

Cofece-015-2022

Cofece initiates market study on beef

- *The sector is relevant because Mexican households allocated 19% of their food expenditure to the purchase of beef.*
- *The study will analyze the structure, functioning and regulatory framework in the markets of production, distribution and commercialization of beef and related markets in order to evaluate the dynamics on matters of competition.*
- *If appropriate, the study will present to the authorities of the sector proposals and recommendations to promote greater competition and free market access for the benefit of consumers.*

Mexico City, May 3, 2022.- The Board of the Federal Economic Competition Commission (Cofece or Commission) approved the conduction of a study on matters of free market access and economic competition in the markets of production, distribution and commercialization of beef and related markets, as it considers them part of the priority sectors for the economy, household expenditure and employment in our country.

The study¹ will analyze the structure and regulatory framework of the beef market and its related markets, and will present recommendations with the aim of, where appropriate, improving its functioning.

In 2020, Mexico was the seventh largest producer of beef in the world according to the Food and Agriculture Organization of the United Nations (FAO), reaching 2.1 million tons according to figures of the Ministry of Agriculture and Rural Development; while the national demand is mainly supplied by domestic supply (93%), according to the Mexican Meat Council. Concerning its relevance within national production, bovine meat represented 14% of the agri-food GDP. The sector generated approximately 250 thousand jobs in bovine cattle breeding and 43 thousand in slaughtering, cutting and packing of meat from cattle, poultry and other edible animals, which together represented almost 1% of the economically active population, and about 7% of the population employed in the agri-food sector. In that same year, households allocated 19% of their food expenditure to the purchase of beef, according to data from the National Institute of Statistics and Geography (INEGI).

This study is aligned with Cofece's Strategic Plan 2022-2025, since the beef market is a part of the priority sector of food and beverages established therein. Beef is a widely consumed good, impacts the lower-income population and is subject to regulations that, on occasions, hinder competition.

¹ The conduction of this study is based on article 12 of the Federal Economic Competition Law, section XXIII.

Those persons, institutions and economic agents interested in providing comments and submitting elements they deem relevant to the market assessment, from the perspective of competition, may do so via email to the following address: estudiocarnederes@cofece.mx or directly at the Commission's Filing Office, located at Avenida Revolucion number 725, floor 1, Santa María Nonoalco, Benito Juárez, Mexico City, Postal Code 03700.

It is important to mention that, in accordance with the agreement to initiate the study of the market for meat and related products, the final document does not constitute a prejudgment on possible violations to the Federal Economic Competition Law (LFCE, per its initials in Spanish).

Read here the [Agreement of initiation of the study on matters of free market access and economic competition in the markets of production, distribution and commercialization of beef meat and related markets](#) (in Spanish).

– 000 –

MORE COMPETITION FOR A STRONGER MEXICO

The Mexican Federal Economic Competition Commission is responsible for ensuring competition and free market access. In this way, it contributes to the people's welfare and the efficient functioning of the markets. Through its work, it seeks better conditions for consumers, that more services are offered with higher quality and that there is "level playing field" for companies.