



## Impacts of the Lost Mexican Market for U.S. Cattle CNAS Issue Brief 2007-03

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- Prior to finding the Canadian cow in the U.S. that was diagnosed with BSE, exports of breeding cattle to Mexico were an important market for US and Texas seedstock producers. Mexico was also an important market for slaughter cattle.
- Over the last 20 years, prior to 2003, sales ranged from 5,400 head to 257,200 head. The value of those sales ranged from \$3 million to \$149 million.
- This market was also affected by drought conditions, overall cattle market prices, economic crises, and cyclical industry conditions.
- US cattle exports to Mexico averaged 125,600 head at a value of \$86.5 million over the 2000-2002 period. That dropped to about \$1 million in export value over the 2004-2006 period.
- IMPLAN, an economic input/output model, is used to estimate the broader economic impacts of this lost market on the economy. The following table contains a summary of the economic costs associated with losing the Mexican breeding cattle market. The results represent the three year sum of the estimated impacts from 2004-2006.
- The loss in US cattle exports to Mexico was \$256.6 million. Decreased exports from Texas represent 71% of those lost exports. Total lost business activity to the US is estimated to be \$636 million. Texas losses are estimated to be \$210 million, almost one third of the total.
- Employment supporting cattle exports to Mexico was reduced by 7,108 jobs in the broader U.S. economy and 4,569 jobs in the Texas economy.

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<b>Estimated Impacts from Reduced Cattle Exports to Mexico due to BSE</b>				
	<u>Exports</u>	<u>Business Activity</u>	<u>Income</u>	<u>Employment</u>
	<i>(Value in Million Dollars, Employment in Number of Jobs)</i>			
U.S. Impacts	-\$256.6	-\$636.1	-\$336.3	-7,108
Texas Impacts	-\$181.7	-\$209.8	-\$126.0	-4,569
Estimated by Center for North American Studies using IMPLAN for the years 2004 - 2006 Center for North American Studies, Department of Agricultural Economics, Texas A&M University				

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