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Mexico

Dry Beans and White Corn Will Not Be Excluded From NAFTA

2003

Approved by:

William L. Brant

U.S. Embassy Mexico City

Prepared by:

Jorge Sánchez

Report Highlights:

On April 3, 2003, only a day after Secretary of the Economy (SE), Fernando Canales had released a document said he would consider excluding white corn and dry beans, Secretary of Agriculture, Javier Usabiaga categorically rejected the possibility that this would ever happen. However, Secretary Usabiaga promised to do the next best thing, initiate safeguard investigations.

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

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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

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Although Secretary Usabiaga refused to make a definite statement on the National Agricultural Pact's final release date, he stated "he hoped to God it was this week," and seemed optimistic about it being signed.

Secretary Usabiaga also clarified that the document submitted by the SE mentioned that the executive branch would arrange complimentary treaties to protect national production. Secretary Usabiaga pointed out, that nowhere in the documents does it state that this defense of white corn and dry beans would be outside of the NAFTA framework.

Additionally, Secretary Usabiaga stated that unless there was a surge in demand for either product, strict safeguards accompanied by high tariffs rate quotas (TRQs) should regulate imports. Secretary Usabiaga also promised to create programs and instruments to instill domestic production of white corn and dry beans.

In regards to NAFTA, Secretary Usabiaga stated that the GOM would exhort their commercial partners in diverse cooperation programs and promote complimentary treaties that benefit everyone and reduce market asymmetries with the rural sector.

The farming group National Farm Work Confederation (CNC) questioned Secretary Usabiaga about a 14 billion peso (US \$1.3 billion) transfusion into the rural countryside emergency fund that would be distributed to state governments as a production incentive.

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