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Mexico

Agricultural Situation

Mexico Increases Agricultural Budget for 2009 2008

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Report Highlights:

Mexico published its 2009 budget in the *Diario Oficial* (Official Gazette) on November 29, 2008. The budget includes a record 70.7 billion pesos (US\$5.7 billion) for programs overseen by the Secretariat of Agriculture (SAGARPA), an increase of nearly 10 percent over the 2008 budget. Overall funding for the rural sector as a whole was increased 15.6 percent in 2009, the second consecutive year with an increase of over 15 percent.

Includes PSD Changes: No
Includes Trade Matrix: No
Annual Report
Mexico City [MX1]
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Mexico published its 2009 budget in the *Diario Oficial* (Official Gazette) on November 29, 2008. The budget includes a record 70.7 billion pesos (US\$5.7 billion) for programs coordinated by the Secretariat of Agriculture (SAGARPA), an increase of nearly 10 percent over the 2008 budget. As in previous years, the agricultural budget was set by the Lower Chamber of the Congress well above the level proposed by the Calderon administration in its initial budget proposal. The increase also continues the trend of significant yearly increases in the amount of available resources.

Budget Year	Initial Approved Budget (billion pesos)	Percent Increase from previous year
2005	48.5	-
2006	51.0	3.3%
2007	58.5	14.7%
2008	64.4	10.1%
2009	70.7	9.8%

The budget outlines eight principal program areas through which the Secretariat of Agriculture will provide support to the agricultural sector:

- 1) PROCAMPO (16.8 billion pesos),
- 2) Program for the Acquisition of Productive Assets (13.3 billion pesos),
- 3) Program for Attention to Structural Problems (13.1 billion pesos),
- 4) Program for the Sustainable Use of Natural Resources in Primary Production (6.0 billion pesos),
- 5) Program of Support for the Farming, Fishery and Aquaculture Sectors (5.1 billion pesos),
- 6) Program for the Induction and Development of Financing for the Rural Sector (3.5 billion pesos),
- 7) Program of Support for Climatologic Contingencies (0.9 billion pesos), and
- 8) Program of Support for Participation in Rural Development (0.5 billion pesos).

Within the portion of the budget allocated to administrative spending, the most notable change was an 81-percent increase in funds for SAGARPA's National Service for Health, Food Safety and Agro-food Quality (SENASICA) which is responsible for sanitary and phytosanitary, food safety and import inspection issues.

In addition to the increased budget specifically designated for use by SAGARPA, the 2009 budget contains a significant increase in funding for all programs that fall under the GOM's Special Concurrent Program for Sustainable Rural Development, commonly known as PEC. The PEC contains not only SAGARPA initiatives, but specific programs designated for the rural sector from other Secretariats, including Social Development, Public Education, Environment, Agrarian Reform, and Treasury. Overall PEC funding was increased 15.6 percent in 2009, the second consecutive year with an increase of over 15 percent.

Budget Year	Initial Approved Budget (billion pesos)	Percent Increase from previous year
2005	145.9	-
2006	154.9	6.2%
2007	176.8	14.2%
2008	204.0	15.4%
2009	235.9	15.6%

¹ Defined by the GOM as programs under the Special Concurrent Program for Sustainable Rural Development