



USDA Foreign Agricultural Service

# GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - Public distribution

**Date:** 6/13/2008

**GAIN Report Number:** MX8041

## Mexico

### Agricultural Situation

### Weekly Highlights and Hot Bites #21

2008

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**Report Highlights:**

- **BACTERIA IS THREATENING EXPORTS OF RED TOMATO FROM SINALOA**
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Includes PSD Changes: No  
Includes Trade Matrix: No  
Annual Report  
Mexico City [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.**

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### **BACTERIA IS THREATENING RED TOMATO EXPORTS FROM SINALOA**

Mexican exports of red tomato which last year provided income of \$572 million dollars to the state of Sinaloa are currently suffering from a new problem, speculation that they could be infested with the salmonella bacteria. With the spread of an outbreak of this illness in 17 U.S. states, in which 67 cases have been reported, twenty seven needing hospital care, the Sinaloa producers who contribute 45% of Mexico's export sales of tomatoes, are afraid of a boycott. The manager of the Commission for the Investigation and Defense of Vegetables, Mario Haroldo Robles Escalante, explained that even when the authorities from the U.S. have not determined from where the contamination originated, some information points to Mexican tomatoes. In 2006-2007, Sinaloa accounted for 316,828 of the 753,603 tons of red tomatoes that Mexico exported, most of it from the varieties Roma and Round Red. Local producers are getting ready for a new trade war. (Source: El Universal 06/11/2007)

### **UNFAIR THAT MEXICAN TOMATO NOT ON THE FDA LIST**

With the cases of salmonella in red tomato, the U.S. FDA recommended buying tomatoes only from a list of seven countries, in which Mexico, its main supplier, does not appear. The first suspicions about the origin of the outbreak, which the FDA is investigating, point towards Mexico and Florida. Last year, Mexico supplied 88% of all the red tomato that the United States imported. The varieties in which FDA detected a risk of salmonella are the round red and Roma varieties. The list from the FDA has provoked some U.S. buyers to cancel orders. For Mexico, the associated losses only on the cycle of the crop exported from June-October, could add up \$500 million dollars, affecting around 100 thousand workers. Mario Haroldo Robles, Manager of the Confederation of Agriculture Associations of the State of Sinaloa, considered the recommendation list published by the FDA unfair, because it has not proved that the affected tomato is from Mexico. Producers groups from Baja California confirmed that the situation is delicate and that they have gone to the Secretary of Agriculture in Mexico to help them solve the matter with the FDA. (Source: Reforma 06/11/08)

### **TRANSGENICS ARE PROPOSED TO STOP THE FOOD CRISIS**

Luis Herrera Estrella, Director of the National Genome Laboratory for Biodiversity proposed that President Felipe Calderon confront the shortage and the high prices of food through long-term planning, which should contemplate the use of transgenic material in Mexico. The PHD in Science, member of the Research and Advance Studies Center (Cinvestav) of the Instituto Politecnico Nacional (IPN), said that we still have time to mitigate the effects of the crisis which is seen around the world due to the reduction of wheat supplies, the increase in

rice demand, and the use of corn for the production of ethanol. He warned, "there is technological support that can be given immediately; better irrigation systems, certified seeds and schemes of weed and pests control management; but we would have to create a plan for the long run to reactivate the conventional genetic improvement program and include biotechnology as a component that. If we don't start today, in ten or 15 years, when the situation is more complex, will be too late". Herrera Estrella said that in comparison with the United States, Argentina or Brazil, we are behind in the incorporation of new technologies which will allow us to be more competitive in agriculture production. "It would be interesting for this food plan to be created for the next 20 years, that we say which plans we need in order to fill the basic food basket, which are most important for industrial consumption, which are the exports crops, so Mexico remains competitive without expecting immediate results". The Scientist trusted that once the Regulation of Biosafety of Genetically Modified Organisms (OGM) is published, Mexico will have a special protection regime for corn that will allow the Secretaries of Agriculture and Environment to handle the first requests for permits that allow tests with transgenic varieties. "Biotechnology is a very powerful tool to reduce production costs and have better quality plantings". Herrera Estrella said that he expects that before 2008 is gone the first permits will be delivered, and in a couple of years commercial plantings can be completed in Mexico. "If we had started these programs ten years ago we would already have them in the market, but unfortunately, there was no support". (Source: Excelsior 06/10/2008)

#### **SAGARPA: MEXICAN TOMATO NOT LINKED TO SALMONELLA IN U.S.**

The Mexican government confirmed today that the tomato produced in the country is "100% safe", after the United States detected a salmonella outbreak in which at least 145 people have become ill in 16 states. The Secretary of Agriculture (SAGARPA) Alberto Cardenas, said that the salmonella is not caused by the product exported from Mexico. "The Mexican tomato is more healthy and clean than ever", he also pointed out that this agriculture product "has not given any problem to the millions of people in Mexico" that eat it "every day". He insisted that the Mexican tomato (red tomato) is "fit to be exported to any country to be eaten", and lamented that Mexico is still not in the list of countries that are safe exporters of these products, according to U.S. authorities. According the Secretary, the FDA does not have "any evidence" that the Mexican tomato has anything to do with salmonella. The Ministries of Agriculture and Health of Mexico have issued a joint statement "that demands the United States authorities complete, as soon as possible, the investigation they have started and determine the origin of the salmonella outbreak". They are also asking that Mexico be included in the list of safe producers of this product from the FDA. "This action (not having Mexico on the list without scientific foundation) is excluding the export of Mexican tomato to the North American market". (El Financiero: 06/19/2008).

#### **BEANS PRODUCTION GUARANTEED**

Producers, packers, and beans traders, with the support of the federal government, signed an agreement in which they promised to maintain dry bean supplies in order to maintain price stability. The Under Secretary of Economy, Rocio Ruiz, indicated that about 500 tons of food will be imported if there is a decrease of the inventories, while the Secretary of Agriculture, Alberto Cardenas, said that there will be \$1,300 million pesos given to support the beans producers in the acquisition of assets, fertilizers and to modernize infrastructure and transportation. (Source: Excelsior 06/13/2008)

#### **INCREASE IN SUBSIDIES IN THE UNITED STATES A WORRY**

In the context of the global food crisis, Alberto Cardenas, Secretary of Agriculture insisted that the increased subsidies to agriculture producers that could be approved in the future by the U.S. Congress are a worry. Cardenas also noted that if the current food crisis is not stopped, social problems and political insecurity could be generated. He complained that Latin America was not a pressing topic in the speeches of the leaders at the recent food conference of the United Nations in Rome, while Africa attracted all the attention about the urgent measures that will have to be taken. (EI Universal: 06/13/2008)