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GOM Investigates Monopolistic Practices In Mexican Poultry Sector

Report Categories:

Trade Policy Monitoring

Poultry and Products

Livestock and Products

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Report Highlights:

On December 17, 2009, Mexico's Federal Commission of Economic Competition (CFC) published a notice announcing an investigation of the Mexican poultry sector regarding possible monopolistic business practices. At this time, no specific companies have been cited as conducting business in this manner. However, the findings could affect U.S. companies that have invested in the Mexican poultry sector.

General Information:

Introduction: This report summarizes the official announcement published in Mexico's "Diario

Official” (Federal Register) on December 17, 2009, in which Mexico’s Federal Commission of Economic Competition (CFC) announced an investigation of the Mexican poultry sector.

Disclaimer: This summary is based on a cursory review of the announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico’s Executive Summary: Current information available to CFC is sufficient to initiate, within the Mexican poultry sector, an investigation into possible monopolistic practices as defined by the Law of Mexican Economic Competition (LMEC).

The investigation will examine contracts, business arrangements, agreements or a combination of the three for companies within the Mexican poultry sector, especially for those practices which affect poultry market prices.

FAS/Mexico Analysis: This announcement allows for any company to contribute to the investigation. The Mexican poultry sector is very concentrated, as three companies account for 55 percent of all Mexican chicken production. Two of the three are U.S. firms, and could be asked to provide information for the investigation. Despite the sector being highly concentrated within three companies, small and medium companies, along with supermarkets, could influence the investigation, which could result in sanctions for the entire sector.

At this time, no U.S. poultry exports will be affected as a result of this investigation. The investigation is focused on the domestic market; however, there is a small possibility that CFC may seek information from U.S. exporters.

FAS-Mexico will continue to monitor the investigation for any changes which may occur during the investigation.

The investigation officially began on December 17, 2009, and will take between 30 to 120 days to complete, but this timeframe could be extended four times if necessary.

GOM Information

Mexico's Federal Commission of Economic Competition (CFC) can be found at www.cfc.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.economia.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 there sites.

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