

11-4-1998

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Recommended Citation

LADB Staff. "U.S., Mexican Livestock Producers Exchange Anti-Dumping Charges." (1998). <https://digitalrepository.unm.edu/sourcemex/3997>

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U.S., Mexican Livestock Producers Exchange Anti-Dumping Charges

by LADB Staff

Category/Department: Mexico

Published: 1998-11-04

Livestock producers in Mexico and the US have called on their governments to initiate anti-dumping investigations against imports from the other country. In Mexico, a coalition comprising the Consejo Nacional Agropecuario (CNA), the Confederacion Nacional Ganadera (CNG), and the Consejo Mexicano de la Porcicultura (CMP) convinced the Secretaria de Comercio y Fomento Industrial (SECOFI) to launch anti-dumping investigations on imports of US beef and pork. The coalition has accused US exporters are selling meat in Mexico at below-market prices.

In the US, the Ranchers-Cattlemen Action Legal Foundation (R-CALF) has asked the US Commerce Department to initiate an anti-dumping investigation on imports of Mexican cattle, charging that Mexican producers are selling livestock in the US at below cost. SECOFI's decision to investigate US beef and pork imports is based on allegations that US producers are selling surplus lower-quality meat in Mexico because of a slump in sales to Japan and other Asian markets. The complaint by the Mexican industry groups says US producers are primarily channeling their lower-quality, lower-priced beef to retail chains like Comercial Mexicana and Gigante.

Trade Secretariat to investigate US beef, pork imports

SECOFI, which announced its decision to investigate in mid-October, said these imports could seriously threaten the Mexican meat industry if allowed to continue. The CNG, the CMP, and other industry groups estimate that beef and pork imports, originating primarily from the US, could account for as much as 34% of the meat consumed in Mexico this year, compared with only 16% to 18% in recent years. SECOFI said its investigation of beef imports will focus on shipments brought into Mexico between June and December 1997. The pork investigation will examine imports between October 1997 and March 1998.

Meanwhile, the R-CALF request for an investigation of imports of Mexican cattle could face difficulties because of a lack of support from a major industry group. In its complaint, R-CALF argues that Mexican cattle are being sold in the US at prices as much as US\$200 lower than in Mexico. "Ranchers in the US are being seriously harmed by the internationally recognized unfair trade practices of our neighbors," said R-CALF president Leo McDonnell. But the largest US cattle-producers organization, the National Cattlemen's Beef Association (NCBA), has declined to endorse R-CALF's request. The NCBA's support is crucial, since the investigation cannot proceed unless R-CALF can demonstrate support from at least 25% of the industry.

Without the NCBA support, the Commerce Department may have to conduct a statistical poll of livestock producers to determine whether the issue has legal standing, said R-CALF legal counsel Terence Stewart. NCBA sources are concerned that R-CALF's action could hurt US beef sales to Mexico, which has become the second-largest importer of US beef. NCBA spokesman Todd Inglee said the US exports tons of beef to Mexico. "They've taken up a lot of the slack now that the Asian

markets are down." According to the newspaper Journal of Commerce, the US sold US\$131.9 million worth of cattle to Mexico in 1997, 75% of the total of US\$177.4 million in US cattle exports. Similarly, Mexico ranked among the top customers for US beef and pork. In 1997, the US exported US\$56 million in frozen beef and US\$53.9 million in frozen pork to Mexico. (Sources: The News, 10/14/98, 10/19/98; El Financiero International, 10/19/98; Reuters, 10/14/98, 10/20/98; El Universal, 10/21/98; El Economista, 10/21/98, 10/28/98; The Journal of Commerce, 10/14/98, 11/02/98)

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