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## Mexico

### Agricultural Situation

### Weekly Highlights & Hot Bites, Issue #30

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#### Report Highlights:

**VIPS Restaurant Chain to Promote Soy-Based Dishes\*Jalisco School Breakfast**

**Program to Include TSP\*Inflation Slows After July Peak**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Mexico [MX1], MX

Welcome to Hot Bites from Mexico, a weekly review of issues of interest to the U.S. agricultural community. The topics covered in this report reflect developments in Mexico that have been garnered during travel around the country, reported in the media, or offered by host country officials and agricultural analysts. Readers should understand that press articles are included in this report to provide insights into the Mexican "mood" facing U.S. agricultural exporters. Significant issues will be expanded upon in subsequent reports from this office.

**DISCLAIMER:** Any press summary contained herein does NOT reflect USDA's, the U.S. Embassy's, or any other U.S. Government agency's point of view or official policy.

### **VIPS RESTAURANT CHAIN TO PROMOTE SOY-BASED DISHES**

As a result of a successful food promotion Agricultural Trade Office (ATO)/Mexico City organized with the VIPS restaurant chain in FY 2000, the American Soybean Association (ASA), along with the ATO, will do a follow-up promotion with this important chain during the months of September/October 2002. VIPS is the largest restaurant chain in Mexico with 203 units nationwide. The projections of sales are of 50,750 orders of textured soy protein (TSP) "tacos" and 81,200 smoothies during the first month. This represents 2.5 MT of TSP and 2 MT of soymilk per month. Sales are expected to double in the following months as a description of the health claim regarding soy protein benefits will be included in the tablecloths with images of the soy-based dishes. In October 2002, VIPS is planning to include more soy-based dishes like "veggie burgers" and soy stew. (Source: ATO/Mexico City, 9/10/02)

### **JALISCO SCHOOL BREAKFAST PROGRAM TO INCLUDE TSP**

The American Soybean Association (ASA) has convinced a trade alliance between Soyamigo and Jalisco DIF (Family Integral Development) to include one serving of textured soy protein (TSP) in their daily school breakfast program for children. Everyday, DIF Jalisco serves 120,000 breakfasts with different portions of vegetable and animal foods. The TSP will be added to the scrambled eggs replacing the dry meat (*machaca*). Once per month, they will also introduce TSP in the basic basket distributed to each family participating in this program. This program will consume about 55.8 MT of TSP per month. (Source: ATO/Mexico City, 9/10/02)

### **INFLATION SLOWS AFTER JULY PEAK**

Consumer prices rose slower in August 2002 than a year earlier, ending a rise in inflation caused by a weaker currency and higher electricity prices, Mexican Central Bank Governor Guillermo Ortiz said. The annual inflation rate fell to 5.3 percent in August 2002, he said, compared with 5.5 percent in July 2002. Consumer prices climbed 0.38 percent in August 2002 from the previous month. "We are confident that inflation peaked in July," Ortiz told reporters at a news conference at the central bank to introduce a new 20 peso bill. "Inflation will fall month by month and we hope that we will be as close as possible to the 4.5 percent goal for the year." It was the smallest gain in prices for the month of August since 1969, the central bank report showed. Housing, eggs and electricity prices led the increase. Economists expect Mexico to miss its 2002 annual inflation target for the first time in four years as retailers raise prices to

compensate for higher electricity rates and a weaker peso, which makes importing goods more expensive. The Central Bank's record of meeting goals has helped make Mexico the largest recipient of foreign investment in Latin America so far this year. "The final inflation figure will be a little above the goal," said Fernando Losada, an economist with ABN Amro Inc. in New York. "That's not a bad performance given the doubts over what's going to happen in the U.S. economy." Economists don't expect Ortiz will move to raise interest rates to slow inflation as a slower-than-expected recovery in the U.S. economy also puts at risk Mexico's goal of 1.8 percent growth this year. Ortiz blamed this year's rise in inflation on the government's decision to boost by 8 percent the electricity rates charged by the state-owned power company. Meanwhile, the Mexican peso has depreciated 7.8 percent this year, trading today at 9.93 pesos to the dollar. (Source: *The News*, 9/10/02)

#### REPORTS SUBMITTED RECENTLY BY FAS/MEXICO CITY

REPORT #	TITLE	DATE
MX2127	Weekly Highlights & Hot Bites, Issue #29	9/5/02
MX2128	Auction Permits to Import Milk Powder Set for October 4, 2002	9/6/02
MX2129	Prolongation on Emergency Rule for Control of Beta-Agonist Use in Livestock NOM-015-ZOO-2002	9/9/02

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