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

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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.

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KITTY FOOD WARS

Whiskas' advertising campaign that eight out of ten cats prefer Whiskas cat food has generated three lawsuits for false advertising. Nevertheless, Whiskas has not only continued with this slogan, but has increased its budget by 20 percent. Effem, the Mexican parent company of Whiskas, which belongs to the U.S.-based Mars Company, wants sustained sales growth of 8 to 9 percent annually of its cat food line, after seeing a 50 percent increase over the past two years. Whiskas went forward with the advertising campaign after conducting a survey of 50,000 Mexican cat owners and finding that 88 percent of their cats prefer Whiskas. The lawsuits against the Whiskas campaign question the validity of the survey. (Source: *El Economista*, 5/26/04)

SECURITY MEASURES WILL SHIFT CONTAINER TRAFFIC FROM THE UNITED STATES TO MEXICAN PACIFIC PORTS

As of July 1, 2004, Mexican Pacific ports, particularly Lazaro Cardenas and Manzanillo, will handle 800,000 containers per year that had gone previously to U.S. ports, particularly Long Beach, CA. Effective July 1, 2004, new security measures from the International Maritime Organization go into place that preclude receiving or sending sealed container shipments to/from one country that are bound for a separate country. Manzanillo is Mexico's main container port with an annual capacity of about one million containers. Lazaro Cardenas opened a new container port last week that is anticipated to receive 50,000 containers per year. (Source: *El Financiero*, 6/3/04)

MEXICO'S TRANSPORT PLAN "PROYECTO BANDERA" IS STUCK

According to Francisco Cassian, Director of Stevedoring Services of America, controlling company of the port of Manzanillo, the so-called "Proyecto Bandera" (flag project) that hopes to make Mexico a stepping stone in the passage of merchandise from Asia and South America to the eastern United States, is stuck for lack of coordination among the responsible parties, lack of communication among the different modes of transport and a lack of infrastructure to support the traffic of merchandise. (Source: *Reforma*, 6/2/04)

MANY GAPS IN THE LAW ON BIOTERRORISM

According to a local newspaper, the President of the Confederation of Associations of Customs Brokers of the Mexican Republic, Oscar Mayer, indicated that there are still many gaps on what will be the procedures for the implementation of the bioterrorism law. He indicated that only three of the four final rules of the law have been published, while the

standards for the maintenance of records are still pending. He added that the U.S. authorities in charge of the law have not clarified to the exporters the errors committed in the filling out of forms of prior notice and have only warned that it will be August when the fourth phase of the law becomes effective. (Source: *El Financiero*, 6/2/04)

MEXICO WILL RATIFY ITS CUSTOMS DUTIES FOR GRAINS

According to a local newspaper, the Secretariat of Economy (SE) will harmonize its duty rate system with that of the United States with regards to imports of basic grains. Within the next two weeks, soybean paste, a basic feed for swine and poultry, will enter Mexico under the harmonized duty rates. Adalberto Gonzalez, the General Director of Basic Industries at SE, explained that Mexico has to make its duty system equal to the lower duty rate system of the United States in order to make our livestock system competitive in NAFTA. (Source: *Reforma*, 6/2/04)

REPORTS RECENTLY SUBMITTED BY FAS/MEXICO CITY

NUMBER	TITLE	DATE
MX4066	Weekly Highlights & Hot Bites, Issue #20	5/25/04
MX4067	Mexico BSE Update (Seventh Edition)	5/26/04
MX4068	Mexico Announces an Extension of the Emergency Standard for Wood Packaging Materials of Six Months	6/2/04

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