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Voluntary Public

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Mexico

Post: Mexico

HPAI H7N3 Outbreak Expands to Guanajuato Reproducing Farms

Report Categories:

Agriculture in the Economy

Agriculture in the News

Pest/Disease Occurrences

Poultry and Products

Sanitary/Phytosanitary/Food Safety

Trade Policy Incident Report

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Report Highlights:

On February 18, 2013, the National Service of Health, Food Safety, and Food Quality (SENASICA) reported that lab tests confirmed the presence of a Highly Pathogenic Avian Influenza (HPAI) serotype H7N3 virus in farms devoted to the production of hatching eggs for broiler production and table eggs in the State of Guanajuato. SENASICA confirmed the virus genetic sequence is similar to the 2012 outbreak in Jalisco and the early 2013 outbreak in Aguascalientes and Jalisco.

General Information:

As of February 19, 2013, 12 farms (10 devoted to the production of fertile eggs for the production of broilers and 2 for producing table eggs) located in four municipalities in the State of Guanajuato have been found positive for the virus. The affected farms, property of Bachoco (the leading poultry manufacturer in Mexico), encompass a total population of 1.02 million birds.

SENASICA reported this information to the World Organization for Animal Health (OIE) on February 18, 2013, and indicated that there were 647,742 susceptible birds, 53,553 positive cases, and 34,889 deaths. SENASICA reported that 612,853 birds were destroyed.

Federal and state authorities have installed 13 internal verification points to implement active and passive surveillance, quarantine, and movement controls along with the depopulation of birds and disinfection of facilities. SENASICA has denied the possible failure of sanitary controls or the failure to correctly apply measures from previous outbreaks. Rather, SENASICA has indicated that the HPAI H7N3 strain is a very complex strain that could remain active for long periods.

The press has started reporting market implications and affects on consumers. Even though Mexican government authorities have declared that there is no reason for egg and poultry meat prices to increase, speculative price movements reportedly have started to occur. Reportedly, the states of Guanajuato, Queretaro, Colima, Michoacán, Jalisco, Nayarit and Aguascalientes have reported a sudden increase in egg prices, however, due to the lack of available data, Post has not been able to confirm this, yet. In the meantime, the Mexican Government will continue monitoring prices to prevent price gouging and to protect consumers.

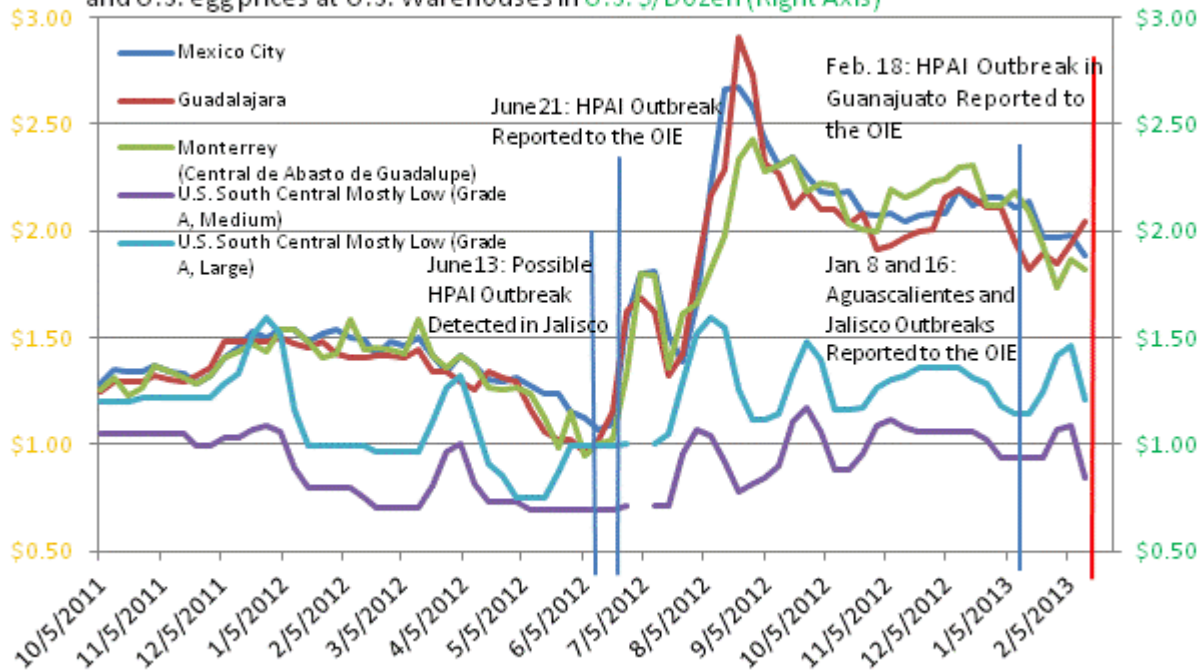
The State of Guanajuato, located in the Bajio area (Central Mexico), hosts 158 highly developed farm operations with an estimated population of 20 million birds. Guanajuato's share in the domestic production of egg and broilers is 3 and 4 percent; respectively.

FAS Comment:

Charts 1 and 2 below provide an indication of price movements and a comparison to U.S. prices since late 2011.

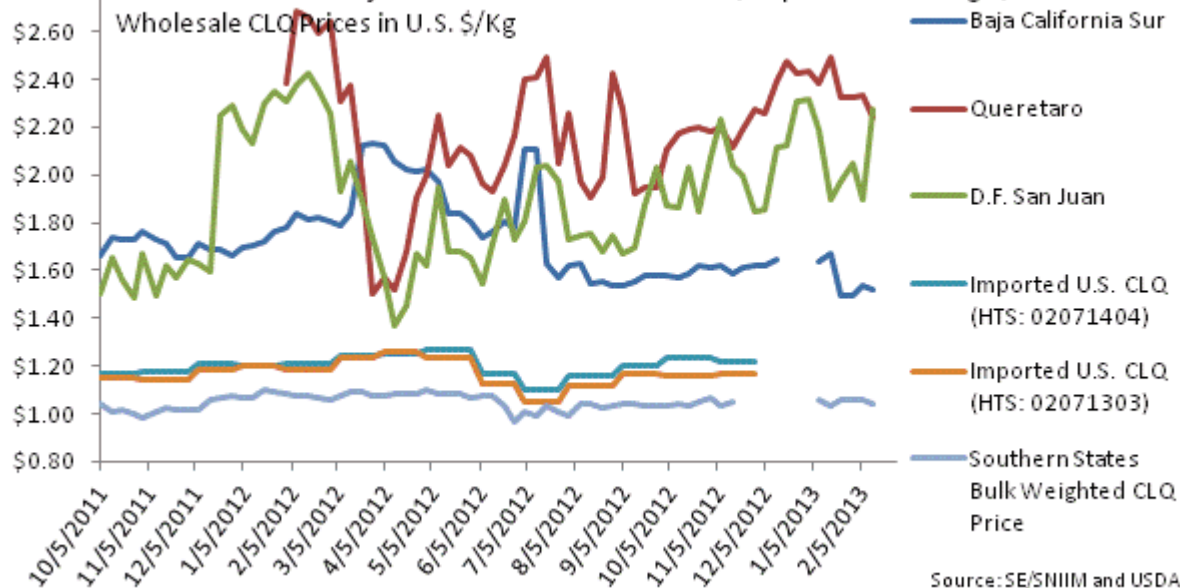
Production, Supply and Demand Data Statistics :

Chart 1. Mexico: Major Market Retail Egg Prices at Wholesale Markets in U.S. \$/Kg (Left Axis) and U.S. egg prices at U.S. Warehouses in U.S. \$/Dozen (Right Axis)



Source: SE/SNIIM and USDA/AMS

Chart 2. Mexico: Major Mexican Wholesale Market, Imported U.S.-Origin, and U.S. Wholesale CLQ Prices in U.S. \$/Kg



Source: SE/SNIIM and USDA/AMS

Author Defined:**Additional Information**

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Other Relevant Reports Submitted by FAS/Mexico:

| Report Number | Subject | Date Submitted |
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| MX3011 | Poultry and Products Semi-Annual | 2/13/2013 |
| MX3003 | HPAI H7N3 Outbreak Erupts Again in Jalisco | 1/18/2013 |
| MX3002 | High Path Avian Influenza Outbreak in Aguascalientes | 1/10/2013 |
| MX2087 | Poultry and Egg Prices and Trade Snapshot | 11/29/2012 |
| MX2069 | Eggcellent Industry and Government Cooperation Facilitates Trade | 10/19/2012 |
| MX2067 | Egg Import Tariffs Eliminated | 9/14/2012 |
| MX2059 | Mexico Announces Import Quotas for U.S. Eggs | 8/17/2012 |
| MX2058 | Chicken AD Final Resolution | 8/6/2012 |
| MX2053 | SENASICA Delivers Vaccines to Control AI Outbreak | 8/2/2012 |
| MX2049 | Poultry, Meat and Broiler Annual | 7/18/2012 |
| MX2046 | Economia Opens 221K Metric Ton Egg Quota Due to Market Speculation | 7/11/2012 |
| MX2044 | Avian Influenza Outbreak Hits More Farms in Jalisco | 7/6/2012 |
| MX2043 | Emergency Management System Activated to Combat Avian Influenza | 7/6/2012 |
| MX2040 | High Pathogenic Avian Influenza Outbreak in Jalisco | 6/29/2012 |

Useful Mexican Web Sites: Mexico's equivalent to the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, equivalent to the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx and equivalent to the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.