virginia – These are LPAI states where export restrictions have been in place since 2002. APHIS has provided SAGARPA with hundreds of pages of documentation on the LPAI control and certification procedures in these states, yet the restrictions remain in place.

New Jersey, Maryland, Delaware, Pennsylvania – The recent detection of LPAI in these states (Pennsylvania was a repeat occurrence in 2004, restrictions have been in place there since 2002) likely means that APHIS will have to provide in depth documentation of control procedures to SAGARPA.

California, Connecticut – These are LPAI states that opted for a vaccination control program rather than an eradication program by APHIS. Consequently, they were unable to comply with SAGARPA's requests for documentation relating to control procedures.

Arizona, Nevada, California – These states have been subject to END restrictions since early 2003. Here again, APHIS has provided hundreds of pages of documentation on control procedures yet the restrictions remain in place.

Texas – Texas was both a LPAI and END state before the detection of HPAI. At this stage, much of the focus will be on HPAI, but Texas will likely also have to have its END status lifted before full exports can begin.

Poultry meat for the border areas and MDM and de-boned turkey thigh for further processing may be shipped across banned states provided they are sealed and remain sealed until the point of entry into Mexico. With the detection of HPAI in Texas, SAGARPA rescinded its approval of certain warehouses in Texas allowing for the breaking of seals, storing and mixing of products from unaffected states, and re-sealing of containers.

The following table resumes some of the regulations that are currently being implemented by the Mexican government for U.S. live poultry and poultry meat exports.

REGULATIONS FOR POULTRY AND POULTRY PRODUCTS EXPORTS

ITEM	RAW POULTRY FOR RETAIL ① TO BORDER AREAS	RAW POULTRY FURTHER PROCESSING⑥	FULLY COOKED PRODUCTS	HATCHING EGGS	THREE DAY OLD CHICKS
END STATES EXPORT STATUS②	NO	NO	YES	NO	NO
AI STATES EXPORT STATUS③	NO	NO	YES	NO	NO
REQUIRED LANGUAGE ON CLEANING AND DISINFECTION OF TRUCKS	YES	YES	NO	YES	YES
REQUIRED SEALING OF TRUCKS AT POINT OF ORIGIN	YES	YES	NO	YES	YES
AGAR GEL TEST REQUIRED	YES	YES ⑦	NO	YES④	YES④
HEMAGGLUTINATION INHIBITION TEST	NO	NO	NO	YES⑧	YES⑧
CERTIFICATION REQUIREMENTS ON END⑤	YES	YES	YES	YES	YES

① SAGARPA had previously suspended imports of bone-in chicken leg quarters for further processing to the interior of Mexico because of concerns about products being diverted to the retail market. Currently, all retail imports to the interior of Mexico are banned.

② The four states affected by END are: Texas, California, Nevada and Arizona. All END affected states are not eligible to store or consolidate raw product for direct human consumption or further processing.

③ There are eleven states affected by AI: Maine, Connecticut, Texas, Pennsylvania, West Virginia, Virginia, North Carolina, California, Delaware, New Jersey and Maryland.

④ Test should be conducted on a quarterly basis.

⑤ Statement for meat, meat products and by products. - "That the product comes from flocks that have a monitoring program of 70 birds that began after 12 days of age, using viral isolation tests and identification of velogenic strains through a test that indicates intracerebral pathogenicity in chicks of one day of age and that is carried out for each lot that is delivered for slaughter, obtaining negative results for Velogenic Newcastle disease." (Check the different import requirement sheets for specific products)

⑥ Imports are only approved to proceed to Federal Inspected Plants (TIF) and non-TIF meat processing facilities. An official Veterinary Doctor will accompany the shipment through all the import and distribution process. This only applies to mechanically de-boned chicken and turkey and de-boned turkey thigh meat as specified in Mexico's import requirements. Other products for further processing are currently banned.

⑦ AGAR Gel tests will be required as of April 1, 2004.

® Sampling with the HI test will be required as of April 5, 2004.

Market Status

When the ban was implemented on February 24, 2004, the Mexican government indicated that the ban would not represent poultry supply problems in the domestic market since total consumption of eggs was produced domestically, and more than 90 percent of chicken consumption was supplied by domestic production. Imports of U.S. poultry products accounted for about 10 percent of total consumption in Mexico during 2003. The largest volumes of imports were mainly poultry cuts and mechanically de-boned meat for further processing, and chicken leg quarters for the retail market at the border areas.

Poultry prices began to increase modestly after Mexico announced its ban on imports of U.S. bovine products following the December detection of BSE in the United States and have continued increasing during the first part of 2004. Average retail prices for chicken leg quarters (CLQ) in Mexico City increased from \$17.55 pesos/kg (US\$1.56/kg) in December 2004 to \$18.00 pesos/kg (US\$1.60/kg) in January, to \$19.00 pesos/kg (US\$1.69/kg) in February.

However, price increases were more pronounced in border areas, which are dependent on CLQs imported under the tariff-rate quota. These border areas are not usually supplied from domestic production regions due to the distance from producing centers and high shipping costs. Prices for CLQs were about \$10.00 to \$11.00 pesos/kg retail (US\$0.88 to \$0.98/kg) before the AI ban, nearly half the price of CLQ prices in the interior of Mexico.

MEXICAN IMPORTS FOR SELECTED POULTRY PRODUCTS

Jan–Nov 2003

H.S. Tariff Number	Description & Country of Origin	Volume MT
0207.26.01	Mechanically de-boned turkey meat	
	U.S. and subtotal	1,907
0207.13.01	Mechanically de-boned chicken meat fresh or Chilled	
	U.S. and subtotal	72,295
0207.14.01	Mechanically de-boned chicken meat frozen	
	U.S.	39,469
	CHILE	1,252
	SUBTOTAL	40,721
0207.27.01	Mechanically de-boned turkey meat, frozen	
	U.S.	14,391
	OTHER	290
	SUBTOTAL	14,681
0207.26.99	Fresh & chilled turkey parts	
	U.S.	77,020
	Other	0
	SUBTOTAL	77,020
0207.13.99	Fresh & chilled chicken parts	
	U.S. and subtotal	1,783

H.S. Tariff Number	Description & Country of Origin	Volume MT
0207.14.99	Frozen poultry parts	
	U.S.	60,159
	OTHER	313
	SUBTOTAL	60,472
0207.27.99	Frozen turkey parts	
	U.S.	37,033
	OTHER	36
	SUBTOTAL	37,069
0207.13.03	Chicken Leg Quarter, Fresh/chilled	
This tariff will apply for 2003	U.S.	27,137
	OTHER	0
	SUBTOTAL	27,137
0207.14.04	Chicken Leg Quarter, Frozen	
This tariff will apply for 2003	U.S.	68,400
	OTHER	0
	SUBTOTAL	68,400